

ISSN 1655-5295

**IBON**

**EDM**

**Education for Development**

Vol. 7, No. 1

January - February 2008

# People's Protocol on Climate Change Involving Southern Voices in Kyoto II



Why we must of essence debate the global aid architecture

Australia says 'sorry' to its indigenous peoples

The unlikely radio stars of an Indian village

## COVER



### 3 UNFCCC climate change negotiations

*Flint Duxfield*

### 6 NEWS

### 7 SPECIAL FEATURES: Why we must of essence debate the global aid architecture

*Kiama Kaara*

### 12 On the environment and climate change

*Giovanni Tapang*



### 16 PHOTO ESSAY: People's actions on climate change: scenes outside the UNFCCC

### 20 WORLD ECONOMY: West Seti: who gives a dam? *Rabin Subedi and Ratan Bhandari*

### 22 GLOBALIZATION ISSUES: Australia says 'sorry' to its indigenous peoples *Caesar A. Baroña*

### 24 The 'strong peso' and the folly of OFW export *Sonny Africa*

### 26 The unlikely radio stars of an Indian village *Thingnam Anjulika Samom*

### 28 Asia and the next US president *Peter Shearman*

### 31 STATS & NUMBERS: Gov't jobs data excludes 1.4M jobless Filipinos

**Erratum** - There were some errors in the printing of some articles in the EDM September-October 2007 issue. We have already corrected these in the subsequent issues printed and distributed. Our sincere apologies to Mr. Sonny Africa of IBON Foundation and Ms. Lucy Hayes of EURODAD.

Education for Development Magazine  
is published by



**IBON International**  
IBON Center

114 Timog Avenue, Quezon City  
1103 Philippines

E-mail Address: [ibon.international@ibon.org](mailto:ibon.international@ibon.org)

Tel. Nos. +632 927 7060 to 62

Local 202

Fax +632 425 1387

Antonio Tujan, Jr.  
**International Director**  
**International Department**

Maria Theresa Nera-Lauron  
**Head, International Department**

**Layout Artist**  
Florenio Bambao

**Cover Artist**  
Jenny Padilla / Florenio Bambao

**Artworks**  
Florenio Bambao

**Photo Credits**  
Ava Danlog/IBON  
Flint Duxfield/AID/Watch  
claire\_murphy10/flickr.com  
humbling/flickr.com  
angela7dreams/flickr.com

Greenpeace  
storm\_crypt/flickr.com  
Yuki Tanabe/JACES  
West Seti Hydro Ltd  
The\_guenni/flickr.com  
Tom/flickr.com  
K C Tang  
Panos Photos

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

# UNFCCC CLIMATE CHANGE NEGOTIATIONS

AID/Watch

*Flint Duxfield reports on the first week of the UNFCCC negotiations*

**F**ormal Negotiations: Who's in and who's out? The ratification of the Kyoto Protocol by the newly elected Rudd government has received considerable attention here in Bali, in particular for the increasingly isolated position this now puts the US in as the only major developed country not to be party to the Protocol. Despite the important role Australia's ratification has for the Kyoto process, Rudd's decision to override that of Australia's negotiators by contradicting their commitment to an emissions cut of 25-40% by 2020 is extremely disappointing as is the failure of the

government to concede the need to prevent a 2-degree global temperature rise. Rudd has suggested that 'further information' is required before Australia can commit to 2020 targets, despite the comprehensive call of the IPCC for immediate emissions cuts. NGOs will no doubt be trying

to convince him otherwise when he arrives in Bali next week.

Despite the United States' continued refusal to acknowledge the need for binding emissions targets, US chief negotiator Paula Dobriansk entered the negotiations committed to pursuing a "post-2012 framework that successfully rises to the scale and scope of [the climate] challenge". Civil society organizations and other Kyoto parties will no doubt be pressuring the US to live up to this commitment. One such attempt which surprised many was the proposal from China to create a working group to negotiate targets for non-Kyoto industrialized countries (i.e. the US) of between 25-40% of 1990 levels by 2020.

At the same time as the US delegation here in Bali has been maintaining its traditional obstructionist stance on climate negotiations, domestically the US congress has moved one step close towards comprehensive mandatory emissions reductions. While the proposed Lieberman-Warner Climate Security Act has received heavy criticism for handing out



PHOTO: FLINT DUXFIELD

PHOTO: AVA DANLOG/BON



PHOTO: FLINT DUXFIELD



Workshop on People's Protocol on Climate Change

US\$500 billion in pollution permits to corporations and not proposing deep enough emissions cuts, the Senate committee's approval of the bill demonstrates how increasingly isolated the Bush administration is becoming through its refusal to commit to mandatory emissions cuts.

Civil society was greatly concerned following statements by Japan suggesting that the country which gave life to the Kyoto Protocol may be looking to abandon it on its tenth anniversary. Fortunately Japan later confirmed it was not planning to abandon Kyoto, though somewhat confusingly, it refrained from making a clear commitment to binding emissions reductions. Japan's statements suggest a concerning shift towards the position of the US government which has refused to accept binding emissions reductions targets and pressured for reductions from high emitting developing countries. In an equally worrying move Canada has also firmly sided with its powerful neighbour by refusing to take on firm emissions targets unless developing countries did so as well.

With developed countries collectively showing little interest in

taking urgent action on climate change, it has been up to the 43-member Alliance of Small Island States to raise the bar in demands for emissions reductions. Alliance chair Granada said that even the European Union target of limiting warming to a temperature rise of 2 Celsius over pre-industrial levels were insufficient to avoid dangerous climate change, calling for 'drastic action'.

A key concern for developing countries, highlighted by the head of G77 in the second day of negotiations, has been the failure of the negotiations to address the need for transfer of clean technologies

to developing countries. Rather than discussing mechanisms for technology transfer, the Parties spent 3 hours debating whether the issue should be included as a separate agenda item.

### Funding for Adaptation or Adapting to funds?

Funding for adaptation remains a crucial issue and one which will need careful monitoring in future years particularly as it is likely that the Global Environment Facility and World Bank, two institutions which have received considerable criticism in the past from development and environmental NGOs, will likely be the secretariat and trustee of the fund respectively. Of crucial importance for negotiators next week will be the need to make concrete commitments on the finances they will make available through this fund. To date the few hundred million dollars available through international adaptation initiatives has paled in significance beside the obvious need of low lying states, islands and LDCs for tens of billions of dollars in adaptation financing. Two issues in particular have dominated debate in the NGO arena, both concerning potential 'solutions' to climate change. Avoided deforestation through the proposed 'Reduced



PHOTO: FLINT DUXFIELD

Emissions through Deforestation and Degradation' (REDD) has been high on the agenda, followed closely by its infamous sibling agrofuels.

### REDD: the new Black?

After being vigorously supported by the host country Indonesia and an alliance of ten other developing countries (the 'Forests 11'), REDD has received a varied response from the NGO and scientific community in Bali. The basic premise of REDD is that of providing compensation to southern countries which reduce their deforestation rates, either through aid money, direct financial compensation or a carbon credit scheme.

Some NGOs have stressed that the need to reduce emissions from deforestation without unfairly disadvantaging those people who depend on forest products for their livelihoods makes some form of avoided deforestation initiative essential. Others however, have highlighted numerous flaws with the proposal including its potential to promote business as usual

emissions for northern companies and its inability to ensure that governments and companies won't profit from the scheme at the expense of local communities.

### Biofuels: Curse or Cure?

A key culprit in deforestation in developing countries is the increasing push for agrofuels such as palm oil, which are expected to more than double in production in the next 5 years. Proposed by some as a carbon neutral substitute for fossil fuels, numerous workshops, including one co-convened by AID/WATCH, PAN AP and IBON Foundation have highlighted the detrimental impact agrofuel production can have on the environment and lives of those who produce them, most of which are in developing countries. Critics of the push for increased agrofuel production have cited that efforts by the global north to reduce emissions must be premised on ending a reliance on energy intensive lifestyles, rather than simply shifting the environmental and social impacts of these lifestyles onto the countries of the global south.

### A People's Protocol on Climate Change

Alongside the social negotiations here in Bali have been a myriad of social side events as well as workshops and cultural events centered around the nearby Civil Society Organisations (CSO) Forum and Global Village for a Cool Planet. A common theme throughout these latter two forums has been the need to ensure the rights and needs of people and communities are not ignored, or unfairly disadvantaged by global efforts to combat climate change.

Another such initiative which AID/WATCH has been involved with in Bali is the push for a People's Protocol on Climate Change in recognition of the limited voice allowed in the Kyoto process for those communities, especially in the global south, who will be the worst impacted by climate change. The people's protocol will seek input and support from people's groups across the world in the lead up to the 2008 meeting of parties in Poznan, Poland.



PHOTO: FLINT DUXFIELD

## JPEPA losses to RP economy go beyond monetary cost

Independent thinktank IBON Foundation reacted to Senator Mar Roxas' statement that he would advocate for the ratification of the Japan-Philippines Economic Partnership Agreement (JPEPA).

Sen. Roxas said yesterday although there was not much gain inherent in the free-trade pact, "the loss is definitely calculable". But IBON research head Sonny Africa said that the loss to the local economy of JPEPA goes beyond what can immediately be computed in monetary terms to affect the country's future economic development.

Even as IBON estimates annual revenue losses at P10.6 billion because of tariff removals under JPEPA, Africa said that the bigger loss from the free trade pact is

ultimately its effect on the country's economic sovereignty and its right to impose policies to protect its industries and promote its long-term economic development.

For example, the JPEPA has investment provisions that require the Philippine government to place Japanese investors on equal footing with their local counterparts while preventing the country from imposing policies to favor Filipino entrepreneurs and enterprises. It also prohibits the government from imposing such development measures as requiring Japanese investors to hire a given level of Filipino nationals, transfer technologies or production processes to local companies, or achieve a certain level of local content in products it manufactures or sub-contracts in the Philippines.

The effect of these provisions cannot be readily computed monetarily, but the loss to the domestic economy is very real and concrete, Africa said, in terms of lost livelihoods and local firms closed. Just as big a loss will be the continued and chronic backwardness of the Philippines' agricultural and industrial sectors, which would deny tens of millions of Filipinos decent work and force them to risk their lives abroad as overseas workers. "These losses are inherent in the JPEPA," he said.

Africa said that senators considering ratification of the controversial pact should ultimately look not just at the immediate losses the JPEPA will bring but also its future legacy: the destruction of the people's welfare and any hope of the country's future development. **IBON Foundation, Inc.**

## Most Filipinos want Arroyo to step down due to corruption charges

Recent corruption scandals besetting the Arroyo administration have led most Filipinos to call for President Gloria Macapagal-Arroyo to step down, according to the results of the latest IBON survey.

Asked if they were aware of calls made recently by members of the Church and other sectoral groups for Pres. Arroyo to resign from office and face corruption charges leveled against her, 75 percent of the total 1,503 survey respondents said yes.

Of these, 77.4 percent said they agreed with such call to step down.

Various interfaith and sectoral groups such as Solidarity Philippines, Concerned Citizens Group, United Church of Christ in the Philippines, among others, have called for a rejection of what they called as Arroyo's morally bankrupt government.

The IBON nationwide survey was conducted from January 7 to 14, 2008, with 1,503 respondents. It has a margin of error of plus or minus three percent. **IBON Foundation, Inc.**

*Below is the tabulation of results of the respondents' perception of the Church and sectoral groups'*

*call for Pres. Arroyo to step down due to corruption allegations against her administration.*

*Are you aware that in recent months, bishops and other sectoral organizations have demanded that President Arroyo resign from office and face the charges levelled against her?*

Yes	75.38
No	24.62

*Do you agree with the calls of bishops and other groups for President Arroyo to step down because of widespread corruption under her regime?*

Yes	77.41
No	12.89

# Why we must of essence debate the global aid architecture

Kiama Kaara<sup>1</sup>

Kenya Debt Relief Network (KENDREN)

**D**evelopment is loosely defined as a process through which something moves or increases from one level to another. It captures not only the complexities of the daily changes that we encounter in our lives, but also their sheer magnitude on varied terrains.

For this instance, I look at development as encompassing changes in peoples' lives. The complex but intricate processes effected and affected on people in an effort to bring changes on the scopes of their livelihoods. Development is the desirable rise of peoples from one level to the next.

In the pursuit of development, nations have conceptualized and implemented varied paradigms as the bed rock of their efforts. Today, no single country in the world can talk of not having its own blueprint of a desired agenda.

In his seminal book on Africa, "How Europe Under-Developed Africa", acclaimed Guyanan Historian, Walter Rodney has brilliantly presented the blatant unequal relationship between Africa and the developed countries of Western Europe and U.S.A. Founded on a resource extractive, pillage bordering con-

quest typology, he threads the complexities of cause and effect from slavery to latter day neo-colonialism. Whereas Rodney's argument mainly highlights the construct of dependency theory pitting periphery countries and those of the metro pole, it suffices

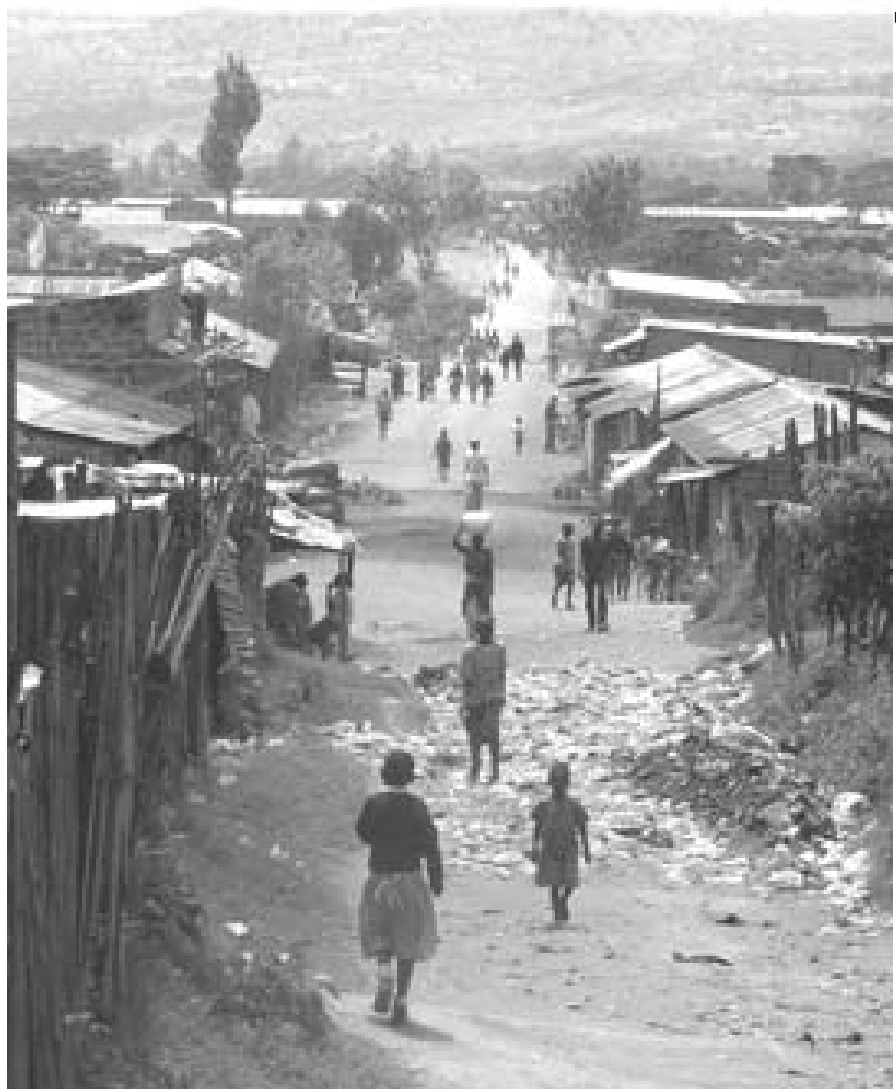


PHOTO: CLARE MURPHY/FELICKR.COM

A slum in Kenya

in illuminating the contemporary ascendancy of neo-liberal globalization from these ashes. Subsequently it begs the question whether the assail of corporate hegemony over all our facets of life is cast in the Thatcherite There is No Alternative (TINA) stone or alternatives do exist.

The contemporary global political economy paints a worrying picture, that; subsequently, global forces have a strong influence on the nature of developmental paradigms adopted by various nations in varied contexts.

Aid is given by rich countries to poor countries to mitigate their failures and put them on a more coherent development path is modeled on this vintage relationship. As one of the core instruments that not only defines but guides the relationship of nations/states in today's global political and economic architecture, aid has earned itself a high pedestal as a core area of focus and analysis. It is variedly referred to as Official Development Assistance (ODA) or simply Development Assistance.

Whereas, there exists a rich body of work giving core analysis from all the varied perspectives and persuasions, I argue that, with the nature of politics around aid and how these impacts on the global political economy and hence having monumental influence across the world, the Aid debate is one that cannot be brushed aside or reinforced by mere political orientations and ideological persuasions.

### Case of Kenya

Riding on the crest of his constituted Commission for Africa

The forced adjustments by the International Financial Institutions masked as Structural Adjustment Programmes not only dismantled, but also reversed the gains that the state had made in the social and economic infrastructure. Notably, they also saddled Kenya with a debt burden that continues to cripple its ability to meet its developmental needs.

(CfA) and stewardship of the G8 Gleneagles conference in 2005, Tony Blair, former British Prime Minister, made it his mission to tell all those who cared to listen that there was need to raise aid to Africa to 30 billion pounds a year over 10 years for Africa to make strides in its development and cease to be according in his earlier words, "a scar on the conscience of the world."

To comprehensively look through the rosy presentation made by the likes of Blair and others who insist that aid is the panacea to Africa's problem, lets turn to the example of Kenya.

Like its sister Africa nations, Kenya turned to the IMF and World Bank plus a myriad of other institutions for both technical and financial assistance. Beginning in the early 1980s, a new era of trade liberalization, deregulation and privatization of public enterprises, concretized by the Sessional Paper Number 1 of 1986 Economic Management for Renewed Growth worsened both the debt and socio-economic crises.

The forced adjustments by the International Financial Institutions masked as Structural Adjustment Programmes not only dismantled, but also reversed the gains that the state had made in the social and economic infrastructure. Notably, they also saddled Kenya with a debt burden that continues to cripple its ability to meet its developmental needs.

Suffice it to say that the policies, conditionalities and cross conditionalities meted by the International Financial Institutions (IFIs) have had a devastating effect on the ability of Kenya to meet its development agenda, the culpability on the part of the Kenyan leadership notwithstanding.

After growing slowly until the late 1970s, Kenya's external debt more than doubled in the 1980s, rising from US\$3.4 billion in 1980 to US\$7.1 billion in 1990. Total foreign debt peaked at US\$7.5 billion in 1991 but has since been reduced modestly, to US\$6.9 billion in 1996. However, within the total debt stock the



share of public and publicly guaranteed debt has grown more rapidly, from US\$2.1 billion in 1980 to US\$4.8 billion in 1990 and to US\$5.9 billion in 1995, before dropping to US\$5.6 billion in 1996. While some of this debt was contracted on commercial terms, especially in the late 1970s, most of it was aid-related. As a low-income country Kenya qualified for conversion of a substantial part of bilateral aid to a grant basis, which occurred in the 1980s as mentioned above. Between 1986 and 1992 bilateral donors also provided debt forgiveness of prior ODA debt of US\$700 million. The major sources of ODA debt relief were the US (US\$118.5 million, while an additional US\$ 38.7 million was revoked in connection with

In the 1980s and the years preceding, Kenya was among the major aid recipients in Africa, largely to put up infrastructure so as to integrate the large rural economy into then emerging import substitution Kenyan economy. The 1990s witnessed a steady decline in development assistance to Kenya occasioned by a perception of poor governance and mismanagement of public resources and development assistance. The debt crisis of the early 1990s turned Kenya into a highly indebted nation. The debt problem was exacerbated by macroeconomic mismanagement in the 1990s, leading to a reduction of donor inflows. The government thus resorted to occasional debt rescheduling and expensive short-term domestic borrowing to finance its expenditures. Debt

create an enabling environment for the private sector.

Kenya like most debtor countries has both multilateral and bilateral donors. Among the bilateral lenders to Kenya are Australia, Belgium, Canada, Denmark, Finland, France, Germany, Italy, Japan, Netherlands, UK, and USA among others. Multilateral lenders to the country include the African Development Bank, European Economic Committee, IBRD, International Development Aid, International Monetary Fund and World Bank among others.

The primary motivations for providing aid are developmental (to promote economic growth and poverty alleviation in poor countries), commercial (to cement commercial and financial relations with the aid recipient—opening markets, assuring opportunities for investors, contractors and suppliers from the aid-giving country) and political (to maintain the allegiance of governments that are politically aligned with the aid-giver—a particularly prominent feature of aid relationships during the “Cold War” era). Kenya, since her independence in 1963, was a logical candidate to receive aid for all of the above reasons. First, the government’s management of the economy was prudent and the economic track record was relatively good, at least through the 1970s, and, despite a mixed record on economic policy reform and macroeconomic outcomes in the 1980s, still relatively better than most of Sub Saharan Africa (SSA).

Kenya was for many years a relatively attractive locale for foreign investment, at least within the SSA context, especially for

PHOTO: THUMBING/FICKR.COM



A preschool class

the 1991 aid freeze), Germany (DM 600 million), Canada (US\$ 90 million), Netherlands and the UK. The Japanese government has not provided debt forgiveness, but has offset debt repayments with supplemental grant aid.

service has crowded out funding for capital and social expenditures. After debt servicing and salaries, there is little room left for core functions of the government, basic infrastructure, education, health and other essential services, to

consumer goods industries targeted at the East African market—prior to the collapse of the East African Community (EAC) in 1997. And throughout the years of the Cold War Kenya consistently aligned itself with the West both economically and politically. However, the end of the Cold War in 1989, which essentially eliminated the geopolitical motivation for aid, coincided with a weakening of economic reform efforts and a deterioration in economic performance in Kenya in 1989-92, as well as a hardening of political lines within the country at the same time that donors were adding “good governance” and democratization to their criteria for judging the worthiness of aid recipients. The result was intensification in the “stop-go” relationship between donors and the Kenyan government, which has persisted to the present time.

### Civil Society and Its Role in Aid Process

The Rome High Level meeting on Harmonization in 2003 was an inaugural international effort to critically address the issue of aid in the context of its global importance. This was followed by the Paris High Level Forum on Aid Effectiveness in 2005. The emergent Paris Declaration has become a guiding framework on aid subsequently.

One of the major hallmarks in Paris was the participation of civil society organizations as observers. Whereas there was no conclusive engagement of civil society as partners, it is suffice to note the recognition of the role of civil society as development actors in their own right.

This has provided a window of opportunity for civil society participation and engagement in the aid process. Today, at the climax of the process towards the upcoming High Level Forum 3 (HLF3) slated for Accra, Ghana in September 2008 to review the Paris Declaration, civil society is more resolute in its demands.

Beyond inclusion and participation, civil society endeavors to see that the aid architecture is more oriented to the needs of the people and specifically the poor and marginalized. And certainly this must be more beyond commitments but in actions and targeting.

Beyond inclusion and participation, civil society endeavors to see that the aid architecture is more oriented to the needs of the people and specifically the poor and marginalized. And certainly this must be more beyond commitments but in actions and targeting.

There is a broad consensus that development cooperation and

aid/ODA is an essential contribution to support poverty reduction and development. Premised on the UN Resolution 2626 of October 1970 to increase aid to 0.7% of GDP by mid- 1970s, this has become an important threshold in determining aid effectiveness. Subsequent processes like the Monterrey commitments (2002), the Millennium Development Goals (MDGs) framework and Millennium Declaration (2000) reinforce this. But a glaring admission is that aid quantities remain seriously difficult.

But is aid achieving development? This is a critical question to focus on if we are to move forward. In 2004, only 39% of aid was available to recipient countries down from 39% in 2000. With a bulk of the aid going to donor directed technical cooperation, foreign students costs in donor countries, refugees in donor countries, emergency relief, the cost of tied aid and administration costs, the picture ceases to be rosy. This raises critical questions around development strategies on the basis of program effectiveness and aid management and delivery.

Taking stock at Accra, civil society expects to monitor implementation, advocacy to strengthen governance and accountability processes and advocacy to deepen aid effectiveness of donors and partners. Hinged of five (5) core principles of the Paris Declaration; Ownership, Harmonization, Managing for Development Results and Mutual Accountability, there exist an array of fifty six (56) commitments geared to this.

Civil society recognizes that there is an unprecedented broad

range of commitments to reform the aid system and the attendant delivery, but opines that there exists major glaring gaps: No key commitments at all on such key issues as tied aid, conditionality and accountability of donors; Commitments lack ambition and have low targets and unclear benchmarks; narrowly structured with focus on aid delivery rather than a broader framework of development and human rights.

By offering space for stock taking, Accra HLF3 will offer civil society a marked focus on monitoring survey, low levels of awareness and even lower levels of commitments.

Like in the example of Kenya, presented earlier, pertinent question will be under the microscope. The various forms of tied aid and the assertion that by prevailing estimates a reduction to 9% as of 2004 from 41% in 1991 is still silent on the US which is estimated to be as high as 72%. Highlighting the effects of tied aid especially on highly indebted and impoverished countries will infuse a demand to eliminate tying within a specific timeframe. Conditionality outrightly flies in the face of ownership and is contrary to human rights and people's sovereignty.

With a need to distinguish between fiduciary responsibilities and policy conditionality there is need to expose benchmarking as

conditionality. This reinforces the rallying call by civil society on the removal of all conditionalities.

In terms of redefining ownership, country ownership should not be misconstrued to mean the government only. It implies accountability of government to its citizens while underscoring the leadership of government in aid partnerships. This reinforces the critical need



PHOTO: ANGELAZDREAMS/FILICR.COM

for capacity building for ownership. Accountability proposes participation as a key element founded on transparency.

Subsequently, civil society aspires to embed partnership leadership in development cooperation, democratic ownership of development and human rights and development of the poor as enshrined

in the Universal Declaration of Human Rights, the Universal Declaration on Economic Social and Cultural Rights, and all such other agreements that mitigate diversity, marginalization and propose equitable and democratic pursuit of aspirations and people centered development.

Subsequently, civil society is united in specific demands:

Conditionality, Tied Aid, Accountability and Participation of People and the United Nations as an appropriate forum/space to address all issues under development effectiveness.

While not conclusive on all fronts, this provides at least a comprehensive contour of the civil society discourse towards Accra. The politics of aid, more and better quality aid, concept of accountability both at the internal and external contexts and most of all the notion of mutual accountability. It's time to answer the hard questions to not only define but secure our future's prosperity.

<sup>1</sup> The author is a Kenyan Researcher working with the Kenya Debt Relief Network (KENDREN). His main areas of focus are debt, aid, privatization and political economy. He is also a Visiting Scholar and Masters student at the Centre of Civil Society (CCS) based at the University of Kwa Zulu Natal (UKZN), Durban, South Africa.

# ON THE ENVIRONMENT and climate change

Giovanni Tapang, Ph.D.  
Advocates of Science and Technology for the People (AGHAM)

PHOTO: GREENPEACE



**T**hroughout the ages, human societies have created the bases of our survival, sustenance and advancement in using our natural resources through science and technology. Yet in no time in history has environmental destruction been systematically brought about in most corners of the world. We encounter a situation today that while the world faces global poverty, economic wars and environmental crises, we face a renewed, more rapacious and vicious campaign of plunder that aggravates the already devastated and polluted natural environment.

While global warming already brought extreme impacts, especially on vulnerable communities, free market globalization policies have opened up the rest of the world to pave the way for the unhampered entry, control and exploitation of raw natural resources and of people. More recently, atrocious campaigns of wars of aggression have been waged to expand its economic territories and gain direct or tighter control of land and natural resources.

This plunder and pollution of the environment has made victims of poor communities many times over. Large-scale use of pesticides have resulted in the poisoning of workers, peasants, and their families, who barely have the means to protect themselves from their hazardous effects. These same communities are also the most vulnerable to environmental backlashes, which come in the form of floods, droughts and other occurrences triggered or heightened by the prevailing imbalances in the ecosystem. Nuclear tests have wreaked havoc on the sea beds and other areas of the earth. Women and children shoulder the greater cost of these circumstances because of wider risks to their health, and added complications to their productive and reproductive functions.

## Deforestation

Systematic and unabated deforestation through rampant industrial logging has multiplied at ever increasing rates. The destruction of the world's forests also led to the conversion of agricultural plantations for

export-oriented crops, farms for cattle raising or monoculture tree plantations.

For underdeveloped countries (especially in Asia and Latin America), the forests remain as one of the main resources available for exports that meet the increasing demand for cheap and plentiful wood in Europe, Japan and the United States. About three quarters of the world's commercial timber output is utilized by only one quarter of its population.

Over the period 1980-1990, the loss of total forest area in Asia reached 8.2%, 6.1% in Latin America and 4.8% in Africa leading to the loss of 15 million hectares of forests every year. The FAO's State of the World's Forests 2007 reports a net forest loss of 20,000 hectares per day globally. In the Philippines, forest cover was reduced from 70%

### Mining

The relentless extraction of mineral ores and wanton destruction by mining multinational corporations (MNCs) in Asia Pacific, Latin America and African countries that are naturally endowed with rich mineral deposits persists. These mining MNCs are ever more determined to continue their destructive and exploitative commercial mining in these regions.

Like logging, commercial mining by these MNCs does not lead to development but only brings massive environmental destruction and pollution, widespread landlessness and displacement, loss of livelihood, distortion of local culture, and rampant human right violations to the peoples of these regions.

The liberalization of the mining industry in the Philippines since the Mining Act of 1995 has

The country's record of mining accidents is evidence of this. [2]

Nearly half a million hectares of land have been approved for large scale mining operations after the Mining Act of 1995 was implemented. Since then, the country and even the world has witnessed at several major environmental disasters related to large-scale mining unfold: two of which are the March 24, 1996 mine tailings spill disaster at the Marcopper-Placer Dome project in Marinduque Island, which resulted in the death of Boac River the biggest and longest river in the province and the two successive mine tailings spills which hit the Arroyo administration's flagship mining project in Rapu-Rapu island, Albay, on October 2005, barely six months after it was inaugurated.

### Water

The most alarming trend is the move to control one of the most essential necessity of man – water. Only 2.53 percent of the water in the world is freshwater and two-thirds of these are in glaciers and snow cover. The biggest MNCs in the water industry have initiated the privatization of water distribution services in both the developed and underdeveloped countries as the first step toward the privatization and commodification of all aspects of water.

Asia, which holds more than half of the world's population, has less than 36% of the world's water resources and almost half of the population in developing countries are exposed to polluted water sources [3].

Already, the multinational corporation-instigated construction of mega-dams and other water infrastructures have put them in a strategic position to eventu-

in 1909 to only 18.3% in 1999. Large-scale logging destroys forest lands, biodiversity and the livelihoods of forest-dependent peoples [1].

brought little improvement to the lives of the Filipino people, and death, destruction and displacement to communities affected by the increased mining operations.

PHOTO: STORM\_CRYPT/FELICKR.COM



ally gain total control of the water resources. Iraq's occupation by the US has positioned the former to control not only Iraq's oil resources but also the largest water resources found in the Middle East.

**Pollution**

The contamination of air, water and land brought about by products and production processes mainly from the industrial and manufacturing plants of MNCs continue. These large-scale factories remain the top contributors of significant pollutants such as toxic and hazardous wastes in the world.

More and more underdeveloped countries (including India and China) have also become major dumping grounds for the wastes of industrial countries. The dumping of toxic and hazardous wastes are mounting and alarming. Additionally, chemicals and obsolete technologies proven to be harmful to the environment and/or human health and that are already banned in the industrial countries are continually foisted in underdeveloped countries.

**Oil, energy and natural gas**

The occupation of Iraq by the US (and the 'Coalition of the Willing') gave the latter direct control over the vast oil resources of Iraq (estimated at 112 billion barrels of proven oil reserves and over 250 billion of potential reserves), the biggest in the world and, consolidated their domination over the world's oil resources.

After toppling the Taliban regime in Afghanistan, the US gained more political foothold in Central Asia and South Asia and further access to the oil and gas resources in these parts of the world. The US launched its "second front against terrorism" target-

ing the Philippines, Indonesia and Southeast Asia - a region known for its oil, natural gas and other natural resources. It has unceasingly undermined the government of Venezuela, which has the biggest oil resources in Latin America and is continuously expanding its influence in other Latin American countries (Colombia) and several African countries to tap potential oil and other mineral resources.

Investments in energy all over the world is increasing and control over these resources are transferred from nations to a few energy companies. Even the technologies needed for the use of alternative energy in solar and wind are limited to industrialized countries. The drive for biofuels has raised concerns over its long term sustainability and actual contribution to climate change. Large tracts of forests have been lost in Brazil, Malaysia and Indonesia due to conversion of forests to oil-palm plantations and more biofuel plantations have been earmarked in other countries like the Philippines.

**Wars of aggression, nuclear weapons and the environment**

The recent campaign on the wars of aggression of the US and its

allies have not only increased the production, sale and use weapons of mass destruction but have also caused the massive destruction and contamination of human property, health and environment (i.e. use of depleted uranium etc) in the Afghanistan, Iraq and other war-ravaged countries. Forest clearings and land conversions necessitated by continued military exercises in different parts of the world led by the US pollute the environment and the destruction of natural habitats.

The US, for example, has accused Iraq of having weapons of mass destruction as a pretext for invasion and occupation despite the US having the largest nuclear arsenal in the world. It has no less than 10,600 nuclear warheads in its possession with around 3,000 ready to deploy from its "Enduring Stockpile". Furthermore, the US is the only country that has used weapons of mass destruction in war - no less than 300,000 died as a result of the Hiroshima and Nagasaki bombings in 1945. The US has also used 320 tons of depleted uranium artillery in the 1990 Gulf war and in the Yugoslavian conflict. These are still being used in the current Iraq war despite the numerous health risks to soldiers



PHOTO: GREENPEACE

and especially to civilians in target areas.

Since the 1990, the US has exported USD 152B worth of weapons (in sales and military aid). In 2001, it exported war material to no less than 170 nations and earned USD 13.1B in that year alone.

has proven that the toxic and hazardous wastes are continuously damaging the environment and the people.

The US has unilaterally rejected the Biological Weapons and Toxins Convention treaty and its protocols in 2001 on the grounds that inspections of facilities would

Change (IPCC) Fourth Assessment Report that “warming of the climate system is unequivocal, as is now evident from observations of increases in global average air and ocean temperatures, widespread melting of snow and ice, and rising global average sea levels”.

The increase in global surface temperature has made the past decade and a half, 11 of the 12 warmest years since the 1850s. An increase of 0.75 degrees Celsius in the past century was observed over the world.

Rates of sea level increase has increased from an average of 1.8 mm annually (from 1961) to 3.1 mm/yr (from 1996). The rate of shrinking of ice cover in the Arctic was observed to be 2.7 % per decade, which more than double in summer to 7.4 %. Recently, the Northwest passage was clear throughout the Arctic circle.



The “war against terrorism” is used as a pretext to increase this military sales and/or aid. In the guise of counter terrorism it has increased military aid and activities such as training exercises in more countries than before.

Toxic wastes from current and previous US military bases continues to wreak ecological havoc in the surrounding areas. US military joint exercises bring with them not only direct US military aggression but the dangerous weapons and waste from these activities.

In the Philippines, the non-containment of the toxic materials in the vicinity of the former Clark and Subic U.S. military bases has put the neighboring people and the affected environment in a very catastrophic situation. The number of deaths and incidence of severe illnesses among the people residing in the vicinity of Clark Field,

jeopardize US national security. Since then, it has engaged in developing small weapons delivery devices for biological and chemical weapons and biodefense research activities. The Pentagon considers bioweapons work acceptable as long as “non-lethal” is appended in its activities.

### Climate change

Much has been said about climate change and its impacts on the environment and the people. The trend of rapid environmental changes both at the global and national level, is expected to bring about massive devastation and loss of human lives. Already, this impending threat is seen in the way that temperatures and sea water levels have risen in the Philippines, along with extreme weather patterns.

It is clear from the 2007 Intergovernmental Panel on Climate

Increased incidence of intense tropical cyclone have been observed putting coastal areas at risk. Climate has been altered by changes in greenhouse gases (GHGs), aerosols, land-cover and solar radiation input. It was clear in the Nobel winning report of the IPCC that GHGs have increased due to human activities with an increase of 70% in the last 3 decades. CO2 emissions have increased 80% in the same period.

### Assymetric risk and responsibility

There are risks associated to vulnerable ecological systems such as polar and high mountain communities and ecosystems, biodiversity hotspots, corals, and small island communities. Extreme weather events such as droughts, heat waves, and floods are also expected to increase. Sea level rise can lead to loss of coastal area and associated impacts.

# People's actions on climate change: scenes outside the UNFCCC

In the hopes of agreeing on a road-map towards a Kyoto II agreement, representatives from 180 countries, together with CSOs and intergovernmental organizations, gathered in the "land of the gods" –Bali, Indonesia- from December 3-14, 2007.

As the COP13 and CMP 13 meetings droned on inside the Bali International Convention Centre, CSOs gathered outside to express their demands and frustrations over mechanisms that floated during the negotiations- the Clean Development Mechanisms (CDM) and the Reducing Emissions from Deforestation and Degradation (REDD) - which were criticized to lack teeth in curbing greenhouse gas emissions necessary to prevent climate change.

Numerous parallel activities were held such as the activities at the CSO Forum and the People's Protocol on Climate Change campaign. A discussion with tribal leaders was held in the mountain area of Sumber Klampok in East Java and came up with the Sumber Klampok Declaration.



The declaration states the indigenous groups' commitment to help solve the climate change problem by protecting the environment through local wisdom. The declaration also listed their statement of principles which rests on sustainable development and demanded the government to protect their rights and ensure their welfare in coming up with mitigation and adaptation measures. The document was incorporated into the draft People's Protocol. And on December 8, around 80 participants took part in a People's Workshop in Denpasar, the capital of Bali, which became the venue to discuss and debate on the Bali negotiations and to critique the draft Protocol. The workshop was sponsored and organized by IBON and hosted by a number of Indonesian organizations.

December 9 was the International Day of Action and on December 10

–international human rights day- a nationwide rally was held in 14 key cities in Indonesia and participated by five thousand people calling for people's sovereignty on natural

resources and supporting the call for a People's Protocol on Climate Change.



Southern and Northern CSOs gather at the CSO Forum in Nusa Dua, Bali from December 7-11



Indonesians across sectors attend the Workshop on People's Protocol on Climate Change in Denpasar, Bali on December 7, organized by IBON, AidWatch, INDIES and other Indonesian organizations.



Photos by Ava Danlog (IBON) and Flint Duxfield (AID/Watch)

Tribal leaders meet in Sumber Klampok, East Java to draw up the Indigenous People's Sumber Klampok Declaration on climate change



Five thousand participate in a nationally coordinated mobilization in 14 key cities in Indonesia on Dec 10, international human rights day.

Management and adaptation to the impacts of weather and climate-related events is dependent on social and economic development. The most vulnerable to climate change are also those in the most vulnerable economic position in society: the poorest peoples in the poor countries.

The United States is currently the number one producer of Green House Gases (GHG), emitting more than 25% of all the GHGs worldwide. About 84% of U.S. GHG emissions arise from the petroleum related energy and electrical power sectors. The US is also the biggest processor and unregulated user of oil and petroleum products all over the world. Yet the US government has refused to sign the Kyoto Protocol, an international treaty signed by around 169 countries which aims to reduce global levels of carbon dioxide and five other GHG emissions by 5.2% from their 1990 levels.

Using the same consumption pattern in the US or Canada, we would be needing nine planets to absorb the consequent carbon emissions of the rest of the developing world. The UK emits more CO<sub>2</sub> than Egypt, Nigeria, Pakistan and Vietnam combined.

These asymmetric climate change emissions indicate an inverse relationship between climate change vulnerability and responsibility. Primary emitter countries must change their production activities and consumption

of energy and seek sustainable solutions.

Basic human needs, economic and social development need adequate energy and infrastructure. Reducing poverty means providing adequate energy to developing countries while building capacity to withstand climate change impacts. We should avoid the extreme end of denying development to developing and poor countries just to meet carbon emission reduction targets for the world.

Carbon offset mechanisms should be rethought, especially GHG reduction and emissions trading projects that shift out carbon mitigation and reduction out of industrialized countries towards developing countries. These can distort development activities in these countries while keeping the consumption and production activities of industrialized countries. Clean Development Mechanisms (CDM) and carbon trading effectively marketize carbon emissions and essentially shuffles around responsibility to curb emissions.

The personal/individual reduction of carbon emissions, shifts to com-

pact fluorescent light bulbs to curb the effects of climate change and switches to biodegradable products are more effective if these individual actions become more widespread and are incorporated into state policy. Campaigns to use energy efficient lighting, to conduct energy audits and household reductions of carbon emissions can be undertaken but these should also be framed within larger political and economic conditions which have vastly accelerated the rate of global warming. Incentives and support for poor communities to engage in these initiatives should be done because the poor usually can only provide for their short term day-to-day needs and would not have the capacity to buy new technologies.

Biodiversity, health, poverty, rural livelihoods and food security are affected by global warming primarily in underdeveloped and developing countries where mitigation is not affordable. Fuel wood and biomass are still the primary fuel for around 2 billion people without access to adequate energy to meet their basic needs.

The use of alternative fuels with low or no carbon dioxide emissions should be encouraged and made accessible. However, the policies of privatization and investment liberalization of these alternative fuels would make these unaffordable. Subsidizing these alternative energy resources to make them accessible to the poor should be considered. Fuel production



PHOTO: GREENPEACE

should be secondary to food production and security.

Interim technologies and fuel substitutes that are relatively cleaner than coal or oil should also be entertained. Research for new and cleaner technologies should be undertaken. Research on making nuclear energy safe and viable for energy production, if ever considered as an option, should be continued. Other options such as fuel cell technologies, better and more efficient solar energy converters, wind turbines should also be undertaken.

Transportation efficiency and reduction of energy use in moving people and product should be improved. Mass public transit to reduce the number and distance of journeys should be prioritized. Better urban planning integrated with transport efficiency goals should be undertaken. Economic penalties such as road pricing schemes and fuel taxes are effective only for car owners and should be secondary to improving mass public transit and better educational outreach to highlight the need to eliminate unnecessary car journeys, the benefits of public transportation use, car pooling, etc.

Climate change already aggravates the other environmental problems that communities have to face as a result of globalization's ever increasing destruction of our ecology.

It is no longer a question that human activity has produced danger-

PHOTO: FLINT DUXFIELD



environmental destruction. The poor, who are most vulnerable, are subjected to these environmental impacts while trying to provide subsistence level production for themselves.

Great advances have been made in information technology, robotics, genetics, agriculture, and medicine, yet are not being applied towards solving fundamental problems of humankind, such as the breakdown of health systems, famine and hunger, ecological destruction, and social decay and disintegration. Unbridled globalization has opened up third world resources

for the use of multinationals. They extract raw materials while leaving their pollution and emissions to the host communities.

Our stewardship on the earth to preserve its intrinsic and practical value for humans calls for a substantial redefining the production of our needs without the current system of overproduction, overconsumption and pollution for the motive of profit for a few. We have seen how communities throughout the world remained resolute and determined to struggle for their rights and defend their natural resources because it is not only their present but also their future at stake.

1. Arnoldo Contreras-Hermosilla, The Underlying Causes of Forest Decline, CIFOR Occasional Paper 30, June 2000.
2. L. Ito and G. Tapang, Digging Our Graves: ODA and Mining Investments in the Philippines, EDM, Ibon Foundation 2008, also in [www.kalikasan.org](http://www.kalikasan.org)
3. UN Human Development Report 2006. [www.un.org](http://www.un.org)

ous climate interference. Our goal should be to avoid catastrophic effects that could affect more than half of the world's population that are most vulnerable to climate change.

Initiatives to directly pressure industrial countries to commit to real targets and not shift the burden to underdeveloped and developing countries should be supported.

We should strengthen the capacity of communities to respond to disasters. Community based disaster response, monitoring and mitigation can be undertaken and livelihood should be provided for those who are vulnerable to climate change events.

### Conclusion

The rapid destruction of the environment is a direct result of the rapid, unchecked appropriation of the world's resources for the benefit of a few. Increased pressure for the quest for wealth places increased pressure on the environment and

# WEST SETI: Who gives a dam?

Rabin Subedi and Ratan Bhandari

**T**he proposed West Seti Hydroelectric Project is a reservoir type project located in Doti, Baitadi, Dadeldhura and Bajhang districts in far west Nepal.

The plan calls for a 195-m high dam and will generate 750 MW of electricity. Its estimated cost is US\$ 1.2 billion. Australian based Snowy Mountains Engineering Corporation (SMEC) has received the license to operate the project. The electricity produced here is to be sold to India for which SMEC has already signed a power purchase agreement with the Power Trading Corporation of India. The ADB, CMEC-China, EI Bank of China, IC Bank of China, Bank of China and IL&FS of India are the main investors.

In the early 1990s, the government issued a license to SMEC to do a preliminary study on the West Seti project. Subsequently, a number of Australian promoters formed the West Seti Hydro Ltd (WSHL) under the Company Act of Nepal as a wholly owned subsidiary of SMEC. The WSHL then signed a project agreement with the government in June 1997. With this unequal contract, the government signed away one of the most important public resources to an international business giant in the name of national development.

The West Seti project has been in the spotlight since 1981 when a French company SOGREAH did a preliminary feasibility study for the first time. In 1994, SMEC did another study and recommended that the project have a capacity of 750 MW. Till date, eight amendments have been made to the agreement between the government and SMEC. The Australian company is saying that Chinese banks have also agreed to put money in the



Area to be submerged by the project

project in addition to the ADB's 15 percent, SMEC's 26 percent, Nepal government's 15 percent and IL&F's 15 percent investment. The government is investing its 15 percent by borrowing it from the ADB. According to Bimarsh weekly (November 16), the Chinese have pulled out and SMEC is trying to get some Indian companies and KfW Germany interested in the project.

The dam plan aims to supply power to India for which Nepal is to get a 10-percent royalty in addition to the

PHOTO: YUKI TANABE/JACSES

export tax. However, Parliament's natural resources committee has directed the government to negotiate with SMEC that Nepal should get 10 percent of the electricity at no cost.

The ADB has agreed to invest 15 percent of the equity, and it is also lending money to SMEC besides providing a US\$ 4.5 million loan to the government. That is one suspicious deal between the government and the ADB. Why is the government investing in West Seti with borrowed money when it refuses to guarantee the investment of eager national investors? Evidently, a few leaders in power and the ADB have joined hands to forge this unequal agreement.

Currently, the country's total power generation stands at 610 MW, which reaches only 20 percent of the urban population. The remaining 80 percent do not have access to electricity. The first duty of the government is to prioritize the national interest in terms of electrification and supply adequate power to as many people as possible. But it has chosen to ease India's power shortage by diverting Nepal's energy when it could have been used to light up the West Seti region at least. In 2003, the government had amended the agreement that Nepal would receive 10 percent of the electricity gener-

ated free of cost. But the pact was altered again providing Nepal a 10 percent royalty instead of power.

The people are suffering from frequent hikes in the price of petroleum products, and electricity would provide a good alternative. If Nepal were to shift to electric power from gasoline, the country would need to build 10-20 West Seti-type hydro projects. But the government says that Nepal does not need so much electricity, and that we should sell it to India to earn money. A terrible provision in the agreement is that the price of electricity from West Seti has been fixed at 3.8 cents per unit when the Nepal Electricity Authority is paying private operators and India more than 6 cents per unit for its purchases.

According to experts, West Seti can be constructed with multiple objectives for the same cost, but this provision is lacking in the agreement. The water released from the dam can be used to irrigate thousands of hectares of farmland. However, there is no such stipulation in the contract. And according to the EIA report, 12,914 people are going to be uprooted by the dam project. The rights of the displaced people to share the benefits have not been secured, and there are no plans for their compensation, rehabilitation and reparation.

The local people are the owners of the water resource. But the 10 percent royalty from the project will go into the central level budget. And it is obvious that no separate arrangement will be made particularly for this area. It is a good guess the region that is hosting this massive project will remain in darkness like the proverbial shadow below the lamp.

Nepal's Interim Constitution has anticipated a federal system after the constituent assembly. Once a federal system is in place, the West Seti River would be under the jurisdiction of the local government. The central government would then have to pay or seek permission to exploit it depending on the law of that particular region. During the current transitional period, the central government cannot decide what should be done with the natural resources. That is for the coming provincial governments to decide. The local people of West Seti are upset that the power project is being constructed to supply electricity to India rather than for their benefit.

The West Seti Hydroelectric Project is thus against the interests of Nepal and the people. The consortium of international financial institutions that is investing in West Seti has revealed its desire to obtain unfair advantage from the project which is being constructed not for Nepal but for economic globalization. **The Kathmandu Post, 29 December 2007**

*(The writers are associated with the Water & Energy Users' Federation-Nepal.)*

<http://www.kantipuronline.com/kol-news.php?&nid=132626>

PHOTO: WEST SETI HYDRO LTD





## AUSTRALIA SAYS 'SORRY' TO ITS INDIGENOUS PEOPLES

It is a proud day in Australia's history. Justice has taken a foothold. The apology given by Prime Minister Kevin Rudd on Feb. 13 marks the beginning of a new chapter in the interracial relations between people of indigenous origin and non-indigenous Australians.



Caesar A. Baroña

**C**anberra, ACT, Australia – It is a proud day in Australia's history. Justice has taken a foothold. The apology given by Prime Minister Kevin Rudd on Feb. 13 marks the beginning of a new chapter in the interracial relations between people of indigenous origin and non-indigenous Australians.

It was an emotional event especially for those who are known as the "Stolen Generations," tens of thousands of Aborigines and Torres Strait Islanders who were forcibly taken as children from their families and communities during the period 1910 to the 1970s. This was a result of policies that tried to break up the Aboriginal communities, in what was seen as

"the problem of the Aboriginal population," a euphemism for racial eradication.

The "profound grief, suffering and loss" of the Aboriginal communities lead to dysfunctional families, a cultural divide, as well as a vast gap in life expectancy, educational achievement and economic opportunity between indigenous and non-indigenous Australians.

Thus in 1997, the "Bringing Them Home" report commissioned by former Prime Minister Paul Keating in 1995 prompted an apology. The findings were passed on to the Howard government. But instead, according to Rudd's aside, it was met by the Howard government "with stony and stubborn and

deafening silence for more than a decade.”

And so, to “right a great wrong,” Rudd issued the apology to the stolen generations, and resolved that “the injustices of the past must never, never happen again,” in his capacity as Prime Minister of the 42nd Australian Parliament. Also present in the session were former Prime Ministers Bob Hawke, Malcolm Fraser, Gough Whitlam and Paul Keating, while John Howard was a sticking thumb by not showing up.

“[T]he stolen generations are not intellectual curiosities, they are human beings, human beings who have been damaged deeply by the decisions of parliaments and governments.... imagine if this had happened to us,” said Rudd.

“To the Stolen Generations, I say the following: as Prime Minister of Australia, I am sorry. On behalf of the Government of Australia, I am sorry. On behalf of the Parliament of Australia, I am sorry. And I offer you this apology without qualification.”

When Rudd issued the apology in a personal capacity, he was met with loud applause and was much appreciated by the crowds watching his speech.

“We apologise for the hurt, the pain and suffering we, the parliament, have caused you by the laws that previous parliaments have enacted. We apologise for the indignity, the degradation and the humiliation these laws embodied.”

“We offer this apology to the mothers, the fathers, the brothers, the sisters, the families and the communities whose lives were ripped apart by the actions of successive governments under successive parliaments.”

In contrast, opposition leader Brendan Nelson’s speech was snubbed. Even though he started out well, with the opening, “We will be at our best today, and every day, if we call to place ourselves in the shoes of others,” the first part of his speech was marred when he tried to justify the motivations of those who implemented the brutal

policies. Audiences in the parliament’s Great Hall and those just outside turned their backs on the giant television screens while he was on.

But overall, the mood was one of healing and reconciliation. A thorn had been pulled from Australia’s hide.

“I feel empowered by the apology,” says Yoona, a member of the Wagga-Wagga tribe.

“It’s like a new century has dawned,” says another Aboriginal elder who had been outside parliament for much of the day.

“It’s a step forward,” says Alice, 60-ish, who recalled being separated from their mother, along with her siblings. She felt relief, and only has concerns for her children and grandchildren now. Such hopes have been raised by a more substantial commitment from Rudd in the form of a joint policy commission to close the gap between indigenous and non-indigenous Australians in terms of life expectancy and educational and economic opportunities.

“It is not sentiment that makes history; it is our actions that make history,” said Rudd to make the point.

With the apology, Rudd hopes to right the “wrongs of the past” and lead Australia ‘with confidence to the future’.

The motion for reconciliation enjoyed bipartisan support in parliament. It is a continental advance for the recognition of indigenous peoples’ rights. **PinoyEra.com / Posted by Bulatlat**

PHOTO: THE\_GUENNI/FELICKR.COM



# THE 'STRONG PESO' and the folly of OFW export

Addressing the impact of the lowering peso value requires more than the mitigating measures government has so far implemented, including the hedge fund set up by the DBP, and Malacañang's fiscal stimulus program

Sonny Africa  
IBON Foundation, Inc.

PHOTO: K CTANG



Filipino migrant workers gather at the HK Cultural Center

Remittances in nominal terms grew 111.6% between 2001 and 2006. For the first eleven months of 2007 alone, remittances already hit \$13.1 billion, 3.1% more than the whole year 2006 figure. Remittance figures for year-end 2007 are expected to hit \$14 billion. Further, as of 2006, remittances are 27% of merchandise exports, 612% of net foreign exchange investment and 465% of portfolio investment.

But this bonanza, while bloating moribund economic growth figures, has had its downside, namely the strengthening of the peso against the dollar. As of December 2007, the peso has already fallen to P41.47 against the dollar, 18.5% stronger than the P49.47 re-

corded in December 2006.

Of course, the windfall of OFW remittances are not the only reason behind the strengthening peso. There is also the large increase in net foreign portfolio investments (also known as "hot money"), which for January to November 2007 reached US\$3.7 billion, a 76.6% increase from the same period last year. And it is possible that the eventual full-year level could even exceed figures recorded in 1996 just before the Asian financial crisis. Although administration economic managers will undoubtedly spin these figures

**BON Features** – A year ago, Pres. Gloria Arroyo was hyping the strengthening peso as a validation of her efforts to build a "strong economy". These days, it is becoming clearer that the "strong" peso is not a sign of a strengthening economy. In fact, it is even hurting overseas Filipinos workers (OFWs), lauded by the administration as the country's economic frontrunners.

## Strong Economy?

Undoubtedly OFWs remittances have been key to Pres. Arroyo's much-hyped economic growth.



as indicative of continuing investor confidence in the economy, they should also remember that the increase in portfolio investments make the country more vulnerable to a financial crisis like the one that hit Asia in 1997.

But the appreciation of the peso is mainly because the dollar itself is weakening, and not for any reasons related to the strengthening of the country's productive sectors. 2007 saw the bursting of the US's most recent speculation-fueled boom, which was characterized by the start of the slow collapse of the property bubble, drops in construction and declines in consumer spending. The dollar has actually been weakening against currencies across the globe. As of December 2007, for example, the Canadian dollar appreciated 13% against the US dollar, the Brazilian real by 17%, the Indian rupee by 12% and the Thai baht by 16% from the past year.

**Bad News for OFWs, Exporters**

Ironically, the peso appreciation caused by the influx of remittances has hurt OFWs and their families by lowering the peso value of their income. Based on an average monthly remittance of US\$340, a household with one OFW family member lost some P11,290 last year if the monthly changes in the exchange rate throughout the year are considered.

The roughly 15% increase in OFW remittances in 2007 was not enough to offset the 16% peso appreciation over the same period. If the prediction that the peso may reach P38 to the dollar by the end of 2008 materializes then the average OFW household will be losing some P3,710 a month compared to the start of 2007 or an annual loss of between P30,000 to P45,000.

The peso appreciation is also hurting exporters, who are complaining about losses as the strong peso cuts into their earnings. This is particularly so for small exporters whose exports are relatively more grounded in the domestic economy, such as those in the handicrafts and furniture sector.

However, it should be noted that the effects of the strong peso on large exporters and subcontractors for transnational corporations is mitigated by the cheaper cost of their imported inputs. In any case, they already benefit from tax and non-tax incentives, including duty-free importation for those operating within the country's export-processing zones.

**No Relief in Sight**

For the coming year, the exchange rate will continue to be volatile. However, the flattening of growth of OFW remittances could mean that the peso's appreciation will level off. Growth rates of remittances have fallen from a peak of 25% in 2005 to 15% in 2006. But it's hard to say when and at what level; varying estimates have pegged the eventual level from between P37 to P41 per dollar.

Another factor that could fuel volatility is when the real situation of the country's unresolved financial crisis surfaces, precipitating capital flight as "hot money" speculators flee the country in search of more profitable markets and as they get less confident about government's financial standing.

Addressing these concerns requires more than the mitigating measures government has so far implemented, such as the special hedge fund set up by the Development Bank of the Philippines to secure the earnings of OFWs, and the recently-launched fiscal stimulus program,

whose funding will reportedly come from the sale of government stakes in San Miguel, Food Terminal Inc, etc.

Reining in hot money and speculative behavior is an important part of any genuine attempt to address the country's exchange rate problems. This could be done by establishing a narrow peso-dollar band and using accumulated foreign exchange reserves and monetary policy to keep the exchange rate at reasonable levels.

Capital controls should also be instituted, such as those imposed by Thailand in December 2006 to rein in a surging baht. Initially, speculative flows should be taxed to temper their volatility as well as generate revenues.

But apart from such measures, government should realize the folly of its labor export policy, which now proves to be unsustainable as a development strategy in the long run. Indeed, the looming US recession has already threatened a slowdown in OFW deployments and remittances.

Even if the US economic slowdown does not materialize, a slowdown in deployments and remittances is inevitable simply because an increasing number of Third World countries are pushing their workers to go abroad. This expands the stock of cheap global labor, reducing opportunities as more workers compete for a limited number of jobs and consequently pushing down wages and salaries.

According to the 2003 Family Income and Expenditure Survey, the main income of 1.3 million families nationwide came from abroad. What will happen once fewer OFWs can find work abroad, especially with local jobs increasingly scarce? **IBON Features**

PHOTO: PANOS PHOTOS



## The unlikely radio stars of an Indian village

Thingnam Anjulika Samom

**A** crude loudspeaker, a PA system and dedicated news presenters are attracting loyal listeners in a remote Indian village. A crude loudspeaker and a PA are the only pieces of technical equipment in a large hall where a long wooden bench by the window serves as the news desk. As the smell of fresh cow dung wafts into the room from the fields outside, a young woman grumbles as she tries to fix a microphone to its stand. “They borrowed the set for a farmer’s meeting yesterday and have left it like this,” she says in a low voice and tries to reconnect the jumble of wires.

This is the studio of the tiny Paothang Channel, which has become a trusted news source for many of Takhel village’s 5,000 residents. Takhel is only 15km from Imphal, the state capital of Manipur, but it remains an isolated pocket, concealed from the outside world by the Tinseed and Thumbi hill ranges.

In Meiteilon – the language of the Meitei population of Manipur - Paothang means ‘news relay’. But the Paothang Channel is more like a social service than a conventional media operation. It is the sole people’s broadcast initiative in Manipur.

The grumbling young woman is the voice of the channel, an unmarried 27-year-old called Arambam Romita who reads out news directly from the Poknapham newspaper, the largest selling Meiteilon-language daily in the state.

These newscasts are relayed via four loudspeakers hooked up to a simple PA system. The official editor and patron of the channel is Tensubam Ratan, local member of the district level governing body, the zila

parishad. Together with an educated farmer Keisham Biren, he set up the channel.

But it is Biren’s co-presenter Romita who is undisputedly the voice of the channel. “I used to like the way the newsreaders read news on radio and TV. So when Tamo [Biren] asked me to join as he couldn’t manage the work alone, I agreed readily.”

“It is basically our own interest - not profit - that guides us, otherwise we’d have stopped long ago,” Biren adds. The dilapidated hall is the station’s third ‘studio’ - the first was in a hotel for about a year, then the second at his house for a brief while.

“I like [reading news] most when there is good supply of light, the microphone is good, there’s silence around and I have come out from home without an argument. I practiced a lot, mostly in the nights, reading aloud to my mother or the young kids in my area, or mostly to myself,” says Romita.

“When I am reading, an urge to know more about the incident or news wells up inside me. I am also excited that people will be listening,” she adds.

At 7.50am, Romita and Biren get ready to read the news. The light from the window crisscrossed by a wooden cane falls on the watches they keep on the desk before them. They check that the microphone is on.

“Paothang Channel welcomes all its listeners. We are on air,” says Biren. “In this world full of differences of caste, colour, and creed, let’s not be divided by these artificial walls,” he adds.

And then he makes an announcement - the local Communist Party of India branch will be meeting the

next day and all its members are asked to attend.

Romita takes over, speaking in a soft voice. There are many good stories today:

Twelve suspected militants were captured with arms in the official quarters of five MLAs. The signing of a memorandum by seven elected people's representatives of Manipur – one to the Indian Parliament and six to the state legislative assembly – expressing their support for Naga integration. There are more than 20 insurgent groups operating in Manipur, waging an armed struggle against the government of India, mostly for the right to self-determination.

As she reads on, on the outskirts of the meadow, just beyond the barbed wire fencing, a solitary man shifts on top of his bullock cart and listens, his chin resting on his arms.

The most recent readership survey of Indian newspapers reveals a surge in readers of local language papers. Rural readers are seen as an important market, making up nearly 50 per cent of daily newspaper readers. The editor-in-chief of the Hindu newspapers, N Ram, recently described rural Indians as “a massive latent readership”.

But in Thakel, despite a large number of the population being able to read, most would rather spend the 70 rupees a month as newspaper subscription on bidis (small cigarettes) or on food and schooling for their kids.

Thoudam Pakpi is a weaver. Her mud and straw house lies directly opposite Paothang Channel's studio. “Most of us are poor, so we can't subscribe to a newspaper. We don't have a radio or TV, but my neighbour, two houses down has a TV

and we sometimes go there to watch if there's a good movie,” says the 34-year old. “Thanks to Paothang we can all listen now,” she adds.

Biren takes over for the sports news then rounds off the 20-minute broadcast with a word of caution against the use of drugs and intoxicants.

Ratan, the channel's founder, gives the two newsreaders a modest monthly honorarium of Rs 300-500 which they share. He also paid for the microphone and meets the monthly newspaper subscription costs.

There are no commercial (independent) radio stations in Manipur and previous projects in Lilasing Khongnangkhang and Sagolband Khamnam Leirak in Imphal west district are no longer active. Television offers residents two national channels beamed by the state-run Doordarshan TV network. Cable TV, as well as the popular news cable network ISTV, hasn't reached Takhel yet. “It won't be hard bringing cable network to our village, but there is low interest in cable. Everyone asks, what's the use?” says Biren.

According to Sevanti Ninan, journalist, author, columnist and media critic, “such an initiative is actually the forerunner of local community radio, which has recently been permitted by the Indian government. It offers news that the local community needs for its day to day functioning, also news that connects it to the rest of the country and state.”

“The way Romita and Biren respond to a local need is similar to what communities are doing in other parts of the country. In Kurnool and Medak districts of Andhra Pradesh, in Daltganj in Bihar, in Karnataka and in the Rann of Kutch. They all

write their news using conventional news sources, and then find ways to transmit it to their community.

“In some places they record a bulletin and pay the state-run All India Radio's (AIR) local station to transmit it. In other places they record a relevant local discussion on a tape recorder and move around villages playing it back.

In fact because there has been pressure for several years now from local and national activists for community media, the central government has finally changed policy and decided to open up very local frequencies to communities in rural and urban India,” she adds.

Paothang Channel has become such an integral part of the lives of the locals that they use the news broadcast to time their daily activities. “Sometimes when we don't broadcast, children aren't able to reach school in time. Farmers who had thought they'll come up after the news stay in the fields till noon waiting for the news. So now we announce if there is going to be no news broadcast,” Biren tells me.

Without Paothang Channel, many in the village could still get the major news in the state through All India Radio. What they would lose is hearing the news from all sides. Unlike the state-run radio, the newspapers carry news statements from the insurgent groups active in the state.

“It is an invaluable service that they are doing,” says Amom Bhuban, secretary of the Takel Youth Welfare Organisation. “Besides their role of spreading information, hearing the news every morning has become part of our lives. That is another reason why we want to keep it alive.”

**Panos Features**

# Asia and the next US president

The three candidates still standing seem to have 'contain China' at the top of their to-do lists for this region

Peter Shearman  
BangkokPost

Since the invasion of Iraq in 2003, American prestige in the world has declined as has overall goodwill towards the United States. US policy in Asia was perceived through the paradigmatic prism of the "global war on terror", thus providing opportunities for China to use its soft power to gain influence in the region as America's attention was diverted.

The reasonable assumption that many observers make is that whoever gets elected to the White House in November this year, we will witness significant change in US foreign policy. It is worth assessing what impact Hillary Clinton, Barack Obama or John McCain might have generally on US policy, and then specifically on US policy in Asia.

First, it should be noted that foreign policy is usually not the most salient issue in elections, and, despite the fact that Americans are at war in Afghanistan and Iraq, this one is no different.

In 1991, George H.W. Bush won a popular war against Saddam Hussein and yet failed to get re-elected to a second presidential term, but his son, George W. Bush, won re-election in the midst of an unpopular war.

The main issues in elections tend to relate to immediate and pressing issues in the economy: interest rates, jobs, housing, health, and education. With the US perhaps heading for recession, polls clearly show that for most voters economic issues are paramount.

The second point is that although individuals can make a difference to policy, they do so only in ac-

cordance with the possibilities and constraints of the objective circumstances pertaining at any particular time.

There are some indicators what foreign policy would be like under each of the three chief contenders. Mr McCain is the strongest pro-war candidate, having supported both authorisation for the Iraq war in 2003 and pushing for the surge in 2007, stating as president he would keep US forces in Iraq until final victory, even if this takes 100 years.

Mr McCain has also taken the most bellicose stance of the three candidates in relation to Iran. Some prominent foreign policy neo-conservatives are supporting Mr McCain's current campaign, as they did his previous bid for the Republican nomination against the first Mr Bush, giving some indication of Mr McCain's greater willingness to continue part of the neo-conservative foreign policy agenda.

Mr McCain spent some five years in Southeast Asia, locked up in prison camps after his aircraft was shot down over Hanoi in 1967, hence he does have direct experience in the region. Indeed, during the election campaign he is the only candidate who has made frequent references to countries in Southeast Asia, supporting, for example, free-trade agreements with Thailand and Malaysia.

He would put pressure on Burma to end its "deplorable human rights abuses", expand defence cooperation with Malaysia, the Philippines, Singapore and Vietnam, and play a more active role in Asian regional organisations, including those led by Asean. He would seek to institutionalise the new quadrilateral security partnership among the major Asia-Pacific



democracies of Australia, India, Japan and the US.

Mr McCain sees China as a central challenge to US interests, listing its military build-up, threats to Taiwan, trade and currency policies, economic ties with Burma, Sudan and Zimbabwe, and its advocacy of regional forums in Asia that would isolate the US.

Central to Mr McCain's vision for the future of US grand strategy is his conception of a League of Democracies, in which democratic states from different continents will unite on the basis of common values. It is envisaged that the league could be used for military intervention, where the UN fails to act against threats to security. Mr McCain's foreign policy would be more assertive than either Mr Obama's or Mrs Clinton's in fostering democracy in places such as Burma, Cuba and the Arab world, in countering the proliferation of weapons of mass destruction (WMD) in countries such as Iran and in pursuing the "war on terror" in Iraq.

In foreign policy, Mr McCain offers the least radical departure from the Bush years, but with a much greater focus on reasserting US interests in the Asia-Pacific region.

Mr Obama's biography is fascinating, his rhetoric and speeches inspiring, his relative youth appealing and his idealistic call for change mobilising a new generation of voters - but none of this provides a clear idea of what foreign policies he would pursue. It is true that he opposed the war in Iraq from the outset, and that he predicted the chaos that would ensue. To many this gives some confidence that Mr Obama would not take unilateral military action where there were no clear and present dangers facing the US national interest. To others, however, his suggestion that US forces should be used against terrorists in Pakistan shows a certain naivety. Yet Mr Obama sees Pakistan as the front line in the war against al-Qaeda.

Certainly expectations would be raised of a radical departure from previous policies if Mr Obama were to win the election. As far as what one can glean from his previous behaviour, policies, speeches, writings and declarations, Mr Obama does indeed appear to offer the most significant potential foreign policy change of any of the three candidates. Mr Obama is more strongly committed to multilateralism, and an active diplomacy that would provide an op-

portunity to engage with competitors and adversaries, in an attempt to resolve problems before they reach the point of violent conflict. Mr Obama would be willing to talk to the leaders of Iran, Syria, Cuba and Venezuela.

For Mr Obama, the most urgent threat facing the US is of WMD falling into the hands of global terrorists and rogue states. Weak states offer a sanctuary and breeding ground for disease, terrorism and conflict. Mr Obama argues that the US has direct national security interests in reducing poverty and helping to rebuild failing states. He also talks of rising powers that could challenge the US and undermine the foundations of liberal democracy. Yet he does not advocate pursuing adversarial relationships with these powers but rather cooperation: with Russia, to deal with securing WMD and to scale back outdated Cold War nuclear postures; and with China, to deal with regional security in East Asia.

Overall, however, Mr Obama's focus appears not to be the great powers, China, or the Asia-Pacific region. It is Iraq, Iran, the Middle East, terrorism, WMD proliferation, global warming, failed states and energy security.

Mrs Clinton's foreign policy orientation is not fundamentally different from Mr Obama's. She too stresses the need to fight global terrorists, stabilise Afghanistan, prevent WMD proliferation, support Israel, energy security and the importance of the Middle East.

Mrs Clinton talks of a need to get US troops out of Iraq, but will not lock herself into a timetable for withdrawal. She has also proposed a global multi-billion-dollar assistance package to help develop post-war Iraq.

However, she does give a little more attention to the future competition between the US and a resurgent and strong Russia and China. As president. Mrs Clinton would make cooperation with Moscow dependent upon moves towards democracy in Russia and an absence of interference in the Eurasian region.

She states explicitly that the US relationship with China will be the most important bilateral relationship in the world this century. She talks about cooperating with China, building on the experience in the six-party talks over North Korea to establish a Northeast Asian security regime. However, this is likely to be complicated by the rise of great power competition in central Asia, with India, Russia and China vying for influence. Mrs Clinton also talks about cooperating with China and Japan in developing clean energy resources.

Mrs Clinton has taken a stronger stance against Iran than Mr Obama. She was the only one among the original field of democratic candidates who supported strong sanctions against Iran over the nuclear issue. She also argues that the case for war against Iraq was reasonable at the time she voted for it, given what was then known. Although detested by

many on the Republican right, Mrs Clinton is actually the most conservative of the original democratic contenders. She not only voted for the war in Iraq, she voted for every subsequent defence appropriations bill.

In the final analysis, Mr Obama, Mrs Clinton and Mr McCain all prioritise the war against terrorism, perceive fundamentalist Islam as a threat, see the issue of WMD proliferation in Iran as a major concern and fear the increasing anarchy of rogue and failing states. They all also see the Middle East as critical to US na-

It is evident that their Asia policy will be largely determined by competition with China, the reassertion of Russian power in Eurasia, the nuclear threat on the Korean peninsula, and maintaining relationships with Japan, India and Pakistan.

tional security, linked to a number of key goals: security of Israel, the flow of oil, and the threat of terrorism. All three of them share the same general and specific perceptions of what threatens the US that has been outlined in strategic

documents in the US since 9/11, and they all still link democracy promotion with the American national interest.

It is evident that their Asia policy will be largely determined by competition with China, the reassertion of Russian power in Eurasia, the nuclear threat on the Korean peninsula, and maintaining relationships with Japan, India and Pakistan.

Pakistan has become a central focus due to the dangers of al-Qaeda and terrorist groups spreading there, and the porous border it has with Afghanistan, where the US is still in a battle with the Taliban.

It is likely, given the increasing economic and soft power resources of China, and the fact that China has been allowed to use these instruments to quietly gain influence in the region over the past few years, as the US has been preoccupied with Iraq and terrorism, that China will come back to a dominant position in the strategic thinking of the next administration, no matter who sits in the White House.

There will be little disagreement on the fundamental goals; the differences will be over the means of achieving them. But we are likely to see a much greater effort in cooperating with allies in multilateral forums no matter who wins in November. A greater engagement with Asia is in the offing whoever wins; but the war on terror, failing states and WMD proliferation will still dominate strategic thinking notwithstanding the possibility of another strategic shock.

*Peter Shearman is director of the American Studies Programme, Institute of Security and International Studies, Chulalongkorn University*

# GOV'T JOBS DATA EXCLUDES 1.4 million jobless Filipinos



Independent think-tank IBON Foundation disputes government data on employment, estimating that government statistical manipulation removed over a million Filipinos from the official unemployment count.

Government data showed that in 2007, there was an annual average of 2.7 million unemployed Filipinos, a steep drop from figures recorded in recent years. IBON research head Sonny Africa cited the recent IBON study that estimates at least 4.06 million jobless Filipinos and an unemployment rate of 10.8 percent. This was 1.4 more than the official count of 2.7 million, which placed the average unemployment rate for 2007 at just 7.3 percent.

Average unemployment rate of 11.3% over the 2001-2007 period shows the economy is still suf-

fering record joblessness despite government's attempts to obscure the figures.

Government reports lower joblessness only because it revised the definition of unemployment to exclude discouraged job hunters from the labor force count, not because the economy created more jobs, Africa said. The effect of this new methodology in 2007 was to dramatically reduce the labor force participation rate (the percentage of population 15 years and above who are in the labor force) to 64% from the 66.5% under the NSO's traditional unemployment definition.

IBON had requested the NSO for employment figures based on the old methodology, but said that it no longer computed such labor force data, unlike in past years when it presented data using both methods. "This makes comparison

of current employment data with previous years impossible as it paints a false picture of an improving jobs situation," Africa said. IBON made its own estimates to roughly compare employment figures using both methods.

Africa added that the 601,000 net additional jobs created in 2007 is just a 1.8% increase from the year before which is the slowest rate of job creation since the start of the Arroyo administration. The most jobs were created in domestic household help with 142,000 additional such jobs created.

In contrast only 72,000 agriculture jobs and 4,000 manufacturing jobs were added. Employment and unemployment trends in 2007 then confirm the deep problems of the Philippine economy despite much hype about rapid economic growth and a "strengthening" peso, Africa said. **IBON Foundation, Inc.**



Bali's soccer kids  
@Ava Danlog / IBON