

INTERNATIONAL SITUATION 2023
RECESSION, RIVALRY, RESISTANCE



INTERNATIONAL SITUATION 2023: RECESSION, RIVALRY, RESISTANCE

IBON International holds the rights to this publication. The publication may be cited in parts as long as IBON International is properly acknowledged as the source and IBON International is furnished with copies of the final work where the quotation or citation appears.

IBON International is a service institution with an international character and scope of work. It engages in capacity development for human rights and democracy around the world. It strengthens links between local campaigns and advocacies to international initiatives and brings development issues from the international arena in a way that people's organizations and social movements can engage with at.

IBON International initiates and implements international programs, develops and hosts international networks, initiates and participates in international advocacy campaigns and establishes regional and country offices where necessary and appropriate.

Published by:



IBON International
3rd Floor, IBON Center
114 Timog Avenue, Quezon City
1103 Philippines
Telefax: +632 9276981
Telephone: +632 9277060 to 61 local 203 and 207
Email: international@iboninternational.org
Website: www.iboninternational.org

Layout, Illustrations, and Cover Design by Patricia Tierra

INTERNATIONAL SITUATION 2023

RECESSION

RIVALRY

RESISTANCE

IBON INTERNATIONAL
2023

CONTENTS

1

INTRODUCTION: RECESSION AMID
RECOVERY FOR THE RICH

5

UNEQUAL TRADE AND MALDEVELOPMENT
OF THE GLOBAL SOUTH

11

CONTINUING WEALTH DRAINS
FROM THE SOUTH

17

CLIMATE IMPERIALISM
AND INJUSTICE

21

RISING MILITARISM,
ERODING DEMOCRACY

27

PEOPLE'S RESISTANCE: TACKLING CRISES,
FIGHTING FOR A JUST FUTURE

INTRODUCTION

RECESSION AMID RECOVERY FOR THE RICH



In 2023 “poly-crisis,” a term referring to the multiple, overlapping crises, became a buzzword in policymaking circles. But these crises—in debt, climate, inflation, jobs, poverty, food, as well as ongoing war—that are happening today almost everywhere, all at once, did not emerge from a vacuum. Before the pandemic, many of these trends were already looming. The decade after the 2008 global recession were years of protracted crisis.ⁱ Investment and economic growth slowed since; debt was already rising before the pandemic.ⁱⁱ

In 2023, three years into the pandemic that accelerated these pre-existing trends, the world’s biggest businesses, international financial institutions, and economists are again worried. The world economy is again at the brink of recession as major economies, the United States (US), European Union (EU), and China, experience slowing economic growth. The global South faces tremendous debt burdens. The South’s debt servicing reached USD 400 billion in 2021, more than double the money they received in aid, shaping an inability to respond to people’s crisis needs.

The hype over “post-pandemic recovery” has proven to be unfulfilled. Insofar as there is recovery, it is mostly reproducing existing inequalities as segments of big business reaped higher profits compared to last year. Despite the rhetoric of “stakeholder capitalism” in some quarters, where big business is invited to put primacy on people and planet, the world’s richest 1% of elites have captured two-thirds of all new wealth since 2020.ⁱⁱⁱ While millions face food insecurity and rising energy costs, food and energy companies have more than doubled their profits in 2022.

Amid economic turmoil, powerful states attempt to put out further sparks of crisis. In May 2023, US regulators facilitated the sale of the collapsing First Republic Bank (FRB) to finance giant JP Morgan and Chase to curtail banking crisis. FRB’s collapse was the second largest since 2008, this time driven

by rich clients’ withdrawal of large sums from their accounts. Clients’ fears were stoked by the preceding bank failures of Silicon Valley Bank (SVB) and the Signature Bank in March 2023, now the third and fourth largest cases of collapse since 2008. An uneasy financial climate persists despite US intervention to make billions available for SVB’s richer account-holders from venture capitalists and the technology sector.

The world’s working peoples face widening inequalities day by day. The wages of billions of workers lag behind inflation. The cheapening of wages is a historical trend. Labour has been receiving less and less from their countries’ total incomes since the 1980s, the decades that began the promotion of economic liberalisation, de-regulation, and privatisation. This is the case even in developed economies, but the decline is starker in developing countries (*Figure 1*). The pandemic increased labour’s share in total incomes as lockdowns reduced corporate profits, but returned to the downward trend

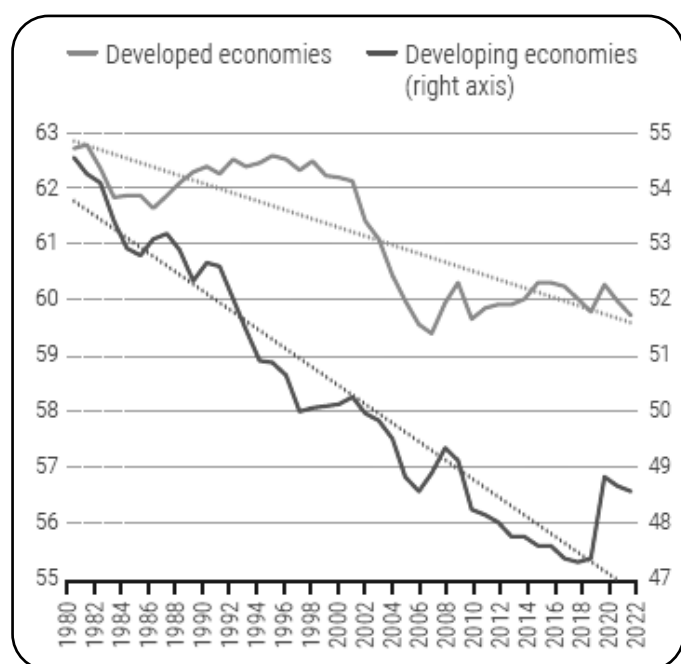


Figure 1. Falling shares of labour in total incomes, 1971-2022 (percentage) / Source: UNCTAD. 2023. Trade and Development Report 2022.

by 2021 and 2022 amid the return of most business activities.^{iv}

In 2022, the average global inflation reached the highest level in two decades at 9%, driving a 'cost-of-living' crisis across developed and developing countries. Monetary tightening by central banks to curb inflation further the risk of recession as higher interest rates discourages domestic borrowing and demand.

The number of unemployed people worldwide rose to 207 million people in 2022, increasing by 21 million compared to 2019. At least 435 million more women and girls have been pushed into extreme poverty. Women and girls in the global South bear the worst impacts of rising living costs. Majority of women are pushed into informal employment and are generally paid less than their male counterparts.

The climate crisis is intensifying to the brink of planetary decline, amid continuing carbon emissions and resource exploitation of the global South by Northern companies and states. Rising weather extremes have caused economic and non-economic losses and damages to communities in the global South.

Conflict, climate, and economic factors are driving migration globally. Latest available data in 2019 show that there are 169 million migrant workers globally. Most migrant workers, especially women, work low-paying jobs in precarious conditions, such as in healthcare and as domestic workers. Many migrant workers lost jobs and incomes, and in the pandemic were stranded in countries of destination without social protection and support.

Amid crises, the US still dominate in world military spending. Conflicting interests between the US, China, and Russia are driving regional economic agreements and war. Sanctions on Russia in the context of the war in Ukraine have disrupted gas and food supplies in EU countries, as well as in the regions of Africa and West Asia.

Overall, the world economic system is still running on the profit-driven engine, a system that has generated multiple and intersecting crises. Transnational corporations, ultra-wealthy capital

holders, and local elites simultaneously profit from and generate crises, while working and marginalised peoples suffer from socioeconomic impacts.



UNEQUAL TRADE AND MALDEVELOPMENT OF THE GLOBAL SOUTH



Unequal trade relations persist between the global North and South. Thirty seven of the world's 46 least developed countries (LDCs) remain dependent on exporting agricultural, mineral, and energy goods, also called primary commodities. Twenty-nine of 32 LDCs in Africa are reliant on such exports. In Malawi, a country facing extreme weather events amid already high debts to the World Bank, 90% of exports are agricultural goods. In Afghanistan, after decades of US-led war, exports were also mostly agricultural goods (71%). On the other hand, China, Germany, Japan, and the US are the world's biggest importers of resources.

Global value chains (GVCs), production networks which divide phases of product research, production, and distribution across different countries, saw major disruptions in pandemic and war. Disruptions drove supply shortages and price surges in oil, food, and other basic commodities. Global South participation in GVCs leave the promise of technology and knowledge transfers, towards the development of strategic industries, unfulfilled. GVCs remain captured by corporations in developed countries such as the US, China, Japan, and the EU. Today, 590 of the 2000 biggest corporations in the world remain headquartered in the United States; 351 are in China, and 196 in Japan.

Northern corporate interests continue to dominate the multilateral trade order under the World Trade Organization (WTO). For instance, despite the support of two-thirds of the WTO membership for the TRIPS waiver, a limited waiver in favour of developed nations' interests emerged from the 12th Ministerial Conference in June 2022.^v The TRIPS waiver was originally proposed to maximise the production of vaccines, diagnostics, and treatments of Covid-19.

For decades, the WTO's entrenched policy bias and undemocratic agreements^{vi} have liberalised the global

South for foreign trade and investment; deregulated labour markets at the expense of workers' rights and welfare; and privatised public assets and services for corporate capture. Developing countries have been forced to implement laws and policies that further resource extraction, worsen labour exploitation, and undermine local agriculture and industries.^{vii} Neoliberal trade reinforces carbon-intensive, corporate food systems. Large-scale agricultural production by big corporations is dependent on massive land grabs and fossil fuel extraction in the global South.

Developed countries also exert their dominance through bilateral and multilateral free trade agreements (FTAs). Besides liberalising trade in favour of developed countries, FTAs provide for a dispute settlement mechanism that allows corporations to sue states for enacting laws or policies that regulate corporate activities and impede their interests.

With neoliberal norms supporting unregulated movement of capital, multinational corporations remain free to hide their profits in tax havens, and file international cases against governments. According to one estimate, 36% of all multinational profits are in tax havens, with US corporations hiding their profits twice as much as other nationalities. By mid-2022, there were 1,229 known investor-state dispute settlement (ISDS) cases, increasing from 1,190 in mid-2019.

For instance, the 2021 ISDS case of mining corporation Glencore against Colombia contested a national court decision to suspend the expansion of the corporation's Cerrejon mine into the riverbed of Bruno creek.^{viii} Threatened is a water source for around 40,000 people, in the name of coal extraction, by a corporation operating the largest open-pit coal mine in Latin America. The case was filed at the World Bank Group's International Centre for the

Settlement of Investment Disputes (ICSID). The pending case shows corporate power to obstruct Southern sovereignty over resources, enabled by an arbitration court headquartered in the US.

The world's economic powers strive to lead regional trade blocs—as manifestations of a scramble for more resources and spheres of influence. In 2022, the US launched the Indo-Pacific Economic Framework (IPEF) in Asia, in line with the US strategy to rebuff China's influence in the region. Expected to be concluded in November 2023 in time for the Asia Pacific Economic Cooperation (APEC) Summit, the framework includes Brunei Darussalam, Indonesia, Malaysia, the Philippines, Singapore, Thailand, Vietnam, India, Japan, South Korea, Australia, New Zealand, and Fiji, which represents around 40% of the world's Gross Domestic Product (GDP). Unlike traditional free trade agreements, IPEF does not aim to increase market access through tariff liberalisation. It promotes US interests by setting policies and norms around four negotiating pillars: trade, supply chains, clean economy, and fair economy.

IPEF counters the China-led Regional Comprehensive Economic Partnership (RCEP),^{xi} a free trade agreement in the region which includes Australia, Brunei, Cambodia, China, Indonesia, Japan, South Korea, Laos, Malaysia, Myanmar, New Zealand, the Philippines, Singapore, Thailand, and Vietnam. RCEP aims to eliminate about 90% of the tariffs on imports and establish rules for e-commerce, trade, and intellectual property in the region.

In late 2021, European states launched the EU Global Gateway, an infrastructure investment strategy perceived to rival China's Belt and Road Initiative. Critics of the Gateway point out its service of private capital's interests in infrastructure.

In the Africa region, the European Union and China maximise gains from the African Continental Free Trade Area (AfCFTA) Agreement, amid uncertain benefits for peoples in Africa. Covering 44 of the 55 member states of the African Union, the AfCFTA aims to remove tariffs and reduce barriers to facilitate the entry of foreign goods, services, and investments. It provides for a dispute settlement mechanism for corporations to sue governments that enact regulatory laws and policies affecting big businesses. Governments and civil society opposing the AfCFTA

argue that it will force countries in the region to further liberalise and deregulate their markets to compete for EU and China's foreign investments.

Box 1. Trade in the context of digitalisation

The link of digitalisation with trade and investment is becoming an emerging policy issue amid a growing digital economy. The digital economy is based on the accumulation of data and the use of artificial intelligence to make data profitable. Digital platforms such as social media (e.g. Facebook, Tiktok, Instagram, etc.) and e-commerce platforms (Amazon, Shopee, Alibaba) collect and use people's personal information to make profit. The US and China dominate the digital economy, owning the majority of the world's digital infrastructure and capital, and capturing the profits generated by digital platforms. The biggest technology corporations collectively known as 'Big Tech' are based in the US: Apple, Amazon, Microsoft, Alphabet/Google, and Facebook/Meta.

The majority of developing countries have been deprived of the infrastructure and know-how to make use of their own data, and have become merely data mines for big tech corporations. Global trade rules enforced by the WTO reinforce this status quo. Since 1998, the moratorium on e-commerce exempting tariffs on electronic transmissions has facilitated free-

flowing data from developing countries to big corporations in the global North. Developing countries have lost tariff revenues from the moratorium. At the 12th Ministerial Conference of the WTO in June 2022, the US, the United Kingdom, and the European Union backed the extension of the moratorium until March 2024 against objections from developing countries such as India, Indonesia, Sri Lanka, Pakistan, and South Africa.

Platform workers, especially in the global South, are excluded from various labour rights. In a study of 283 platforms in 20 countries, only one of five companies could evidence that workers' receive local living wages, and less than a fifth could show proof of guaranteeing freedom of association. Peasant, indigenous, and rural peoples are driven away from their lands to give way to mining operations that extract the raw minerals that are needed by the tech industry. This is the case in the cobalt mines in the Democratic Republic of Congo, and lithium-rich lands of the indigenous Atacamas people in Chile, Argentina, and Bolivia.



CONTINUING WEALTH DRAINS FROM THE SOUTH



Under the world economic system, dominated by monopolistic corporations and a few powerful states, the relationship between the global South and North is unequal. According to the UN Conference on Trade and Development (UNCTAD), “developing countries are now financing developed ones” by the last quarter of 2021. The amount of capital and resources exiting these countries are larger than the resources they are receiving from the global North. In this process, wealth is flowing out of the global South into the global North.^{xii}

Such drains underscore a continuing historical trend. Academics have calculated that the global North has extracted USD 152 trillion worth of resources from the global South since the 1960s (see Figure 2). They attributed the losses to unequal exchange, or when Northern corporations and states pay cheaply for the labour and resources in the global South compared to costs in the global North (for wages, see Part 1. Introduction). Wealth drains were also found to have sped up during the decades of structural adjustment, or the rapid rise of liberalisation, privatisation, and

de-regulation as led by the International Monetary Fund (IMF) and the World Bank Group (WBG).

Another source of financial outflow and extraction is the growing indebtedness of the global South. Around 60% of developing countries are in debt distress or in high risk thereof. In 2021 (the latest available data), 39 countries paid more in principal and interest than the amount of new loans they received.^{xiii} The United States’ raised interest rates, and the dollar strengthened against Southern currencies, mean that indebted countries will have to pay more to borrow and to pay off their debts. By late 2022, the world’s poorest countries are due to pay USD 43 billion in debt repayments, and would pay 35% more in interest.^{xiv} A greater number of countries, increasing from 34 to 62 over the last decade, are spending more on foreign debt than on healthcare.^{xv}

Multinational finance companies may gain USD 20 to 30 billion in profits from the debts of merely five countries: Ethiopia, Ghana, Sri Lanka, Suriname, and Zambia.^{xvi} For instance, Zambia’s default on

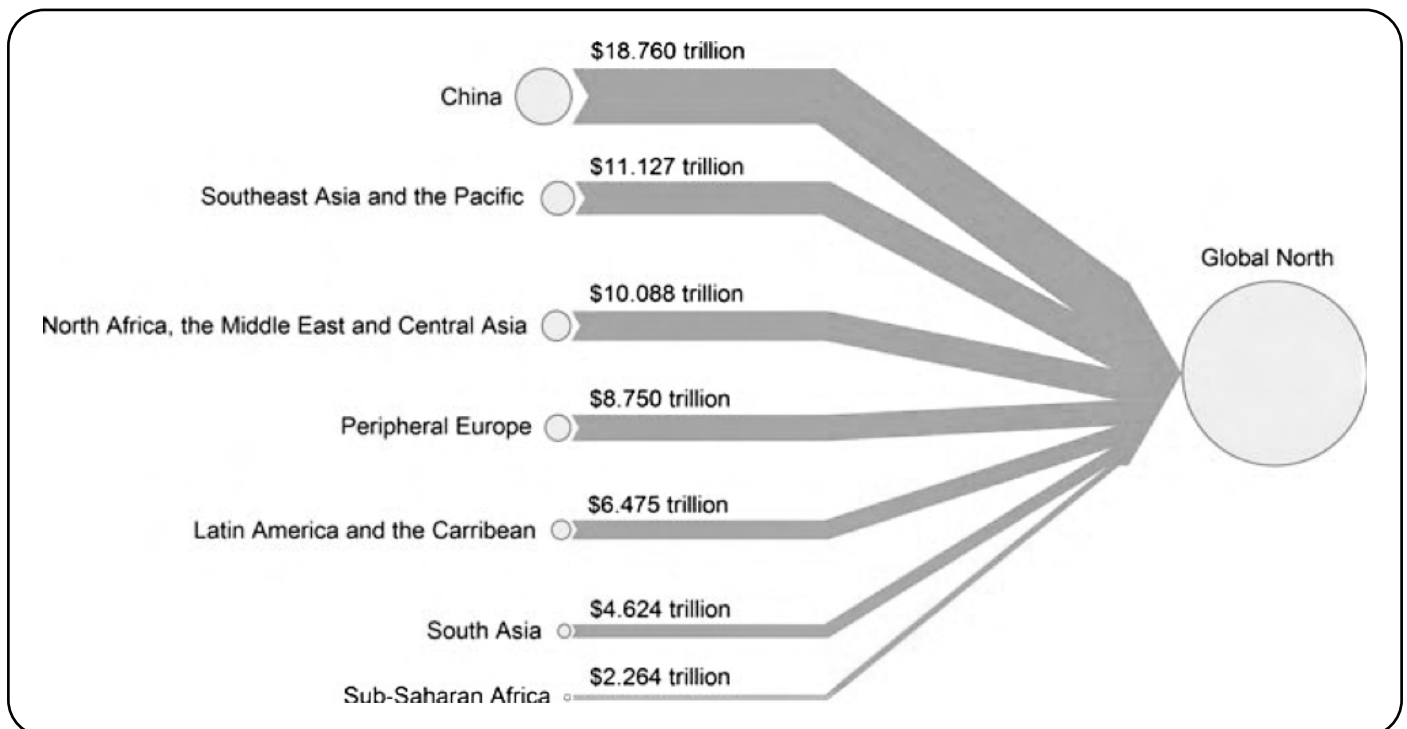


Figure 2. Quantifying historical wealth extraction and drain from 1960-2017 / Source: Hickel, Jason et al. 2021. “Plunder in the Post-Colonial Era.”

debt payments in 2021 brought attention to how Blackrock, an asset management firm founded and chaired by US billionaire Larry Fink, could make 110% in profit from the country's private bonds.

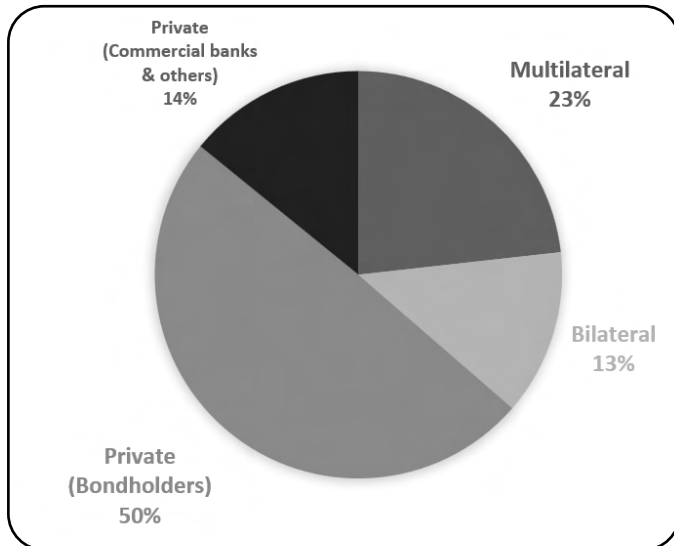


Figure 3. Who owns the debt of low-income and middle-income countries? / Data source: World Bank Int'l Debt Statistics 2022.

Loans, especially from multilateral development banks and international financial institutions, are levers for imposing austerity policies and other conditionalities. On the creditor side, 30% of WB pandemic-era financing explicitly required policy changes in debtor countries.^{xvii} On the debtor side, austerity has been widespread. By 2023, 85% of the world's population, or 6.7 billion people, are affected by cuts in social service spending and other harmful economic reforms. One study of 13 countries showed that the IMF encouraged social spending targets worth USD 1 billion but at the same time imposed austerity that took out USD 5 billion of public spending.^{xviii}

Public money going into the global South is exceeded by the amount that goes through wealth drains and deficits. Development aid, measured as official development assistance (ODA), was worth USD 204 billion in 2022. Subtracting support for refugees such as in Europe, aid totals would be reduced to USD 175 billion. In contrast, 81 developing countries lost USD 241 billion in international reserves in the same year in a time of surging public debt and interest rates.^{xix} While aid donors bloat aid figures in the name of responding to the effects of conflict, many of these

states spend large amounts for war in Ukraine (*see Part 3. Militarism*).

The multiple crises have weakened foreign direct investment (FDI) in 2022. Further global decline is expected in 2023, with "a significant number of economies around the world expected to enter a recession."^{xx} The impact of the crisis is apparent even in the centres of business such as the US, where corporate mergers declined in value by more than half in 2022.^{xxi} In the world's 46 least developed countries, weak investment is also especially apparent as overall FDI declined by 28% from 2021 to 2022. Multilateral development banks and the world's elites are expected to capitalise on low investment levels to promote de-regulation and the ease of doing business for foreign investors.

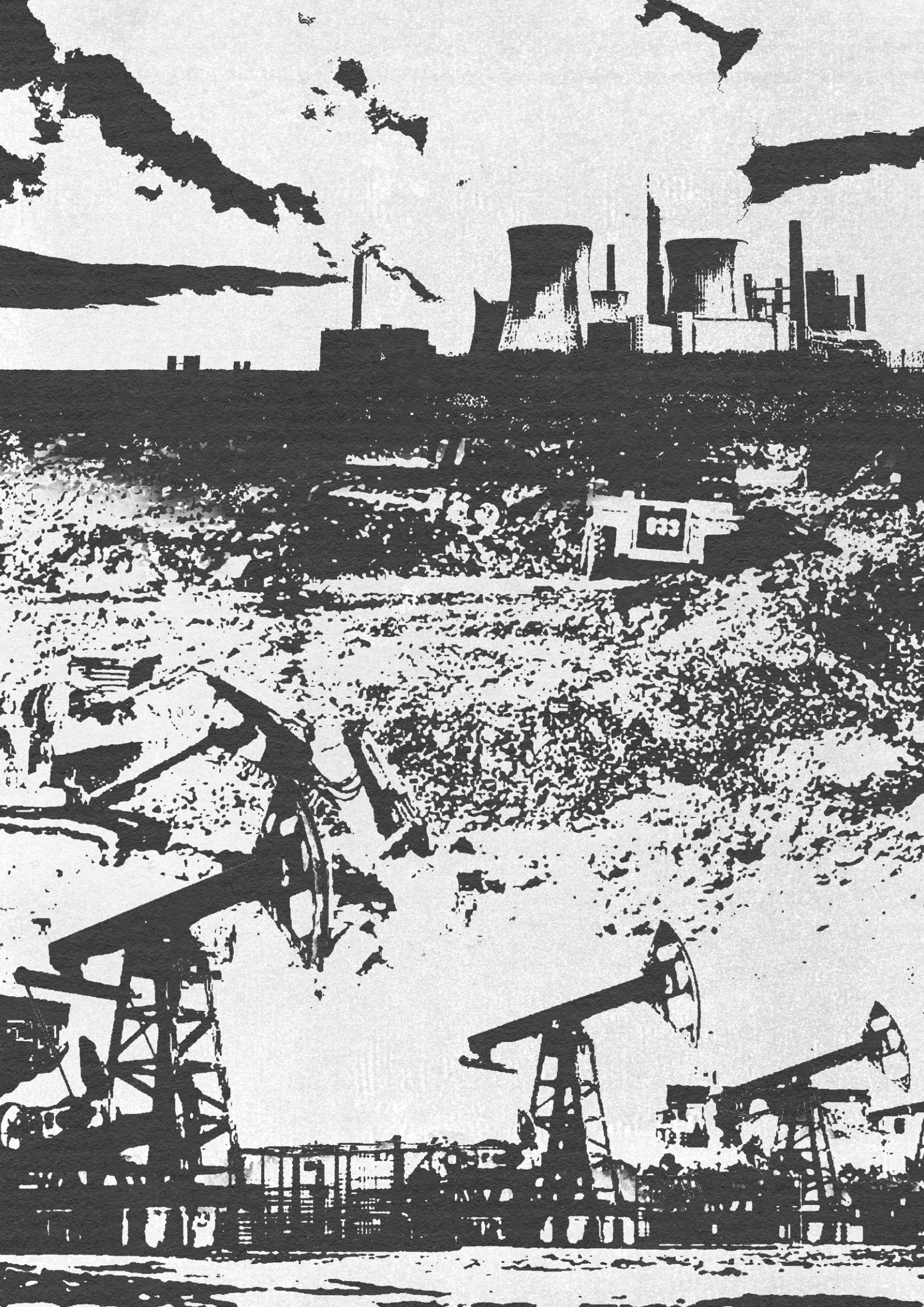
Outflows from Southern countries are indicative of the power relations behind the international push for economic recovery and greener economies. Amid multiple crises, it reveals that the South has been deprived of resources, financial and otherwise, that could have been used to fulfill peoples' needs and development. The dominant economic relations between countries have created losses for many, as wealth is transferred to powerful states and corporations.

With Southern countries still in crisis, civil society and social movements are concerned about prevailing norms oriented to attract private capital. Major promoters of this approach include the biggest multilateral development banks and financial institutions, such as the IMF and the WBG. With the US-dominated World Bank's launch of an initiative for reform (*see Box 2*), critics are still concerned about the prevailing power of Northern big business and finance, which has driven corporate recovery and deepening inequalities.

Box 2. Private capital and so-called World Bank Group (WBG) reform

In late 2022, the WBG launched an initiative which claims to expand its mission to be more inclusive of wider poverty and climate issues. Despite WBG rhetoric, critics point out that the Bank retains and entrenches its pre-pandemic Cascade approach, the bedrock of its operations since 2015.^{xxiii} The Cascade puts private capital first in funding, supporting, and providing ‘solutions’ for development; it advances arrangements that funnel private gain from public costs, such as Public-Private Partnerships, and The Cascade has failed in its own goals of

capital-generating goals.^{xxiii} The WBG “reform” also supports *blending*, or the use of public money such as aid to attract private money especially in countries and sectors with little resources for development. Evidence on blending shows it has merely followed investors’ profit-seeking logic, generating resources mostly in economic sectors that are most profitable and least risky for capital, such as infrastructure. A 2023 UN report assessed that “the developmental impact of [blended finance] deals is unknown.”^{xxiv}



CLIMATE IMPERIALISM AND INJUSTICE



In 2022 and 2023, the world witnessed the severe consequences of extreme weather events. Catastrophic flooding razed Pakistan which killed at least 1,800 and affected 33 million people. In parts of eastern Africa, such as in Ethiopia, Kenya, and Somalia, peoples faced a sixth consecutive dry season by early 2023.^{xxv} West Africa, meanwhile, faced heavy flooding in around 19 countries in late 2022. Hurricane Fiona hit Puerto Rico, leaving 90% of the island without electricity, and in the Dominican Republic deprived water supply for nearly 1.2 million people. Record-breaking extreme heat waves were experienced in the US and Europe.

According to the Sixth Assessment Report of the Intergovernmental Panel on Climate Change, deaths from climate hazards multiplied by 15 times between 2010 and 2022, as climate change exacerbates food insecurity, health risks, and the loss of livelihoods and culture. Breaching the global warming threshold beyond 1.5° Celsius warming would prove disastrous to peoples. Communities in the global South suffer from the rising weather extremes, slow onset events, and the socio-economic impacts of the climate crisis. These losses and damages in developing countries

will cost between USD 290 billion and 580 billion annually by 2030.

The systemic root of the climate and broader ecological crises is growing even clearer. Rich countries are responsible for 74% of resource extraction beyond global limits from 1970 to 2017, and are “the primary drivers of global ecological breakdown.”^{xxvi} Since their industrialisation, the world’s Northern countries have had a major responsibility for significant greenhouse gas emissions and resource extraction.

Today, finance capital from the global North plays a major role in sustaining fossil fuel extraction and production. The world’s 60 largest banks provided USD 5.5 trillion to fossil fuel companies from 2016 to 2022, with US finance capital playing a major role in the top players (*see Figure 4*).^{xxvii} The World Bank Group, also a US-dominated multilateral development bank, has been found to have financed USD 14.8 billion in fossil fuel projects since 2015.^{xxviii} As of 2023, the WBG still finances gas projects amid the US’ growing interest in gas exports.^{xxix}

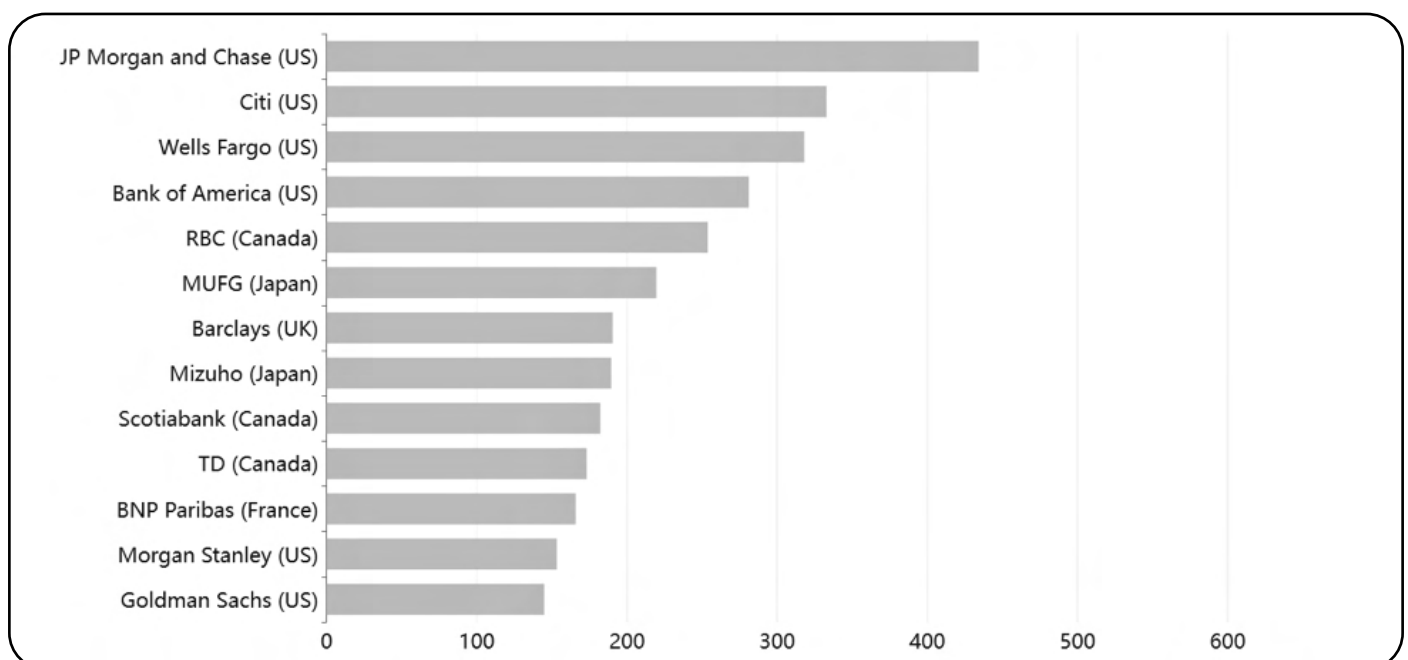


Figure 4. Six of the top 13 financiers of fossil fuel extraction are US banks, 2016-2022 (USD billions) / Adapted from Banking on Climate Chaos Report 2023

Profit prevails as the key interest of Northern states and their businesses. They increasingly look for low-priced raw materials and labour, and markets for investment to increase profit margins. In least developed countries, extractive industries still receive the largest investments for expanded operations, growing more than six-fold in value from USD 1.4 billion in 2021 to 8.9 billion in 2022.^{xxx} Land concentration has been rising especially since the 1980s, driving the expansion of ecologically harmful monoculture: the largest 1% of farmholdings control 70% of the world's lands, comprising the “core of production for the corporate food system.”^{xxxi}

Benefits of land-intensive agriculture go only to a few. Only four corporations control the majority of the seed market and the pesticide market: Syngenta Group, Bayer, BASF, and Corteva. Three of the largest asset manager companies, State Street, Vanguard Group, and Blackrock, hold and profit from holding around one-fourth of the shares in major big agri-food companies. The three financial companies are headquartered in the US.^{xxxii}

In contrast, at least 40% of land deals involve investors' takeover of lands previously or currently used by communities for smallholder agriculture or pastoralism.^{xxxiii} Such struggles over land and resources were typical contexts for the 1,733 land and environmental defenders killed from 2012 to 2021, with Brazil, Colombia, and the Philippines having the highest number of killings.^{xxxiv}

Taking away communities' resources means depriving people of the capacity to adapt to rapid-onset disasters and slow-onset shifts in climate, and lead to more losses and damages. The 58 countries most vulnerable to climate change have already lost USD 525 billion to climate disasters in the last two decades. Today, the same countries have been awash with loans; they will have to pay USD 435 billion in foreign debt payments from 2022 to 2028.^{xxxv} Of this amount, 34% will go to private creditors, 16% to multilateral lenders, 12% to the World Bank, and 10% to China.^{xxxvi}

These debts will further drain public budgets that could have been spent to address climate impacts, such as better social services that could help provide for peoples' needs in times of disaster. In a cycle, more loans are being channelled to rebuild after climate disasters; creditors typically increase their rates as they perceive higher risks for their loans.

One estimate showed that sub-saharan African countries will be compelled to take on USD 996 billion in additional loans, if they continue without adequate support for adaptation as well as loss and damage.^{xxxvii} The creation of a Loss and Damage Fund at the 2022 global climate talks is a step forward, despite Northern countries' attempt to block the proposal. However, developed countries are expected to challenge the additionality of loss and damage to the global South's adaptation and mitigation finance, and the Northern responsibility to contribute their fair share in financing.^{xxxviii}

The gravity of the climate crisis requires Northern states to phase out fossil fuels in their economies.^{xxxix} Currently, Northern states still find ways to evade their historical responsibility during annual climate negotiations, and attempt to create profit from commitments in financing climate action. False solutions prevail—from techno-fixes to greenwashing—due to vested corporate and Northern interests and capture of climate policy.

Increasingly, capital attempts to profit from the rhetoric of sustainability. Hype swelled around climate bonds, green bonds, and similar debt products in financial markets. By mid-2022, concerns about greenwashing abound as 27% of European funds that do “environmental, social, and governance” (ESG) financing were found to be misleading and fail to meet standards.^{xl} Sustainable infrastructure will continue to be a buzzword amid growing discourse on energy transitions. Projects in renewables comprise six of the 10 biggest private investment projects in 2022. Growing business interest in renewable energy as a market threatens to downplay corporate roles in the climate crisis.



RISING MILITARISM, ERODING DEMOCRACY



Militarism is rising in a world of multiple crises and social unrest. Global military spending rose to over USD 2.2 trillion in 2022. The United States (US) continues to lead the world in military spending (USD 877 billion), followed by China (USD 292 billion), and Russia (USD 86.4 billion, up by 9.2%). US military spending is 39% of the world total in 2022, and is larger than the spending of the next ten countries combined.

Countries have increased their military expenditure due to the war in Ukraine. States in Central and Western Europe reached a new peak in military spending at USD 345 billion, the highest in the last 30 years.^{xli} US financial military aid to Ukraine totalled USD 19.9 billion in 2022, the largest bilateral military aid since the Cold War.

Global powers continue to profit from war and militarism (Figure 5). The profits of the world's top 100 arms companies reached USD 592 billion in 2021. Forty of the biggest arms companies are based in the US, including the top five: Lockheed Martin, Raytheon Technologies, Boeing, Northrop Grumman, and General Dynamics. Stock values of US-based arms companies surged as high as 38% in the context of the Ukraine War.

The US military is omnipresent with around 750 military bases in at least 80 countries. Japan has the most bases (120), followed by Germany (119), and South Korea (73).^{xlii} The US continues to conduct its post-9/11 'War on Terror' in 85 countries, killing over 929,000 people from direct war violence, and more from the impacts of war such as food insecurity, damaged infrastructure, and environmental degradation.^{xliii} Thirty eight million people have been displaced in Afghanistan, Pakistan, Iraq, Syria, Libya, Yemen, Somalia, and the Philippines. The US has spent around USD 8 trillion in its post-9/11 wars.

States have repressed civil-political rights and democratic and civic spaces in line with counterterrorism, such as in India, Hong Kong, and the Philippines. In the European Union, the

rise of far-right parties in governance and the European Union (EU) parliament threaten people's democratic rights.^{xliv}

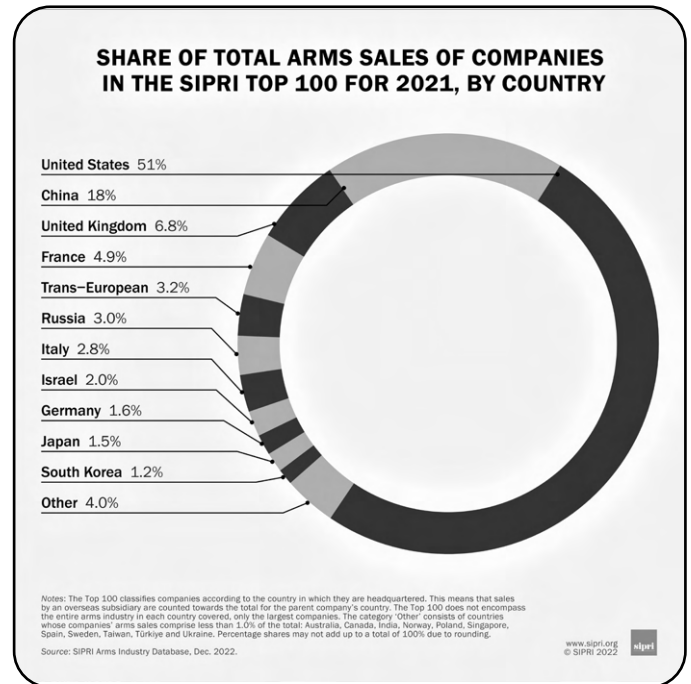


Figure 5. US companies' arms sales comprise half of world total / Source: SIPRI Fact Sheet, December 2022

US military dominance is being challenged by Russia and China as seen in the Ukraine war and heightening tensions in Asia. In February 2022, after a Putin-Xi meeting, Russia and China released a joint statement alluding to a "new era" of international relations and global sustainable development.^{xlv} Cooperation continued as China joined Russia's large-scale Vostok military exercises in 2022.^{xlvi} China has voiced support for Russia in the context of the Ukraine War; Russia has backed China's military posturing in Taiwan.

Since Russia's invasion in February 2022, around 24,000 civilian casualties have been reported, including approximately 9,000 civilians killed and 15,000 injured. More than 7.5 million people have fled Ukraine and nearly 7 million have become internally displaced. The Ukraine war is the culmination of the geopolitical tensions between the US and North Atlantic Treaty Organisation (NATO) dyad and

Russia, as the former expanded its military activities in Eastern Europe, and the latter's military build-up in Ukraine.^{xlvii xlviii}

Historically, NATO is a military alliance among the US, Canada, and ten other European states formed during the Cold War between the US and then-Soviet Union. Currently NATO comprises 31 European and North American member states, including former Warsaw Pact (a defence treaty between the former Soviet Union and states in Central and Eastern Europe) and post-Soviet states. Russia saw NATO's expansion towards its border as a threat to its security interests.

In March 2023, the International Criminal Court issued arrest warrants against Russian President Vladimir Putin and another government official, Maria Lvova-Belova, for war crimes.^{lix} US President Joe Biden welcomed the International Criminal Court (ICC) decision, while the US itself does not recognise the ICC's jurisdiction and blocked the investigations of war crimes in the US occupation of Afghanistan, and the US-backed Israel occupation of Palestine.^l The US, EU, and other allies expanded and imposed new sanctions on Russia in the context of the Ukraine war.

The US launched its Indo-Pacific Strategy in February 2022 to counter China's rise in Asia and "firmly anchor" its influence in the region, such as through trade and security policies.^{liii} In line with the strategy, the US has increased its military activities, including joint military exercises and maritime activities.^{liv} The US conducted the Rim of the Pacific (RIMPAC), the world's largest international maritime exercise, with 26 other countries;^{lv} the Cobra Gold joint military exercise with Thailand; the Malabar naval exercise with fellow Quadrilateral Security Dialogue or Quad partners, India, Australia, and Japan; and the Tiger Triumph military exercise with India.

Aside from the Quad, the US has a trilateral security pact with Australia and the United Kingdom, known as the AUKUS. In March 2023, Australia announced its plans of acquiring nuclear-powered submarines under the pact. In 2022, the US also expanded its trilateral security cooperation with Japan and South Korea. Japan, South Korea, Australia, and New Zealand joined a North Atlantic Treaty Organization (NATO) Summit for the first time in June 2022.

US-China tensions in the Asia Pacific have driven military spending in the region, such as in Australia and Japan. Japan announced plans to boost military buildup^{lvi} amid China's heightened military activities across the Taiwan Strait, as well as perceived threats from North Korea and Russia. In the context of great power competition, China is supporting the expansion of BRICS alliances with other Southern countries as "BRICS plus".^{lvii}

China has continued to assert its power, amid disputes over the South and East China Seas, by maintaining the maritime presence of its ships.^{lviii} It has also set up military equipment and constructed artificial islands in the Spratly Islands. Negotiations on the Code of Conduct (COC) between China and ASEAN nations in the South China Sea will be facilitated by Indonesia as the ASEAN Chair beginning in March 2023.^{lx}

Taiwan is one flashpoint of US-China tensions in Asia. After the visit of US Speaker of the House Nancy Pelosi in August 2022, China conducted large-scale military activities around Taiwan.^{lxi lxii lxiii} The US agreed on a USD 180 million arms sale to the island at the end of 2022.^{lxiv} Stirring further tensions, the Pentagon's defence official for China visited Taiwan in February.^{lxv}

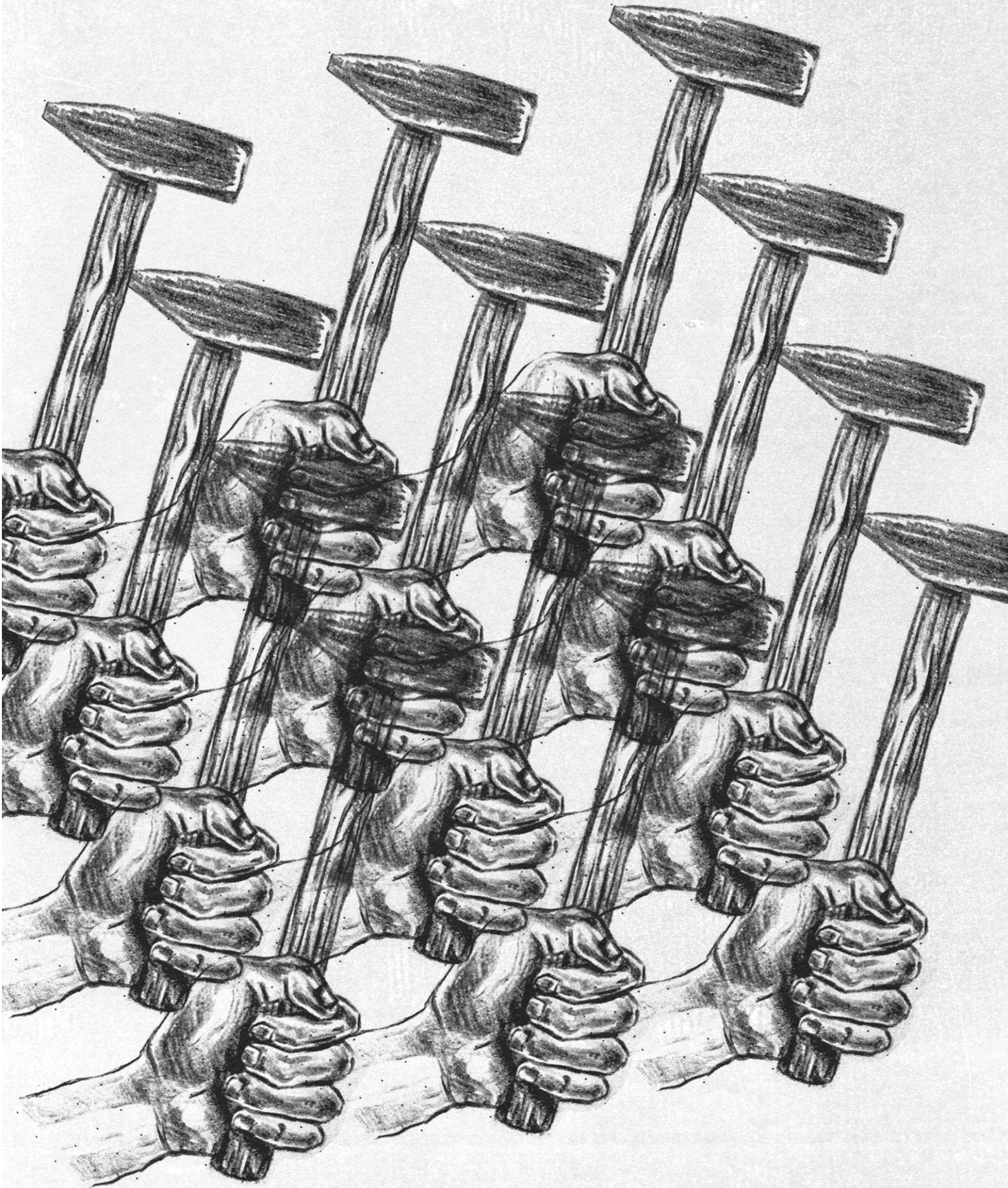
The Philippines is another rising flashpoint. The US has expanded its military presence and activities in the country through the enforcement of the 2016 Enhanced Defence Cooperation Agreement (EDCA). EDCA allows the US to send troops as well as operate military facilities in "agreed locations" in the country. Following the Philippine visit of the US Defence Secretary in February 2023, four new locations were identified, including strategic areas for potential US manoeuvres to Taiwan. The US military currently has access to nine locations for its troops, equipment, and facilities. The US and the Philippines held its biggest joint military exercises in April 2023, involving over 17,600 troops.

Box 3. The harms of sanctions

The US also strives to maintain its power by imposing economic sanctions, such as financial restrictions, trade prohibitions, and blocking or seizure of assets, against countries deemed as threats to US interests.^{li} Currently the US has active sanctions against 39 countries and territories, including Russia, Cuba, Venezuela, Ethiopia, Zimbabwe, Afghanistan, among others. Sanctions hinder countries' access to essential goods and services, such as during the height of the pandemic. Sanctions also undermine peoples' rights and the sovereignty over national

development.^{lii} Sanctions against Russia have disrupted supply chains, causing shortages and inflation in basic commodities. Impacts ripple to the working and middle classes in EU countries, which used to depend on Russia for gas, and to the Africa and West Asia regions which rely on Russia for food imports.

The majority of countries have expressed their opposition to US sanctions, also known as unilateral coercive measures, in several UN resolutions.



PEOPLE'S RESISTANCE TACKLING CRISES, FIGHTING FOR A JUST FUTURE



Across the world, there is an expansion of workers' actions and social movements of peasants, fisherfolk, women, Indigenous Peoples, youth, and other marginalised sectors demanding better wages, living conditions, and government accountability amid surging living costs and the unbearable socioeconomic impacts of debt and neoliberal policies. The rise of "social unrest" reached even the halls of the IMF, which suggested that rising protests could pose risks to economic recovery,^{lxvi} neglecting that various actions assert economic and civil-political rights.

Estimates count at least 12,500 protest events in 148 countries against high energy and food prices between November 2021 and October 2022.^{lxvii} ^{lxviii} Protests were concentrated in Latin America and the Caribbean, South Asia, and Europe. While often violently repressed by governments, protests and mass actions have successfully curtailed harmful neoliberal policies and resulted in concrete gains for people's rights and sovereignty, such as increased wages and better public services. Others exposed the realities wrought by the global crises.

In 2022, mass protests in Sri Lanka against debt and its impacts on living costs and conditions culminated in the storming of the presidential palace. The protests forced the country's president to flee the country, the prime minister and his cabinet members to resign, and the creation of a government mechanism to address the country's debt issues.

In China, factory workers at Foxconn, which supplies 70% of iPhone shipments globally, protested against inhumane working conditions in November 2022.^{lxix} Platform-based delivery riders across Asia held protests for better wages and conditions in 2022 such as in South Korea, Hong Kong, Thailand, and the Philippines.^{lxx} Twenty-five thousand truck drivers in South Korea also held a strike for better wages in late 2022. In March 2023, public jeepney drivers in the

Philippines went on a strike, forcing the government to halt the implementation of a "modernisation program" criticised for displacing drivers' livelihoods and for handing over public transport to corporate interests.

Ecuador's largest Indigenous Peoples organisation, Confederation of Indigenous Nationalities of Ecuador (CONAIE) led protests in the country against neoliberal economic policies, such as fuel subsidy cuts, enforced by conservative President Guillermo Lasso in line with IMF loan conditionalities. Protesters' demands to regulate the prices of oil and basic goods and to stop extractive projects in Indigenous and rural communities compelled the government to respond. In Panama, unions of transport and construction workers and teachers, organised what they called "the biggest act of civic dissent" in decades, forcing the government to regulate oil and food prices.

In Africa, protests against rising living costs have also erupted such as in South Africa, Sierra Leone, Madagascar, Uganda and Ghana.^{lxxi} Protests such as in Congo and Mali also tackled persisting colonial relations with Europe that manifest in trade. In West Asia and North Africa, protests in Lebanon continued in 2022 amid a worsening economic crisis, with its currency value plummeting by 90 percent.^{lxxii} Peoples in Morocco also protested against high living costs and repression.^{lxxiii} In Iran, the death of Mahsa Amini, a 22-year-old woman, under state custody sparked protests against a patriarchal and fundamentalist status quo reinforced by state institutions.

In the global North, workers' strikes and union actions have created momentum in 2022 and continue in 2023. In the United States, there was a 50% increase in labour strikes between 2021 and 2022, and a historic formation and expansion of unions at Starbucks, Amazon, Apple and dozens of other companies. Teachers and education workers,

including in higher education institutions, as well as television and film industry writers in the country also organised strikes in 2023.

In the United Kingdom, railway workers' strike beginning in 2022, hailed as the 'first national rail strike in three decades', has sparked a series of labour strikes by other transport workers, postal workers, health workers, refuse workers, and other public service workers. In France, workers in various sectors including transport and energy workers, teachers, port workers and public sector workers have been striking since January 2023 against President Emmanuel Macron's regressive pension reform. In Canada, 120,000 federal workers successfully secured wage increases after organising the country's largest public sector strike in April 2023.^{lxxiv}

Across Europe, peoples have mobilised to oppose the US and NATO's role in the Ukraine war^{lxxv} such as in France, Germany, UK,^{lxxvi} Spain,^{lxxvii} Czech Republic,^{lxxviii} among others. In Russia, anti-war protests have also erupted since Putin's invasion of Ukraine in February 2022.^{lxxix}

Peasant movements in the global South tackle corporate and elite land monopoly and reclaim their right to land by organising collective land cultivation such as in Brazil and the Philippines. For instance, in Brazil, efforts of the Landless Workers Movement and the League of Poor Peasants have addressed land and livelihood concerns for hundreds of thousands of peasant families.

Southern peoples continue to assert their sovereignty against foreign occupation and control over economic resources and governance through national liberation struggles such as in Myanmar, the Philippines, India, West Papua, Palestine, Turkey, and Kurdistan. In Myanmar, long-standing ethnic and indigenous liberation movements and civilian militias resist the military junta, expanding influence and gaining control over 52% of Myanmar's territory.^{lxxx} In the Philippines, armed guerrillas resist neocolonial domination in politics, the economy, and culture, as they redistribute land to peasants in the context of elite land monopoly, foreign extractive projects, and growing militarism especially by the US.^{lxxxii} Palestine sees a growing armed resistance amid intensifying attacks by the US-backed Israel military occupation.^{lxxxii} ●

ENDNOTES

- i. IBON International. (2018). International Situation 2018: Simmering crisis, rising inequalities amid corporate concentration.
- ii. IBON International. (2020). International Situation 2019-2020. New crises, stronger resistance.
- iii. Oxfam International. (2023, January 16). Richest 1% bag nearly twice as much wealth as the rest of the world put together over the past two years.
- iv. United Nations Conference on Trade and Development (UNCTAD). (2023). Trade and Development Report Update: Global Trends and Prospects.
- v. IBON International. (2022, June 16). The WTO's failed pandemic response.
- vi. Zoll, Dan. (1999). Developing Nations Complain of Being Shut Out of Ministerial Planning Process. World Trade Observer.
- vii. Vilanueva, Joann. (2019, April 2). Rice tariffication to bolster PH's WTO membership. Philippine News Agency.
- viii. UNCTAD Investment Policy Hub. (2022, December 31). Glencore v. Colombia (III).
- ix. Global Justice Now, London Mining Network, War on Want. (n.d.). ISDS Files: Anglo American v Colombia, Glencore v Colombia.
- x. IBON International. (2023, February 17). Emerging issues in the IPEF trade negotiations: A critical summary.
- xi. IBON International. (2021, February 1). RCEP: Bane to sustainable consumption and production.
- xii. UNCTAD. (2022). 2022 Trade and Development Report: Development prospects in a fractured world: Global disorder and regional responses.
- xiii. United Nations Conference on Trade and Development (UNCTAD). (2023). Trade and Development Report Update: Global Trends and Prospects.
- xiv. Inman, Phillip. (2022, December 6). World's poorest countries' debt interest payments rise 35%, report says. The Guardian.
- xv. UNCTAD. (2023, April 12). Lost decade looms for debt-ridden developing countries.
- xvi. Elliott, Larry. (2023, April 25). Finance companies 'may make \$30bn' by delaying debt relief for five countries. The Guardian.
- xvii. Mariotti, Chiara (2021, September 29). The policy lending doctrine: Development Policy Financing in the World Bank's Covid-19 response. Eurodad.
- xviii. Oxfam International. (2023, April 13). For every \$1 the IMF encouraged a set of poor countries to spend on public goods, it has told them to cut four times more through austerity measures.
- xix. UNCTAD. (2023, April 12). Lost decade looms for debt-ridden developing countries.
- xx. UNCTAD. (2023). Global FDI momentum weakened in 2022 with downward pressure on projects after Q1. Decline expected for 2023. Investment Trends Monitor, Issue 44.
- xxi. UNCTAD. (2023). Investment flows to least developed countries affected disproportionately by global crises. Investment Trends Monitor, Special Issue.
- xxii. IBON International. (2023, March 24). World Bank reform? A view from the global South.
- xxiii. Kenny, Charles. (2022, April 28). Billions to Trillions is (Still) Dead. What Next?. Center for Global Development.
- xxiv. Inter-agency Task Force on Financing for Development. (2023). Financing for Sustainable Development Report 2023.
- xxv. World Meteorological Organization. (2023, February 22). Another poor rainy season forecast for drought hit Horn of Africa.

- xxvi. Hickel, J., O'Neill, D., Fanning, A., Zoomkawala, H. (2022). National responsibility for ecological breakdown: a fair-shares assessment of resource use, 1970-2017.
- xxvii. Rainforest Action Network, Banktrack, Indigenous Environment Network, OilChange International, et al (2023). Banking on Climate Chaos: Fossil Fuel Finance Report 2023.
- xxviii. The Big Shift Global. (2022, October 6). Investing in Climate Disaster: World Bank Group Finance for Fossil Fuels.
- xxix. IBON International. (2019, April 23). World Bank's Paris Alignment: A Loophole for Gas.
- xxx. UNCTAD. (2023). Investment Trends Monitor.
- xxxi. Anseeuw, W., Baldinelli, G. (2020). Uneven Ground: Land Inequality at the Heart of Unequal Societies.
- xxxii. Shand, H., Wetter, K., Chowdhry, K., (2022). Food Barons 2022: Crisis Profiteering, Digitalization and Shifting Power.
- xxxiii. Lay, J., Anseeuw, W., Eckert, S., Flachsbarth, I., Kubitzka, C. Nolte, K. Giger, M. (2021). Tacking stock of the global land rush.
- xxxiv. Global Witness. (2022). Decade of defiance: Ten years of reporting land and environmental activism worldwide.
- xxxv. Vulnerable Twenty Group. (2022, October 16). Climate-vulnerable economies: Climate disasters and debt are a vicious cycle.
- xxxvi. Global Development Policy Center. (2022, September 16). V20 Debt Review: An Account of Debt in the Vulnerable Group of Twenty.
- xxxvii. Woolfenden, T. Khushal S. (2022). The debt and climate crises: Why climate justice must include debt justice.
- xxxviii. IBON International. (2022, November 20). On the COP27 loss and damage fund: A win for frontline peoples and communities, but the struggle continues.
- xxxix. IBON International. (2023, April 4). On the IPCC's Sixth Assessment Report: No room for half-measures, address the climate crisis by breaking free from fossil fuels!
- xl. Quinio, A. (2022, February 10). Morningstar cuts 1,200 funds from 'sustainable' list.
- xli. Stockholm International Peace Research Institute. (2023, April 24). World military expenditure reaches new record high as European spending surges.
- xlii. Hussein, M., Haddad, M. (2021, September 10). Infographic: US military presence around the world.
- xliii. Watson Institute for International and Public Affairs. (n.d.) Costs of War: Summary of Findings. Brown University.
- xliv. Tonne, Christin. (2022, November 2). The fox in the chicken coop: how the far right is playing the European Parliament.
- xlv. Wright, Robin. (2022, February 7). Russia and China unveil a pact against America and the West.
- xlvi. Associated Press in Moscow. (2022, September 1). Russia and china launch large-scale military drills amid tensions with US.
- xlvii. Suny, Ronald. (2022, February 28). Ukraine war follows decades of warnings that NATO expansion into Eastern Europe could provoke Russia.
- xlviii. Ibid.
- xlix. International Criminal Court. (2023, March 17). Situation in Ukraine: ICC judges issue arrest warrant against Vladimir Vladimirovich Putin and Maria Alekseyevna Lvova-Belova.
- i. Mitrovica, Andrew. (2023, March 20). An ICC warrant against Putin is good – and hypocritical. Al Jazeera.
 - ii. Sterling, R., Philpot, J., Paul, D. (2022). US Sanctions: Deadly, Destructive and in Violation of International Law.
 - iii. IBON International. (2021, July 8). US sanctions and the chokehold on the Venezuelan's people's right to development.
 - iiii. The White House. (2022, February 11). Fact Sheet: Indo-Pacific Strategy of the United States.
 - liv. Office of the Spokesperson. (2023, February 13). Marking One Year Since the Release of

- the Administration's Indo-Pacific Strategy. US Department of State. <https://www.state.gov/marking-one-year-since-the-release-of-the-administrations-indo-pacific-strate-gv/>
- lv. US Third Fleet Public Affairs Commander. (2022, August 5) RIMPAC 2022 Concludes. US Navy Office of Information.
- lvi. Ming-chu, Y., Hsiu-chuan, S. (2022, December 16). Japan's new revised security strategy underlines Taiwan Strait peace. Focus Taiwan CAN English News.
- lvii. Peng, N. (2022, July 13). Great power Conflict Fuels BRICS Expansion Push. The Diplomat.
- lviii. Asia Maritime Transparency Initiative. (2022, November 9). The Ebb and Flow of Beijing's South China Sea Militia. Center for Strategic and International Studies.
- lix. Associated Press. (2022, March 20). China has fully militarized three islands in South China Sea, US admiral says. The Guardian.
- lx. Strangio, S. (2023, February 23). China, ASEAN to 'Accelerate Consultations' on South China Sea Code.
- lxi. Pollard, M., Lee, Y. (2022, August 11). China military 'complete tasks' around Taiwan, plans regular patrols. Reuters.
- lxii. Cheung, E., Yeung, J., Jozuka, E., (2022, December 26). China carries out military exercises near Taiwan and Japan, sending aircraft across Taiwan Strait in 'strike drill'. CNN.
- lxiii. Cheung, E., Lendon, B. (2023, January 9). Chinese military stages large-scale military exercises around Taiwan.
- lxiv. Ibid.
- lxv. Reuters. (2023, February 18). Pentagon's top China official travels to Taiwan, sources say.
- lxvi. Barrett, Philip. (2022, May 20). Social Unrest is Rising, Adding to Risks for Global Economy. International Monetary Fund.
- lxvii. Hossain, N., Hallock, J. (2022). Food, energy & cost of living protests, 2022. Friedrich Ebert Stiftung.
- lxviii. Ortiz, I., Burke, S., Berrada, M., Cortés H. (2022). Brief: World Protests 2021-2022.
- lxix. Goh, B., Lee, Y. (2022, November 24). Huge Foxconn iPhone plant in China rocked by fresh worker unrest. Reuters.
- lxx. Torao M. (2022, October 31). Platform Workers on Strike in South Korea, Hong Kong and Thailand: a moment for building transnational labour solidarity.
- lxxi. Ortiz, I., Burke, S., Berrada, M., Cortés H. (2022). Brief: World Protests 2021-2022.
- lxxii. Crisis24. (2022, January 11). Lebanon: Anti-government protests and strikes are likely to persist through early 2022.
- lxxiii. AFP Rabat. (2022, December 5). Thousands protest in Morocco over price hikes, 'repression'. Alarabiya News.
- lxxiv. Al Jazeera. (2023, May 1). Labour Day protests, strikes take over France, Italy, Netherlands.
- lxxv. Shabeer, M. (2023, February 28). The people of Europe vs. NATO. People's Dispatch.
- lxxvi. teleSUR. (2023, March 30). Protests Intensify in Europe Amid Public Mistrust Against NATO.
- lxxvii. Rodriguez, E., Gore, M. (2022, June 26). Thousands protest in Madrid against NATO summit. Reuters.
- lxxviii. Reuters. (2022, September 5). Tens of thousands protest in Prague against Czech government, EU and NATO. Reuters.
- lxxix. Burakovsky, A. (2022, March 3). Putin's Invasion of Ukraine Has Sparked Antiwar Protests in Russia. They Could Be His Undoing. Time.
- lxxx. Fishbein, E. (2022, November 8). Myanmar's anti-coup fighters say injuries harden resolve. Al Jazeera.
- lxxxii. Umil, A. (2022, September 23). Manila court junks petition to declare communist groups as terrorists. Bulatlat. <https://www.bulatlat.com/manila-court-junks-petition-to-declare-communist-groups-as-terrorists/>
- lxxxii. Tahhan, Zena Al. (2022, November 11). Inside the Lion's Den: Will Palestinian resistance keep growing. Al Jazeera.



fb.com/iboninternational



IbonInternatl



iboninternational



iboninternational.org