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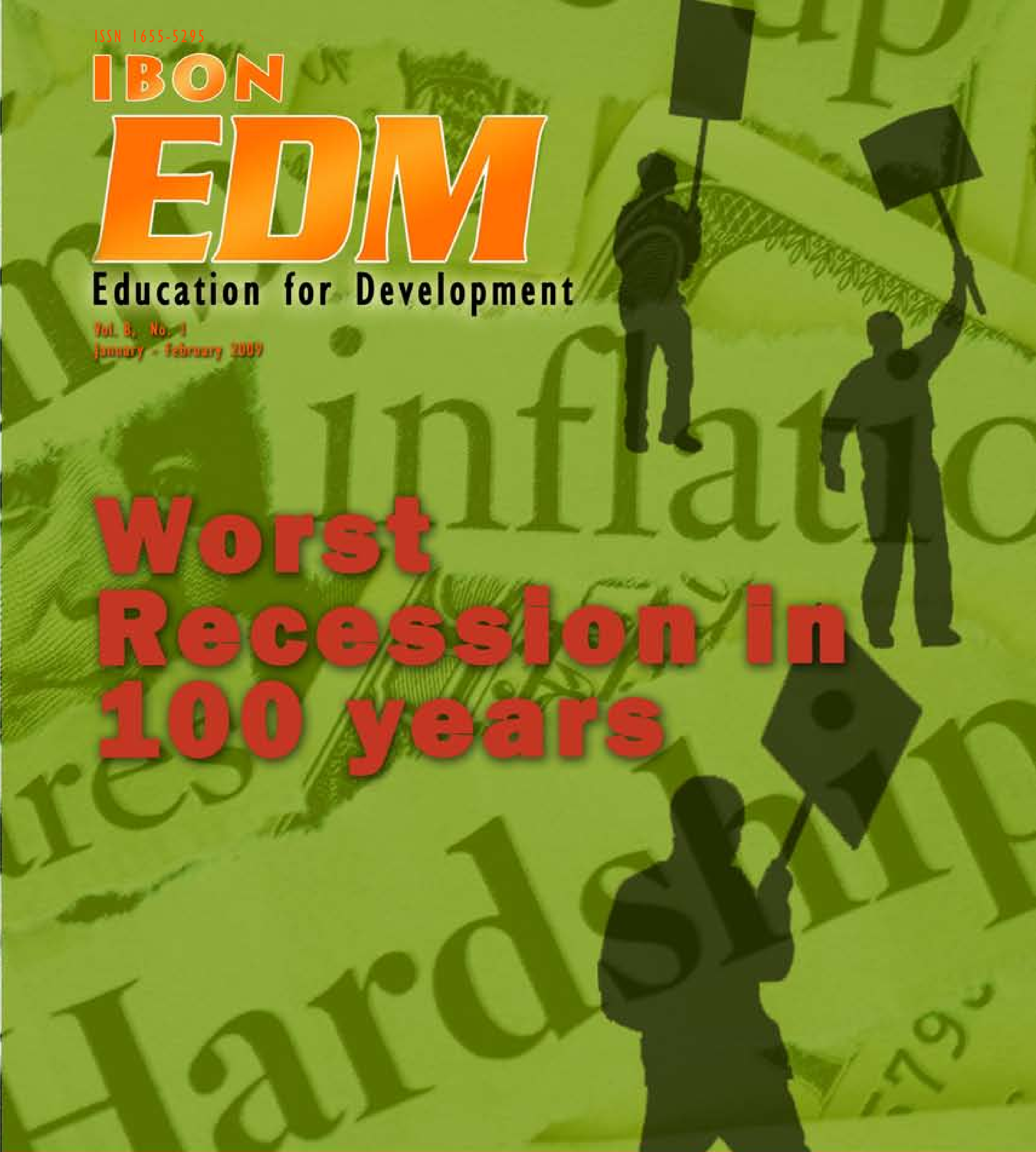

Worst Recession in 100 years

MASSIVE LAYOFFS SIGNAL GLOBAL DEPRESSION

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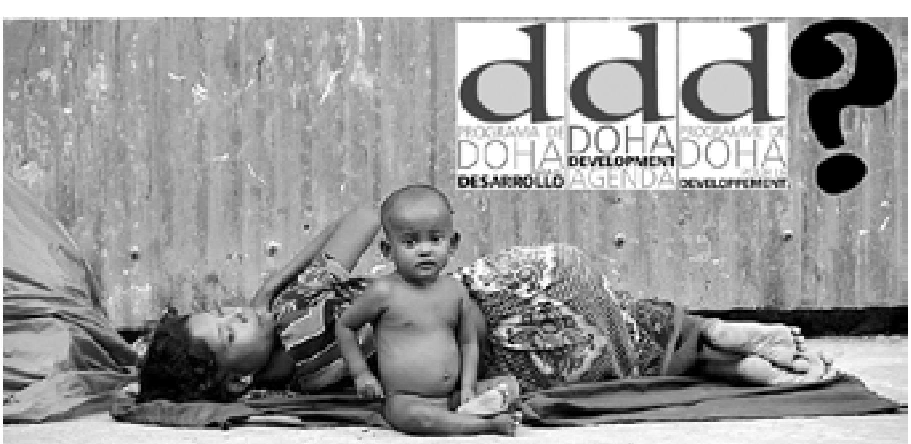

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WORST RECESSION IN 100 YEARS?

Martin Khor
Third World Network

A minister and close confidante of British premier Gordon Brown had warned that the current recession is worse than the 1930s Great Depression, while the US Congress passed a US$787bil stimulus package containing a strong protectionist element.

Britain premier Gordon Brown's closest economics advisor warned that the world is facing its worst recession in a hundred years, thus implying it will be worse than the Great Depression of the 1930s.

It was the bleakest scenario yet painted by a senior member of the Western establishment. And in this scenario, the effects of the recession will last 15 years.

The author of this is Ed Balls, one of Brown's closest allies and confidants. He is a senior minister in charge of schools, and for many years had he been the chief economic advisor of the UK Treasury, when Brown was Chancellor.

Speaking at a Labour Party conference in the first week of February, Balls said: "The reality is that this is becoming the most serious global recession for, I'm sure, over 100 years, as it will turn out."

He warned that events worldwide were moving at a "speed, pace and ferocity which none of us have seen before" and banks were losing cash on a "scale that nobody believed possible".

He admitted that financial regulators had failed, saying: "People are quite right to say that financial regulation wasn't tough enough in Britain and around the world, that regulators misunderstood and did not see the nature of the

Martin Khor is the Director of the Third World Network.
The above is an edited version of an article published in the Malaysian daily, the Star, 16 February 2009.
Third World Network is also accessible on the World Wide Web. Please visit our website at http://www.twnside.org.sg

risks of the dangers being run in our financial institutions – absolutely right."

He described the financial crisis as worse than the one in the 1930s and hinted that the far right could gain ground, as they did then.

"The economy is going to define our politics in this region and in Britain in the next year, the next five years, the next 10, and even the next 15 years," said Balls. "These are seismic events that are going to change the political landscape.

"I think this is a financial crisis more extreme and more serious than that of the 1930s, and we all remember how the politics of that era were shaped by the economy."

Balls' comments caused quite a lot of alarm because Brown had been trying to give the impression the government had things under control, even as bad news was emerging about big losses in banks, the latest being Lloyds.

There is speculation that Balls has inside information on how very bad the situation is, which the British government has not yet made known to the public.

The UK Financial Services Authority also gave a warning, but milder, that the recession "may be deeper and more prolonged than expected", and added that the global financial system had "suffered its greatest crisis in more than 70 years".

A meeting was held from 13-14 February in Rome attended by the finance ministers and Central Bank governors of the Group of Seven leading industrial countries to discuss the crisis.

Their statement at the end of the meeting did not contain anything new on measures to manage the crisis. News reports indicate that one major issue in the discussion was the need to prevent protectionist measures, since such measures in one country could lead to retaliation from others.

Accordingly, the statement pledged that "the G7 remains committed to avoiding protectionist measures, which would only exacerbate the downturn, to refraining from raising new barriers, and to working towards a quick and ambitious conclusion of the Doha round".

But while the G7 Ministers pledged to avoid protectionism, a few of their countries were in fact taking protectionist measures.

Meanwhile France announced bailout loans to its motorcar companies, and tied these to their maintaining production and jobs in France, thereby rousing anger from the Czech Republic which now fears that the French car companies' factories in the country may retrench workers or even close.

The bigger worry, however, is the US$787bill fiscal stimulus package passed by the US Congress on 13 February.

The bill, which was subsequently signed by President Barack Obama, stipulates that none of the funds appropriated may be used for public works projects "unless all of the iron, steel, and manufactured goods used in the project are produced in the United States".

When a draft of the bill containing this clause was made known, it led to protests from political leaders in Europe and Canada.

President Obama promised that the bill would be amended to avoid protectionism. The final bill adds this line: "This section shall be applied in a manner consistent with US obligations under international agreements."

This is taken to mean that the buy-American principle would not be implemented if it violates rules in the World Trade Organisation or in free trade agreements that the US has signed.

However, there is cold comfort in this because the WTO's multilateral rules do not forbid a country from having measures requiring that spending by the government on its projects should be on locally produced goods and services.

There is a plurilateral agreement on government procurement in the WTO that obliges those who are members to allow the imported products or services from other members to benefit from government spending.

The United States is a member of this agreement, thus it has to allow fellow members to bid for projects under its stimulus package. But there are only a few other members, and almost all of them are from developed countries.

Developing countries will thus not be able to profit much from the expanded government expenditure in the stimulus programme, since almost no developing country has signed the WTO's procurement agreement. **Third World Network Features**

International forum pushes radical measures to counter global economic crisis

IBON Europe

Amsterdam, 30 January – As corporate CEOs and heads of states gather in Davos, Switzerland for the World Economic Forum, an international panel of experts on political economy and a wide spectrum of civil society organizations gathered on Friday in Amsterdam, The Netherlands, to make heads out of the current global economic crisis and pointed to concrete and radical measures for building an alternative financial and economic system that works for the poor majority and the environment.

The international forum, "Global Financial and Economic Crisis: Roots and Consequences", struck clearly against the "neoliberal" language of the WEF, blaming private profit and "free market" not only for the present global economic and financial crisis but also for the deadly food crisis in the Third World, the energy crisis and the global climate crisis confronting the people of the world.

Summarizing the sentiments and aspirations of the forum participants, a common statement declared that radical changes in the political, social and economic systems have to be implemented, resulting in "priority given to the common good as opposed to private profit, environmental sustainability as opposed to the plunder of the world's resources, empowerment of the people as opposed to the monopoly of power by the few, and equality in the relations between nations."

Sharing the podium in the Amsterdam forum were Ellen Hodgson Brown, J.D. and Prof. William K. Tabb of the US, Prof. Jose Maria Sison of the Philippines, and Prof. Dr. Arnold Heertje of the Netherlands. Among those who participated in the forum were Dutch university students and representatives of civil society organizations such as IBON Europe, RESIST WTO, Both Ends, Peoples' Artists Network and the Centre D'appui aux Philippines (Canada).

Ellen Hodgson Brown, J.D. has done extensive research about cartels in the US pharmaceutical industry and about the US Federal Reserve and what she terms "the money trust". In her paper prepared for the forum, "The Global Financial Meltdown: Causes and Cures", Brown asserted that the banking system itself is the cause of the global financial crisis. "The banking system is collapsing because it can no longer cover up the shell game it has played for three centuries with other people's money."

Brown criticized the bail out of the private banking system, saying that "there is a better solution than throwing billions of taxpayer dollars at the banks". A more effective alternative, she said, is to simply create another credit system composed of a network of public banks which could "extend credit at low interest rates to consumers and at very low interest to local governments, drastically reducing the cost of public projects."

Speaking on the "Economic, Social and Political Consequences of the Current Financial Crisis in the Capitalist Countries", Prof. William K. Tabb emphasized that the situation is bad and getting worse. Among other indicators, he pointed out that the US stock market fell by 38% in 2008, but this was even less than the losses for the rest of the world's major stock markets where indices fell by 46%. "In Iceland," Prof. Tabb said, "the stock market lost 90% of its value in 2008."

"The present situation is the culmination of decades of neolibelarism, corporate globalization and financialization between 1995 and 2007," Prof. Tabb continued, "that reduced the share of income going to workers' wages but increased the share going to profits in three quarters of the world's nations."

Prof. Tabb, who teaches economics in the City University of New York and who has written extensively on corporate globalization and social justice, observed that "it is becoming clear to larger numbers of people globally that markets, the law, and the state are not neutral but serve those with the most influence and not the majority... Everywhere in Europe we are seeing the rise of an alternative politics of democratic socialism and of local participatory democracy in the growth of social movements."

Citing as examples the increased parliamentary clout of the Socialistische Partij (Socialist Party) in the Netherlands and Die Linke (The Left) party in Germany, Prof. Tabb said that "socialist parties are growing, new ones are being formed, and anti-capitalism (political) programs are gaining adherents... This very deep financial crisis we are experiencing may be a turning point in broad economic, social and political direction."

Prof. Jose Maria Sison, speaking on "What the people can and must do about the financial and economic crisis", clarified how the current grave crisis came about and how the poorest people of the world have been exploited and oppressed. He also pointed out "what the people can and must do, in terms of educating themselves, organizing and mobilizing themselves to bring about the necessary social change for the better."

Prof. Sison, a political refugee residing in the Netherlands, is the chairperson of the International League of Peoples' Struggle, a worldwide network of civil society organizations opposed to monopoly capitalism and "neoliberal globalization". He was founding chairman of the Communist Party of the Philippines in 1968 and currently the Chief Political Consultant of the National Democratic Front of the Philippines in peace negotiations with the Manila government.

Reflecting on the impact of the global economic crisis on the world's poorest peoples, Prof. Sison asserted that, "the broad masses of the people suffer from the crisis in terms of reduced employment and income, the deterioration of their living conditions and intensification of exploitation and oppression. The crisis has resulted in widespread social discontent and unrest... But there is ample ground and ample time for the working class, the mass organizations and the broad masses to strengthen themselves against the onslaughts of monopoly capitalism, and carry out social movements for basic social reforms in all countries and to wage revolutionary struggles in an ever increasing number of countries."

The discussions and debates during the forum brought up concrete proposals to confront the global crisis in the immediate and long terms. These included holding the finance and corporate officials of major capitalist countries accountable for causing one of the worst economic disasters in history; creating jobs through expanded public works, alternative green energy projects and social services; wage increases for the industrial workers and a larger share of the agricultural produce for the peasants and farm workers; increased public spending on rural infrastructure that directly improve peoples' livelihood; and drastic reduction in military spending and elimination of bureaucratic corruption.

The panelists and forum participants made a consensus of holding similar public meetings around the world to educate more working people about the root causes of the global financial crisis and what the people can do to confront the crisis.

NEWS

The economic folly of Charter Change

IBON Media

Cha-cha proponents argue that removing the Constitution's nationalist provisions is key to reviving foreign investment flows into the country. Yet this is a weak argument for an effort that is also about Pres. Arroyo's extension in power beyond 2010.

IBON Features—Amid lack of public consultation and accusations of railroading legislative processes, the committee on constitutional amendments in the House of Representatives approved this week the resolution filed by Speaker Prospero Nograles to amend the economic provisions in the Constitution.

Proponents of Charter change (Cha-cha) argue that removing the 1987 Constitution's nationalist provisions is key to reviving foreign investment flows into the country. Yet this is a weak argument for an effort that is moreover about Pres. Arroyo's extension in power beyond 2010.

There have been repeated efforts to remove dozens of nationalist and other progressive economic provisions of the 1987 Constitution since the 1990s. The main focus is on the charter's provisions on economic sovereignty beginning with the overall declarations of nationalist economic policy covering foreign economic relations and domestic policy thrusts (Art. II. Declaration of Principles, Sec. 7, 17, 19, 21).

Other targeted provisions to be amended include:

1. Restricting foreign ownership, the degree of their involvement in decision-making and the grounds for expropriation (Art. XII, Sec. 1, 10, 11, 17, 18, 19; Art. XIV, Sec. 4; Gen. Provisions, Sec. 11)

2. Regulating the exploration, development and use of the national patrimony and defining corresponding rights, privileges and concessions (Art. XII, Sec. 2; Art. XIII, Sec. 7, 8)
3. Giving preference to Filipinos and stating the responsibility to protect, encourage and promote Filipino economic activity (Art. XII, Sec. 12, 14)
4. Giving the state various powers by which to assert national sovereignty, specifically in terms of:

a. Regulating trade, monopolies, and other economic activity in the public interest and in favor of Filipinos (Art. XII, Sec. 1, 6, 12, 13, 19; Art. XIV, Sec. 12; General Provisions, Sec. 11);
b. Defining treaty-making powers (Art. VII, Sec. 21); and
c. Giving the Supreme Court the power to assert the constitution's nationalist provisions (Art. VIII, Sec. 4, 5).

The basic argument for amending these provisions is that the wholesale removal of all manner of protection and regulation of key domestic sectors will increase foreign direct investment (FDI) flows into the country and hence promote national development. Cha-cha proponents argue that strategic enterprises, natural resources, land ownership, public utilities, professions, education, mass media and advertising should be completely opened up to foreign capital. It seems that the mere presence of foreign capital is taken to mean that development is happening.

This argument however is very wrong. Foreign investment can play a role in domestic economic development only under very specific conditions and a liberal investment environment does not provide those conditions. This is proven by the experience of countries that have been able to use foreign investment to their benefit. It is also affirmed, unfortunately in a negative manner, by the poor experience of the Philippines with foreign investment.

Foreign investment = development?

Foreign investment is potentially useful, but a government seeking real development must set the terms for this because there is a conflict between the profits of transnational corporations (TNCs) and national development. National development priorities require monitoring, guidance and control of FDI. TNCs, on the other hand, want government intervention curtailed to give them freest play in the economy to extract and repatriate their profits.

FDI can have benefits and has costs. Theoretically, the benefits include the immediate jobs created, inflow of foreign capital, increased export earnings, increased production of goods and services, and technology transfer. The costs on the other hand are job losses from the displacement of local firms and stunted local industry, the outflow or domestic speculation of profits, royalties, stunted domestic accumulation, increased imports of capital, intermediate and consumer goods, loss of natural resources, and monopoly pricing of utilities and services for profit. The benefits would not be realized spontaneously while the costs are inevitable and intrinsic to TNC operations. Without intervention by a responsible state, the results will be overwhelmingly negative.

Economic sovereignty is critical to economic development. The unambiguous historical experience is that FDI must be strategically restricted and strictly controlled. This includes regulating TNC entry, establishment and their right to operate through equity and ownership restrictions, joint ventures, requiring local content and domestic reinvestment, demanding technology transfer, and others. These are vital policy tools to create linkages and benefits for the domestic economy. Sovereignty means "liberalizing" when ready to do so and on terms beneficial to the domestic economy.

This is the unambiguous lesson from the long historical experience of countries as diverse as: the United States (US), Germany and Japan in the 1900s-1950; South Korea and Taiwan in the 1960s-1980s; and China, Russia and Cuba during their periods of revolutionary change. An economy will only get net benefits if the state exercises its sovereignty over FDI and requires real technology transfers, controls the use and repatriation of profits, and applies local content and other performance requirements. Moreover, strict limits on foreign equity ownership are among the most important FDI-related measures.

FDI in the Philippines

The Philippine experience, on the other hand, provides a clear negative example. FDI has over the last two decades been granted extraordinary privileges and fiscal incentives by the Ramos, Estrada and Arroyo administrations. The net result is that foreign investors have been able to make their profits without any real contribution to domestic social and economic development.

The economic facts are straightforward. Increasing FDI has actually been accompanied by increasing unemployment, increasing labor export, falling real wages, shrinking manufacturing and more volatile growth. There have also not been any real increases in domestic capital formation or in government revenues which have increasingly relied on regressive taxes on personal consumption.

The cumulative stock of FDI has doubled from some US$10 billion in 1995 to US$19 billion in 2007. Inward FDI flows increased from being equivalent to less than one percent of gross fixed capital formation in the early 1980s to between 15%-18% in the last few years. FDI accounted for 56% of total approved investments in 2007 or P215.2 billion in FDI out of total approved investments worth P385.8 billion.

FDI supposedly goes towards building a strong productive economic base. However, there is nothing to indicate that all that FDI has contributed to creating a strong domestic economy able to create jobs on a sustainable basis. On the contrary, the number of jobless Filipinos has continued to rise, and the 2001-2008 period is already the worst eight-year period of recorded unemployment in the country's history. While jobs in export processing zones or special economic zones have been increasing, these have not been able to offset job losses and stunted industrial development elsewhere in the economy.

In short, foreign investment has been coming into the country but the supposed gains for economy and the people-- such as jobs, poverty reduction and industrialization-- are just not there. There are certainly other factors operating to explain these poor economic outcomes. But that is precisely the point: increasing foreign investment is not an end in itself. The country's stunted development is not due to the lack of foreign investment but because of the lack of real policies to strengthen the domestic economy.

Moreover, the losses to the economy from unrestrained foreign investor domination will be immense. Local enterprises and businesses, already reeling from decades of globalization, will be weakened further. The country's scarce mineral, forestry and fishery resources will be exploited with scant benefits for the local economy, while local communities will be dislocated.

The economic provisions of the charter should not and need not be changed to start developing the economy. They are tried and tested economic measures for development even if they have remained largely underused and even systematically subverted. At the same time, the country's experience with its liberal approach to foreign investment is clear: it has poured in but the domestic economy is still unable to generate substantial capital, job creation has been stunted, natural resources have been lost and no technology has been transferred. The Cha-cha effort, among other things, is about surrendering the last remaining legal barriers to foreign exploitation of the country's human and natural resources. **IBON Features**

Recession expels migrant workers worldwide

Supachai Panitchpakdi

DECEMBER 2008 (IPS) - As the global financial crisis evolves, more and more migrants will lose their jobs. Because migrants are a key component of the workforce in both developed and developing countries, addressing their plight is a major concern, writes Supachai Panitchpakdi, Secretary-General of the United Nations Conference on Trade and Development (UNCTAD).

In Europe, the latest data indicate that migrants working in construction and consumer services have been packing up and leaving in droves in the past few weeks. About half the one million Eastern Europeans who moved to the United Kingdom since 2004 have returned home as jobs in construction and related sectors dry up. In the United States, unemployment is at the highest level in 14 years, expected to reach 7%. It may surpass 11% before the end of the crisis. Not surprisingly, US officials report that illegal immigration is down 40% from 2005.

In China, factories are closing as export orders fall sharply. Nearly 10 million migrant workers have returned to their hometowns in the past six months. This will expand income inequality. This slowdown is spreading throughout Asia, as production supply chains are affected.

Number of poor Filipinos likely to rise by 4 million in 2009

IBON Foundation, Inc.

Using even the government's unrealistically low poverty line, the number of poor Filipinos will likely increase by 4 million this year from 2006, according to research group IBON Foundation.

This figure is based on a conservative estimate, said IBON research head Sonny Africa, since it merely assumes a continuation of trends in the 2003-2006 period. Gross domestic product (GDP) growth averaged 5.6% in 2004-2006, but the number of poor Filipinos according to the government's official low poverty line still increased by 3.8 million to 27.6 million in 2006. GDP growth will likely average even less than 5% in the 2007-2009 period, which means that poverty will possibly increase by at least 4 million poor Filipinos.

Africa added that growth has dropped steeply from 7.2% GDP growth in 2007, to 4.6% in 2008 and will likely be less than 3% this year. The real number of jobless Filipinos increased to 4.1 million in 2008 and will likely rise to some 5 million this year. The number of unemployed and underemployed Filipinos could then rise to at least 11 to 12 million in 2009.

Given the scale of the problem, the government's measures for supposedly dealing with the crisis are sorely lacking, he said. The alleged "pump-priming" 2009 national government budget is actually equivalent to just some 16% of the GDP, and is among the smallest in the last two-and-a-half decades. The size of the budget has been more or less continuously falling from a peak of 24% in 1990. The supposed "alternative livelihood" and "jobs placement" programs seem oblivious to the severity of global and domestic economic problems and the absence of jobs for millions of displaced workers. In any case, they are even very narrowly targeted at just newly-displaced workers and ignore the over 4 million workers who were unemployed even before the recent worsening of the crisis.

There is certainly a need for the government to undertake mitigating measures, said Africa. Because of the huge number of poor Filipinos, the mitigation measures have to reach the greatest number in the quickest manner possible. Among these are restoring real per capita social services spending to at least 1997 levels through an additional P246 billion for social services and removing the value-added tax (VAT) on food and oil products.

Over and above these measures, there needs to be a radical change in economic policies to strengthen the domestic economy and create jobs and livelihoods for millions of Filipinos, said Africa.

Philippine labor situation review

Massive layoffs signal GLOBAL DEPRESSION

Ecumenical Institute for Labor Education and Research, Inc.

The current deep recession that is expected to lead into a severe depression has began to kick into high gear in the Philippines in the first few weeks of the new year, portending worse things to come for the country's 36-million strong labor force. Despite the government's claims at "safeguarding" the workers "amidst the global storm", the people and the ordinary workers will evidently be made to bear the heaviest blows of the crisis.

From bad to worse

Disparities between the nominal and family living wages continue to widen. In the NCR alone where the family living wage is at P904 and the nominal wage including the cost of living allowances is at P382 last year , the wage gap is already pegged at P522 or a staggering 42.3% difference.

This difference entails a lowering of living standards through belt tightening measures. In fact, the National Statistical Coordination Board (NSCB) said that poor Filipino families spent less on food as high prices of food eats up more than 60 percent of their budget.

The crisis definitely exacerbates the chronic poverty afflicting most sections of the population. Hunger incidence reached a new record high according to the fourth quarter of 2008 report on hunger by the Social Weather Stations (SWS) placing the estimated number of hungry families to 4.3 million.

Not "business as usual"

In 2008, official government statistics pronounced slowdown in employment to 1.8% from 2.8% growth rate in 2007. Sectors of industry that which suffered the most were manufacturing, commodity and service exports. Overall industry sector employment fell by 1.5%, with the manufacturing subsector taking a heavy battering with an employment drop of 135,000 due to slowdown in exports.

"It is not business as usual", observed the labor secretary with the mounting layoffs. The National Wages and Productivity Commission (NWPC) said the crisis will have great impact on these sectors - information technology (IT), electronics and semiconductors, mining and even fruits and vegetables producers.

Texas Instruments, one of the world's biggest semiconductor manufacturers, has laid off 400 workers in December from its factory in the Baguio Economic Zone Authority (BEZA) due to the crisis. In the mining sector, 600 employees and contractors at the Berong nickel project in Palawan of the Toledo Mining Corp. (TMC) were laid off "on the presumption of an extended period of low demand and low nickel prices" due to the anticipation of prolonged recession.

Furniture exporters also have cut back on labor due to weakened demand in the US. In Mactan Economic Zone, Maithland Smith Ltd., a furniture company, and Taiyo Yuden Philippines, Inc. which produces cellular phones, also laid off workers.

Slowdowns and closures in garments factory in the Cavite Export Processing Zone were reported by the Solidarity of Cavite Workers (SCW).

Lafarge Cement Services and Cemex Philippines also laid off hundreds of workers, while Holcim Philippines Inc. in Misamis Oriental – another cement production firm - has reallocated its workers following the closure of a kiln due to the slowdown in the demand of the product.

Business process outsourcing (BPO) companies are also facing profit loss due to declining demand for subcontracted work. Advanced Contact Solutions (ACS), an Australian-based company was reported to have slashed 900 workers last year after losing a major US client.

Amkor Technology laid off all of its 3,000 contractual women workers in September 2008. Integrated Microelectronics Inc. (IMI), which previously employed 17,000 workers, also retrenched 3,000 contractual workers last December. IMI also implemented forced leaves to more than 1,000 regular workers in December 2008.

The Bureau of Labor and Employment Statistics pegged the unemployment rate for last year at 7.4% or 2.716 million. But IBON Foundation estimated that there were 4.1 million unemployed last year. With this underemployment figure, joblessness has worsened at 10.7 million.

Silent but ruthless repression

The Department of Labor and Employment dubbed 2008 as a historic milestone as it posted only 5 strikes – the lowest rate in seven years. Last year was boasted as a year of industrial peace but the reality underneath such "still waters" is very alarming.

The Center for Trade Union and Human Rights (CTUHR) recorded 211 new cases of trade union and human rights violations nationwide from January to November 2008. This is 23.7% higher than the 161 cases recorded in 2007. Almost half of these or 105 cases are violations to civil-political rights of workers including harassments, grave threats and killings of workers and labor advocates.

Three union leaders – Gerardo Cristobal of Samahan ng Manggagawa sa EMI-Yasaki-Independent, Maximo Baranda of Compostela Workers Association, and Rolando Antolihao of Global Fruits/ Lapanday Food Corporation were felled by bullets last year.

On the other hand, more than half or 106 cases are violation to economic, social and cultural rights of workers. Workers experienced ruthless attacks on their picket lines and peaceful collective actions.

A patent Martial Law tactic used by the Marcos dictatorship to quell labor unrest was recently revived. It involves the arbitrary arrest and filing of criminal cases against union leaders and advocates. About 12 cases were reported already including the illegal arrest of Atty. Remigio Saladero, legal counsel of the militant labor center Kilusang Mayo Uno (KMU) and

Executive Director of the Pro-Labor Center (PLACE). He is only one of 71 leaders of progressive organizations in Southern Tagalog – 13 of whom were union leaders and labor advocates – who were charged with various common crimes.

These trade union and human rights violations are meant to cripple the independent workers' movement. Its chilling effect certainly has contributed to the weakening of trade unionism in the Philippines, , with the organized private sector now being only at 10.54% of the total workforce.

More storms ahead

This year, more layoffs are expected in the electronics, garments and other export sectors. The BPO will continue to have jitters with regards to job retention. Accenture Manila was reported to have dropped hundreds of workers this month. Intel Corp.,a California-based and the first semiconductor firm established in the country, will shutter its Cavite factory, laying off 1,800 workers. This number will put the number of retrenched workers in the semiconductor industry due to the economic downturn to 5,000 workers.

About 40,000 workers in Calabarzon (Cavite, Laguna, Batangas, Rizal and Quezon) stand to lose their jobs by the first half of the year according to PAMANTIK-KMU, mostly from the electronics and car manufacturing industries in the export processing zone. Amkor Technology Inc. will lay off 2,000 regular workforce by February. Workers of Samsung, Yazaki, F-Tech, Fujitsu, NEC, TDK, and Matsushita will also face layoff in the first quarter.

In Calabarzon, car manufacturing companies affected by the global financial crisis implemented compressed work week and other schemes that would likely lead to retrenchments.

Starting January, Toyota Motor Philippines implemented a Monday-no-production day and will "temporarily" get rid of its 500 contractuals and on-the-job trainees (OJT) by March. Nissan retrenched 40 regulars in December 2008. The company will retrench 70 more workers in February. Keihin-Philippines plans to implement a four-day work month this February. Ford now maintains only 18 employees out of the previously 400 workforce. Isuzu-Philippines will soon follow the footsteps of its mother company, which displaced 30,000 Japanese employees.

Ford RP unit is open to lay-off options if the "industry continues its decline".

Flexible work such as compressed work-week, contractualization and other flexible measures will be employed. The labor department approximates that at least 19, 000 workers are now covered by various cost-cutting measures such as reduced work-weeks, work hours or operations.

More taxes will be imposed by the government and the poor will definitely be forced to carry the burden. No wage hike will be given to the workers so that their families can weather out the current crisis in a reasonably humane way.

There is doubt that the government can meet its target creation of three million jobs this year. Even the seemingly rock-solid option of relying on labor export will be squeezed as OFWs continue to lose jobs abroad. Some 60,000 OFWs face the prospect of job loss by the first quarter of 2009.

The way forward

Despite the government's claims at "safeguarding" the workers "amidst the global storm", the people and the ordinary workers will evidently be made to bear the brunt of the crisis. But, safeguarding workers' welfare amid the crisis should be concrete – such as through wage hikes and price controls – which could soften the shock on dwindling incomes and falling living standards. A serious evaluation of the job generation scheme of the government should also be made to refocus the country to national industrialization, which would push economic capacity and accelerate jobs creation .

Safeguarding workers' welfare are also being consciously advanced by the workers themselves. In a landmark victory in 2008, women workers of Bleustar Manufacturing and Marketing Corporation (BMMC), maker of Advan shoes, have struggled against sexual harassment in the workplace and for better working conditions through building their union. Through a strike, they have asserted their rights. Workers of the Kowloon Restaurant along West Avenue in Quezon City were able to secured an initial victory after four months of strike. The National Labor Relations Commission, in its decision dated December 22 ordered the reinstatement of all dismissed workers with full back wages.

Amidst the rising storm of a global economic depression unprecedented since the 1930s, only the workers' own concerted actions to better their lot offer any glimmer of hope. The following years will certainly be a landmark of sorts in the history of workers' struggles not only in the Philippines, but also in other parts of the globe.

Unemployment to increase dramatically due to economic crisis

Kanaga Raja
Third World Network Features

The employment outlook for the year is grim as the global economic crisis kicks in.

The global economic crisis is expected to lead to a dramatic increase in the number of people joining the ranks of the unemployed, working poor and those in vulnerable employment, the International Labour Office (ILO) warned on Wednesday.

In its report "Global Employment Trends 2009", the ILO said that based on new developments in the labour market and depending on the timeliness and effectiveness of recovery efforts, global unemployment in 2009 could increase by a range of 18 million to 30 million workers in comparison with 2007, and more than 50 million if the situation continues to deteriorate.

ILO's Director-General Juan Somavia said this assessment "is realistic, not alarmist... but we have to assume clearly that we are now facing a global jobs crisis."

"Many governments are aware and acting, but we feel that much more decisive and coordinated international action is needed to avert a global social recession. We are seeing progress in poverty reduction unraveling and [the] middle-class worldwide weakening. The political and security implications of this are daunting," he said.

The report said that the labour market outlook for 2009 depends on the effectiveness of coordinated government measures, and the time it will take for the global economy to find a path toward sustainable and socially equitable growth.

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Given these uncertainties, the report presents three scenarios for labour markets in developed and developing economies.

According to the report, the first scenario projects unemployment using the revised economic outlook published by the IMF (International Monetary Fund) in November 2008 and based on the relationship between economic growth and unemployment during 1991-2008.

According to the IMF, global economic growth will slow down to 2.2% in 2009. In the Developed Economies and European Union, economic growth is projected to be negative (-0.3%), and all other regions are also expected to slow down considerably.

Based on current labour market trends, the first scenario would mean that the global unemployment rate may rise to 6.1% in 2009, and 198 million people will be unemployed. This is an increase of 18 million over the estimated number of unemployed in 2007.

The report noted that the IMF announced in December 2008 that it is likely to revise its global forecast for 2009 downward again in January 2009. In other words, global economic growth in 2009 is likely to fall below the 2.2% that was forecast in November 2008, and the first scenario can best be seen as an "optimistic" baseline scenario.

The report said that the second scenario is based on the historical relationship between economic growth and unemployment at times of economic crises. In this scenario, the negative impact on unemployment is taken in each country at the time of the largest year-on-year drop in GDP, and this relationship is used to project global and regional unemployment for 2009.

This scenario becomes more realistic if the economic outlook would deteriorate beyond what was envisaged in November 2008, as it takes more time for financial markets to stabilize, for government interventions to have a positive impact, and for business and consumer confidence to be restored.

According to the second scenario, the global unemployment rate would rise to 6.5%, an increase of 0.8 percentage points over 2007. This would correspond to an increase of the global number of unemployed by 30 million people in comparison with 2007.

The largest negative impact on the unemployment rate is seen in the Developed Economies and the European Union, where the unemployment rate would rise to 7.1%. This rate translates into an additional 7 million people in 2009 over 2007 in this group of economies, two million more than in the first scenario.

According to the ILO, in the third scenario, the unemployment rate is projected in each country as the rate in 2008 plus the largest change in unemployment since 1991 in the Developed Economies and the European Union and half of the largest increase in economies in other regions. In other words, the scenario shows what would happen if the worst impact on the unemployment rate would repeat itself simultaneously in all developed economies.

The rationale for taking half of the worst impact in economies in other regions is that in developing economies, the main impact of the current crisis is not necessarily reflected in the unemployment rate. The impact as captured in the vulnerable employment rate and changes in working poverty may be equally important, said the report.

According to the third scenario, the global unemployment rate would rise to 7.1%, an increase by 1.4 percentage points over 2007. In the Developed Economies and the European Union, the unemployment would rise to 7.9%. This would correspond to an increase in the global number of unemployed of 51 million people in comparison with 2007.

The report also made projections for the working poor (people who are unable to earn enough to lift themselves and their families above the $1.25 or $2 per person, per day, poverty line) and people in vulnerable employment (either contributing family workers or own-account workers who are less likely to benefit from safety nets that guard against loss of incomes during economic hardship).

It said that a projection of trends according to the first scenario would result in a decrease of

the extreme working poverty rate (at $1.25 per person, per day). By 2009, the decrease would amount to 1.8 percentage points in comparison with 2007, ranging from a strong decrease by 3.9 percentage points in East Asia to decreases by 0.5 points in the Middle East as well as in Central and South Eastern Europe (non-EU) & CIS (Commonwealth of Independent States).

In the other two scenarios, the extreme working poverty rate would rise in both 2008 and 2009, in the third scenario by 6.1 percentage points in comparison with 2007. According to the latter scenario, South Asia is among the regions with the largest increase in extreme working poverty, more than 13 percentage points over 2007, which translates into 95 million people. This reflects the large number of workers just above the poverty line in this region. Globally, this number would amount to 203 million.

Using similar scenarios as for extreme working poverty, the scenarios for working poverty at $2 a day show possibilities ranging from a decrease by 2.1 percentage points at the global level in 2009 if past trends would have continued, to an increase by 4.8 points in the third scenario. In the second scenario, working poverty in East Asia would still decrease, which reflects the strong economic growth in this region in all scenarios. The largest increases in working poverty according to the third scenario can be seen in South-East Asia and the Pacific and in North Africa.

On the development of vulnerable employment, the report noted that the projection of the global vulnerable employment rate according to the first scenario would result in a vulnerable employment rate just below 50% of the employed in 2008. According to the first scenario, the vulnerable employment rate would show a further decrease in 2009 to 48.9%, which is 1.7 percentage points below the rate in the 2007. "It is however expected that, in the light of recent economic developments, this trend will not materialize," said the report.

In the second scenario, the vulnerable employment rate would still fall in 2009, but by only 0.6 percentage points, bringing it to exactly half of the employed in 2009. The third scenario suggests a strong rise in the proportion of persons in vulnerable employment in both 2008 and 2009. According to this scenario, the vulnerable employment rate would rise to 52.6% in 2008, and the number of people in vulnerable employment would rise by 84 million to almost 1.6 billion in 2008.

The report also highlighted recent developments in the global labour market. It noted that after four consecutive years of decreases, the global unemployment rate increased from 5.7% in 2007 to 6.0% in 2008, rising for men to 5.8% and for women to 6.3%. The ranks of the unemployed increased by 10.7 million people between 2007 and 2008, which is the largest year-on-year increase since 1998. The global number of unemployed in 2008 is estimated at 190 million, out of which 109 million are men and 81 million are women.

The global number of unemployed youth increased to 76 million, and the youth unemployment rate has increased by 0.4 percentage points in 2008. Given the current economic downturn, the youth labour market situation is all the more worrisome in view of the lack of progress in addressing youth labour market issues during more prosperous years, said the report.

In 2008, roughly 3 billion people around the world were employed, a growth rate of about 1.3% over the previous year, which is low in comparison with an annual average growth rate of 1.6% during the past ten years, and in line with the lower economic growth rate in 2008.

The distribution of employment creation by region shows that the three Asian regions -- South Asia, South-East Asia and the Pacific, and East Asia -- account for 57% of global employment creation in 2008.

Region-wise, the report noted that in 2008, North Africa and the Middle East still had the highest unemployment rates at 10.3% and 9.4% respectively, followed by Central and South Eastern Europe (non-EU) and CIS at 8.8%, sub-Saharan Africa at 7.9% and Latin America at 7.3%.

The lowest unemployment rate was once again observed in East Asia at 3.8%, followed by South Asia and South-East Asia and the Pacific, where respectively 5.4% and 5.7% of the labour force was unemployed in 2008.

In conclusion, the report said that there is a strong consensus among observers that the crisis will get worse in 2009 before it gets better. While the risk of a total systemic financial meltdown has been somewhat reduced by the actions of the G-7 and other economies to backstop their financial systems and provide economic stimulus, severe vulnerabilities remain.

It is likely that the credit crunch will get worse as de-leveraging by major institutions and the household sector continues. Further declines in trade, flows of foreign direct investment and remittances will affect labour markets and employment.

The unprecedented economic stimulus packages announced by governments will take time to have an effect on economic growth and employment. The recent turmoil has presented a new set of challenges to most if not all regions of the world by rendering the achievement of a path toward sustainable and socially equitable growth and decent work for all increasingly more difficult. **Third World Network Features**

Power plays: Reviving the opposition to the Bataan Nuclear Power Plant

Dr. Giovanni Tapang
AGHAM National Chairperson
Spokesperson, Network Opposed to the BNPP Revival

Thirty three years after the EDSA I People Power Revolution, hundreds of militant activists from Manila once again held a protest caravan against the revival of Bataan Nuclear Power Plant (BNPP), a project of the ousted dictator Ferdinand Marcos. Church people, environmentalists, scientists, health professionals and women joined the caravan which was organized by the multi-sectoral alliance NO to BNPP Revival.

The BNPP is a not only a monument of folly but also a symbol of corruption during the dictatorship of President Marcos. The struggle of the people against the nuclear plant then has contributed to expose the blatant corruption and fraud during Marcos regime. These protests added to the widening discontent during the period which also led to the ouster of the dicator's regime. Now, we face a similar situation where the plant is being revived under a more corrupt and fraudulent administration.

The Bataan Nuclear Power Plant was designed to deliver 620 Megawatts of electricity (MW) to the power grid. When it was shutdown and mothballed during the Aquino regime, no replacement was made to replace the loss. When the brownouts of the 1990s came, government's solution was short sighted: ask private sector to build the plants. We entered contracts with various independent power producers. These contracts included one-sided take-or-pay provisions that was billed under the infamous purchased power agreements (PPA) in our electricity rates.

The end result was an oversupply of electric power but at rates higher than the cost to generate the electricity and run the plant. When the PPA overshoot the basic charge in our bills, consumers took to the streets to protest and

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President Arroyo ordered the National Power Corporation (NPC) to suspend the collection of their PPA. This caused losses for the NPC until they brought the PPA back later.

Following the Electric Power Industry Reform Act (EPIRA), government policy is to sell all the power plants under the NPC, partly to relieve it from its losses due to the PPA suspension and to complete the privatization and liberalization of the local power industry. Yet for nearly eight years, what EPIRA accomplished was to raise our electricity rates to around ten pesos per kilowatt hour and tie government's capability to move on its own to stabilize our power supply situation. It left the initiative to build plants to the private sector and foreign investors despite the obvious need for strategic power supply availability.

Power gap?

Congressman Mark Cojuangco of Pangasinan introduced a bill for the immediate re-commissioning of the Bataan Nuclear Power Plant (BNPP) ostensibly to address the looming power crisis in 2012 as well as to contribute to the mitigation of carbon dioxide emissions to combat climate change. Yet even with these two premises, the revival of the BNPP is unnecessary and will only add to the economic burden that Filipinos are already carrying.

Reopening the BNPP is supposed to address a looming "three thousand megawatt shortage in the nation's electric generating capacity projected to happen 2012" as well as to reduce electricity prices.If we look at figures from the various updates of the Philippine Energy Plan from the Department of Energy website, the projected shortage in 2012 can be addressed by building geothermal, hydro power, natural gas, wind, solar and coal plants even without the operation of the nuclear plant in Bataan. This is only if the government builds the necessary indicative capacity additions and develop and upgrade exisiting power plants.

These indicative capacity additions can yield around 2534 – 3000 MW, enough to address the gap in 2012 if only government commits to finance the new plants and develop and upgrade exisiting power plants. Yet it is government's refusal to shoulder the cost of building new power plants and leaving this task to private industry that is partly to blame for the projected shortage.

If the House is indeed serious about addressing the power shortage, then the projected cost of 1 billion US dollars for the nuclear plant's rehabilitation could have funded part of the required investments under the Philippine Energy Plan. Instead of waiting for a foreign investor to do it for us, government should build and rehabilitate power plants and stop the sale of these power assets to private independent power producers (IPPs). They should repeal the EPIRA and seriously fund power generation that would consider local and national interest.

Instead of mulling over the reopening of the Bataan nuclear power plant, the Philippines should develop and tap the many available energy resources from hydropower, geothermal, natural gas, wind and solar. These have been all put to sale by the government to private independent power producers (IPPs). It seems that the government now plans to run the BNPP only to ask foreign operators to take over it later.

Nuclear Tax

The proposed bill would pass on the cost of the BNPP to ordinary consumers as a de facto nuclear tax of P0.10 per kilowatt hour of the total electric power generated in the country for the first five years of the plant's operation. Furthermore, a P 0.141 per kilowatt hour will be set aside for the decomissioning and waste disposal during the whole operational lifetime of the plant.

How much would this cost you and me? According to figures from the DOE website, the total electric power sales in 2007 is 48,009 GigaWatt hours (1,000,000,000 or billion watt-hour) or 48,009 million kilowatt hours. This translates to a nuclear tax of around 4 billion pesos per year or 100 M USD per year to be imposed on electric consumers. For five years, the total would be 20 billion pesos.

That would mean an extra 10 centavos per kwh extra on your electric bill. If one consumes 300 kwh per month, you would have to pay an additional of 30 pesos (no VAT yet) per month for that nuclear tax or a total of 1800 pesos for five years. The remaining 500 Million USD balance from the projected cost is to be obtained by entering into international or domestic loan agreements. Despite this cap on a billion dollars for the combined surcharge and loan, delays and interest repayments can drive this higher and become a new burden for the Filipino people.

The remaining 14.1 centavos to be set aside for decomissioning and waste disposal will run up to nearly 60 billion pesos for a 30 year lifetime of the plant. NPC either will absorb decomissioning costs and add to its increasing deficit or pass it on to us as part of our generation rate .

All in all, for a 300 kWh household per month, the nuclear tax for rehabilitation, decomissioning, and waste disposal will add up to an additional 58 pesos per month. Include the value added tax, this would be 65 pesos per month on top of the usual bill you get. That is 65 pesos too much for most consumers.

In addition, the projected peak demand for 2012 should be recomputed to include the effects of the global economic crisis and recession. According to IBON Foundation, GDP growth in 2009 is expected to be only half or even less than that in 2007. This would be the slowest growth since 2001. Adjusting for such growth, the projected "gap" will only amount to 169 MW in 2012. This gap can be addressed by a few new power plants.

The remaining 500 Million USD balance from the projected one billion dollar cost is to be obtained by entering into international or domestic loan agreements. Despite this cap on a billion dollars for the combined surcharge and loan, delays and interest repayments can drive this higher and become a new burden for the Filipino people.

Carbon-free?

The proposed bill writes that the use of the BNPP to generate electricity is intended "as proactive action in addressing the ever worsening global warming and carbon emissions issue."

Even this promise of the nuclear plant being a solution to address climate change is questionable since the processed nuclear fuel has used embedded carbon in its processing even before it has been used. According to a feature in Nature Reports (doi:10.1038/climate.2008. 99), the life cycle carbon emissions of a nuclear plant can range from a low of 1.4 grams of carbon dioxide equivalent per kWh produced up to a high of 288 grams. The article points out that the reasonable average, 66 grams per kilowatt hour, is still twice as much carbon than solar photovoltaic and six times as much than the carbon emissions produced by wind farms.

Overall, the "proactive" impact of the BNPP's operation on global reductions on climate change would be very minimal as the Philippines is not a top producer of greenhouse gases and energy production is second only to transportation in terms of emissions in our country. Although the risks associated with climate change is real and immense, the present power plant in Bataan is not without any risk as well.

Safety issues

While the proponents of the move to recommission the plant are enthusiastic about the supposed benefits of having a running nuclear facility, the economic, technical and social aspects of the plant's operation should be addressed fully and to the satisfaction not only of the experts but of the nearby communities as well before even considering turning on the plant.

Every pipe, every component, equipment and systems has to be inspected by a competent independent team. Each seal has to be tested if it is still viable and a thoroughgoing test of the plant's structural integrity should be done. The Korean Electric Power Company (KEPCO) has volunteered to do a preliminary study on reopening the plant since they operate a similar plant

in South Korea.

However, leaving the preliminary inspection to interested parties such as KEPCO is questionable since they have an interest in pushing for the reopening of the plant. The national government, according to the pending bill in Congress, would be hiring foreign nationals to operate the plant in the absence of local skilled workers and engineers. The study that KEPCO will make would also be its foothold in the management contract that would follow the reopening of the plant.

We should approach KEPCO's report in this light. Even the International Atomic Energy Agency in news reports has cautioned the Philippines not to let "commercial interests take precedence over safety issues" when considering the revival of delayed nuclear plants.

Other issues regarding the safety of the site as well as the plant have already been amplified by other oppositors including geologist Dr. Kelvin Rodolfo. He clearly pointed out the danger of Mount Natib and possible faults in the area. Passing this bill would make the operation of the BNPP a fait accompli despite absence of studies on the actual safety of the plant after 20 years of non-operation, on its site location and its long term economic viability. The BNPP has been shown to be defective according to the Puno Commission, the Senate Ad-Hoc Committee on the BNPP and other studies. It's partner plant in Brazil has a spotty record in delivering power. There are numerous and significant arguments being raised with regards to geologic hazards, infrastructure integrity, and nuclear waste storage and disposal. Its operation will pose great risks to the health and lives of the people and the environment.

The national government, according to the pending Congressional bill, would be hiring foreign nationals to operate the plant in the absence of local skilled workers and engineers for ten years. The study that KEPCO will make would also be its foothold in the management contract that would follow the reopening of the plant. Even the International Atomic Energy Agency (IAEA) in news reports has cautioned the Philippines not to let "commercial interests take precedence over safety issues" when considering the revival of delayed nuclear plants.

Government has a poor record on regulation and enforcement of environmental laws. If we are to look at recent environmental accidents in the Philippines such as the Rapu-Rapu mine spill, the Marinduque Copper spill and the like involved poor regulation and enforcement by the concerned agencies of government. Furthermore, the Philippine Nuclear Research

Institute has to be retooled into a nuclear regulatory commission that should have the interest of the community and the people foremost in their mandate.

Viable Alternatives

Indigenous and renewable energy sources can help a lot in the growth of our country in building local industry and developing our agriculture in rural areas. We have the 3.3 trillion cubic feet of proven natural gas reserves in Malampaya off in Palawan. We are number one in the world per capita in geothermal power usage. We need to develop and expand geothermal and hydropower to supply baseload capacity in our energy mix as well as funding and developing energy-storage solutions that can compensate for the disadvantages of wind and solar power. These projects should take into account the welfare of the community where the power plants will be built and operated.

Biodiesel and other alternative fuels should be developed in view of the long term problems and concerns of the country. The current oil monopoly and control of a few companies, the current land monopoly and control of a few landlords, and the mainly export-oriented nature of production in our country are major stumbling blocks to the benefits of these alternatives.

Public utilities are services that are used by the people in their daily activities and economic production. These are power, water, fuel, transportation and telecommunications services. Limited access to these services would introduce additional difficulties that can be eased or facilitated by the use of the services provided by said utilities.

The nationalization of public utilities is important since it these public utilities are strategic in nature to the development of the country. It provides the necessary infrastructure and support to the people's daily activities and industrial growth. If these industries are left to foreign monopoly capital, whose interest is to recoup their investment and rake in profits--- we would lose quality of service, an unending increase in utility costs and our national interest will not be addressed.

A government serious in developing our economy and desirous to ensure the welfare of the people should provide the necessary infrastructure and affordable services for them. It ensures that public utilities are part of the basic industries it builds and not hope for foreign investors to do it for the government.

Sadly, these will not be carried out by a government that wants to sell our national patrimony, allows foreign control of vital utilities, and is uninterested in genuine industrial development such as the current one in Malacanang.

Government must deal with the genuine concerns of the community surrounding the BNPP as well as the general public. As nuclear power is not without any risk, there should be a serious evaluation as to the sustainability of operating the BNPP: how the economic, technical and social factors add up and whether this will be of genuine benefit to the people.

Passing this bill would make the operation of the BNPP a *fait accompli* despite the absence of studies on the actual safety of the plant after 20 years of non-operation, on its site location, its long term economic viability with regard to the risks associated with the plant.

The MASSACRE in Palestine and the threat of a wider war

Shamus Cooke
Global Research

Yet another Israeli led and U.S. backed massacre is taking place as the world watches in horror. The western media, is desperately trying to peddle the puny rockets of Hamas as bullying, does journalistic back flips in avoiding the utter carnage brought down by the much more powerful –U.S. made and paid for—Israeli missiles.

In an effort to target Hamas, the Israeli military has massively bombed over 300 sites and counting, including a five story building that was demolished at a university campus. As of this writing, 391 Palestinians have been officially counted as dead with nearly 2000 wounded. The number of dead is certainly undercounted, as bodies still lie under mountains of rubble (the number of dead Israelis is five). To say that only "Hamas militants" are being targeted is a most shameful lie.

The truth is, if one is to target Hamas specifically, the Gaza population in general must be attacked, since they offer Hamas not only wide support, but attend Hamas-financed schools, mosques, health clinics, and soup kitchens.

This fact led to the above mentioned bombing at the university. Hamas is not simply an Islamic parliamentary body but a nationalist political organization with a large social service apparatus with close ties to the majority of people in the region.

On November 4, while much of the world watched Barack Obama's victory celebration, Israel used this distraction to break the ceasefire between itself and Hamas by bombing the Gaza strip. Israel claimed this violation of the ceasefire was to prevent Hamas from digging tunnels into Israeli territory.

The very next day, Israel launched a terrorizing siege of Gaza, cutting off food, fuel, medical supplies and other necessities in an attempt to

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"subdue" the Palestinians while at the same time engaging in armed incursions.

In response, Hamas and others in Gaza again resorted to firing crude, homemade, and mainly inaccurate rockets into Israel. During the past seven years, these rockets have been responsible for the deaths of 17 Israelis. Over the same time span, Israeli Blitzkrieg assaults have killed thousands of Palestinians, drawing worldwide protest but falling on deaf ears at the UN

Hamas' recourse to rockets represents acts of desperation, which unfortunately— due to their arbitrary character— help Israeli citizens cling to their right-wing Zionist government for protection.

The outrage produced by the occupation and now destruction of the Palestinian society, combined with the continued savagery of the Israeli government, make the Middle East an especially combustible area. .

The U.S. puppet dictator in Egypt, Mubarak, is making his already-shaky regime less popular by his role in the conflict, by manning the tightly sealed Israeli border with machine gunners to force back terrified Palestinians.

The king of Jordan, Abdullah, yet another U.S. financed tyrant, resides over a population deeply sympathetic to the Palestinians, but did all that his bosses in Washington would allow him to do— nothing.

The whole Middle East is brewing with resentment in hatred with this action, putting pressure on strained U.S. puppet dictators across the region, such as the recently formed one in Iraq.

Not only are the Middle East client states in danger of disintegration, but Israel is capable of expanding the conflict, as the western corporate media openly talks about Hamas' "enablers" in Lebanon and Iran. Much attention is being focused on not only Hezbollah's open support of the Palestinians, but on Iranian religious leader, Ayatollah Khamenei, who "decreed" that all Muslims have an obligation to defend the Palestinians.

Now, accusations are being made that Iran, Hezbollah, and even China have supplied Hamas with more "sophisticated" missiles.

The undeniable logic here is that Israel would be justified in attacking these countries if they were found — or suspected of — supplying Hamas with weapons or other support useful in a war setting.

It must also be noted that the current Israeli military operation was not a spontaneous act, but the result of months of planning, since the level of targets being fired upon requires substantial intelligence gathering. The planning involved was revealed by Israel's Prime Minister, Ehud Olmert, who called the bombing campaign the "first of several stages" in operation "Cast Iron". A rejected ceasefire and the continuing swell of ground troops ready to invade on the border could intensify the slaughter.

It is undeniable that Israel's allies, most importantly the U.S., were fully aware of the invasion beforehand, but also of the destabilizing effects it would have on the entire region at a time when the Middle East — thanks to the U.S. and Israeli — needs only a spark to ignite. It is possible that the current conflict will provide Israel with the pretext it has needed to finally attack Iran, since government officials have not been shy in discussing the idea before operation Cast Iron began.

The very real possibility of a wider Middle East war — itself capable of drawing in the world — receives no comment from Barack Obama, who also must have known about Israel's plans beforehand. Other leading Democrats simply cheer-leaded the Israeli advance while sternly lecturing the Palestinians.

This reaction of the Democrats comes not from some underground Zionist conspiracy, but the very profitable service Israel provides to U.S. corporations, by providing "stability" to the region — through state terror — so that U.S. businesses can continue to dominate the region.

In exchange, the Israeli ruling class receives not only huge subsidies from the U.S. — in the form of weapons of mass destruction and cash — but is enabled to use the constant threat of war to terrorize its native working class into submission.

This grossly irrational-appearing relationship between the U.S. and Israel has a solid, logical core: that of the profit motive inherent in a capitalist economy and the oil needed to lubricate it. So that U.S. corporations may dominate the Middle East, competing corporations elsewhere need to be scared away, while native populations need to be terrorized into obedience.

The basis on which to end this war requires mass protests, demanding that billions of dollars of U.S. aid to Israel cease, combined with a deeper understanding of the causes of imperialism and war.

World crisis serious,
impact on the Philippines, severe - economist

Ronalyn V. Olea
Bulatlat

"The seriousness of this crisis is such that we cannot expect any solution within the system and certainly not from the US administration, certainly not from the G-20 because within that group, except for a couple of exceptions, is the dominant Washington consensus of the neoliberal agenda, " said Michel Chossudovsky, a progressive economist and academician. "In the Philippines, this crisis will be extremely severe because it is imposed upon an existing situation…of dependency, lack of sovereignty, crisis of the real economy, and poverty of the large majority of the population."

Debunking claims of financial analysts, a scholar asserted that the global economic crisis is a result of financial manipulation. Michel Chossudovsky, director of the Centre for Research on Globalization, also said that the current proposed solutions to the crisis will ultimately fail.

In a forum entitled "Global Financial and Economic Crisis: Exposing Capitalism, Looking for Alternatives" held February 10 at the Asian Center of the University of the Philippines in Diliman, Chossudovsky, said, "We are at the crossroads of the most serious crisis of our history. Its comparison is with the Great Depression of the 1930s… we are really dealing with the first major global economic crisis."

The forum is part of the two-day lecture of Chossudovsky organized by the Bagong Alyansang Makabayan, Ibon Foundation and RESIST!.

Michel Chossudovsky delivers a scathing criticism of US' neoliberal policies in a forum held at the University of the Philippines in Diliman. (Photo by Raymund Villanueva)

Chossudovsky has taught at universities and academic institutions in North America, Western Europe, Latin America, Asia and the Pacific. He is currently teaching in the International Development and Globalization Studies Program at the University of Ottawa.

He is the author of several international best sellers including The Globalization of Poverty and the New World Order (2003) and America's "War on Terrorism" (2005) and more than 500 articles. His writings have been translated into more than 25 languages.

Chossudovsky said, "We must understand that it's not a spontaneous downturn as some financial analysts suggested that this is some kind of downturn of a business cycle and it goes up again. This crisis is a result of financial manipulation. It is the result of derivative exposure, the use of very complex speculative instruments which have the capacity of moving markets up and down."

Neoliberal policies

Chossudovsky said that in Southeast Asia and the Philippines, this crisis takes its roots in the debt crisis of the 1980s. "It is a continuum but at the same time there are sub-stages which have led up to the meltdown of the global financial markets."

He said that 1980s is the beginning of neoliberal economic policies which led to the Western countries' restructuring of the State, the phasing out of social programs, privatization of state assets. "It is essentially an agenda which serve the interests of financial institutions and large corporations at the expense of the social project which emerged in the post-war years which is largely based on the notion of welfare state…"he said.

Chossudovsky continued, "They also established a new agenda in the developing countries which is an imposition of strong economic medicine under the auspices of the International Monetary Fund (IMF)-World Bank."

He said that there were impositions of deadly macroeconomic reforms resulting from the increase in the levels of external debt in the Philippines and other developing countries. The IMF and WB lend money with strings attached, the structural adjustment programs (SAPs), which according to Chossudovsky, include prescriptions such as closing down schools and hospitals, sending off the state assets to the private capital, liberalizing trade, cutting subsidies to agriculture, among others.

"They [IMF-WB] lend money to trigger the reimbursement of the debt and in the process, they impose conditions which in effect establish a parallel government, there is no sovereignty under that kind of arrangement," Chossudovsky explained.

1997 Asian crisis

Chossudovsky said that from the 1980s onwards, the structure affecting developing countries remains the same. "It's part of the same process, it leads into another major occurrence which is the Asian crisis of 1997," he said.

He maintained that the Asian crisis is somewhat a variant of the traditional IMF-WB reform because it was an attempt on the part of Western financial institutions to destabilize currencies and to trigger the collapse of the national currencies with the view of gaining control of essential bank reserves and of gaining control over assets. Countries most affected Korea, Indonesia, Thailand, Philippines were targeted by institutional speculators. The region was impoverished.

Chossudovsky said the whole movement from '97 onwards has been essentially to develop a whole range of speculative instruments which have led financial markets, commodity markets, foreign exchange markets, oil markets to go up and down using speculative instruments.

Chossudovsky said the Wall Street conglomerate were largely but not exclusively behind the onslaught of these speculative attacks.

He said that Malaysia was the only country in Southeast Asia which managed to resist the attacks of speculators. "They did this because they have some carefully-designed mechanisms to protect their foreign exchange market and defend themselves against the speculators."

Financial conglomerate

Chossudovsky said that in the wake of the Asian crisis, the 1999 Financial Services Modernization Act (FSMA), a major piece of legislation in the United States, came. He said the FSMA is important in understanding the present crisis.

The FSMA repealed the Glass-Steagall Act of 1933 which prohibited commercial banks from collaborating with full-service brokerage firms or participating in investment banking activities. Enacted during the Great Depression, it protected bank depositors from the additional risks associated with security transactions.

Chossudovsky deemed, "The FSMA allows for the formation of global financial conglomerates through the merger of the commercial banks and the stock brokerage companies, export banks, merchant banks together with the large insurance companies and accounting firms."

He cited as an example the JP Morgan Chase which is the integration of Chase Manhattan, a commercial bank and JP Morgan.

Chossudovsky said, "This is extremely important because it essentially means that the functions of credit now are overseen by institutions which are involved in speculative activity and the reason why they introduced this separation in the 1930s was precisely to prevent the kinds of occurrences."

The Act, said Chossudovsky allows speculators to control the financial system. He said there are several speculative actors operating commodity markets and energy markets which push the price up and down . "Then you have a situation where the oil market has absolutely no link to the actual cost of production of a barrel of oil. The price has no relationship to the real cost of the commodity which is the object of speculation. The same thing with food commodity where speculators push up the prices of rice, grain using exactly the same mechanism," he explained.

Chossudovsky further said, "When I say global financial architecture is that once it was established on Wall Street that commercial banks and stock brokerage firms coalesce, it became a worldwide process. Today, we no longer have a tight separation between commercial banks and stock brokerage firms and that means that financial institutions are increasingly controlled by speculators and then we have the development of all the derivative instruments, the fact that the hedge funds are not regulated in any way. All the US banks have their hedge funds where they can transfer money. The hedge funds are essentially controlled by fund managers who are private individuals but they may be connected to the interest of particular financial institutions or banks."

"In the present context, it is interesting to note that every single financial institution in America, JP Morgan Chase, Bank of America say they are technically bankrupt. Now you say why are they technically bankrupt? They've been taking money from their own bank and transferring this money to their related hedge funds and they are also using the money from the bailout to enrich themselves. What you have is that FSMA setting the stage for the current crisis," he added.

Architects of economic disaster

Chossudovsky said the architects of the FSMA which create these global financial institutions are very powerful.

He said that the the people who are behind the global financial architecture are precisely the people who are part of the new Obama economics team.

He said that Timothy Geithner, chief executive officer (CEO) of Federal Reserve Bank of New York, has been appointed to head the Treasury and Lawrence Summers who was the architect of the Financial Services Modernization Act of 1999 has been appointed as economic adviser of the White House, chairman of the council of economic adviser.

"The CEO of the Federal Reserve Bank of New York which is a private banking institution controlled by the major banking conglomerate is appointed to the Treasury and the Treasury now is in charge of acting on behalf of taxpayers. In effect, the whole process has been hijacked and what we are dealing with is a tremendous accumulation of private wealth by these Wall Street financial conglomerate," he said.

"What you see is that the architects of economic disaster, those who set the financial agenda in 1999, Lawrence Summers, Robert Rubin, members of the financial establishment, the Rockefeller family and so on, these people are now part of the new economic team," he added.

"There's continuity. We have to understand that continuity. The Obama administration does not break that continuity," Chossudovsky said.

He said that the same people who are behind the financial crisis mainly the Wall Street banks, the big players such as the JP Morgan Chase which is closely linked to the Rockefeller family, Bank of America, the oil companies, what we refer to as military industrial complex which are the major Anglo-American defense contractors, the producers of weapons - the Lockheed Martin, Northrop Grumman, Raytheon, General Dynamics, Boeing, British Air Space remain in control.

'Solutions'

Chossudovsky said, "The architects of economic disaster are those who are being called in to provide solutions. Within that frame of reference, there are no solutions because the solutions lead to the exacerbation of the crisis, they don't lead to resolution of the crisis."

He said that the logic of the first bank bailout which was implemented by the Bush administration is very similar to the logic of Obama's stimulus package with some differences.

Solutions first proposed by the Bush administration, the Troubled Assets Relief Program (TARP) at the time was a $700-billion rescue package which was to help the troubled financial institutions.

Chossudovsky said that even with this bailout, you will never resolve the problem of the accumulated debts in the banking system.

He explained, "You have a $700 billion Treasury emission which requires running on a budget deficit. You can't hand over $700 billion to the banks out of thin air. The Treasury needs to finance this. What do they do? They remit $700 billion worth of government bonds and

Treasury bills. Now, who is going to buy 700-B worth of government bonds and Treasury bills? Maybe the Chinese, Japanese and some stupid people in Southeast Asia will buy these but they have to go through the banks, they are the brokers of this public debt so that they will help the Treasury to transact this public debt but they will also hold a portion of the public debt."

He said further, "The mechanics is the following: The banks say we need $700-billion to get rid of this toxic asset etc. The money goes into acquisition of other financial institutions, a part of it is diverted to the hedge fund, it goes into the hands of private financiers connected to the financial institutions." "The recipients of the bailout are also the creditors of the state which are financing, providing them the money either directly by holding a portion of the debt but also by selling of the debt in the international market."

Chossudovsky said that to finance this bank bailout, the Treasury needs to slash public expenditure in a massive way. He said, "… [I]n effect, the US state is financing its own indebtedness, it is handing money to the bank and then it is asking the banks to help them finance the deficit and in turn, the public debt goes up dramatically. And I'm not talking about one bailout package, there were several others and then what happens is the whole structure of the public finances of the country goes damn, you can't fund the schools, you can't fund the hospitals why? Because you have to give money to the banks."

"You lend money to the bank and the bank lends you money to finance the money that you handed to them and then they impose also a very major repacking of old categories of expenditure and virtually a situation where the state becomes totally privatized…What is happening in the US is the situation where the banks are overshadowing the entire structure of public expenditure," Chossudovsky continued.

Chossudovsky said that the financial institutions which call the shots in public policy will then start to transform this massive amount of paper wealth. "What is happening is that this massive concentration of private wealth in the hands of financiers. There's a lot of cash money capital available at this moment in the hands of a handful of institutions and wealthy individuals and they will start buying up airlines, automobile companies, high-tech firms, universities etc, hospitals. In other words, we're going to see this shopping spree where the upper echelons of the financial establishments will start buying up the real economy."

Chossudovsky said even stimulus packages will not solve the crisis. He said it is the IMF and World Bank, the financiers, which will set the guidelines for stimulus packages. "And the IMF-WB are institutions or bureaucracies which in effect are controlled by the Wall Street. They don't have any authority in their own right, they are very much integrated into the Wall Street establishment," he said.

He said that any kind of stimulus package has to go to Washington.

Philippines

"This stimulus package is really based on an existing structure of interference and hegemony in the internal affairs of the Philippines…it goes back more than 20 years and is precisely on that basis, on this type of environment of conditionalities and economic reforms imposed by the creditors that this stimulus package is going to be implemented," he said.

He added, "And it's going to be implemented on borrowed money obviously because the external creditors are there and they are also now imposing particular directives on how the money is going to be spent."

Chossudovsky said there are two programs of the WB that is important in the present context. One is called the PIP or the Public Investment Program which essentially is a list of investment projects and is entirely under the control of the WB. The second one, he said, is the Public Expenditure Review.

"They say there is some corruption in the allocation of the WB fund but they [WB] are complicit in that corruption because they deal with the people [involved in corruption]," he said.

Severe

"The seriousness of this crisis is the fact that as far as solutions are concerned, we cannot expect any solution within the system and certainly not from the US administration, certainly not from the G-20 because within that group, except for a couple of exceptions is the dominant Washington consensus of the neoliberal agenda," Chossudovsky said.

"In the Philippines, this crisis will be extremely severe because it is imposed upon an existing situation…of dependency, lack of sovereignty, crisis of the real economy, and poverty of the large majority of the population. The measures which are currently being formulated must be challenged in a very consistent and meaningful way."**Bulatlat.com**

AFRICA:
Climate change threatens food security

Miriam Mannak

CAPE TOWN, Jan 19 (IPS) - Climate change will have a significant impact on southern Africa's already compromised food security, environmental experts warned at the fifth Alexander von Humboldt International Conference at the University of Cape Town (UCT) in South Africa.

The meeting, held Jan. 11-16, drew climate change experts and environmental scientists from around the world.

According to the Food and Agricultural Organisation (FAO) of the United Nations, one in three people living in Sub-Saharan Africa were chronically hungry in 2007. The region is also hardest hit by extreme poverty, harbouring 75 percent of people worldwide that live on less then a dollar a day.

Since 2007, erratic rainfall has led to increased food shortages in southern Africa where droughts damaged and destroyed maize crops in Lesotho, Namibia, Mozambique, Swaziland, Zimbabwe and South Africa.

As a result, southern Africa faced a shortfall of 2.18 million metric tonnes of maize in 2006 and, according to researchers of the Southern African Development Community (SADC), people in southern Africa lacked more than 4 million metric tonnes of maize in 2007/2008.

Increasing food shortages have become a trend, cautioned Sepo Hachigonta of the Climate Systems Analysis Group (CSAG), a climatology research group based at UCT.

“We estimate that the maize yields in, for instance, Zimbabwe and South Africa’s Limpopo province will decrease by approximately nine percent between now and 2045,” he told IPS. “This predicted decline will pose a major problem, as maize is the region’s main staple food.”

The CSAG recently investigated the long-term effects of climate change on rain-fed agriculture in southern Africa where the majority of farmers depend on rainfall as a main water source for their crops as they cannot afford irrigation systems.

“When rainfall is low, late or early, these people and their dependents are the first ones to be in trouble,” Hachigonta said.

According to the CSAG, there is a direct link between the projected decrease of maize yields and climatological changes.

“Firstly, the region is expected to get hotter,” Hachigonta reckoned. “As a result of increasing temperatures, more water will evaporate from the soil at a higher pace. This places stress on crops. Secondly, we predict changes in rain patterns.”

Hachigonta explained further: “We do not predict an increase or decrease of annual rain fall as such, but our data shows that the there could be changes in when the rain season starts and ends.”

Declining yields

Based on scientific research including interviews with farmers in the region, the CSAG predicts that within the next three decades, the rain season in Zimbabwe and Limpopo province will start more than a month later, in December instead of in late October.

A potential solution to declining maize yields could be for farmers to grow different crops that are more resilient to weather changes and need less water.

“Maize requires large amounts of water, so theoretically, farmers in southern Africa should rather plant crops like sorghum or millet,” Hachigonta said. “They need less water.”

Sorghum and millet are staple foods in many western African countries, such as Mali, where farmers have to find ways to grow crops despite severe water shortages.

“The problem is tradition and habit. People living in southern Africa have been eating maize for centuries. They will not easily switch to sorghum,” Hachigonta continued.

Rain patterns have also started to change in western African countries, experts predict.

“The wet season in Cameroon used to start in March, but over the past years, the rain has only come in April,” said Medard Djatou, anthropoligist at the University of Yaoundé in Cameroon, who has researched the impact of climate change on the lives of the Bamileke, Cameroon’s largest ethnic group who strongly depends on small-scale and rain-fed agriculture.

“We asked older farmers how they perceive today’s climate and rainfall patterns and what the situation was like when they started farming in their late teens and early twenties,” Djatou explained. “The vast majority of the people we interviewed complained about higher temperatures, rain retardation and failing crops.”

Farming practices

The problem, according to Djatou, is that most people in developing countries do not realise that some of their actions are part of the problem of climate change.

For example, the burning of grassland is used by farmers in many parts of Africa to remove crop stubble and return nutrients to the soil. However, the burnings release large amounts of carbon dioxide (CO2) into the atmosphere, which contributes to climate change.

He said governments throughout the continent should make a bigger effort to educate their populations about climate change and environmentally friendly farming practices. “Policy makers should involve local communities in the debate around climate change," Djatou recommended.

Urias Goll, researcher at the Liberia Reconstruction and Development Committee, which oversees the implementation of poverty reduction and reconstruction strategies in the country, shares Djatou's opinion.

"It is crucial that data dealing with the implications of climate change on farming is made available to those who will be first affected," he said, adding that "many farmers still explain low yields, droughts or floods as a sanction of the gods. Communities need to know what is going on, why the rains are late, why crops are failing and what they can do about it."

According to Goll, education of farmers should take place as a joint initiative by scientists, NGOs and governments.

He further stressed the fact that data also needed to be localised, he stressed, so that farmers receive information relevant to their living situation because "the impact of climate change differs from region to region."

Movie review: "THE INTERNATIONAL"

Downplaying financial giants' role in the global crisis

Joseph S. Yu

The International is hyped as being a relevant film in these times of global financial crisis. It is, after all, a thriller about the nefarious and illegal activities of a multinational bank. Instead of achieving the hoped-for timeliness, however, the film ends up a throwback to seventies-era paranoid thrillers, when the Watergate scandal made audiences deeply suspicious of political and social institutions. Packaged as a thriller, the film downplays the responsibility of financial giants in the current global financial meltdown.

The International of the title is the Luxembourg-based International Bank of Business and Credit which, according to District Attorney Eleanor Whitfield (Naomi Watts), has become "the bank of choice for transnational crime" and is engaged in money laundering and capital flight. Whitfield, along with Interpol Agent Louis Salinger (Clive Owen) have been working for months to bring down the IBBC.

The two think they've caught a break when an IBBC insider tells one of their agents that the bank is buying millions of dollars worth of missile guidance systems. Unfortunately, the agent and the insider are killed under suspicious circumstances before they can reveal more, leaving the two investigators one clue: talk to Umberto Calvini, head of one of the world's largest arms corporations.

So far, so good. The filmmakers have set up what seems to be an intriguing financial thriller about the questionable practices of big banks. Unfortunately, the film makes a major misstep by revealing its big secret much too early. This removes a lot of the suspense from the rest of the film, leaving it feeling anti-climactic until its last act, when another insider surfaces and Salinger is finally able to act against the bank. In fact, the film's main flaw is its weak script (by first-time screenwriter Eric Singer), which sets up an intriguing premise then torpedoes it with poor plotting and weakly developed characters. The script also has an annoying tendency to make the proceedings more convoluted than they have to be.

Fortunately, director Tom Tykwer (still best known for the exhilarating Run Lola Run) is up to the task of breathing some life into this flawed script. He delivers a briskly–paced thriller that avoids the too-quick editing and hand-held camera work of the Bourne movies. Tykwer even succeeds in giving the film some visual wit: Salinger runs across a side street to try and cut off a car, only to be confronted, when he reaches the main road, of row upon row of identical-looking cars.

He also shows some facility in handling action scenes, as shown in his staging of the film's major set-piece: a shoot-out at the famed Guggenheim museum in New York, in which thugs hired by the IBBC try to kill Salinger and a hitman about to turn against the bank. Although the scene as a whole is confusing, parts of it do succeed in being exciting and suspenseful.

Of the film's two leads, Clive Owen delivers the better performance. His hard-bitten face is ideal for action films, and he delivers here. Owen also succeeds in deepening his paper-thin character slightly by communicating Salinger's desperation and bone-deep tiredness. This is more than can be said for Naomi Watts, who while not bad, is unexceptional. Watts fails to give Whitfield any depth or personality. In fact, she seems to be giving the same performance she gave in her breakthrough film, The Ring.

The International's IBBC was reportedly modeled after the real-life scandal-ridden Bank of Credit and Commerce International, a bank founded in Pakistan and registered in Luxembourg, which was found by regulators to be involved in arms trafficking, money laundering, support of terrorism and sale of nuclear technologies, among other disreputable and illegal practices. The scandal that took place in the 1990s undoubtedly became a bit of a cautionary tale of how financial institutions have become more powerful than governments. In one scene in The International, the IBBC is even shown talking to the head of an African revolutionary group and offering him funding for his group to rise to power. In exchange, of course, the bank gains hold on the new rule should the group succeed to topple the old. This only exposes the gross disrepute of an avaricious system where there are no permanent friends nor foes; only permanent interests.

One reason The International fails to connect with audiences (the movie was not successful at the US box office), is because the idea of a monolithic bank powerful enough to co-opt police forces and stage shoot-outs with impunity seems dated at a time when banks are laying off hundreds of workers and begging their governments for handouts (which their officers then splurge on luxuries and lavish bonuses for themselves).

The movie does succeed in being relevant in one significant way. It underscores the means by which the financial oligarchy rakes superprofits and overaccumulates capital. As a character notes, the IBBC is after the control of debt. When you control the debt, you control everything, he says, adding that this is the essence of banking: "to make us all slaves to debt." The film also exposes transnational banks as shadowy behind-the-scenes puppet masters bending police and governments to their will.

At a time when the global financial system is in meltdown precisely because of banks' predatory practices directed against the working class and the rest of the poor people, it seems the more relevant message is not in the means but in the motive. And the best option for the working class and the rest of the disadvantaged peoples of the world is to oppose the attacks on them through organized actions.

Ban use of POLYSTYRENE CONTAINERS

Utusan Konsumer

CAP calls on the Ministry of Health and the Ministry of Environment to ban the use of polystyrene material for use as food containers. This is in view of the health and environmental effects of polystyrene.

Studies have shown that polystyrene materials will leach out styrene, which is a cancer-causing agent.

In Malaysia, polystyrene foam containers are commonly used by hawkers for takeaways. In most instances hot and oily food is directly transferred to these containers. This enhances the ability of the cancer-causing material to leach into the food.

Polystyrene cups, bowls, plates, fork and spoons are also used in food courts and restaurants. Polystyrene which is usually referred to as No. 6 plastic is the third or fourth most commonly used, in millions of tons per year.

As it is cheaper than paper-based substitutes, polystyrene packing is often the choice of food manufacturers, the food service packaging sector, schools, hospitals and other institutions. Polystyrene packing comes in 2 forms – foam and solid. Foamed polystyrene is used to make Styrofoam food containers for takeaways and disposable cups, bowls and plates.

Solid polystyrene is used in products such as cutlery, yoghurt and cottage cheese containers. Polystyrene packaging can sometimes be identified by the number “6” surrounded by chasing arrows or letters “PS” usually moulded in the bottom of a food container.

Polystyrene packaging normally contain some residual styrene because the manufacturing process is not 100% efficient.

Chemicals from polystyrene can migrate into food when it is new (because they have not fully "polymerized" or become part of the plastic) and when it is old because it breaks down from heat, sun or wear.

The styrene migrated into food will end up in the body and eventually affect our health.

Styrene is classified by the World Health Organisation's International Agency for Research on Cancer (IARC) as a possible human carcinogen.

Styrene is also a mutagen (that is, it causes genetic changes). Mutagens in turn may have a cancer risk and may also potentially cause reproductive damage.

The production of polystyrene involves the use of benzene, a known human carcinogen that has been linked to leukaemia. Studies done in Britain found that polystyrene used in food contact plastics can have up to 80 parts per million of benzene.

Studies have shown that exposure to small quantities of styrene can cause low red blood cells count.

Women exposed to low concentrations of styrene vapours in the workplace have a variety of menstrual disorders.

In Malaysia cancer is the second biggest killer after road accidents. Every year an estimated 40,000 new cases are detected in the country.

According to the National Cancer Registry, 1 in 4 Malaysians can be expected to get cancer in his/her lifetime.

Eliminating styrene in the diet of Malaysian would help reduce cancer risks among Malaysians. The Government should impose a ban on the use of polystyrene material as food containers due to the following reasons:

- Polystyrene can threaten human health and our reproductive system as they leach out styrene into the food which is in contact with the plastic.

- It is made from petroleum, a non renewable and polluting commodity.

- It does not biodegrade. It only crumbles into fragments.

- When thrown in the environment it will persist indefinitely as litter and will choke waterways. It may also clog animal digestive systems.

- The bulky product takes up more space in landfills than does paper and may eventually re-enter the environment when landfills are breached.

- Foam recycling is a public relations stunt, promoted by the plastic industries. It is done in highly centralized facilities using complex chemical processes and expends more energy.

CAP also advises consumers to bring their own containers when they are purchasing food from hawkers as this will prevent them from being exposed to cancer-causing materials such styrene from polystyrene food containers.
Consumers Association of Penang (CAP)

Table 1. NUMBER OF OFWs DISPLACED BY THE GLOBAL FINANCIAL CRISIS BY COUNTRY			
October 2008 to January 31, 2009			
Country	**No. of Company/ies Affected**	**No. of Displaced Workers**	**Industry**
TOTAL	144	5,221	
Taiwan	97	4,154	Electronics, Semiconductor, Metalworks
UAE	11	312	Technical Services
Canada	1	180	Oil and Gas
Macau	5	153	Construction, Hotel/Casino
Brunei	4	112	Garments
Australia	2	81	Shipbuilding, Construction
Korea	13	71	Electronics
Saudi Arabia	2	53	Construction
Greece	2	31	Cruise Vessels, Restaurants
Russia	1	19	Building Construction
Malaysia	2	17	Electronics
United Kingdom	1	16	Electrical, Telecom
Japan	1	14	IT
Poland	1	7	Metalworks
Laos	1	1	Minerals
Source: Philippine Overseas Employment Administration			

Table 2. NO. OF OFWs AWAITING DEPLOYMENT BUT HELD IN ABEYANCE DUE TO PROJECT CLOSURE/REDUCED PRODUCTION BY COUNTRY			
October 2008 to January 31, 2009			
Country	**No. of Company/ies Affected**	**No. of Displaced Workers**	**Industry**
TOTAL	7	273	
Singapore	1	12	Metalworks
Australia	1	4	Construction
UAE	3	85	Service, Electronics, Construction
Canada	1	167	Construction, Energy
Palau	1	5	Service
Source: Philippine Overseas Employment Administration			


To the market