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Impacts and Challenges

Export oil, import water:
The Middle East's risky economics

WTO on Agriculture:
More than a decade of false hopes

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*Focus on Indonesia***WTO after 20 years: Impacts and challenges**

GLOBAL VALUE CHAINS. The global apparel industry in the African region is a stark example of how GVCs contribute to the de-industrialization of developing countries.

Photo credit: International Center for Trade and Sustainable Development

Twelve years have passed since the World Trade Organization's (WTO) Doha Development Rounds began and yet it remains inconclusive up to this day. In contrast, the Uruguay Round was concluded after only eight years since its launch in 1978. The Doha Round negotiations were generally met with strong resistance from social movements worldwide as well as disagreements between WTO member countries regarding important trade modalities. Huge protests swarmed the 6th Ministerial Conference (MC6) in Hong Kong in 2005 marking the failure of the Doha Rounds to reach its long-sought resolution. Subsequent WTO ministerial conferences were carried out only after four years later (2009 and 2011) at the WTO headquarters in Geneva, but still without much progress.

This year, the 9th Ministerial Conference (MC9) in Bali, Indonesia will attempt to re-open old dynamics that have long ceased since MC6 in 2005. This is also an indication that the Doha Rounds might gain new momentum to thrust its way into a conclusion, apart from a new multilateral trade chapter unfolding.

The WTO's legacy of the past 20 years

Two decades have passed since the establishment of the WTO and since then, it has become one of the most powerful arbiters of multilateral free trade in the world. Unlike agreements made in the United Nations, WTO deals are legally binding—meaning member countries are compelled to abide by the resulting agreements enforced with tight discipline and often coupled with legal sanctions.

Gross inequality between developed and developing countries tipped the trade agreements in favor of the former. Developed countries hold power over the negotiating process because of their advanced economic development and formidable sway over the IMF and World Bank. Developing countries on the other hand are in a weak position to bargain because of their dependence on multilateral banks and rich countries for aid and assistance.

During the 1st WTO Ministerial Conference in Singapore in 1996, developed countries were keen on pushing for the adoption of four new issues: investments, government procurement, competition policy, and trade facilitation. These four issues, collectively known as the Singapore Issues, is a problem for developing countries because it implies a new negotiating approach on issues they are not ready to discuss while pre-existing issues are still far from a resolution. The intense pressure to adopt the Singapore Issues and enter into a new round of negotiations was felt during the 3rd Ministerial Conference (MC3) in Seattle in December 1999. The Seattle conference collapsed due to strong opposition from social movements around the world. Nonetheless, pressure from developed countries continued to the 4th Ministerial Conference (MC4) in Doha back in 2001 wherein street protests were disallowed. With the manipulation of the negotiations and a lot of arm-twisting, the Doha conference led to the agreement on two new issues—environmental and industrial tariffs that kicked off the Doha development agenda.

Simply put, the process that led to Doha shows that the WTO works for developed countries. The declaration on Trade Related Intellectual Property Rights (TRIPs) and Public Health for example, as well as the decision on implementation issues, do not give meaningful concessions that allow developing countries and Least Developed Countries (LDCs) to benefit from multilateral trade. NGOs and social movements around the world rejected the legitimacy of the Doha Ministerial Declaration as the result of an unacceptable process of manipulation. Various tactics to maneuver the negotiations and to intimidate developing countries were employed by developed countries during the course of the Doha conference such as the linking of aid budgets and trade preferences to trade positions of developing countries and targeting individual developing country negotiators.

While the primary objective of the Doha round was to bring WTO talks back to its original track after the defeat in Seattle, it also resulted in increasing agricultural liberalization, new environmental and industrial tariff agreements and the launching of a premature round of negotiations in 2003. It also created pathways to expand trade practices by eliminating trade barriers in the fields of forestry, fisheries, mining, fossil fuels and other natu-

ral resources. The Doha development talks gave way for the establishment of the Trade Negotiating Committee (TNC) – a powerful agency with the task of monitoring and coordinating various negotiations and discussions that have been decided during the Doha conference.

The creation of this implementing body and the breadth of the different agreements that still needs to be negotiated attests to the aggressive and ambitious character of the Doha rounds. The high volume of disagreements and conflicting proposals proved to be a bottleneck for achieving seamless trade transactions. This very impasse led to the failure of the 5th Ministerial Conference (MC5) in 2003 and almost the same fate for the subsequent MC6 in 2005 if not for another round of manipulative tactics that led members to agree on the modalities of GATS and trade facilitation.

The Doha deadlock nevertheless continued and the stagnation of WTO talks was becoming increasingly apparent. Attempts to revive Doha can be seen during the 7th and 8th Ministerial Conferences both held in Geneva (2009 and 2011) as it showed the escalating crisis of the Doha round negotiations and its consistent failure to reach consensus on the Doha issues.

Despite Doha's consecutive miscarriages, developed countries are still in the hopes that the Doha rounds will be resolved through a kind of Blair House agreement during the Uruguay round in 1994 where strong players like US and EU reached an agreement that was automatically followed by majority of WTO members. However, the rise of Brazil, India and China is making it harder for former major players such as the US and EU to muscle their way to a popular consensus. In addition, the 2008 financial crisis further raised serious doubts whether the Doha round can provide a way out. The crisis of 2008 proved to be worst in centuries as the US economy and other developed countries suffered from fuel, food and fiscal crises eventually plummeting to a prolonged series of recession.

WTO Secretary General Pascal Lamy together with developed countries are now preaching on the need to complete the Doha round as the only roadmap to recovery and the only means to put an end to the prolonged depression. This is the basic logic of capitalism—the belief that the seamless flow of capital will restore profit-

able relations between developed and developing countries. What is missing in this line of thought however is that the smooth flow of capital is always in favor of the big players in world trade.

As a solution to the Doha impasse, bilateral and regional Free Trade Agreements (FTAs) were established. FTAs are governed by a set of complex regulations that are specific to economic regimes as well as political and ideological leanings. FTAs are brokered bilaterally or through a regional mechanism. Currently, there are approximately more than 500 FTAs within the WTO trading system that reflect the new dynamics of regional economic integration.

FTAs are increasingly becoming a cause of concern because developed countries are using FTAs to bind developing countries to commitments weaker than what were made in the WTO and to consolidate positions that are contrary or controversial in the multilateral negotiations. FTAs often expand and modify trade agendas in excess of what had been agreed in the WTO. These are called “third generation agreements” which have the power to influence domestic policies to implement plurilateral agreements such as sanitary measures, trade facilitation, trade liberalization in the service sector, discipline on investment and competition policy, intellectual property rights (IPR) and government procurement. The FTA-approach to trade liberalization can be interpreted as an attempt to shift the process of creating the trade rules from the multilateral mechanisms to the regional and bilateral negotiations.¹

A large part of the benefits from FTAs go to developed countries. For instance, existing FTAs do not impose discipline on developed countries in terms of agricultural subsidy. This worsens the already unfair competition present in the WTO’s Agreement on Agriculture (AoA) between poor farmers in developing countries and farmers in the developed countries that receive government subsidies. These trade agreements also become the “templates” of FTAs made by the developed countries that accommodate very few special interests of developing nations.²

Despite the increasingly asymmetrical relationship among WTO trading partners, many developing nations are still willing to enter FTAs for the fear of exclu-

sion from the global trade arena and the uncertainty it brings over the future of unilateral preferences. By rushing into FTAs, developing countries are weakening their positions in unilateral preferences by losing their GSP (generalized system of preference) facility which will ease the entry into developed markets duty free—an advantage enjoyed by developing countries and LDCs before the Doha round.

FTAs could reduce the rights and concessions that were already won by developing countries and LDCs in the WTO. Observers liken the complex interweaving of FTAs to a “spaghetti bowl” of non-coherent, overlapping and round maze of trade agreements surrounding the U.S. and the E.U.

Major trading powers are now looking at bilateral and regional FTAs as key instruments to pursue geopolitical objectives. Meanwhile, small countries trying to fight so that their vital export interests may remain secure and protected.³

Impacts on Indonesia of WTO and trade liberalization

Policy changes towards economic liberalization

Previous governments have implemented trade liberalization in Indonesia before its actual ascension to WTO in 1994. High tariff application, import substitution for industrialization and local business monopolies were already in place during its pre-WTO years. However, since the start of the IMF-WB prescription of Structural Adjustment Programs (SAPs) in the 1980’s, Indonesia unilaterally implemented a series of laws, government regulations, and decrees that liberalized key public sectors of the economy.

Since Indonesia’s accession to WTO, the government had been following a strict tariff reduction schedule, where the 83.4% of tariff lines were in the range of 0-10% in 2003 while 67.9% rests from zero to five percent. Exceptions were made for certain items such as motor vehicles, steel, aircraft, shipping and arms. Other commitments to WTO standards include (1) the elimination of tariff surcharge by 2004, (2) the elimination of non-tariff barriers (NTB) by the same year, (3) keeping the applicable tariff rates below the maximum limits set out in WTO commitments, and (4) the elimination of tariff rates for information technology products.

The government was forced to further liberalize its economy as stipulated in the conditions issued by the IMF during the 1997 Asian Crisis. Commitments with the IMF was only allowed to be removed after the completion of Indonesia's program in December 2002. Some of these reforms go further than what Indonesia had decided to undertake unilaterally, and to what it had to internationally. The IMF conditions included requests for tariff reduction targets on rice, sugar and other non-food agricultural products. It also mentioned NTBs for industrial and agricultural products as well as the elimination of export taxation and other trade barriers all for the seamless flow of goods and services in and out of the country.

TNCs were further encouraged to enter the country through PP no. 20 of 1994 on stock ownership of a company established in the framework of foreign investment. With regulations that facilitate privatization, foreign companies now control strategic and previously state-owned enterprises. These trade liberalization policies heightened the so-called 'integration' of Indonesia's economy to the global market. Various new regulations that promoted neo-liberalization continue to be prepared and finalized by the Indonesian government.

In the WTO TPRB (Trade Policy Review Body) report on Indonesia in 2003, the country was praised for being one of the most advanced countries in terms of liberalizing its market. The last TPRB on Indonesia was published last March 2013 highlighting the 'achievements' of Indonesia in line with its trade liberalization policies that include its steady economic progress with an average annual real GDP growth rate of 5.9%, its five-year tariff harmonization program that lowered Indonesia's average MFN (Most Favored Nation) tariff to 7.8% in 2012, and the establishment of a financial services authority (Otoritas Jasa Keuangan) among others.⁴

Judging by the results of the TPRB, most of the government's efforts to 'improve' the economy are in line with the WTO neoliberal economic policies that will satisfy foreign investors and corporate interests. However, these 'achievements' also came with a price. The opening of Indonesia's market and its integration into the global economy did not lead to genuine prosperity. The WTO agreements were only effective in so much as steering Indonesia's economy towards the free mar-

ket. The inflow of imported goods, especially consumer goods, increased rapidly. Several domestic companies were still able to survive the competition but were forced to scale down their operations or close their businesses shortly after.⁵

A study on the impacts of tariff elimination on Indonesia's trade balance in relation to its trading partner countries based on GTAP model concluded similar results, i.e.:

1. Indonesia's position and status in the context of world trade shows that in most of trade balance per commodity, the country has become a major net-importer;
2. On one hand, most of Indonesia's exports both in agricultural and manufacturing commodities declined, but on the other, imports in almost all commodities increased;
3. Liberalization policies worsened Indonesia's trade balance, especially for some strategic commodities in agriculture and manufacturing as a whole.⁶

Furthermore, future liberalization policies will broadly cover the privatization of public and social services of the economy such as education, health, water, electricity, transportation and domestic service sectors such as banking, tourism, and others. The said economic policies will pose permanent danger as it strips off policies that should protect Indonesia's economy and its people. Continued import liberalization also threatens to de-industrialize the country as it becomes increasingly dependent on imported goods.

Impacts of Services and Financial Liberalization

Indonesia can be considered as a classic example of how financial liberalization drags entire economies to a cycle of endless crisis. Financial liberalization opens and integrates national financial sectors into the global financial system. This integration entails the imposition of IMF, WB, FTA and WTO rules leading to a state of permanent crisis and in effect, robs Indonesia of its sovereignty and independence.

In Indonesia, the seeds of the crisis were sown when the government began implementing economic and finan-

cial liberalization through various policy packages since implementing financial deregulation in 1983. The following policy packages were implemented to facilitate financial liberalization:⁷

1. *Monetary and financial.* In 1983, the government devaluated the Rupiah by 28% and began deregulating the banking sector by removing restrictions on interest rates and credit limits. In 1986, the Rupiah was devalued by 31%; and on October 27, 1988 (known as Pakto - October package) the government lowered the reserve requirement from 15% to 2%, and the set regulatory lending limit for the establishment of new banks, including joint venture banks. In December 1988, capital markets and financial services were deregulated, while the government decided to continue the Pakto-October package in the coming years.
2. *Fiscal.* Tax reform was implemented through the imposition of income tax (PPh) in 1984, the introduction of the value added tax (VAT/PPN) in 1985, and the IPEDA (Contribution of Regional Development) was converted to Land and Building Tax (PBB) in 1986.
3. *Tariffs.* In March 1985, tariffs were reduced from 0-225% into 0-60%. Subsequently, the government allowed SGS (Société Générale de Surveillance)—a multinational company from Switzerland to take over the role of customs clearance. In 1987, the systems for imports and exports, as well as for foreign investments, were deregulated. The following year, the monopolies on the importation of plastic and steel by state-owned companies was removed and inter-island sea transport was deregulated. The 'Harmonized System of Trade Classification' was introduced in 1989, NTB was removed in 1990 and trading in pharmaceutical and farm products were both deregulated.

Unlike other countries, Indonesia liberalized its financial sector at the beginning of the liberalization of its economy. Other countries usually start liberalization in production. Prasetyantoko (2004) divides the development of the financial liberalization that leads to crisis into three phases all of which are based on the pillars of neo-liberalism:⁸

1. *Deregulation and liberalization phase (1988-1990).* This phase occurs at the development and rapid growth of the banking sector. The main reason is to sustain the growth of industry, to accelerate the business cycle, and to support the achievement of high economic growth.
2. *Restructuring and reconsolidation phase (1998-2001).* This is the phase of the crisis, where the Indonesian banking system collapses. Between October to November 1997, 34 banks were declared unfit (insolvent) including 2 state-owned bank, 6 Regional Development Bank (BPD) and 26 private banks – in which 16 banks were liquidated on 1 November 1997. Afterwards, Bank Indonesia decided to issue Bank Indonesia Liquidity Assistance (BLBI) that later proved to worsen the crisis. BLBI works by injecting fresh funds to banks through the issuance of government bonds to the public with the aim of improving the health indicators of banking.
3. *Divestment and privatization phase (2001-present).* In this phase, government-owned banks and banks under IBRA were privatized through (1) seeking strategic partners (strategic investors), and (2) offering in the market prime (initial public offering / IPO). In this phase, cases of moral hazards such as collusion within members of IBRA, House of Representatives (DPR) and other ministries to restore the control over the shares to old owners or to particular investors often appear.

The grip of financial liberalization is tight around Indonesia's economy because of the financial services agreement as stipulated in the GATS (General Agreement on Trade in Services). Indonesia can no longer protect itself against a global downturn. Global financial fluctuations will likely continue, and will directly cause economic upheavals to small and vulnerable economies like Indonesia. As long as Indonesia's economy is committed to neoliberal policies, vulnerability to global recessions will continue and more likely worsen.

Aside from the IMF-prescribed liberalization of the financial sector, Indonesia liberalized the following service sectors under the GATS: (1) telecommunications, (2) industry, (3) sea transportation, (4) tourism, and

(5) finance. In the schedule of commitments in financial services submitted by the government, Indonesia opened its financial sector to foreign business with a maximum foreign share of 49%. However, the prevailing regulation allows foreign businesses to own shares up to 85%. Ten foreign banks were exempted from the rules restricting the ownership of banks to Indonesian nationals. Aside from the exemption, they were given the right to open branches in eight main cities in Indonesia, auxiliary branches in every main city and the also the right to appoint a foreign director on the condition that a minimum of one of its directors is an Indonesian national. In the latest negotiation, the government stepped even further by providing all enforceable commitments, including the ownership of up to 85% of shares.

With the economic crisis and the bank restructuring imposed by IMF, it seems that Indonesia's commitments should be reviewed, especially the recapitalization scheme which encourages corruption, collusion, and nepotism. The Indonesian government should regulate the liberalization of the banking sector instead of pawning it to foreign countries as foreign banks now mostly control Indonesia's financial outfits.

Indonesia's telecommunications sector was also liberalized. The government privatized state-owned enterprises namely Telkom and Indosat. Indonesia signed the Telecommunication Law No. 3 of 1999 that allowed foreign companies to run telecommunication services in the country. Tourism was also liberalized under the GATS allowing foreign companies to own 100% of shares in hotels and tourist resorts in all areas of Eastern Indonesia. It gave a disadvantageous effect to local-owned tourist establishments in the rural areas. Foreign companies dominated the whole tourism industry and establishments all over the region.

Sea transport liberalization threatens the Indonesian maritime industry. Presently, maritime transportation within the seas of Indonesia is nationalized. But foreign flagships own 90% of the international transport companies that sail from Indonesia to abroad and vice versa. With the liberalization in sea transportation, foreign flagships can do business inside the Indonesian seas and will hamper operation of national and people's flagships in Indonesia.

Impacts on Agriculture

The 1997 Asian financial crisis severely damaged the Indonesian agricultural sector. In its financial assistance request from the IMF, Indonesia included three important points in its LOI that affected policies on rice. First, subsidies on fertilizers will be withdrawn on December 2, 1998. Second, the monopoly on rice imports by BULOG will be lifted by late 1999. Third, tariffs on food commodities were set at a maximum of 5% while tariffs on rice were reduced to 0%.

Subsidies withdrawal and lowering of tariffs on agricultural products contributed to the destruction of Indonesia's agriculture, as TNCs and agribusiness giants dominated the local market with highly subsidized imports. Similarly, the application of the TRIPs influenced national legislation, wherein the completion of seven IPR laws were fast-tracked to comply with the TRIPs. The implementation of the TRIPs led to the robbery of biodiversity (bio-piracy), the approval of the dissemination of transgenic crops, monopoly of TNCs over seeds, piracy of community knowledge in terms of design on crafts and weaving, food products, herbs and spices.

Importing food commodities became deregulated. The result is a rapid flow of imported rice, sugar and even onions. A subsequent agreement with the IMF to implement an import duty on rice at Rp 430 per kilogram from 1 January 2000 was useless to reduce the impacts of massive imports because the stock of imported goods had already flooded the importers' warehouses, which caused domestic prices to fall.⁹ The opening of the fertilizer industry to foreign traders and investors caused the production costs of fertilizers to soar which in turn led to the increase of the HDG (base price of grain) from Rp 1,000 per kilogram to Rp 1,400 -1,500 per kilogram depending on the region.

Indonesia has since then become one of the biggest rice importers in the world. Data from the BPS (Biro Pusat Statistik/ Central Statistic Bureau) shows that after the ratification of the WTO-sponsored Agreement on Agriculture (AoA), rice importation increased from around 1.5 million tons per year between 1995-1997 to 3.3 million tons per year in the period of 1998-2002. Sugar imports amounted to 1.5 million tons (the second highest in the world) or about 40% of the national consumption. Indonesia also imported around 1.3 million tons

of soybeans (the highest in the world) that covered 45% of the national soybean consumption.¹⁰

Indonesia's agricultural sector employs approximately 112 million people, the third largest in the world after China and India. Tens to hundreds of millions of people whose lives were dependent on agriculture went bankrupt because of the impossibility of competing with cheap imported agricultural products.

The new trade paradigm and the prospects in Bali

Global value chains as a new topic

The stakeholders' panel in the WTO General Council meeting in Geneva on May 1, 2012 discussed global value chains, a topic that began during the meeting of G-20 trade ministers in Puerto Vallarta, Mexico. On this occasion Lamy stressed the importance of ensuring that "global value chains... are oiled through the proper trade policies." He also pointed out the need for a new trading system that will allow GVCs to work better as well as the inclusion of trade facilitation in future trade policies.

Global value chains (GVCs) as a topic is not yet on the official agenda in the current WTO talks, but is becoming an important focus in future negotiations. Every country is part of a GVC in varying degrees. However, the current character of GVCs is different from that when the Doha round began. The globalization of production has now become a large-scale, highly fragmented, widespread, highly complex and intertwined trading process. For instance, a systems analyst in Stockholm can now interact with software programmers in India on a daily basis. Hong Kong-based firms can now manufacture products sewn in Guatemala using fabric woven in China and fastenings from South Korea. The chain of knowledge and skills, including research and development (R&D), has become integrated into interrelated pockets of globalized value chains.¹¹ This globalization results from a profound re-organization of manufacturing, trade and services to better serve seamless trading objectives.

The revolution of information and communications technology (ICT) in the 1990s transformed the production chain from intra-firm to inter-firm relationships characterized by innovation-intensive economic activi-

ties. This shift from a corporate hierarchy into inter-corporate alliances¹² finally culminated in a new 'techno-economic paradigm', where diverse technical, organizational and managerial innovations converge. This in turn, gave birth to a new method of international outsourcing called international contracting. The contract takes the form of licensing, franchising, turnkey projects, and subcontracting involving international contractors (INC), multinational enterprises (MNEs), and transnational corporations (TNCs). Small companies within the chain act as exporters or contractors that sell specific services such as technology (proprietary technology) or management capabilities.¹³ This global industrial process has become the mainstream industrial system since the mid-1990s. It is also known as the Global Value Chain (GVC) and Global Supply Chain (GSC) and covers the full range of activities from the conception of goods or services to their distribution and beyond.¹⁴

This reorganization of global production created a largely diverse and geographically separated work force undertaking specific compartmentalized tasks that are further connected to the larger process through various forms of organization thus facilitating complex flows of goods, money and information. Furthermore, GVCs are increasingly blurring the lines between goods and services as well as trade and investment.¹⁵

ICT has become a key instrument in the globalized value chain production. IT-enabled services can be offshored, ranging from back office processes to software services to online delivery of professional services. The types of services required by global companies are much more sophisticated than those that have been traditionally offered.¹⁶ The potential expansion of service offshoring has been likened to the Third Industrial Revolution or the dawn of a new trading paradigm.¹⁷

The trade of the 21st century

A big part of international trade today is not conducted in a competitive market but through trade within firms or within commercial networks. The first implication is that for manufacturers, it is no longer enough to produce at low cost, through cheap labor and financing advantage; they need to be part of a trade network and value chain in which the many elements of design, production, distribution, and services are spread globally.

Second, relations between large international companies and small producers in developing countries have become more unequal, with the former now deciding where to buy and where to invest.

The growing supply chain, which is the motor of international trade today, creates a situation that is fundamentally called monopsony, where foreign buyers now have more or less the power to dictate the price they pay to producers in developing countries. In this trade network, the buyer has little commitment to its suppliers, because of the vast network of cheaper alternatives in the global market. Similarly, although the producers in developing countries have managed to get inside a trade network, there is no guarantee they can last long, because new attractive suppliers with cheaper prices will keep coming. The result is a kind of “race to the bottom”, which they are forced to reduce wages, as well as ignore the consequences of environmental destruction.¹⁸

The trade of the 21st century is referred to as supply chain trade—pertaining to the cross-border flow of goods, investments, services, know-how and people associated with international production networks. Such trade on the one hand caused the sharp decline in developed countries’ share in the world income from both manufacturing and export, and on the other hand, gave a large increase for some developing countries that underwent industrialization by joining the supply chain industry, rather than build their own. They do not need to build from the start and wait until industrialization is complete. A clear example is the model of industrialization in China and Thailand compared to South Korea’s model of industrialization. On the other hand, this rapid industrialization also lifted a wide range of commodity exporters of developing countries. The nature of supply chain trade is also different from the old trade. When a company is doing offshore production, they also send technical know-how and firm-specific managerial systems abroad. This results in a new fast-track industrialization that brings other parties into the existing supply chain without going through the process of building the country’s industrial base.

Prof. Richard Baldwin has formulated that the stage of globalization nowadays can be referred to as the ‘second unbundling.’¹⁹ The stages of production that had been done in factories and offices before are now broken

down or subdivided spatially. This is radically changing the nature of trade in the direction of the so-called ‘trade-investment-service nexus’. At the heart of 21st century trade is an intertwining of: 1) trade in goods, 2) international investment in production facilities, training, technology and long-term business relationships, and 3) the use of infrastructure services to coordinate the dispersed production line.

The trade-investment-services nexus requires two main elements, each requiring a more complex international discipline. These two elements are first, doing business abroad and second, connecting international production facilities. The main challenge is to remove the threats to these two elements by providing some assurances. Examples include, but are not limited to assurances of foreign knowledge-capital owners; assurances on property rights, assurance on the rights of establishment and anti-competitive practices; assurance on business related capital flows; assurance on infrastructure services; and the importance of tariffs and other border measures. These things show that the trade barriers of the 21st century are four types of constraints which were not trade barriers in the previous century. These are namely: (1) competition policy, (2) movement of capital, (3) intellectual property rights beyond the TRIPs agreement, and (4) investment assurance. Eliminating these barriers is a key demand in the 21st century trade. TNCs require lower cost of production, by spreading production and technology to the cheapest effective locations. Similarly, developing countries will welcome this 21st century trade as a way to build their industries and economic growth. At this time the demand for trade disciplines of the 21st century has actually been fulfilled not by the WTO, but by RTAs (Regional Trade Agreements), BITS (Bilateral Investment Treaties) and unilateral reforms.²⁰

Regionalism is being seriously considered, especially with the U.S. pushing for the “mega-regional” TPP (Trans-Pacific Partnership) and TAP (Trans-Atlantic Partnership). Canada meanwhile is pushing for the “mega-bilateral” Canada-EU FTA and EU-Japan FTA. Mega-regional agreements are actually excluding new trade giants such as China, India and Brazil, leading to fears of more exclusion, especially with the U.S. geopolitical interests.²¹ Therefore, the choice between regionalism on the one hand and multilateralism on the other

hand is a huge challenge ahead. In this case, the role and relevance of the WTO as the prime agent of multilateral trade is threatened.

From its establishment in 1994 to the present, the WTO has become an effective multilateral forum in promoting unequal trade between developed and developing countries. The Doha talks reached an impasse due to its failure to accommodate development issues of the Global South. Furthermore, it is being used to strengthen the agenda of developed countries and empower existing corporate monopolies.

Twenty years of WTO has left a legacy of injustices on free trade rules and has set the conditions for a new trade paradigm to emerge in relation to the development of GVCs. Developed countries have turned to regionalism and bilateralism as mechanisms to develop GVCs and their production networks. The role of the multilateral WTO regime should be revisited and the relation of the GVCs to the development of FTAs and RTAs should be studied if the Doha round is to proceed. These are likely to be debated on in the negotiations before the WTO conference in Bali.

Social movements must realize that the WTO's mandate is still to promote neoliberal trade through the further elimination of tariffs, removal of subsidies and the protection of foreign products and industries. The inclusion of BRICS interests in the WTO, particularly in response to the GVC system, cannot guarantee the development of fair trade rules in the future. Only when the basic principles behind the WTO are changed can rules promoting just trade and development be expected from this powerful trade platform. Social movements are also confronted by the changes in the WTO as reflected by the rising of BRICS countries to become more integrated in today's global production network. It is still a long way to go to global justice. ■

This is an abridged and partially rewritten version of a recent paper by Bonnie Setiawan, a researcher for RAG (Resistance and Alternatives to Globalization) based in Jakarta, Indonesia. The final paper was published in the book *WTO and Maldevelopment* published by the Asia Pacific Research Network (APRN).

Endnotes

1. See Murray Gibbs and Swarnim Magle, *The Great Maze: Regional and Bilateral Free Trade Agreements in Asia*, Policy Paper, Asia Pacific Trade and Investment Initiative, UNDP Regional Center in Colombo,

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2. *Ibid.*, page 12-13
3. Report of Consultative Board to DG WTO with title "The Future of the WTO" in the year 2004. See *Ibid.*, page 15. page 16
4. TPRB, Trade Policy Review Report by the Secretariat: Indonesia, WTO, Geneva, WT/TPR/S/278, 6 March 2013, especially see the summary part, page 7-11.
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Asia-Pacific workers vow to turn ‘formal’ rights into reality

By MARYA SALAMAT

MANILA – “Our voice is our strength, but we’re not supposed to be heard,” said a call center agent and representative of BIEN (BPO Industry Employees Network) at an international conference of union advocates held recently in Quezon City, Philippines.

The BPO (business process outsourcing) enterprise is touted as the Philippines’ sunshine industry, employing over half a million, mostly young, English-proficient Filipinos. Their work primarily involves answering phone calls all-day (or most often all-night) for big companies—from banks, credit institutions, service providers to hotels—to respond to customer requests and queries. Heavy quotas and strict monitoring systems essentially disallow them from taking breaks during stressful working hours.

Their voice is their primary asset, but the strict and profit-driven environment of the industry prevents them from using it to say, form a union. Even trying would mean risking their jobs, says Paul, a BIEN representative at the union advocates’ conference.

“I have noticed from my years working in call centers that although in the employee agreement, there is no prohibition against forming unions, you must have the blessing of the company first if you intend to form one,” added Paul.

Compared to other Filipino workers, call center employees receive a slightly better pay, he admitted, but emphasized that “the reason they [outsourcing companies] left their country is to look for cheap labor and that’s what we are.” Doing the same work, they get correspondingly lower pay than if the outsourcing companies opted to conduct operations in their home countries which are now the client countries of call center agents, hence the frequently shifting work hours (they work mostly at night—daytime in client countries).

Outsourcing workers from developing countries allows multinational companies and advanced capitalist countries to keep their profits up while coping with the raging side effects of prolonged economic crises. But as Australian Peter Murphy noted, an “aggressive implementation of neoliberal policies means thousands and thousands of jobs are leaving Australia” each year. In the US, President Barack Obama, during the start of his term in the White House, had also vowed to discuss how jobs could be retained in the US.

During the international conference, trade unionists and worker’s rights advocates discussed how outsourcing could cause numerous ill effects on workers and unions. In Australia, Murphy notes that “[w]hen companies close, (the) union

movement is gone.” According to Murphy, the registration of new unions has “a very narrow window during which a union is protected; anything outside of that is subject to draconian measures.” He also noted that pro-union workers in Australia could even go to jail for even attempting to organize themselves.

As in cases in other countries, there is a long established practice in Australia of blacklisting union activists. “Employers can eliminate unions. After identifying workers with pro-union sentiments, they will not employ that worker,” added Murphy.

Union busting practices are common in Australia. For those who still have unions, struggling for better working conditions and higher wages is increasingly becoming harder by the day. “You can be pressured to enter into an individual agreement—even if you have a collective agreement in the company, especially if the union is weak or yellow,” stressed Murphy.

These are completely against all ILO agreements, Murphy noted. Yet, individual agreements at the workplace are now being used “against unorganized workers, and for circumventing the contract with the union (for example, having 500 individual agreements in a workplace, rather than a CBA covering these 500).”

During the sharing of experiences of other unionists from Asia-Pacific and the US – the weakening of unions and circumvention of their rights were noted as big corporations relocate its labor-intensive production from one country to another; as employers use laws to regulate, and in the process, limit and control workers' organizing rights and even going as far as threatening workers to keep them from holding strikes and forming unions.

Do we really have rights to have unions?

Worker's rights lawyer Remigion Saladero explained the strenuous process through which one can form and officially register a union. Working with Pro-Labor Assistance Center, he has had too many experiences of how "when unions are finally formed, the management would connive with the police or with the labor department or both, to harass the union."

As with the "draconian measures" cited by Murphy in Australia, Saladero recounted tales where the management itself violated due process while the government proved unable in even lifting a finger to defend its workers. The Philippines is a signatory to many ILO Conventions recognizing trade union rights – yet, based on Saladero's account, the workers' status of not being regular on the job, despite having worked for more than the labor law's prescribed period, "already defeats freedom of association."

For regular workers who are expected to form and register

unions more easily, Saladero said the restraints to their freedom of association can be found in the numerous paper requirements, from submitting a constitution and by-laws, to offering copies of union financial statements and minutes of the meetings, etc., documents which are difficult for "unschooled" workers who are also hard-pressed to work. Beyond unionism, it seems unionists are expected to also know a lot about accounting, lawyering and other skills before they can get their own union registered, Saladero said.

Thai labor unionists said they face similar constraints. The 1975 Thai labor law is "very, very narrow in its definition of freedom of association," said Bent Gehrt of Workers Rights Consortium. "During the formation of a union, you have no protection. You must hold a general election, have committees, [and] submit papers. Protections are available far down the road, and there are many ways to dismiss workers before you get there."

In Bangladesh, union leader Lovely Yesmin said they also have a labor law that does not allow unions to form without the employer's consent. Yesmin however stressed "we have a democracy. Why do we need to inform our factory owners if we are to do what we already have a right to do?"

Like in Philippine special economic zones where there exists an unwritten no-union no-strike policy, Bangladesh also has no written law prohibiting the formation of unions in export processing areas, but workers are nonetheless prevented

from forming unions, according to Yesmin.

The Bangladeshi union leader questioned the existence of two separate rules and why the existing labor laws of the country does not apply in EPZs. She said they have lots of recommendations but these are not being implemented.

If local labor laws "require workers to inform management that they're forming a union, that's the same as denying the freedom of association – no management will agree to their workers forming a union. Although laws do not prohibit the formation of unions, the law prevents workers from forming unions," said Danilo Reyes of Hong Kong-based Asia Human Rights Council.

Cambodian union advocate Athit Kong said that in their country, they have this "very ridiculous law, (where) you have to ask government permission before you can form a union." He said workers in his country can be punished, slapped with fines or penalties, for conducting union action.

Kong said that in the media, "they look at unions as 'trouble makers,' but they never speak of employers as troublemakers in TV programs." As in the Philippines and many other countries, workers in Cambodia are forced to forge a memorandum of understanding via arbitration first, before they may consider launching a strike.

In China, policies technically allow workers to participate in union activities, but based on the account of Hang Tung, program officer of

Labor Action China, unions are largely formed by government officials. Most workers are covered by collective bargaining agreements, but workers cannot really experience bargaining. The method involves an arduous process of petitioning for worker demands. Tung shared that workers are frustrated by the setup and they are forced to resort to “underground organizing.”

Workers’ actions to be heard

In paper, it appears that in almost all countries workers’ freedom of association is recognized. However, government-backed or government-formed union centers present a challenge to genuine trade unions. In the Philippines, government-sponsored worker organizations are called “yellow unions,” to distinguish from progressive unions referred to as ‘red’ by the military. These government-sponsored unions function to create an illusion that the government allows unions to exist and that they are providing opportunities to hear the workers’ demands. But in reality, these unions barely attend to workers’ issues. Yellow unions serve to either discredit genuine unionists or to confuse ordinary workers and dissuade them from joining real unions.

“Every country is dominated by pro-government unions,” noted Cambodian unionist Kong. In his country, he said, they have good union density, but in reality, workers do not enjoy their freedom of association. Workers are free to join unions, but these have no platforms

and exist only with government permission, he said.

Everywhere, restrictions on workers forming genuine unions have prompted them to do union organizing in an “underground” or clandestine way, at least, at first. In Indonesia, workers are organized into “informal unions” for years before being registered or formalized.

Because there are “so many obstacles to prevent workers from forming genuine unions from the time you expose yourself, we do it in the underground,” said US-based Tony Dorono of Migrant Workers Center. “[I]n the US, you really need to do a lot of ‘underground organizing.’ Once you submit papers to the labor department, if you’re not prepared, you will not get to first base,” said Gehrt of Workers Rights Consortium.

The American Labor Relations Act provides a minimum of 30 percent of workers wanting to form a union before workers can file a petition for union registration and recognition, but Dorono said, management usually demands for 75 percent instead of the 30 stipulated by law. “Management starts busting the union by identifying the members, their backgrounds, their weaknesses. Union busters have studied labor relations so much they can do these and circumvent the law. Without a strong committee from within the union, you’re a goner,” Dorono said.

As more jobs leave rich countries such as the US for cheaper wages

overseas, China and other emerging economies are increasingly becoming manufacturing centers and warehouses of developed countries. The restructuring of production brings down wages both in the US and other wealthy countries. In countries to which factories move, the cheapest wage and most repressed labor are being offered, said Elmer “Bong” Labog, chairman of Kilusang Mayo Uno (KMU) from the Philippines.

The international conference of unionists agreed that notwithstanding all these threats, limits and lies about freedom of association, they are correct in pursuing the call for greater international cooperation to further amplify campaign efforts for workers and thwart the corporations’ drive to further press down workers’ wages and rights worldwide.

Amid proposals to be more active by banding together, supporting each other and doing international campaigns collectively, American Liana Dalton of Adidas League reported her group’s idea of “making trouble for these corporations and the governments supporting them.” The ‘trouble’ ranges from launching international campaigns to expose the anti-labor acts of corporations and governments, to helping strengthen individual union formations in their respective countries by launching more solidarity actions. ■

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Indonesian Peasants slam land-grabbing, call to junk WTO

The Alliance of Agrarian Reform Movement/Aliansi Gerakan Reforma Agraria (AGRA), an Indonesian militant peasant organization, mobilized thousands of its members to Jakarta to campaign against land confiscation and reject the World Trade Organization (WTO) as well as to condemn rising fuel prices. Rahmat Ajiguna, secretary general of AGRA said that this mobilization reaffirms the Indonesian peasant stand in these issues.

“The Indonesian peasantry is being oppressed by the policies and the actions implemented by the Government on the issue of land. Millions of acres of peasant lands were seized by the government in the name of development and public interest, but what really happens is that they use land for large-scale plantations, mining, military construction and real estate projects. Such a policy must be stopped, and the land should be distributed back to the farmers through genuine agrarian reform. If the government refuses to do this, do not blame the peasants when they carry out actions to defend themselves and take back their land,” said Ajiguna in his speech to the Indonesian National Institute for Land (INIL).

The same position was expressed by members of the Asian Peasant Coalition (APC), a progressive regional alliance of peasant organizations in Asia. According to

APC, millions of landless peasants struggle to defend or regain the land that is legitimately theirs. The growing number of landless peasants drives the organization to advance their campaigns against large-scale land grabbing and the plunder of natural resources.

Ajiguna further notes that cases of land expropriation is a global phenomenon as he cited various cases of land grabbing throughout Asia, Latin America, Middle East and some parts of Europe. The peasant activist also called to attention some of the fake organizations that were created to dismantle and derail the existing peasant movements: “We must be clear and in the peasant movement people should distinguish us from others. Those who are still playing around with the lives of the peasants through their fake organizations will be abandoned. Because a true and militant peasant organization is the only one capable of providing leadership to the peasant movement,” explained Ajiguna to the masses in the rally.

In addition to land-grabbing issues, the mobilization of the peasants also aims to emphasize its stand against the WTO Ministerial Meeting to be held in December 9 in Indonesia. In this case, the position of AGRA, as a member of the Indonesian People’s Alliance, is clear. The WTO does not provide any benefit to the peasantry. In contrast, the WTO, through policies implemented by



Photo Credit: Asian Peasants Coalition

rights on seeds, and the removal of agricultural subsidies, has stripped farmers from their primary means of subsistence as well as their right to food sovereignty.

The militant organization reiterates that the government has been instrumental in the passage of new WTO policies that are against the rights of peasants, farmers and rural folks of Indonesia. “The result is the loss of our sovereignty in food; our agricultural market is flooded with imported products and, on the pretext of competition, the government revoked the agricultural subsidies. These policies expose the true nature of the Indonesian government.

“The Government is not in favor of its own people, but is on the side of the foreign monopoly capital. We’re not going to take it anymore. Peasants need a trade to serve the people and to defend the sovereignty in which mutual benefit can be realized,” he added.

The Indonesian People’s Alliance, a movement for sovereignty and commerce to serve the people, supports AGRA’s position towards the WTO. In his message of

Indonesian Peasants...
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Int'l community marches in solidarity with the Filipino people

by P. MARIANA SORIANO ORTIZ



WORK FOR PEACE! FIGHT FOR JUSTICE! Delegates of the International Conference for Human Rights and Peace in the Philippines (ICHRPP) call for lasting peace and the protection of human rights in the Philippines and around the world.

Photo Credit: Arkibong Bayan

Over 250 human rights defenders and peace advocates from various countries gathered in Quezon City on July 19-22 for the International Conference for Human Rights and Peace in the Philippines (ICHRPP).

Organized by the International Coordinating Committee for Human Rights in the Philippines (ICCHR), Karapatan (Alliance for the Advancement of People's Rights) and the Ecumenical Voice for Human Rights and Peace (EcuVoice), in cooperation with the Peace for Life (PFL) network and the International League of People's Struggles (ILPS), the event gathered representatives from Asia Pacific, Europe, United States and Latin America to foster solidarity and support for the continuous struggle in resolving human rights issues and peace in the Philippines.

Solidarity missions

Human rights representatives were also allowed to participate in International Solidarity Missions (ISMs) a week ahead of the opening event. The delegates visited key areas in the Philippines to observe the actual conditions of human rights violations and varying situations of war and crisis.

In Mindanao, delegates immersed in communities hit by Typhoon Pablo and large-scale mining areas in Tampakán – the same community where Juvy Capion and his children were massacred last year by the 27th IB of the Armed Forces of the Philippines (AFP).

For Southern Tagalog, delegates engaged in a Solidarity-Medical-Mercy Missions organized by the Defend Bondoc Peninsula Campaign Network. The medical

mission aimed to provide free medical care for the poorest communities in the Bondoc peninsula.

In Central Luzon, the delegates travelled from Aurora province, to Angeles City in Pampanga, and also to Hacienda Luisita in Tarlac in order to understand the situation of massive displacements of farmers in the area. Some of the delegates went to the Cordillera Region, where indigenous peoples are fighting against the entry of three large mining corporations in their communities.

Delegates who were stationed in Manila stayed in the urban poor communities of displaced vendors and families whose houses were demolished by the government. After the ISMs, the delegates

Simultaneous workshop sessions were conducted on the third day of the conference for the purpose of deepening the discussion on the topics that were discussed by the panels and to arrive at concrete action plans to continue and coordinate the international advocacy for human rights in the Philippines. The following are topics of the workshops and their corresponding sponsors:

No	TOPIC	ORGANIZERS
1	People's resistance against large-scale mining and other NTC incursions in resource-rich areas.	Defend Patrimony & Kalikasan People's Network for the Environment
2	Land grabbing, agrarian reform and human rights	Kilusang Magbubukid ng Pilipinas (Peasant Movement of the Philippines)
3	Worker's struggle against monopoly capital attacks on wages, job security and worker's rights.	Kilusang Mayo Uno (may 1 st Movement) and Center for Trade Union and Human Rights
4	Rise up and resist: Women and children fight neo-liberal policies and state violence.	Gabriela, Salinlahi, Children's Resource Center
5	The church's role in the struggle for human rights and lasting peace.	EcuVoice and Promotion of Church People's Response
6	Challenging the legal system as tool of repression and impunity.	National Union of People's Lawyers
7	Urban poor resist forced eviction, demolition and massive displacement.	Kadamay-NCR
8	"Humanizing oppression" – No way to deal with migrant rights.	Migrante International
9	Indigenous people's defense of land, life and rights.	Kalipunan ng Katutubong Mamayan ng Pilipinas (National Alliance of Indigenous People's Organizations in the Philippines) and Cordillera People's Alliance
10	Cultural Imperialism, a violation of people's rights.	Concerned Artists of the Philippines

returned to Quezon City with the resolve to unify their efforts to build a strong network that will advocate for human rights in the Philippines and around the world.

'An everyday struggle'

The conference participants were warmly welcomed by ICHRPP Spokesperson Teddy Casino. In his welcoming address, he said "human rights are not just written on a piece of paper, they are struggled for every day."

Casino's speech was followed by the sharing of Editha Burgos on her ordeal as a mother searching for her missing son, Jonas, an activist abducted by the military in 2007. In his keynote address, Jeanne Mirer of the International Association of Democratic Lawyers (IADL) called for an end to all kinds of "government's conspiracy of silence" through the systemic violations of human rights. Mirer also mentioned that Bob Dylan's "Masters of War"

and Martin Luther King's "I Have a Dream" were directly related to the 1963 movements demanding governments to end the oppression of peoples.

The opening ceremonies ended with a video presentation of Prof. Jose Ma. Sison's speech that discusses the historical development of the world capitalist economic system, how it is being used by the ruling classes to monopolize wealth and power through exploitation, wars and human rights violations, and how people are fighting back and struggling for peace and justice.

The first and second days of the conference were devoted to panel discussions that tackled the human rights situation both in the Philippines and in other countries, the drivers of human rights violations, and the struggles of people's movements to defend themselves.

Speakers in the first panel discussed the human rights situation in the Philippines in the context of the current economic, political and social crises in the Philippines and across the globe. Dr. Kathryn Poethig, Associate Professor of Global Studies at the California State University discussed the circumstances of the deterioration of economies and social conditions in the United States and Europe.

Rev. David Wildman of the United Methodist Church shared on the crisis in the Middle East while Rev. Christopher Ferguson of the Program for Ecumenical Accompaniment in Colombia shared on the socio-economic conditions and human rights violations in Colombia and Latin America. IBON International Director Antonio Tujan, Jr. presented an analysis of the global economic crisis, the rising fascism and the strategies employed by the US and other imperial powers

in the bid to advance neo-liberal globalization.

US Pivot to Asia

The second panel addressed the US geo-political and military strategies in the Asia Pacific and the Aquino government's Oplan Bayanihan and how these impact human rights in the Philippines. Rep. Satur Ocampo, President of the Makabayan People's Coalition, discussed the impacts of President Aquino's counterinsurgency plan and revealed how Oplan Bayanihan was directly patterned after the US Counterinsurgency (COIN) Guide. According to Ocampo, Oplan Bayanihan is a perfect fit in the overall US geo-political and military strategies of the US to strengthen its power in the Asia Pacific.

Prof. Gill Boehringer, an expert on contemporary state and corporate abuse on human rights, talked about how Australia acts as the 'deputy sheriff' protecting US interests in the region. Len Cooper, Divisional President of the Communications and Electrical and Plumbing Unit in Australia, echoed Prof. Boehringer's views as she presented the implications of the US pivot to Asia, with Australia as an accomplice, on the human rights and economic situation in the Philippines.

Lastly, Kao Wei-kai, a member of the Taiwan Labor Party described how US intervention in Taiwan's economy, government, and military is disrupting peaceful development and reunification with China.

Just and lasting peace

Struggles for just and lasting peace were presented in panel three.

Anna Claire Moris of the Haldane Society of Socialist Lawyers shared her thoughts and experiences on the South African struggle against apartheid. Azadeh Shahshahani of the National Lawyers Guild discussed the movements for human rights in Arab Spring Countries, specifically Bahrain and Tunisia. Sonny Africa, executive director of IBON Foundation presented the long-running struggle for economic and social rights in the Philippines.

The fourth panel was on the best practices in international solidarity campaigns and how these same practices can be used in campaigning for just and lasting peace. From the Philippines, Fr. Rex Reyes of the National Council of Churches and Dr. Julie Caguiat of the Community Medicine Foundation presented the experiences from two well-known human rights campaigns in the Philippines: the international lobbying of Ecumenical Voices and the Free Morong 43 campaign. These campaigns were supported by Canada's Stop the Killings campaign which was introduced by Kelti Cameron of the Canadian Union of Public Employees.

According to Cameron, these campaigns generated international support against human rights violations that contributed to pressure the Philippine government in releasing the Morong 43 and decreased cases of extrajudicial killing and enforced disappearances. Jan Fermon of the Progress Lawyers Network Bureau presented the international campaign on winning Prof. Jose Maria Sison's legal battle. According to Fermon, the people's support for Prof. Sison was key

to winning the legal battle against terrorist allegations.

Speakers in panel five discussed the struggle for human rights in the context of the struggle for national and social liberation. Ann Kirstin Kowarsch of the Kurdish Women's Office for Peace shared the history of the displacement of the Kurdish people and their current struggle for recognition. Alberto Ruiz of the Civil Rights Committee from Peru recalled the Latin American dictatorships and their impacts on the lives of Peruvians. In the same vein, Samuel Villatoro cited similarities between Guatemalan and Philippine history in their search for their own desaparecidos. Dr. Malemnganba Meetel Ningthouja from Manipur, India discussed India's economic situation and described the numerous cases of political repression, violence and displacement of individuals and communities who dare oppose government policies.

After the plenary session wherein the workshop groups presented the results and action plans, the conference participants deliberated the drafting process of the conference declaration. Maria Theresa Lauron, chairperson of the Asia-Pacific Research Network facilitated the dynamic debate until the participants reached the final agreements on the content of the declaration. Finally, resolutions to support international advocacies for just and long lasting peace were proposed and accepted by the participants.

**Int'l community...
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Global civil society rejects WTO report

Civil society experts from the global Our World Is Not for Sale (OWINFS) network expressed rejection of the panel report “The Future of Trade: The Challenges of Convergence,” released last April 24 at the World Trade Organization (WTO), both in terms of its content and process.

Last year, at the time of the launching of the panel, OWINFS sent a letter to Pascal Lamy objecting to the formation of the panel, in terms of its lack of diversity, such as its exclusion of LDCs, its inclusion of the only one Latin American and one African country, its exclusion of the United Nations Conference on Trade and Development (UNCTAD), and its paucity of participation by civil society beyond the private business sector. The letter is included below:

Today, at the launching of the panel’s report, we reiterate our criticism that we “find the process of the composition of the panel to have been autocratic and not in keeping with the rhetoric of a member-driven organization.” It was clear that even despite the best efforts of representative organizations such as the International Trade Union Confederation (ITUC), which participated in the panel, to include issues such as “to have the dominant context of inequality and unemployment recognized and the trade regime located in the context of a failed model of globalization,” such concerns were not included in the final text.



ROBERTO Carvalho de Azevêdo, a Brazilian diplomat, was recently elected to succeed Pascal Lamy as the Director-General of the World Trade Organization. Photo credit: www.rt.com

Two representatives of the OWINFS network intervened in the public discussion of the report at the WTO. Deborah James told the audience that based on this lack of representation, “it is thus no surprise that even though the report alleges to be focused on non-immediate issues but the future, the report then makes specific recommendations to accept Trade Facilitation – which is the current demand of developed countries – for the proposed Bali package!

“At the same time, the report does not call for approval of the LDC package demanded by the LDCs. And it does not deal with emergence of the Food Crisis and need for more policy space for developing countries to feed their poor including increasing livelihood of their poor farmers, which we all know is the emphasis of the G33 proposal. These – along with a fundamental re-taking up of the Implementation agenda issues – are the first steps of the changes needed to be made towards

the transformation of the global trading system, to address historical inequities and asymmetries between developed and developing countries, and between benefits for corporations, and the negative impacts on workers and farmers. And I am quite aghast that the report even goes so far as to endorse the long-term developed country proposals that were explicitly rejected by developing countries in Cancun, of course I’m talking about the Singapore issues of competition policy and investment.

“So this report does not have any legitimacy; because it does not reflect the membership of the WTO, and therefore, with all due respect to the hard work of the participants, it must be said that it has no role in the future of the negotiations. This is a point that has already been made by several members at the last General Council meeting. But I also fail to see any way that this report reflects any future pathway of using trade for development, which does not even appear to be its goal, but rather

I'm afraid that we must conclude that it is more reflective of the Secretariat's continued emphasis on helping developed countries achieve their negotiating goals of simply expanding liberalization for the benefit of their corporations, rather than addressing the serious challenges facing the multinational trading system in terms of fundamental transformation needed to achieve trade for the true benefit of development and job creation.

Another member of the OWINFS network, Sanya Reid Smith of the Third World Network, said:

From what I've read so far, in addition to concerns raised by OWINFS, I would repeat that at the beginning, the report says that trade is a means, not an end. Presumably for developing countries, development is the end goal. So it is interesting then that

the report is about convergence of trade regimes, not convergence of levels of development. Usually in development, we talk about developing countries reaching desired levels of development. The report seems to be about a convergence of trade regimes regardless of the levels of development as fixed time-specific goals based on actual levels of development. (And as have seen, because of the financial crisis or HIV/AIDS, etc., countries can actually go backwards in objective development indicators like life expectancy. This is despite the fact that there is a commitment to Special and Differential Treatment (SDT) throughout the WTO's rules. I recognize that the comments of some panelists who said that they personally don't believe in convergence at any cost, but the report itself appears to recommend violating or amending current WTO rules on SDT including for

LDC status which is set objectively by UN."

Smith also expressed her shock after knowing that a single WTO member-country's proposal on multilateralizing the FTAs appeared to be taken up as a recommendation. In addition, WTO members did not choose the panel members and did not set terms of reference or review the report before it came out, or agree to the text. Same as the issues raised by WTO members in the past, the report does not seem to be grounds for basis for ministerial conference or any further work. ■

OWINFS is a global network of NGOs and social movements working for a sustainable, socially just, and democratic multilateral trading system.

This is an abridged article originally published online at <http://peoplesgoals.org/global-civil-society-expresses-rejection-of-the-report-the-future-of-trade-the-challenges-of-convergence-on-the-wto/>.

Indonesian Peasants... (continued from p. 15)

solidarity with the Indonesian peasants, Ario Adityo of the Secretariat of the Indonesian People's Alliance said that it was imperative that Indonesian peasants stopped the 9th Ministerial Meeting of the WTO because agriculture will be one of the three main agendas in the Bali package.

"The workers and peasants are sectors of the population who

would suffer most if the WTO reached a new agreement in the forthcoming meeting. Therefore, we must prevent them from reaching an agreement. We strive to make the people's voice heard in the upcoming meeting. Our message is: we are not going to take it more! Junk WTO!" added Adityo.

AGRA is also planning to consolidate other peasant movements in the

region towards the start of the WTO meeting in December. In addition, mobilizations and conferences will be held in coordination with the People's Global Camp to be organized in December as a parallel people's event to the 9th WTO Ministerial Meeting. ■

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People's Alliance to use Bali conferences to champion agenda

By AGNES WINARTI

As many as 30 civil society organizations under the banner of the newly established Indonesian People's Alliance (IPA) plan to voice the unsung aspirations of Indonesian grassroots communities at the numerous international high-level conferences in Bali this year.

IPA, which was established in January in Jakarta, is a broad campaign platform to facilitate and coordinate initiatives from grassroots communities—including environmental activists, farmers, trade unions, indigenous people, migrant workers, research groups, women, and the youth and students—in response to the international conferences to be hosted by the Indonesian government.

The conferences include the United Nations High-Level Panel on the Post-2015 Development Agenda held last April, the Asia-Pacific Economic Cooperation (APEC) Summit slated for Oct. 1-8 and the World Trade Organization's (WTO) 9th Ministerial Conference that will run on the island from December 3 to 6.

The IPA's members include individuals from the Indonesian Environmental Forum (WALHI), the Solidaritas Perempuan (Women's Solidarity), the Alliance of Independent Labor Unions (GSBI), the Association



HUNDREDS of landless farmers and peasants mobilized by the Indonesian People's Alliance (IPA) take it to the streets in a bid to stop land-grabbing and the junking of WTO. Photo credit: Indonesian People's Alliance

of Indonesian Migrant Workers (ATKI), the Alliance of Agrarian Reform Movement, the Alliance of Indonesian Indigenous People, the Institute for National and Democratic Studies (INDIES) as well as the Alliance of Independent Journalists (AJI).

"We doubt that the three forthcoming international conferences will bring any significant contributions for our country. For example, attendees of the upcoming High-Level Panel will discuss commitment plans after the Millennium Development Goals [MDGs] end in 2015. However, there has been no clear evaluation of the MDG's results, especially in Indonesia," said Ahmad Syamsul Hadi of WALHI during a seminar hosted by IPA in Denpasar last March. At present, WALHI serves as the national secretariat for IPA.

To support its claims, the IPA cited the government's proclamations of

a significant reduction of poverty from 20.6 percent in 1990 to 5.9 percent in 2008, of reaching 99.85 percent literacy among female students between 15 to 24 years of age in 2009 and the decrease of tuberculosis cases from 443 cases per 100,000 people in 1990 to 244 cases per 100,000 people in 2009.

"The government may announce economic growth of 6.4 percent, however, this country's citizens have not felt any improvement," said Ahmad.

The one-day seminar welcomed national speakers from IPA, representative from Our World Is Not For Sale Network (OWINFS) Deborah James, Len Cooper from the Australian-chapter of the International League for People's Struggles and from Pakistan and representing the People's Coalition

People's Alliance...
(continued on p. 30)

US defence secretary outlines military build-up in Asia

By PETER SYMONDS



US Defense Secretary Chuck Hagel

Photo credit: www.bbc.co.uk

A speech by US Defence Secretary Chuck Hagel to the Shangri-la Dialogue in Singapore—the region’s top annual security conference—underscored the speed and extent of the US military build-up in Asia directed against China. Defence ministers, officials and top military officers from across the Asia Pacific, including China, attended.

The Obama administration’s so-called “pivot to Asia” involves strengthening US military alliances and strategic partnerships, as well as restructuring and repositioning American military forces, throughout the Indo-Pacific region.

At last year’s Shangri-la Dialogue, the previous defence secretary, Leon Panetta, announced that the Pentagon would shift 60 percent of US naval assets to the Indo-Pacific

region by 2020. During his speech, Hagel declared that the US Air Force would also “allocate 60 percent of its overseas-based forces to the Asia Pacific—including tactical aircraft and bombers from the continental United States.”

Hagel reassured US allies at the gathering that financial cutbacks would not affect the expanding American military presence in Asia. He noted that “even under the most extreme budget scenarios, the United States military will continue to represent nearly 40 percent of global defence expenditures.” In other words, US military spending dwarfs that of any other country, including China.

Hagel said this year’s five-year budget plan “put a premium on rapidly deployable, self-sustaining

forces—such as submarines, long-range bombers and carrier strike groups—that can project power over great distance.” He added: “[T]his region will see more of these capabilities as we prioritise developments of our most advanced platforms to the Pacific.”

The US military build-up was on display when the first of four Littoral Combat Ships to be stationed in Singapore arrived in April and docked at Changi Naval Base. Hagel visited the USS Freedom—a shallow draft warship designed to operate close to shore and carry out a range of functions, from minesweeping to surface and anti-submarine warfare.

In his speech, Hagel directly accused China of being involved in cyber espionage against the United States, claiming that some cyber intrusions “appear to be tied to the Chinese government and military.” His remarks are part of a mounting campaign by Washington on the issue, aimed at putting pressure on the newly installed Chinese leadership to make economic and foreign policy concessions. Beijing has repeatedly denied the US accusations, saying it was the victim of cyber-attacks, not the perpetrator.

Chinese President Xi Jinping met with Obama last June in California. US officials have already signaled even before the meeting that the

US president will press Xi on cyber security as well as for tougher measures against North Korea. After meeting with US National Security Adviser Tom Donilon last June in Beijing, Xi declared that relations between the US and China were at a “critical juncture”—a reference to rising tensions.

During the Singapore meeting in May 2013, Chinese Major General Yao Yunzhu challenged Washington’s claims that Obama’s “pivot” or “rebalance” to Asia was not aimed against China. “China is not convinced,” she said. “How can you assure China? How can you balance the two different objectives—to assure allies, and to build a positive relationship with China?”

Hagel brushed aside the question, insisting that the US welcomed “a strong and emerging and responsible China”—a response belied by the content of his speech. His comments were not pitched at easing tensions with China, but rather at encouraging allies and strategic partners to take a stronger stance against Beijing. Already this has led to dangerous frictions, with Japan and the Philippines pressing territorial claims against China in the East China Sea and South China Sea.

In his speech, Hagel indicated the scale of US efforts to strengthen military ties with virtually every country in the region at China’s expense.

The US defence secretary highlighted “substantial progress”

with Japan “in realigning our force posture and enhancing alliance missile defence capabilities,” as well as greater cooperation with India, South Korea and Australia. He noted in particular that an Australian warship was now part of a US carrier strike group based in Japan, “giving our naval forces new practical experience in operating together.”

US officials pointed out that the number of US Marines based in the northern Australian city of Darwin was due to rise from 250 to 1,100 by mid-2014. The Pentagon is also seeking basing arrangements with the Philippines. According to the *Wall Street Journal*, these should be finalised by the end of the year.

Hagel outlined enhanced military relations throughout South East Asia: a joint vision statement with Thailand for the first time in over 50 years; a new memorandum of understanding with Vietnam; the first-ever visit of an aircraft carrier to Malaysia; military-military engagement with Burma; and closer collaboration with the Indonesian military.

Hagel announced that the US would host its first meeting with Association of South East Asian Nations (ASEAN) defence ministers next year in Hawaii. He revealed that the Pentagon would allocate an additional \$100 million to fund joint military exercises in Asia, and extra finances for students from the region to engage in security studies in Hawaii.

Hagel’s tone toward China was markedly different to that he adopted for each other country. Tacitly recognising the sharpening tensions between the two countries and the danger of conflict, he called for dialogue to reduce “the risk of miscalculation, particularly between our militaries.”

While the American media and political establishment seeks to portray China as a threat to peace, the US military build-up and forging of alliances in Asia is destabilising the entire region. While China is in no position to challenge the US militarily, its huge and growing requirements for energy and raw materials are bringing it into conflict with the domination of the major powers over Asia, Africa and Latin America.

That rivalry was evident in the Americas as Chinese President Xi visited Trinidad and Tobago last May to discuss access to Caribbean gas, before heading to Costa Rica and Mexico for economic talks, ahead of his meeting with Obama on Friday and Saturday. US Vice President Joe Biden was also in the region—which the US regards as its “backyard”—for talks in Brazil, Colombia and Trinidad and Tobago.

The Obama-Xi talks, far from being a friendly get-to-know-you meeting as has been billed, will be the occasion for the US to further intensify its pressure on China to make major economic and strategic concessions. ■

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Asia-Pacific civil society calls for development justice



DELEGATES of the Asia-Pacific civil society consultation on post-2015 in Bangkok, Thailand last August.

Bangkok, Thailand – The first region wide consultation on Post-2015 took place last August 23-24 in Bangkok, Thailand with 92 organizations from 21 countries from across Asia and the Pacific.

The event was co-organised by UN Economic and Social Commission for Asia and the Pacific (ESCAP) and the Campaign for People's Goals for Sustainable Development with IBON International, Asia-Pacific Forum for Women, Law and Development (APWLD), Asia-Pacific Research Network (APRN), Asia-Pacific Indigenous People's Pact (AIPP) and Asian Development Alliance (ADA).

Civil society from across Asia and the Pacific gathered to discuss regional challenges and priorities and to craft key messages from Asia-Pacific civil society for a just and transformative sustainable

development agenda for the region and the world. There were strong calls during the consultation for a transformative development framework which promoted a new model of development justice rather than simply economic inclusivity. Asia-Pacific Civil society called for a development framework which aimed to end inequalities of wealth, power, resources and opportunity between countries, between rich and poor and between men and women.

Kate Lappin, Executive Director of APWLD and co-chair of the consultation opened the conference inviting civil society to craft a joint message to the *Ministerial Dialogue: From the MDGs to a UN Development Agenda beyond 2015* as well as to share strategies for advocating and building a movement around a common development agenda. Referring to the recently concluded

intergovernmental meeting on the post-ICPD agenda in the Latin America and Caribbean region which produced a radical statement thanks to a strong civil society intervention. Kate Lappin expressed her hope that this meeting would facilitate a similarly strong civil society voice and called on participants to build a consensus that was both concrete and transformative.

Key Note speaker, Masakazu Ichimura, Chief, Environment and Development Policy Section, UNESCAP, noted important challenges for development in the Asia-Pacific region and expressed the support of UNESCAP in facilitating inclusive and transparent dialogues with civil society. Ichimura suggested that this would be a good opportunity to showcase civil society's substantive contributions to development debates in Asia and the Pacific.

Antonio Tujan, Executive Director of IBON International, delivered the second keynote address calling for development justice and noting that civil society needs to redouble their efforts to ensure the participation of the marginalized in the post-2015 agenda. He emphasized that civil society should not be limited to consultations and that civil society must make active interventions in determining and setting development policies. While criticizing the current development

The Five Foundational Shifts

Redistributive Justice aims to redistribute resources, wealth, power and opportunities to all human beings equitably. The new development agenda must dismantle existing systems that channel resources and wealth from developing countries to wealthy countries, also taking into consideration historical obligations of developed countries to developing countries.

Economic Justice aims to develop economies that enable dignified lives, accommodate for needs and facilitate capabilities, employment and livelihoods available to all, and is not based on exploitation of people or natural resources or environmental destruction.

Social Justice aims to eliminate all forms of discrimination, marginalization, exclusion that pervade our communities.

Environmental Justice recognizes the historical responsibility of countries and elites within countries whose production, consumption and extraction patterns have led to human rights violations, global warming and environmental disasters and compels them to alleviate and compensate those with the least culpability but suffer the most: farmers, fishers, women and marginalized groups of the global South.

Accountability to Peoples to realize and protect peoples' demands for democratic and just governments. Transparency, and governance that enables people to make informed decisions over their own lives, communities and futures are prerequisites to realize a just development agenda.

paradigm where neoliberal policies of deregulation have brought economic instability and wrecked havoc, dismantling environmental and social safeguards for sake of free movement of capital, he called for vigilance to ensure that the new development agenda is not 'business as usual.'

During the Asia - Pacific CSO Consultation, the first panel of

presentations and discussions focused on how Asia-Pacific fitted within the current global processes – the Open Working Group (OWG) on Sustainable Development Goals and new high level political forum (HLPF) as well as the major groups structure and governance. Key issues in the OWG were flagged by speaker, Ranja Sengupta, Third World Network, including the strong G77+China statements on the need address to structural issues preventing development and the need for economic and democratic governance while developed countries were backtracking from existing agreements and emphasizing the role of the private foundations in their place. As the HLPF has opened a new space for civil society participation through the major groups, there has been renewed debate on the major groups governance structure that was also discussed. Warning against gatekeeping and conflicts of interest, Neth Dano, ETC-Group called for greater transparency and accountability in the major groups governance structure including disclosure of organizations linked to corporations.

During these second panel, participants debated what elements are necessary to create a framework for a new transformative development agenda which would bring in all economic, social, environmental and cultural elements. Lim Mah Hui, South Centre, questioned calls for inclusive growth without equal rights in agenda setting. Sandeep Chachra, ActionAid India considered the social context of the current development agenda and questioned the silence on the

need for a paradigm change while challenging the prevailing trend of accumulation by dispossession. Without environmental concerns mainstreamed, social, economic and cultural changes are meaningless in the face of catastrophic climate change according to Ahmad Syamsul Hadi Walhi/ Friends of the Earth International. Finally, Bernice See centered the importance of culture in development given its intergenerational and inter-dimensional relevance to development.

The emerging consensus from Asia-Pacific Civil society was for the need for a new model of development justice which should be framed around five foundational shifts: redistributive justice, economic justice, social justice, environmental justice; accountability to the peoples. Paul Quintos, Co-chair of the consultation, said "There is a deep sense of injustice pervading the world today after over three decades of neoliberal globalization. From Tahrir square and Taksim Park, to the streets of Sao Paulo and Blagoevgrad, to the country sides of Andhra Pradesh and Mindanao, the people are rising up against the many faces of injustice."

These elements are interlinking and indivisible and their achievement can be greatly facilitated through the prioritization of six urgent elements: land equity, decent work, particularly living wages, tax reform, commitment to universal and comprehensive social protection, transforming gender inequalities, implementing environmental justice, and establishing accountability institutions and

processes which ensure direct accountability to the people.

Emele Duituturaga, Pacific Islands Association of Non-Governmental Organisations (PIANGO) said “This is a good start for building a framework for transformative development justice that we can bring to our sub-regions, and national contexts.”

As well as agreeing on key messages from the Asia-Pacific Civil Society,

there were agreements to establish a regional major group formation to engage with the global major group structure in the HLPF and to create thematic clusters.

Eni Lestari, International Migrants Alliance (IMA), closed the Asia Pacific CSO Consultation with a moving call for the participants to use their privilege in being able to travel and participate in processes like this to advocate for their constituencies. Lestari emphasized

that the participants could not let their work end in this room, they would have to challenge their governments and policymakers to agree on a framework for the people not for protecting the interests of the elites and corporations. ■

This is an abridged and partially rewritten version of a recent article published online at http://iboninternational.org/page/whats_new/230 and an IBON Policy Brief on Development Justice published September 2013. The final Bangkok Civil Society Declaration is available online at <http://peoplesgoals.org/asia-pacific-civil-society-demands-a-just-and-transformative-development-agenda/>

Indonesian Peasants... (continued from p. 18)

Despite the extensive work and meetings, the participants took on the stage to share a part of their culture through dance, poetry and songs during the solidarity night that served to reinforce the bonds of solidarity.

SONA protests

On the next day, July 22, fifty international participants of the conference marched in solidarity with the thousands of Filipinos who gathered to reject President Aquino’s version of the state of the nation address (SONA). In the streets, the conference participants chanted “Karapatan ng mamamayan, Ipaglaban!” (Struggle for people’s rights!), and held up placards written in more than five languages. The conference participants also witnessed and took part in the tradition of burning the effigy of corrupt officials (President

Aquino’s this time) as a symbol of their protest.

According to Sister Stella Matutina, a Mindanao-based children’s and women’s rights advocate, “Reinforcing the International support is quite important. We have to unify efforts from different countries to become strong. Even though we are from different countries and we speak different languages, we do have the same fight!”

“I identify with the Filipino people’s experiences. Things that happen here also happen in Latin America. We suffer the consequences of corruption, capitalism and power alliances. And we pay with the blood of innocent people,” were the words of Samuel Villatoro, the Director of Amancio Samuel Villatoro Foundation, an institution

that honors the life, work and struggles of the desaparecidos in Guatemala.

The ICHRPP was successful on sensitizing the delegates regarding the human rights situation in the Philippines and in allowing them to understand a comprehensive framework in campaigning for just and lasting peace. It also renewed the international community’s commitment to the human rights advocacy in the Philippines and around the globe. This conference is only the beginning of the strengthening of a global network for the protection and advocacy of human rights. Participants vowed to achieve the objectives set as a result of the conference and will continue working on towards the next ICHRPP in 2016. ■

Export oil, import water: the Middle East's risky economics

By JOHN JAMES



WHILE THE MIDDLE EAST remains an abundant region of oil that fuels the machinery of developed nations, water scarcity remains a problem faced by many, not only for drinking, but more so for agriculture.

Photo credit: www.greenprophet.com

DUBAI- The world's driest region, the Middle East and North Africa (MENA), is getting drier at an alarming rate.

And yet, despite massive population growth (the Middle East's population grew 61 percent from 1990 to 2010 to 205 million people)* predictions of so-called "water wars" have failed to materialize.

So how has a region that water experts say ceased to have enough water for its strategic needs in 1970 proved so resilient to water scarcity?

"Trade is the first means of being resilient; it's the process that enables an economy to be resilient. The ability to trade effectively depends on the strength and diversity of the economy," Anthony Allan from King's College London and the School of Oriental and African Studies told IRIN.

That does not literally mean that countries import water directly; it is rather that because so much water is used, not for drinking, but for agriculture (around 90 percent), by importing food staples like wheat you are in effect importing water, something Allan calls "virtual water".

As a result, the region's growing population imports around a third of its food - a figure that shoots up in the Gulf states where arable land is negligible.

But while such resilience may “miraculously” solve extreme water scarcity and make life that exists today possible in the Middle East, it can create its own vulnerabilities; countries need economies that can generate enough foreign currency to pay for imports.

That may be easy in oil-rich countries with small populations like the United Arab Emirates (UAE) and Qatar, but it is far more difficult in places like Egypt, which struggles to find the reserves to pay for wheat imports for its 84 million citizens in a context of declining crude oil exports and a slump in tourism.

Such trade “resilience” is also largely unaffordable in a place like Yemen - the region’s poorest country, which has 25 million people in an extremely water scarce (and hence food scarce) environment.

Each Yemeni only has access to about 140 cubic metres of water annually and the capital, Sana’a, is on track to be the first in the world without a viable water supply.

An uncertain future

While trade, an abundance of historically cheap food on international markets, and for some oil - sold at high prices - have combined to create an unexpected resilience in the face of water scarcity, such lessons may not travel well in the developing world.

Trade may have reduced dependency on local water supplies, but it has shifted dependency to international markets and exposed people to fluctuating world prices.

“Water scarcity is not new to the region”

It has also hidden the gravity of the water scarcity situation in the Middle East and made it easier to neglect the development of other solutions to a problem that shows no sign of going away.

A recent study of NASA satellite data published last month found that parts of Turkey, Syria, Iraq and Iran along the Tigris and Euphrates river basins had lost 144 cubic kilometres of water from 2003 to 2009 - roughly equivalent to the volume of the Dead Sea.

An analysis of the data published in the Water Resources Research journal attributes about 60 percent of the loss to the pumping of groundwater from underground

The Arab region is projected to face severe water shortages as early as 2015, when annual per capita water availability will be less than 500 cubic metres. This is less than one-tenth of the world’s average (currently estimated at over 6,000 cubic metres), according to a 2010 report by the Arab Forum for Environment and Development (AFED).

All but six countries in and around the region (the Comoros, Iraq, Lebanon, Somalia, Sudan, and Syria) face water scarcity, which is defined as less than 1,000 cubic metres of water per person per year.

The region accounts for 3 percent of the world’s population, 10 percent of its land, but only 1.2 percent of the world’s renewable water reserves.

The MENA region is most at risk, with the most water-stressed countries being Bahrain (1), Qatar (2), Kuwait (3), Libya (4) Djibouti (5), UAE (6), Yemen (7), Saudi Arabia (8), Oman (9) and Egypt (10), according to the Maplecroft Water Stress Index 2012.

The region faces the worst water scarcity in the world - up to 100 million people could be under water stress by 2050.

Because of its reliance on rain-fed agriculture, the region’s agricultural output could decrease 20-40 percent by 2080.

reservoirs - reserves people fall back on when rivers dry up.

Underground reserves can only last so long, and importing ever increasing amounts of food to feed a growing population is not an option for poorer countries.

Resilience and efficiency

Nevertheless, there are other lessons in water scarcity resilience from the Middle East - either measures that have been shown to build resilience, or that water experts have come to understand would improve the strength of the system to further shocks if they were broadly implemented.

Some of these solutions are not new.

For a start, though the region may be drying, it has been dry for a long time.

“Water scarcity is not new to the region,” Hamed Assaf, a water resource management specialist at the American University of Sharjah in the UAE, told IRIN. “It has been the norm for thousands of years and people have adapted their survival strategies to changes in rainfall and temperature,” he told IRIN.

With scientist predicting an increase in extreme weather events, adaptability has become increasingly important. It is also true that there remains a degree of unpredictability in the system, particularly in Egypt where it is not clear if future rainfall will increase or decrease.

Resilience is about being strong in the face of whatever happens. And in any situation, strong water systems make the most of what they have - including through treating and reusing waste water like at the Al Gabal Asfar water treatment plant in Egypt.

Rainwater harvesting

One old technique is rainwater harvesting. “In Jordan there are indications of early water harvesting structures believed to have been constructed over 9,000 years ago,” Rida Al-Adamat, director of the Water, Environment and Arid Regions Research Centre at Jordan’s al-Bayt University, told IRIN.

Jordan harvests 400-420 million cubic metres of water annually, according to Ministry of Water and Irrigation spokesperson Omar Salameh.

“We have 10 major dams with a total capacity of 325 million cubic metres, in addition to hundreds of sand dams in different locations to develop local communities and recharge groundwater.”

Water harvesting can be done at the household level especially in areas that get enough rainfall during the rainy season. “If your area gets 500mm of rain per year, you can collect enough water for household use,” said Assaf.

“In Lebanon, people used to build ponds to collect water during winter and use it later on for irrigation and breeding animals,” said Assaf.

“The main idea of water harvesting is to increase green water or soil moisture... Farmers in the region used to build small sand barriers on slopes to prevent the water from going down and thus recharge the area. Then they used to plant in the areas behind the barriers,” he added.

Data collection

A key aspect of efficient water use is data collection - important for sound water management at the country level.

“As the saying goes: what you cannot measure you cannot manage,” Heba Yaken, water and sanitation operation analyst at the World Bank office in Cairo, told IRIN. “It is important to know how much you are consuming in order to manage it in a good way.”

Jordan, which some say has one of the most monitored water scarcity situations in the world, has gained widespread recognition for its data collection.

“Jordan’s data is relatively well organized, especially when it comes to agriculture. The volume of water consumption is precisely known in every area. They have installed measuring tools in every area so they know what kinds of crops are being cultivated and the amount of water they consume,” Hiba Hariri from the Arab Water Council told IRIN.

Data-sharing in the region is limited, according to Yaken. “Countries are not as transparent as they should be,” she said.

Other solutions

A whole range of solutions are being piloted and recommended in the Middle East.

In Egypt, the Arab Spring has encouraged farmers to become more outspoken in demanding their water rights, says Yaken from the World Bank.

Farmers have come together in “water users’ associations” to help manage supplies and become more aware of water scarcity issues.

“Farmers are now responsible for the ‘mesqas’ [canals],” Yaken told IRIN.

“People at the tail of the ‘mesqa’ don’t get as much water as the people upstream. People are receiving much more training so that they can manage those disputes between the different farmers, and different demands,” she said.

Elsewhere, capacity building is being carried out by the German Agency for International Cooperation (GIZ), which is running a climate change adaptation scheme designed to help Arab states climate-proof water systems.

While trade provides substitutes for much agricultural water use, the remaining 10 percent of water needs are increasingly being met by desalination, half of which globally is carried out in the Middle East.

Recent years have seen a large increase in desalination, clearly useful in a region without any landlocked countries, but it is an energy-intensive phenomenon almost entirely powered by fossil fuel power, which raises other environmental concerns.

Saudi Arabia uses 1.5 million barrels of oil a day to power its desalination plants, although it is looking to develop solar-powered plants.

Solar is a largely unexplored option for desalination, but also for increasing the efficiency of water systems, through technologies like solar-powered water pumps.

Consumption

But although desalination may become an increasingly affordable, and renewable, solution, water experts say it can only be used as part of wider reforms.

A more resilient water system will also need adaptations on the demand side, including more efficient consumption of water, as well as cooperation between countries on the sustainable use of current resources.

“The problem is that we have short-term plans that change with the change of personnel or ministers,” said Hariri from the Arab Water Council.

As climate change and population growth increase pressure on water systems, the MENA region will need to be increasingly efficient in its use of water - and may have lessons for other parts of the world. ■

**The definition of Middle East used in the OECD/World Bank figures is Bahrain, Iran, Iraq, Jordan, Kuwait, Lebanon, Oman, Qatar, Saudi Arabia, Syria, UAE, Yemen, but not Israel or OPT.*

This is a partially rewritten version of an article originally published online at <http://www.irinnews.org/report/97596/export-oil-import-water-the-middle-east-s-risky-economics>.

People's Alliance... (continued from p. 21)

for Food Sovereignty (PCFS) Azra Assayed.

“As long as the process of development in developing countries still uses the old paradigm of large-scale investment and loans, the process continues to only benefit developed countries,” acknowledged Cooper.

“Developed countries led by the US, the United Kingdom and Japan continue to intervene with the economic, social and political lives of third world countries, including Indonesia, thus, seizing our sovereignty. The leaders of developing countries should stop

turning a blind eye toward such treatment, they have to be more critical,” IPA coordinator Ario Adityo of INDIES said.

The IPA called for the government to uphold the country's sovereignty, to put an end to trade liberalization, to stop signing new agreements, to perform trade that served the people on the basis of a mutual benefit between the cooperating countries and to put an end of the WTO.

During the UN High-Level Panel on the post-2015 development agenda WALHI plans to deploy one of IPA's five civil society representatives,

to urge the government to put more focus on solving the crucial environmental issues of the forest moratorium, plantation expansion (perkebunan), mining and food sovereignty.

“We have been told to preserve our forests, but large [foreign] industry continues to wreck our environment and marginalize our own people. We cannot continue washing their dirty laundry,” said Ahmad. ■

This is an abridged version of an article originally published online at <http://www.thejakartapost.com/bali-daily/2013-03-23/people-s-alliance-use-bali-conferences-champion-agenda.html>.

WTO on Agriculture: More than a decade of false hopes

PEOPLE'S COALITION ON FOOD SOVEREIGNTY



PEOPLE PRODUCING FOOD for the world are ironically, also the world's most impoverished and hungry population. These problems are further aggravated by unfair trading systems including those of the World Trade Organization.

Photo credit: UN Photo

Around 37.5% of the world's land area is agricultural land while around 48% of the total world population live in rural areas—mostly concentrated in Latin America, the Caribbean, Sub-Saharan Africa and in Asia and the Pacific. Poverty rates in rural areas are on average more than double those found in urban areas. Two billion people live on less than two dollars a day and 883 million on less than one dollar a day—and most depend on agriculture for their livelihoods.

People producing food for the world are ironically, also the world's most impoverished and hungry population. According to the Food and Agriculture Organization (FAO), there is an approximately 925 million hungry people in the world—Asia and the Pacific (578 million), Sub-Saharan Africa (239 million), Latin America and the Caribbean (53 million) and Northeast and North Africa (37 million). Meanwhile, in developed countries this figure is at 19 million. A great number of undernourished people are also increasing. In developing countries, it is estimated that even if agricultural production doubles by 2050, one person in 20 still risks being undernourished—equivalent to 370 million suffering from hunger, most of whom will again be in Africa and Asia. Exacerbating hunger and malnutrition are cases of food price volatility as a result of financial speculations as well as unfair trading systems that negatively affect small food producers and subsistence farmers in poverty-stricken areas.

The WTO Agreement on Agriculture (AoA)

One of the primary objectives of the WTO is “to establish a fair and market-oriented agricultural trading system and that a reform process should be initiated through the negotiation of commitments on support and protection and through the establishment of strengthened and more operationally effective GATT rules and disciplines”.¹

WTO commitments in the sector cover:

- market access (disciplines on import restraint or limitations);
- domestic support (government support to domestic producers);
- export subsidy (government support for export)

The Agreement on Agriculture (AoA) is an international treaty of the WTO. It was negotiated during the Uruguay Round of the GATT and entered into force with the establishment of the WTO in 1995. The idea is to reform the global agricultural system, shifting from agricultural price support to producer support. AoA basically has three basic pillars: (1) removal of tariff and non-tariff barriers; (2) reduction of domestic subsidy and (3) reduction of export subsidy².

The AoA also states that “having agreed in implementing commitments on market access, developed country Members would also take fully into account the particular needs and conditions of developing country Members by providing for a greater improvement of opportunities and terms of access for agricultural products of particular interest to these Members, including the fullest liberalization of trade in tropical agricultural products as agreed at the Mid-Term Review, and for products of particular importance to the diversification of production from the growing of illicit narcotic crops.” AoA also covers amount of tariff reductions for developed and developing countries – for developed countries, average tariff reductions of 36% (minimum 15%) over 6 years and for developing countries, average of 24% (minimum 10%) over 10 years.

The negative impacts of liberalization in agriculture are evident in developing countries that could not keep up with the competition between rich countries. For example, the policy on export subsidy is still a problem for most developing countries since foreign investors mostly control their agricultural lands. This means that in developing countries where there are none or less local industries, an export subsidy reduces the price paid by foreign importers – implying that domestic consumers would have to pay more than foreign consumers.

Other than these set of commitments, unfair trade practices such as the Agreement on Application of Sanitary and Phytosanitary Standards (SPS), and Agreement on Technical Barriers to Trade (TBT) under the WTO framework have great impacts on developing countries especially in their agricultural sector. These agreements tend to distort trade - removing trade barriers (tariff and non-tariff) as well as reducing and eventually dismantling domestic support systems of export subsidies that distort international trade between nations, which is most conspicuous in the agriculture sector of developing nations.

TRIPs

Aside from the AoA, the Agreement on Trade Related Aspects of Intellectual Property Rights (TRIPS) has made it mandatory for all member countries to accord protective intellectual property rights, which are internationally acceptable to the inventors of new seeds and plant varieties. For centuries, farmers had been saving, exchanging, using and selling farm-saved seeds. Multinational seed companies have now started claiming patent rights over the seed produced through their research by introducing new gene sequences. Developing countries, on the other hand, fear that this will threaten their centuries’ old farm practices and make their agriculture dependent on these companies.⁴

Instead of development, WTO policies on agriculture have pushed small food producers backward and thwarted prospects in achieving food sovereignty. As TNCs freely exploit developing countries as sources of cheap raw materials and labor, more and more people are getting hungry, peasants becoming landless and environments being destroyed.

Impact on Agriculture

The importance of agriculture in economic and social life of developing countries is much more important than that in the developed countries wherein agriculture contributes 3% to GDP and employs only 4% of the population in developed countries.

The corresponding figures for developing countries are 26% and 70% respectively.⁵

Trade and agricultural liberalization set an uneven playing field between developed and developing countries. Countries with backward agriculture were the ones affected and burdened with the implementation and the negative effects of trade in agricultural commodities with rich countries and world monopolies in global trade in agricultural inputs and products.⁶

This trading system is inherently unfair for developing countries as transnational corporations are engaged in two-thirds of the world trade and one third of it is being conducted in the form of intra-TNC transactions.⁷

One concrete example of unfair trade is the case of cotton. Fair-trade Foundation revealed in 2010 how the \$47 billion in subsidies paid to rich-country producers in the past several years has created barriers for the 15 million cotton farmers across west Africa trying to trade their way out of poverty, and how five million of the world's poorest farming families have been forced out of business and into deeper poverty because of such subsidies.

In the case of India, the government is prevented from providing subsidies to industries that are necessary for the expansion of its share of world export markets because of the export commitment requirements implemented. The reduction in custom duties and non-tariff barriers as well as guaranteed minimum market share for imports will force Indian farmers to compete against large Transnational Corporations which have excessive financial power resulting from their oligopolistic control over world food markets. Indian farmers cannot compete on equal terms against the enormous financial and technological clout of the transnational giants, particularly when custom duties

and other import barriers are reduced, and these companies are guaranteed a share of Indian market. Compliance with market access requirements will devastate domestic food production and India will become dependent on foreign food grains. As a result, the country will be compelled to import at least 3% of the domestic demand for agricultural products. The government will be forced to reduce subsidies to farmers.⁸

History shows us that ascension to WTO worsens the state of key sectors of developing economies, particularly their agricultural industries. Conditional ties have made national governments dependent on TNCs and developed countries' demands on tariffs. Liberalization of agriculture has

led to massive food insecurity and has posed a major obstacle to even laying the ground for the achievement of food sovereignty.

“These agreements tend to distort trade - removing trade barriers (tariff and non-tariff) as well as reducing and eventually dismantling domestic support systems of export subsidies that distort international trade between nations, which is most conspicuous in the agriculture sector of developing nations. “

Current Discussions on Agriculture in the WTO

Twenty years ago, the WTO has promised to reform the agriculture sector through the Agreement on Agriculture. The AoA was agreed upon supposedly to close agricultural loopholes in WTO agreements by binding and cutting tariffs, removing import bans or restrictions, and cutting subsidies that distort trade, both in domestic markets and on exports. Since then, monitoring became an area of work of the WTO.⁹

Further developments in the reform started in 2001 in the creation of the Doha Development Agenda – which is the latest round of trade negotiations among the WTO membership. The Doha Development Agenda aims to achieve major reform of the international trading system through the introduction of lower trade barriers, revised trade rules and improve the trading prospects of developing countries. This new round of negotiations was officially launched at the WTO's Fourth Ministerial Meeting in Doha, Qatar, in November 2001. The Fourth Ministerial Declaration provided the mandate for the negotiations on agriculture under Article 20 of the Agreement on Agriculture – which states the

continuation of the agriculture reform process agreed upon in the AoA.¹⁰

WTO claims that the reform strikes a balance between agricultural trade liberalization and government's desire to pursue legitimate agricultural policy goals including non-trade concerns, i.e. food security, environment, structural adjustments, rural development, poverty alleviation and so on.¹¹

With all the current discussions on agriculture, WTO posits that such policies are made to improve people's lives in the agriculture sector but the reality that is the result of these trade concessions shows otherwise. Such reforms do not reflect development, and instead, has worsened poverty and heavily distorted agricultural trade.

The 9th Ministerial Meeting of the WTO this year aims to "rejuvenate and renew the constructive spirit of the Doha Development Agenda negotiations" – CSOs must be prepared to expose and oppose the neo-liberal agenda behind such 'development' promises of the multilateral trading giant.

Food Sovereignty as a Framework

Since the establishment of WTO in 1995, social movements and civil society organizations have already been at the forefront of exposing and opposing the neo-liberal instrument that is WTO. In this year's MC9 in Bali, Indonesia, hundreds of CSOs and social movements will again flock parallel activities to highlight and expose almost half a century of broken promises, false hopes and distorted trade practices.

The People's Coalition on Food Sovereignty (PCFS) is a network of various grassroots groups of small food producers particularly of peasant-farmer organizations and their support NGOs that work towards a People's Convention on Food Sovereignty. Using food sovereignty as the framework to expose and oppose such anti-people policies, Food Sovereignty is defined in the following words:

Food Sovereignty is the power of people and their communities to assert and realize the right to food and to produce food, and fight the power of corporations and other forces that destroy the people's food production

systems and deny them food and life. Nations and states must exercise food sovereignty to protect, promote and develop the people's food sovereignty from which it draws power (AP-PCFS, Preamble, 117).¹²

Trade and agricultural liberalization have undermined the people's capacity to produce their own food. People lose their homes and their livelihoods; they become cheap laborers in landlord-owned farmlands; contracted to plant pineapples or cotton or any crop for export and never for their own needs. They lose their right to food sovereignty – the right to safe, nutritious, adequate and culturally appropriate food. Instead of producing for their own, they produce for export – paid with the cheapest amount possible—just enough to buy food for a day and to go back again to work the next day. Liberalization has led to land and water grabbing, worsening exploitation of peasants and other small food producers as lands are taken away leaving peasants displaced.

By membership in the WTO, governments are pledged to unilaterally implement neo-liberal policies at the local level in the form of promoting foreign ownership of land and the promulgation of non-tariff agreements among others.

WTO has promised to reform the world trade system to bring development; however, it worsens the people's lives instead. WTO's liberalization has also brought strong political conflicts between the North and the South as well as spawned social unrest as a result of the negative impact of trade liberalization on various economic and social sectors.¹³ The AoA has worsened the state of agriculture sector of many developing countries that has also resulted in the increase of people suffering from hunger and extreme poverty. In effect, agricultural cradles have failed to feed the world because of the wrong policies driving it to the wrong path of development.

As social movements and people's organizations, it is imperative to pose an alternative pathway to development. Upholding food sovereignty entails the promotion of the people's right to own the land they

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A Decade of Occupation for Iraqi Women

by YIFAT SUSSKIND and YANAR MOHAMMED



AFTER A DECADE of occupation, Iraqi women face spiraling abuse, including a spike in ‘honor killings,’ forced veiling, and a growing tolerance for beating women into subordination.

Photo credit: Family MWR

A decade after the US invasion of Iraq, only one of the straw-man arguments for going to war remains standing: “We did it for democracy and women’s rights.”

And yet we hear the same thing again and again from women in the shelters we operate throughout Iraq: “Why are we living in these violent times?” They don’t mourn the fall of Saddam, but women here have suffered 10 years of spiraling abuse, including a spike in ‘honor killings,’ forced veiling, and a growing tolerance for beating women into subordination.

If you talk to women in war zones anywhere, they’ll tell you that domestic violence increases in war-time. But in Iraq, violence against women has also been systematic. And unknown to most Americans, it has been orchestrated by some of the very forces that the US boosted to power.

Like religious fundamentalists everywhere, these sectarian militias and clerics have a social vision for their country that depends on subjugating women. But because the US wagered that they could deliver stability, these men were cultivated as allies in Iraq. As we now know, they never even got the stability they traded women’s rights for.

The dynamic was clearly at work in the drafting of Iraq’s constitution, heavily brokered by the US. To pass it, the US needed support from Islamist parties. They got it by trading away women’s rights. In fact, the current constitution is

a huge step backwards for Iraqi women. It replaces one of the Middle East's most expansive laws on the status of women, dating from 1959, with separate and unequal laws on the basis of sex. They subjected Iraqi women to a newly introduced Sharia law promoted in an article in the new constitution.

When Yusra* arrived at one of our shelters, she told a harrowing story of brutal abuse at the hands of her husband and her father. The shelter was the one place she could turn. Under the new constitution, she knew she wouldn't get justice from the religious courts, where her testimony is worth half of her husband's and where the laws allow the husband to "discipline" his wife.

At our shelter, Yusra bonded with other women, who had also escaped violence. They shared their dream of living in a country that guarantees them equal rights. And they began organizing to demand those rights.

Like women and men throughout the region, Yusra and her friends have filled the public square in Baghdad every Friday for two years now, demanding the freedom to assemble peacefully, and calling for equal protection under the law. These women are fighting for the same democratic principles we all believe in. They know from hard experience that there is no democracy without women's rights and that women's rights will not be delivered by foreign troops.

For women in Iraq, the past 10 years have been filled with war and violence. They want to move beyond mere survival and build the country they dream of. Help us build that dream. And let's remember what strong-willed people can accomplish in the face of injustice and impunity. ■

This is a partially rewritten version of an article originally published online at <http://www.commondreams.org/view/2013/03/19-6>.

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cultivate, and the freedom to choose the food they need to grow—appropriate and suitable to their culture and varying ways of living.

The path to sustainable development is food sovereignty.

JUNK WTO! SCRAP AOA! FOOD SOVEREIGNTY NOW!

In the upcoming 9th WTO Ministerial Meeting in Bali, Indonesia, PCFS will join organizations of peasants, fisherfolk, women, indigenous peoples and other small food producers to expose and oppose the almost half a century anti-people policies of GATT and WTO. There is no alternative to WTO Agreement on Agriculture but the people's ownership of production.

Together with peasant organizations all over Asia, PCFS will call to junk WTO, scrap the Agreement on Agriculture and uphold food sovereignty. WTO has no right to continue its anti-people policies and TNCs do not have the right to own the people's lands. The poor

and the marginalized who have been silently shaping history will now take a stand to shape their own future. ■

Endnotes

1. *Uruguay Round Agreement Articles 1-7*
2. *IBON: The Impact of the WTO Agreement on Agriculture 2000* (page 9)
3. *Uruguay Round Agreement Articles 1-7*
4. *APRN Briefer on WTO AoA 2013*
5. *APRN Briefer on WTO AoA 2013*
6. *IBON: The Impact of the WTO Agreement on Agriculture 2000* (page 27)
7. *APRN: Trade Liberalization 2006* (page x)
8. *APRN Briefer on WTO AoA 2013*
9. *WTO Data* (http://www.wto.org/english/tratop_e/agric_e/ag_issues_e.htm)
10. *WTO Data* (http://www.wto.org/english/tratop_e/dda_e/dda_e.htm)
11. *WTO Data* (http://www.wto.org/english/tratop_e/agric_e/negs_bkgrnd05_intro_e.htm#presentreform)
12. *IBON Primer on Food Sovereignty and the Food Crisis 2012* (page 65)
13. *APRN: Trade Liberalization* (page vii)

The Trans-Pacific Partnership Agreement and capital flows

by MICHAEL MAH-HUI LIM



WORLDWIDE, protests are being staged in order to prevent countries from signing the Trans-Pacific Partnership Agreement as leaked documents reveal its unfair nature.

Photo credit: BAYAN USA

It would appear from leaked drafts that countries signing on to the TPPA will be seriously constrained in exercising controls over the inflow and outflow of capital. The 18th round of negotiations for the Trans-Pacific Partnership Agreement (TPPA), held in Kota Kinabalu, Malaysia, from 15 to 25 July, has ended. Twelve countries are participating in the TPPA negotiations - Brunei, Malaysia, Vietnam, Singapore, Australia, New Zealand, Chile, Peru, Mexico, Canada and the United States, with Japan joining in only in the 18th round. There are 29 chapters under negotiation, with 14 having been agreed upon. Negotiators hope to complete the process by October of 2013.

The whole negotiation process carried out by government officials, usually from the respective countries' trade ministries, has been clouded in secrecy. This has generated much public concern and discontent in some of these countries. Lawmakers and the general public in Malaysia, for example, have demanded more transparency and information that have not been forthcoming and are also asking for ratification by the full Parliament before signing the Agreement. Several peaceful public demonstrations have been held to oppose Malaysia's participation in the negotiations. The latest occurred on 20 July in front of the hotel in Kota Kinabalu where the negotiations were held. The police took high-handed action, detained 14 of the demonstrators and submitted them to drug testing.

The investment chapter of the TPPA that has been leaked specifically states: 'Each Party shall permit all transfers relating to a covered investment to be made freely and without delay into and out of its territory [emphasis added].'

In other words, countries participating in the TPPA will not be allowed to exercise any form of control over the inflow and outflow of capital. This is even more restrictive than the International Monetary Fund (IMF) conditions for regulating capital flows. The IMF, itself an advocate of free capital movements, has been critical of the provisions on capital mobility in agreements like the TPPA, stating in a 2012 report, 'The limited flexibility afforded by some bilateral and regional agreements in respect to liberalisation obligations may create challenges for the management of capital flows.'

It is understood that participants have agreed to this provision in the TPPA investment chapter. However, the final extent of any safeguards and exceptions is unclear. Questions were raised over these concerns at the session that negotiators held with stakeholders in Kota Kinabalu, and the answer was that it is still under negotiation.

In the leaked investment chapter, the safeguards refer specifically to the ability of a government to take temporary measures with regard to current account transactions if there are serious balance-of-payments or external financial difficulties, or with regard to payments or transfers relating to capital movement. The questions are: how long does 'temporary' mean and who defines it? Does 'temporary' mean a few months or a few years? In the case of Malaysia, it banned capital outflow for a year during the Asian financial crisis and then changed it to a 10% levy on proceeds from the sale of securities for another year or so. Would the TPPA allow such measures?

In many existing bilateral trade and investment agreements, disputes over ambiguities are settled in international arbitration tribunals whose neutrality has been compromised by conflicts of interest, i.e., some of the judges who sit on the tribunals have also represented companies that brought suits against countries. Furthermore, would these tribunals be in a better position to judge what is best for the countries that imposed capital controls? It would seem that the countries that are affected should judge for themselves when it is prudent to phase out or lift such controls.

Secondly, the leaked investment chapter of the TPPA specifies a number of very restrictive conditions under which the safeguard measures can be applied. These conditions hold that the safeguards shall:

- Be applied on a non-discriminatory basis among the parties;
- Be consistent with the Articles of Agreement of the IMF for parties that are parties to the said Articles;
- Avoid unnecessary damage to commercial, economic and financial interests of other parties;
- Not exceed those necessary to deal with the circumstances described above; and
- Be temporary and be phased out progressively as the situation improves.

“...these restrictions serve only to cancel out the safeguards and exceptions provided for earlier and hence should be removed”

Various legal opinions have pointed out that these restrictions serve only to cancel out the safeguards and exceptions provided for earlier and hence should be removed.

Another provision in the investment chapter refers to sovereign debt restructuring. It specifies that a claim cannot be brought against a country that has a negotiated debt restructuring in place except for a claim that the restructuring violates the national treatment (NT) and most favoured nation (MFN) articles. This provision is good as an investor should not claim against a party that already has a negotiated debt settlement in place. However, the provision is weakened by two conditions - the NT and MFN exceptions, and the stipulation that the negotiated restructuring must be accepted by creditors who hold at least 75% of the aggregate principal amount of the outstanding debt. This threshold is too high. Even in negotiated debt restructuring in the private sector, a two-thirds threshold is accepted as binding.

**The Trans-Pacific Partnership...
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Made in Dagenham: Women write their own history



The year is 1968. The Tet offensive is taking a horrendous toll on lives in Vietnam. Massive youth and worker protests reshape politics in the US, Europe, and elsewhere in the world. Rock and roll is evolving into rock. Twiggy starts a fashion revolution, and girls in hot pants and micro-minis are showing lots of leg. The British Labour government of Harold Wilson grapples with trade deficits, a devalued pound, and 26,000 strikes in a year, while the Conservatives' shadow Cabinet (which already includes Margaret Thatcher) is waiting in the wings.

In Dagenham, an industrial suburb by the Thames, Ford Motor Company boasts of a huge auto plant with modern facilities employing 55,000 men—and 187 women sewing machinists who make car upholstery. The women receive less pay than the men, which is the norm at a time when gender equality isn't seen as a union issue. They are huddled in an old building, which leaks during rains and becomes so stifling hot in the summer that many of them habitually work in their underwear. (When a man enters the premises, the first to notice shouts "Maa-aan!" across the floor to warn everyone else to put on clothes.)

But the male visitor this time is gender-sensitive local union official Albert (Bob Hoskins), so it's okay for him to take the floor while the women mill around in various states of undress. Management had earlier decided to downgrade the women to "unskilled," which means further cuts in their already low wages. Prompted by Albert, they hold a strike vote to check if they can make good their earlier threat. The result is unanimous: unless Ford

“Made in Dagenham,” 2010. BBC Films. Sally Hawkins, Bob Hoskins, Miranda Richardson, Geraldine James, Rosamund Pike, Andrea Riseborough, Jaime Winstone, Daniel Mays, Richard Schiff. Directed by Nigel Cole, from a screenplay by William Ivory. 113 minutes. Some profane language and brief sexuality.

backtracks, the women go on a token 24-hour work stoppage and a ban on overtime. There is no agonizing; the prevailing mood is that of planning a holiday picnic.

Albert asks two women to join the grievance meeting with the plant executives. One is Connie (Geraldine James), the shop steward who is often distracted by domestic problems. The other is Connie’s best friend Rita O’Grady (Sally Hawkins), a cheerful and unassuming wife and mother of two. Her co-workers and Albert trust Rita; they see in her the makings of a natural leader.

At the face-to-face meeting, Albert, Rita, and Connie notice that local union chief Monty Taylor (Kenneth Cranham) is playing bargain footsies with the Ford executives. Monty and the company guys both want “the girls” to sit quietly while the “men of the world” sort out and weigh the issues. Surprising everyone, however, Rita pulls out upholstery samples and politely asks management to try and sew these into a car seat. The bosses and Monty scratch their heads, not expecting this timid-looking woman to stand up and ruin their scripted dialogue. Rita reiterates that women’s skills entitle them to higher pay, goes back to her waiting co-workers, and signals the start of the 24-hour strike with the trademark “Everybody, out!”

Albert, who fully supports the women strikers, shows Rita why the real issue is much bigger. The strike is challenging the entire two-tiered wage system that pays women lower than men. It challenges as well the entrenched male-dominated union hierarchy, lulled for years with false notions of industrial peace, and dismissive of the women’s demand as “too much, too soon.”

After the 24-hour stoppage, management responds with a stern memo to the workers. When the union bosses advise Rita to just ignore the warning because “that’s how we’ve always done it,” her quiet rage explodes into an indignant militancy. The issue is no longer just higher pay, but fairness and respect for women’s rights in the workplace and within the union.

Against the wishes of the union bosses, the women machinists go on a full-scale open-ended strike—until equal pay is granted “across the board or nothing.” The expanded strike sends ripples throughout British labor and Westminster. At the Ford headquarters in Michigan, the top boardroom realizes that “if this woman gets what she wants, we’ll have to do it right across the world.” The order comes straight from the top: break the Dagenham women’s strike.

At first, the women’s husbands and boyfriends—most of them also Ford workers—are supportive although a bit bemused. The Dagenham men think the strike will quickly play itself out, but they gamely help in setting up pickets and in minding the kids and the darkened kitchens. The media covers the strikers like a welcome diversion (a reporter calls them “Revlon revolutionaries”). Other unions invite them to speak on women’s rights, spreading the idea of equal pay among women workers of other factories.

But the struggle becomes an increasingly steep uphill battle. Ford fights tit-for-tat by pushing the union bosses to cooperate in breaking the strike. Playing every trick in the book, the company suspends all plant operations on the alibi that the women’s strike has depleted the supply of upholstery. The forced idling of 55,000 male workers creates dissension within the union, within families, and between the women and the broader Dagenham community now burdened by a strike they apparently did not expect to loom this large.

The striking women face challenges at the personal level, from their families who start feeling the pinch of depleted savings and heavier domestic burdens. Rita’s husband, Eddie (Daniel Mays), a Ford plant worker himself, cheerfully copes at first but starts sliding into helplessness when their refrigerator is repossessed and unceremoniously dragged away from their flat. Rita’s friend Connie begs off from union duty to care

for her ex-RAF husband suffering from post-combat depression. Another strike leader Sandra (Jaime Winstone), who dreams of a career as a model, furtively accepts a modeling job for a Ford brochure.

As the strikers struggle to rally nationwide trade union support, retain the loyalty of the Dagenham community, and keep their families on an even keel, help comes from two unexpected allies. One is Lisa (Rosamunde Burke), the Cambridge-educated “trophy wife” of condescending Ford boss Peter Hopkins (Rupert Graves). Lisa befriends Rita because of a common school concern and sisterhood sympathies, and offers her full moral support to the strikers, and a surprisingly gracious personal gesture to Rita as well as the story reaches its climax.

The other is fiery, table-thumping Barbara Castle (Miranda Richardson)—Prime Minister Wilson’s secretary for employment—who takes her job seriously and allows the women strike leaders into her office. The strikers and the labor secretary hurdle the barriers of tough talk, find each other approachable at a personal level, and eventually arrive at an amenable agreement favoring the strike. The triumphant strikers and Mrs. Castle stroll out of her office—arm in arm like comrades—to announce the historic agreement.

The settlement of the Dagenham dispute emerged as a victory not just for the striking women but for all women workers as well. It later paved the way for Britain to adopt the Equal Pay Act of 1970, with other industrial countries eventually following suit.

The film, which earned mostly positive reviews, strikes a fine balance between social significance and personal inspiration. It is both entertaining and educative, a “humanist slice of social history” as one reviewer put it. It carries the same impact as films like “Norma Rae” (1979, with Sally Field), “Silkwood” (1983, with Meryl Streep), and “Erin Brockovich” (2000, with Julia Roberts). All four films are based on or inspired by real-

life stories of strong women fighting corporate injustice against all odds.

“Made in Dagenham” may discomfit some trade union activists. On one hand, the film exposes the cooptation of union bosses and their political representatives in ruling Labor parties, who have grown complacent, fat, and lazy in their offices. On the other hand, it explores the option of feminist realignments cutting across class lines—as when the striking women find sympathetic (if tactical) allies in the wife of a Ford executive and in the secretary for employment Mrs. Castle herself.

Made in Dagenham” is an inspired cinematic retelling of the story of women machinists of a Ford auto plant near London, who waged a David-vs-Goliath strike demanding equal pay for equal work, and in so doing broke new ground for women’s rights. While the characters are fictional, the basic plot follows the real-life Dagenham strike.

But such is the complexity of the labor movement as it unfolds on many levels in real life. The film must be credited for addressing these inner tensions within the still-evolving movement. A particularly sharp albeit theoretical dialogue between union officials captures this conflict. One of the union bosses reminds Albert: “The Communist Party and Marx himself said: ‘Men write their own history.’ That’s ‘men’ Albert.” That is a ridiculous assertion,

of course, since 19th century socialists like Marx wrote “men” when referring to people or humanity as a whole. But Albert the pro-women activist quickly retorts: “But didn’t he also say, ‘Progress can be measured by the social position of the female sex’?”

Despite its serious historical topic, the story is pleasant in that there are no super-villains and superheroes acting out an epic struggle, only ordinary people making choices available to them in their social milieu, and in the process of making history. The main characters are portrayed with depth and charm, full-fleshed with all their quirks. The women strikers are not caricatures of grim-and-determined activists out to change the world.

The story is humorous but remains rooted on ground realities. There are no Hollywood-ish surprises and twists, just the usual plot devices as we often stumble upon in daily life. A skillful balance is achieved between showing the harsh realities of the picket line and bruising top-level labor negotiations, on one hand,

and achingly nuanced vignettes of working-class home life, community spirit, and interpersonal moments. Originality is not this film's strength, but predictability is not its weakness either. The audience is allowed to take in its easy pace, and thus have enough time to contemplate the story's nuances as it unfolds.

The historical charm of "Made in Dagenham" is much enhanced by a careful employment of street settings and fashions of the period, chance new clips on the telly, and a soundtrack of late-1960s radio hits. Its eponymous theme song, written by Billy Bragg and David Arnold

just for the film, was performed by Sandie Shaw, herself a former Dagenham Ford clerk. All in all, the language is earthy and crisp. The working-class dialect of London may be a bit difficult to understand for those used to hearing the twang and slang of American English, but that's part of what makes the story authentic.

As credits scroll up at the end of the film, we are shown the real-life Dagenham strikers, replying cheekily to interviews and posing for photos, reminding us anew of what made the story credible and inspiring to the very end: because much of it was true. ■

The Trans-Pacific Partnership... (continued on p. 38)

Countries negotiating to sign the TPPA must insist on deleting any provisions in the investment chapter that restrict their ability to regulate capital flows, or at the least that there be sufficient safeguards and exceptions that are water-tight enough to enable them to regulate capital flows for both micro- and macro-prudential reasons as well as to maintain financial and economic stability.

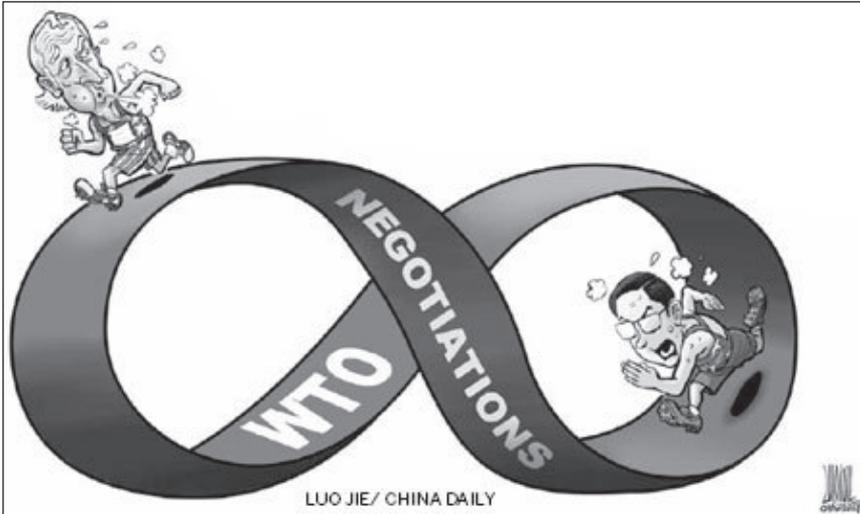
There is enough evidence that free capital flows, particularly those associated with speculative financial transactions like carry trades, are highly volatile and create financial, foreign exchange and other forms of macroeconomic instability to recipient countries. This happened during the Asian financial crisis and also the recent global financial crisis. Countries need the policy space to regulate both the inflow and outflow of capital in order to prevent, manage and overcome financial and economic crisis. Malaysia, as noted earlier, used capital controls successfully to get out of the Asian financial crisis in 1998 and 1999. When Malaysia used them at the time, it was regarded as heretical and vehemently opposed by the IMF. Ten years later, the IMF admitted

that capital controls helped Malaysia emerge faster from the crisis.

Another country that used capital controls successfully, to its benefit but seldom publicised, is the United States. In 1963, to stem capital outflows and balance-of-payments problems, the US introduced the interest equalisation tax (IET) to tax US dollar bonds raised by foreign corporations on Wall Street. This tax effectively reduced the international US dollar bonds issued in the US as a percentage of all international US dollar bonds raised worldwide from 72% in 1963 to 55% in 1964 and 28% in 1968. ■

Michael Mah-Hui Lim is Senior Finance and Economic Adviser to the South Centre, Geneva. He was previously a post-doctoral fellow at Duke University and Assistant Professor at Temple University in the US, and an international and investment banker. This article is based on a presentation given at the Stakeholders Forum in the 18th round of TPPA negotiations in Kota Kinabalu, Malaysia, on 20 July 2013.

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Luo Jie, a political cartoonist from China, learned to draw by himself. He started his career in computer and cartoon drawing in 2000 and eventually became part of China Daily by 2002. He now works as the deputy chief of the art department at China Daily and had won numerous local awards in cartoon drawing.

Motto: Only in political cartoons, I am alive.

Source: http://www.chinadaily.com.cn/opinion/2013-08/29/content_16929635.htm

More of his works are featured in <http://www.cagle.com/author/luojie/> and www.chinadaily.com.cn



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Closing the Gender Gap in Land Rights

Agricultural production and food processing are the main sources of employment for women in most developing regions, yet women typically control fewer resources and earn lower incomes than men.¹

Majority of the world's poor people live in rural areas, but women are often in a disadvantaged position in terms of land access, inheritance practices and norms and procedures for claiming land rights.²

Women make important and growing contributions to food production, processing, marketing and retailing, and other parts of the food system.³

Women play important roles in nutrition through agricultural production, food provision and childcare.⁴

Fertilizer & Seeds

In Ghana,

Women farmers are nearly 40% less likely to apply fertilizer, likely due to resource constraints⁵

Education & Extension Services

In India,

Women-headed households with land are more than 25% less likely to receive an extension service visit.⁶

Financial Services

In Kenya,

Women farmers are three times less likely to obtain credit.⁷

Livestock

In Nicaragua,

Women are over five times less likely to be the individual owner of household cattle⁸

IF WOMEN HAD THE SAME ACCESS TO NON-LAND RESOURCES AND SERVICES, THAT COULD:⁹

Increase yields on women's land by **20-30 percent**

Raise total agricultural output in developing countries by **2.5-4 percent**

Reduce the number of hungry people in the world by **100-150 million**

Promote gender equality

Reduce malnutrition

Improve education outcomes

Land

Currently, women are less likely to:

Have secure rights to own, control or access land and

Have plots of the same quality or size

In Nigeria

7 out of 8 landholders are men

PROMOTING WOMEN'S RIGHTS TO LAND OWNERSHIP CAN CONTRIBUTE IN OVERALL AGRICULTURAL PRODUCTIVITY AND IMPROVED HOUSEHOLD WELFARE.¹⁰

If women had equal rights to land:

How much more would yields increase?

How many millions fewer people would be hungry?

What other social and economic benefits would accrue?

Sources:

1 <http://www.ruralpovertyportal.org/topic/statistics/tags/land>

2 Ibid.

3 FAO. The State of Food and Agriculture 2013: Food Systems for Better Nutrition (2013).

4 Ibid.

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6 World Bank and IFPRI. Gender and Governance in Rural Services: Insights from India, Ghana and Ethiopia (2010), p. 107

7 Saito K., et al. "Raising the Productivity of Women Farmers in Sub-Saharan Africa," *World Bank Research Report*, 1(1): 1-110 (1994), p. 95

8 Deere, C. et al. "Gender Equality in Asset Ownership in Latin America: Female Owners vs. Household Heads," *Development and Change*, 43(2): 505-530 (2012), p. 518

9 FAO, The State of Food and Agriculture 2010-2011, p.42

10 Giovarelli, R. and Wamalawa, B., USAID Issue Brief: Land Tenure Property Rights, and Gender (2011), p. 2-3

11 FAO. The State of Food and Agriculture 2013: Food Systems for Better Nutrition (2013).