

ISSN 1655-5295

IBON

EDM

Education for Development

Vol. 7, No. 2
May - June 2000

**Donor
commitments
and
aid results**



Donors putting breaks on aid effectiveness?
Economists concern about growing global inequality
Crispin Beltran: most outstanding legislator
DDT linked to breast cancer

COVER



3 Donor commitments and aid results

Reality of Aid Secretariat

6 NEWS

FEATURES ON AID

8 Donors putting brakes on aid effectiveness?

EURODAD

10 Paris Declaration undermines policy space through aid

Celine Tan, TWN Info Service on Finance and Development

14 Does aid work in a neo-liberal framework?: Aid situation in Bangladesh

Ahmed Swapan, VOICE

18 RP's problems with aid go beyond lack of transparency, accountability

IBON Foundation, Inc.

WORLD ECONOMY

20 Economists' concern about growing global inequality

Rainer Falk, Development + Cooperation/Third World Network Features

GLOBALIZATION ISSUES

23 U.N. poverty goals face new threats

*Thalif Deen
Inter-Press Service*

THIRD WORLD

25 Amid barrage of hype, reality of weak economy persists

*Sonny Africa
IBON Foundation, Inc.*

SPECIAL FEATURES

27 Crispin Beltran: Most outstanding legislator

Center for People Empowerment in Governance (CenPEG)

30 Maoist victory in CA Elections

Gopal Siwakoti "Chintan"

HUMAN RIGHTS WATCH

33 Executive summary of selected Philippine NGO submissions

Philippine UPR Watch

CONSUMER ISSUES

36 DDT linked to breast cancer

UTUSAN Konsumer

MOVIE REVIEW

38 Back to the Sixties

Joseph S. Yu

LETTERS

STATS & NUMBERS

43 IBON survey: Livelihood worse today, says most filipinos

IBON Foundation, Inc.

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

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
Jose Leon A. Dulce

Artworks
Florenio Bambao

Photo Credits
DanChurchAid
John & Mel Kots
spinning_jenny/flickr.com
Steve Webel

MrBG/flickr.com

Eric Carlson

Aftab Uzzaman

babasteve/flickr.com

Victor Villanueva

John A. Ward

anaxila/flickr.com

Mike Rosales

arkibongbayan.org

Ashish Lohorung Rai

Brad Smith

Wikipedia

Wikimedia

Tetet Nera-Lauron

4-free-wallpapers.net

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.

DONOR COMMITMENTS AND AID RESULTS

Reality of Aid Secretariat



PHOTO: ANKUR CHAUD

Introduction

On September 2000, the 189 United Nations member countries signed the UN Millennium Declaration. This eight-chapter declaration is the framework for the formulation of the UN Millennium Development Goals (UN MDGs) concerning eight targets that were scheduled to be realized by the year 2015. These concerns are:

1. Eradicate extreme poverty and hunger;
2. Achieve universal primary education;
3. Promote gender equality and empower women;
4. Reduce child mortality;
5. Improve maternal health;
6. Combat HIV/AIDS, malaria, and other diseases;
7. Ensure environmental sustainability; and
8. Develop a global partnership for development.

The accomplishment of these targets by the year 2015 is one of the bases of the creation of aid increase and effectiveness agreements such as the Monterrey Consensus in 2002 and the Paris Declaration on Aid Effectiveness in March 2005. The Monterrey Consensus resulted in new aid commitments by donor countries along with the assurance that Official Development Assistance

(ODA) will be devoted to poverty eradication and genuine development. Donor countries also reached agreements on issues including debt relief, fighting corruption and policy coherence. On debt relief, donor countries committed to stop considering debt cancellation as a form of aid. The Paris Declaration meanwhile was agreed upon by donor and partner countries to establish global commitments to support more effective aid in the context of the scaling up of aid. The intention is to reform the delivery and management of aid in order to improve its effectiveness. The reforms are intended to increase the impact of aid in reducing poverty and inequality, increasing growth, building capacity and accelerating the achievement of the MDGs.

Increasing foreign aid and its effectiveness were among the main topics discussed at the July 2005 G8 summit held at Gleneagles in Scotland. The participants of the meeting committed to effectively increase aid by US\$50 billion, from US\$80 billion in 2004 to US\$130 billion by 2010. A few months later, in September 2005, five donors stated their intent to reach the target ratio of ODA to gross national income (GNI) of 0.7% before 2015 with five European donors planning to reach 0.5% by 2010. Aside from increasing the amount of aid are other commitments

to make aid more effective. The Paris Declaration include targets for improving ownership, alignment, harmonization, managing for results and mutual accountability.

Many years have passed since donor countries made these various commitments related to aid. With only two years before the year 2010, the results of their efforts in fulfilling these commitments still remain to be assessed.

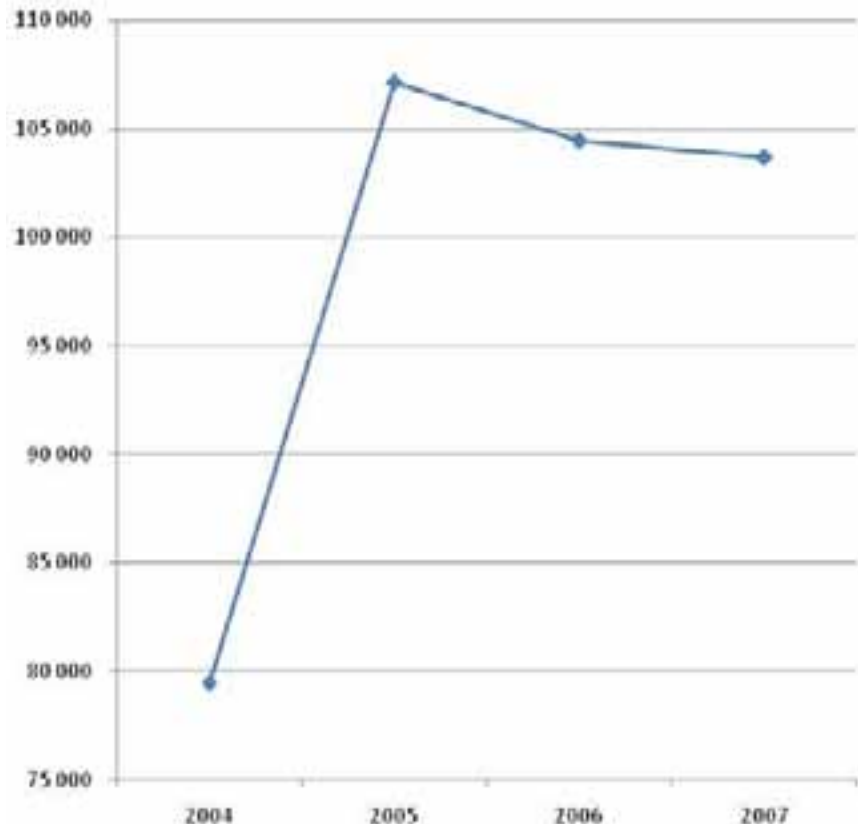
Development Assistance Committee (DAC) statistics results for 2007

The Development Assistance Committee (DAC) is a round-table consultation body formed by the Organization for Economic Cooperation and Development (OECD) member countries. It is the key forum of major donors for coordinating international development cooperation efforts including those related to aid and aid effectiveness. The DAC conducts an annual monitoring of aid commitments, flows and the progress in achieving aid targets.

The most recent DAC statistics show that, overall, most donors are not on track to meet declared commitments to scale up aid and that the targets set for 2010 will not be met unless dramatic increases are forthcoming. Net ODA flows from the 22 member countries of the OECD-DAC, the world's major donors, fell for the second straight year in 2007 when they provided just US\$103.7 billion in aid. (See Table 1) This amount is only 0.28% of their collective GNI compared to the US\$104.4 billion or 0.31% of their GNI in 2006. In real terms it is also an 8.4% drop from the year before.

The consecutive drop in net aid flows in 2006 to 2007 was on

Table 1. Net ODA Flow from OECD (2004-2007)



account of the bursting of the “debt relief bubble”. There was a dramatic increase in aid in 2005 with net ODA soaring from 0.26% of donor countries’ GNI in 2004 to 0.33% in 2005. However, this was mainly the result of the “debt relief bubble” created by counting debt cancellation as a form of aid in spite of the promises donor countries made in the 2002 Monterrey Consensus to stop this practice. This meant that although aid appeared to increase in 2005, much of this was not real additionally money donated for the development of the recipient countries.

The two biggest debt relief grants were for Iraq and Nigeria. In November 2004, the Paris Club announced debt relief for Iraq amounting to nearly US\$ 40 billion or approximately 80 percent of Iraq’s debt. Meanwhile in October 2005, donors agreed to cancel up to US\$18 billion or 60 percent of

Nigeria’s outstanding debt. The first tranche of debt cancellation of these countries happened in 2005. These two debt relief schemes accounted for US\$ 17 billion of the US\$21 billion increase recorded in 2005 which significantly distorted aid tallies and inflated overall DAC aid by more than 20 percent. However debt relief operations in Iraq and Nigeria were almost complete by 2007 and debt relief diminished to US\$ 8.7 billion from 2006.

Analyses

Recent DAC statistics results show that the donor countries have been repeatedly failing to achieve the commitments they have made to materialize the MDGs and to realize aid effectiveness.

In terms of quantity, the performance of donor countries is poor in 2007 with a net ODA

disbursement of only 0.28 percent of their GNI. This is just 56 percent of the total ODA commitment of 0.50% of their GNI by 2010.

Donor countries effectively need to double their effort within the three years left for them to make up the shortfall – or about a 25 percent increase in ODA yearly in order to reach their commitment by 2010. With the completion of major debt relief operations in 2007, new aid will need to be programmed to sustain trends in post 9/11 foreign aid flows from donors.

Qualitatively, donor countries are still liable for issues posed by the international community regarding the quality of aid they provide every year. A considerably large amount of ODA from donors was devoted to debt relief, technical assistance, emergency assistance and support for refugees and students in donor countries. Critics say such flows are merely short term aid and should not even be considered as aid since they do not really translate into a transfer of resources and only distort the amount of aid actually given and received.

Donors also still tend to direct aid not to countries which need this the most but to countries where their specific foreign interests lie. Such is the case with Israel and Egypt, both key allies of the United States, which for years have ranked as the biggest beneficiaries of US aid even if they can be classified as relatively rich countries. Donor countries still predominantly use geopolitical interests, geographical proximity and former colonial ties as their basis for allocating aid rather than whether or not these are the countries which need aid the most. To be sure, the impact of aid is likely improved in countries with relatively stable economic and social structures as compared to countries which are less fortunate because of weaker governments

– but these may not necessarily be the countries most in need.

Aid needs to be a genuine and significant transfer of resources from donors to beneficiaries if this is to contribute to eliminating poverty and to promoting true development. In effect, in order for the MDGs to be realised, donors should disburse real money and this money should be used in accordance with nationally-determined programs geared towards development. Along with this donors need to recognize the centrality of human rights, gender equality, poverty reduction and social justice as the true measure of the aid effectiveness agenda, as pointed out by civil society organizations (CSOs).

Conclusion

Short term aid should be differentiated from aid used for infrastructure and investments that potentially result in real economic growth. The increased allocation of aid for politically and geographically challenged countries should also be taken into account. The challenge for donor countries is, firstly, to go beyond institutional and policy preconditions in granting aid and, secondly, to identify a framework with criteria regarding growth and development that goes beyond preconditions and constraints.

CSOs around the world are calling out to donors to be true to their commitment in providing development aid in its true essence – where it plays a vital role in assisting in the progress



PHOTO: DAN KURCHAK

of developing countries. ODA should be deployed according to a human rights and developmental framework. It should also be made more effective in the sense that there is genuine ownership of aid by citizens as well as real transparency and accountability.

References

- IBON Foundation. (2002). Reality of Aid.
- IBON Foundation. (2004). Reality of Aid.
- IBON Foundation. (2006). Reality of Aid.
- IBON International. (2007). Primer on Development and Aid Effectiveness.
- 31st G8 Summit. (2007). Retrieved May 19, 2008 from http://en.wikipedia.org/wiki/31st_G8_summit
- What are the Millenium Development Goals? (n.d.). Retrieved may 19, 2008 from** <http://www.un.org/millenniumgoals/index.html>
- Paris Declaration on Aid Effectiveness .(2005). Retrieved May 19, 2008 from www.adb.org/media/articles/2005/7033_international_community_aid/paris_declaration.pdf
- Oxfam International. (2006). The View from the Summit-Gleneagles G8 One Year On. Retrieved May 19, 2008 from
- Action Aid International. (2006). Real Aid 2. Retrieved May 19, 2008 from http://www.actionaid.org/docs/real_aid2.pdf

NGOs to foreign donors:

Conditionalities, not corruption, biggest problem with aid

Philippine Aidwatch Network

At the ongoing Philippine Development Forum (PDF), foreign aid donors have rightly taken President Gloria Macapagal-Arroyo to task for corruption in her administration which, along with other factors such as poverty, could hinder economic development. But Philippine AidWatch, a national network of civil society groups that monitors foreign aid, stresses that policy conditionalities attached to foreign development aid is the biggest threat to the country's development.

Donor countries use such conditionalities to promote their economic and political interests in donor countries. Such conditions require aid recipient governments to implement far-reaching economic policies that benefit ultimately foreign governments and local elites at the expense of the welfare of the people and broad-based development.

One example of how aid is used to pressure government to implement a particular policy is the pending Japan-Philippines Economic Partnership Agreement (JPEPA).

Japan has effectively been using its position as the country's largest aid donor as leverage for the free-trade pact's ratification. As of December 2006, Japan accounted for 49% (some US\$4.7 billion) of total Official Development Assistance (ODA) to the Philippines, which was channelled through its Japan Bank for International Cooperation (JBIC). The Asian Development Bank, of which Japan is the largest overall shareholder, accounts for a further 19 percent (US\$1.8 billion).

Political influence over loan decisions was also recently highlighted through allegations of alleged kickbacks of US\$50 million (for the US\$400 million ongoing Northrail project) and US\$130 million (for the suspended US\$329 million National Broadband Network project). Both projects were funded by loans from the Chinese government and were beset by allegations that prominent government officials had been bribed by Chinese companies to facilitate approval of the projects. Both projects are also examples of "tied aid" with implementation of the projects tied to participation of Chinese state firms.

ODA remains significant to the Philippines because of the country's limited resources for development, although aid flows have slowed down since their peak in 1992. ODA from bilateral and multilateral sources has fallen from its peak of 81.8% of total public external debt stock in 2004 to a still substantial 56.4% as of September 2007.

In order for ODA to truly benefit recipient countries, Philippine AidWatch believes that aid has to be divorced from the political and economic interests of donor countries. It is therefore vital that conditionalities and tied aid be removed from ODA loans in order to separate aid from donor interests and influence. Doing this would allow the largest number of people to claim as their own the development process and help ensure that their welfare is promoted.

The Philippine Aidwatch Network is a national network of non-government and people's organizations that monitors and campaigns on foreign aid. It is a member of the Reality of Aid Network, the only major north/south international non-government initiative focusing on analysis and lobbying for poverty eradication policies and practices in the international aid regime.

Educators Gather for People's Governance

JP Andaquig

As IBON Foundation celebrates its 30th anniversary, the IBON Partnership in Education for Development (IPED) continues its work in helping Filipino educators realize transformative education by successfully holding the 11th National Educators' Conference in Baguio City, Northern Philippines last May 7-10, 2008.

Carrying the theme "People's Governance and Challenges to Transformative Educators", the conference engaged participants in a series of lectures, discussions and workshops on issues such as corruption, the country's fiscal and debt situation, and the status of basic sectors. The Educators' Forum for Development (EFD), an association of educators committed to social transformation, co-sponsored the event.

For this national conference, IPED gathered some 60 educators and administrators from more than 40 public and private elementary and high schools around the country, including representatives from regional offices of the Department of Education (DepEd).

At a time of renewed calls for President Gloria Arroyo to step down following allegations of bribery in the government's broadband network contract with

Chinese firm ZTE, on top of previous corruption allegations, the need for good governance and public accountability is an urgent assertion for Filipinos.

The IPED Conference thus provided an ideal venue for Filipino educators to be abreast of pressing national issues. Prof. Bobby Tuazon of the Center for People's Empowerment and Governance gave a talk on the pervasive and systemic nature of corruption in the Philippines. For his part, Arnold Padilla, spokesperson of the No Deal! Movement Against Unequal Economic Agreements, gave educators a primer on how the country's continuing economic crisis is rooted in foreign-imposed policies, using the ongoing rice crisis as case study.

Baguio-based resource persons then briefed educators on the status of social movements in the country. Pio Verzola Jr. of the Northern Media Information Network presented the prospects for a renewal of people power forces in the country, while Inabuyog-Gabriela Chairperson Vernie Diano provided a situationer on the people's struggles in Northern Philippines.

IBON Executive Editor Rosario Bella Guzman then engaged the educators in a lively discussion on Transformative Education.

The other seminars informed participants on the roots of the country's debt crisis (presented by IBON Executive Director Jazminda Buncan) and on the context of aid and the question of aid effectiveness (discussed by IBON Research Head Sonny Africa). Migrante Chairperson Connie Bragas-Regalado then talked about development financing, seen from the viewpoint of overseas Filipino contract workers and their role in the Philippine economy.

More importantly, the conference also provided workshops for the participants—centering on issue themes such as fiscal crisis, social services and social displacement—that allowed educators to exercise their creative and processing skills in integrating the themes into productive presentations. The event was capped with cultural presentations and contributions from educators themselves.

IBON is the only non-government organization in the Philippines that has a partnership program with local educational institutions. The annual national educators' conference is part of IPED's services, which also include development of social studies supplements and textbooks, and free seminars on major national issues and transformative education including curriculum development. IBON Foundation, Inc.

Donors putting brakes on



PHOTO: JOHN & MEL KOTY/FILOR.COM

AID EFFECTIVENESS?

EURODAD

Aid effectiveness was the main subject for discussion in the OECD this week in Paris. Representatives from developing country governments, donors and CSOs converged in Paris to discuss the recently released Accra Agenda for Action – effectively a draft Communiqué for the Accra High Level Forum in September. CSOs are very concerned that donors are dragging their feet in current negotiations, given the very weak commitments being proposed.

The current draft of the AAA (dated the 18th March) is disappointing. It starts from a low common denominator which will have to be substantially strengthened if it is going to attract the high level Ministerial attendance at the Forum that the aid reform process demands. Enormous energy has been mobilised and investment made in improving the quality of aid received by developing countries. Donors cannot afford to allow this energy to evaporate by refusing to make strong commitments. In the words of the Nigerian representative to the Working Party on aid effectiveness “we want to see these commitments translated into action”.

CSOs presented their prioritised concerns regarding the current draft of the AAA in Paris. They highlighted that the principle of democratic ownership must be included in the Communiqué as a fundamental element of aid effectiveness. CSOs cited three specific issues mentioned in the AAA where they particularly want to see stronger language. These are conditionality, technical assistance and tied aid. In addition, they pointed to one glaring omission from the Communiqué, namely, an explicit commitment to greater transparency.

The current proposal on conditionality to work towards a code of conduct on transparently implementing conditionality would not translate into meaningful change in the aid system. The current draft only calls for a reduction in the number of overlapping conditions, which would do nothing to reduce the conditionality burden. CSOs called for a commitment from donors to radically diminish the number of conditions so that they no longer form part of the aid relationship by 2010.

Technical assistance may amount to as much as 50% of aid, but there are serious concerns from

particular citizens and governments in developing countries that it represents good value for money. CSOs argued that the AAA should set a target of 100% of tied aid being demand-driven and coordinated, and that donors should report specifically on the impact of their technical assistance. Again at present the draft AAA is extremely weak, putting nearly all the responsibility on developing country governments to resolve this problem.

Proposed options in the current AAA include some interesting options for improving tied aid. One is “extending the current DAC recommendation on the untying of aid”. CSOs called for this definition to be expanded to include all countries and that it should include food aid and technical assistance. They also called for donors to give preference to developing country suppliers, which is a second option currently listed in the AAA. The third option is a mastery of manipulated language which means next to nothing: “Donors will continue to make progress on untying aid by establishing and monitoring progress towards reaching a target for Paris Declaration Indicator 8 on untying aid.”

Improved transparency around both aid flows and aid negotiations is critical for improving accountability and for promoting democratic ownership.

Improved transparency around both aid flows and aid negotiations is critical for improving accountability and for promoting democratic ownership.

The Nigerian representative highlighted a recent example of the problem. The government has recently carried out an audit of donor investments in the country over

the last ten years. When they asked specific questions about budgeting and aid flows during these years, none of the donors were able to account for all of their aid. Not wanting to name names, he said that “a large donor from a very advanced country” said that they did not keep their records.

The majority of donors that intervened supported CSO recommendations. The Danish representative said that “it was very difficult to disagree with the interventions of CSOs,” and recognised the missing issue of transparency and the need to look into democratic ownership. The Dutch representative said that conditionality “was an issue that we need to tackle and be much more eloquent about”. He suggested that we need to “come up with very concrete suggestions for how to do this”. He also highlighted the serious problem of “implicit conditionality” which leads to significant lack of predictability and a lack of trust.

The AAA was discussed by donors and recipient governments in the Working Party on aid effectiveness yesterday and today following the CSO consultation. Given the significant malaise by both developing country governments and a number of donors about the state of the current draft, it is sure to be an interesting discussion.



PHOTO: SPINNING_JEREMY/FILIPPO.COM

Paris Declaration undermines policy space through aid

Celine Tan

TWN Info Service on Finance and Development

The Paris Declaration on Aid Effectiveness may have the effect of circumscribing national sovereignty and country autonomy over development policies contrary to its stated principles of country ownership and mutual accountability, research has shown.

Two recent studies have highlighted the propensity of new modalities of aid and aid harmonisation processes under the Paris Declaration framework to increase, rather than reduce, donor interventions in aid recipient countries and exacerbating the imbalances of power between donor and recipient countries.

The Paris Declaration was adopted in 2005 as a 'roadmap' to increase the quality of aid, and development assistance is increasingly influenced by whether the recipient developing countries comply with the Declaration's principles.

In a report prepared for the UN Human Rights Council's High-Level Task Force on the Implementation of the Right to Development released earlier this year, Roberto Bissio, executive director of the Third World Institute and Social Watch based in Montevideo, Uruguay, argued that

the relatively minor gains in efficiency and reduction of some transaction costs in the aid process are often overridden by the asymmetrical conditions under which negotiations are taking place between donors and recipients within the Paris Declaration framework.



Meanwhile, the findings of a study by the European Network on Debt and Development (Eurodad) released two weeks ago showed that donors have continued to undermine policy ownership in low-income developing countries by imposing their own priorities and policies on developing country governments through new aid instruments while marginalising the voice and participation by citizens and civil society groups in the process.

Taken together, these studies highlight the danger that the new architecture for negotiating and delivering concessional financing to developing countries under the rubric of the Paris Declaration may have the converse effect of reducing rather than improving the efficacy of development assistance.

They demonstrate that increased coordination of aid policies by developed countries can in practice work towards undermining rather than

supporting global partnerships for development, including those under the Millennium Declaration, and create new forms of conditionalities on developing countries.

The Paris Declaration is a non-binding declaration that was endorsed by a group of developed and developing countries in 2005, following on from a series of high-level inter-governmental forums on aid effectiveness and harmonisation.

It has a total of 115 signatories to date and claims to lay down “a roadmap to improve the quality of aid and its impact on development” with 56 partnership commitments organised around the five key principles: ownership, alignment, harmonisation, managing for results, and mutual accountability.

Compliance with the principles of the Paris Declaration is measured using 12 different indicators and development financing is now increasingly channelled through countries’ compliance with these indicators.

According to Bissio’s extensive study of the Paris Declaration framework, the Declaration fails “to provide the institutional mechanisms to address the asymmetries in power” between donors and creditors on one hand and individual aid recipient countries on the other. He argues that institutional ownership of the Paris Declaration process

remains vested with the OECD’s Development Assistance Committee (DAC) and the World Bank “where donors and creditors

is intended to save costs and make procedures easier for the recipient country (and thus make aid more efficient), the inherent risks of



PHOTO: STEVE WEBER/Flickr.com

have exclusive or majority control, with little or no developing country voice or vote”.

Bissio’s report further points out that for recipient countries, the Paris Declaration creates a new level of supranational economic governance above the World Bank and the regional development banks, with the OECD’s DAC comprising of the same western governments who control the World Bank and the International Monetary Fund (IMF) and who contribute to the Bank’s concessional lending facility, the International Development Association (IDA).

“At the country level this new international governance increases the asymmetry between the aid recipient country and its donors and creditors, which gather together as a single group in the new aid modalities ... While this

such an increased imbalance in negotiating power at the country level are not compensated in any way by the international mechanisms set in motion by the [Paris Declaration].”

Although developing and developed countries are represented in equal numbers in the Working Party on Aid Effectiveness which has the responsibility for managing the operationalisation of the Paris Declaration principles, “the presence of institutions controlled by OECD members tilts the balance in favour of the latter”, said the report.

“Further, in such an ad hoc new body, developing countries lack the tradition and expertise of their own negotiating groups that they have put together over the years in other international negotiating fora (such as the G77 in the UN or

G20 and G33 and other regional groupings in the WTO)".

Under the Paris Declaration framework, donors and recipients are not peers, as recipient countries are penalised if they do not implement conditions for assessing financing under the framework but they do not have a corresponding mechanism for penalising the donors and/or creditors, the report argues.

Bissio's study found that the complex set of assessment criteria and definition of indicators by which the Paris Declaration is reviewed, the associated "new conditionality packages" for disbursement of aid under new mechanisms such as direct budget support and sector-wide

approaches (SWAPs) and criteria for evaluating recipient countries' governance systems as part of the new aid system "are all ultimately decided upon by the DAC, in close working relation with the World Bank".

These findings are complemented by results of the Eurodad study which showed that the Paris Declaration's measure of country ownership is the presence of a good quality and operational national development strategy as determined by the World Bank.

The Eurodad report also argues that in spite of the Paris Declaration's rhetoric on mutual accountability, donors are rarely held accountable for the quality of their aid to developing countries.

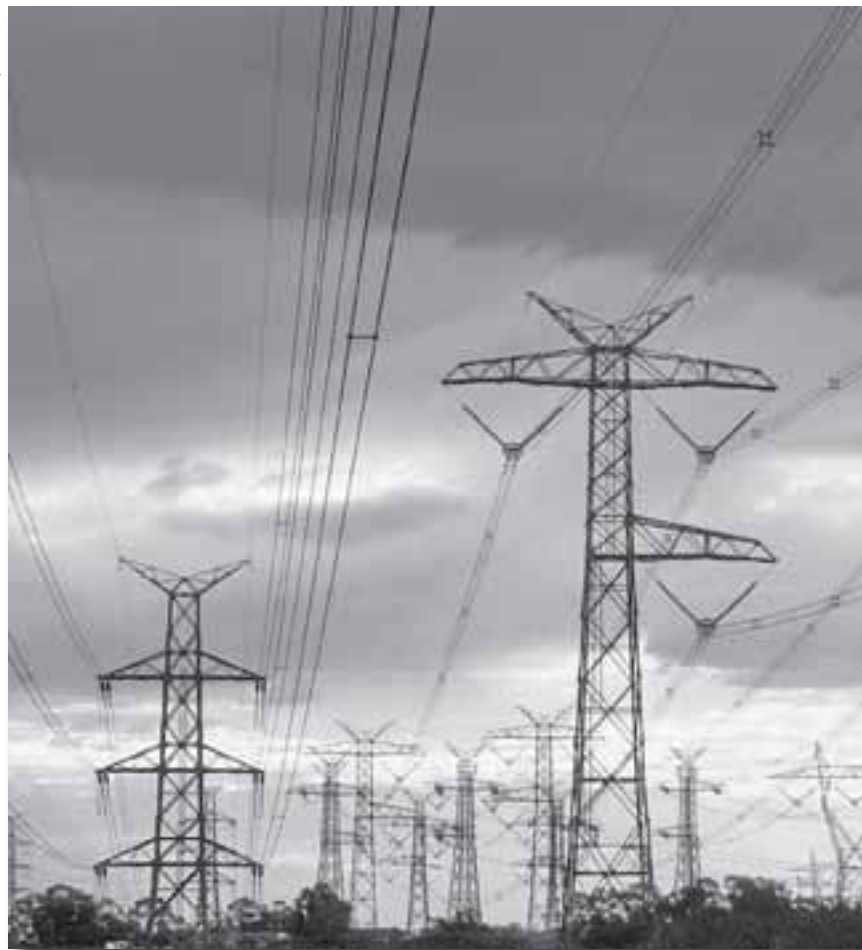
Instead, it found that the focus of the Paris Declaration has been "entirely on the recipient government's responsibilities and fails to recognise the steps that donors must take to create space for recipient governments to fulfil these responsibilities".

At the same time, recipient governments rarely take the lead in determining aid policies and "are only negotiating around the edges if at all when it comes to improving the quality of the resources on offer". Case studies from seven low-income countries showed that power imbalances and weak capacity continue to limit developing country governments' ability to negotiate with donors and creditors on the conditions of their financing. "The high aid dependency of some recipient countries shifts the balance of power to the donors," says Eurodad.

Both reports also highlight the undermining of national policy space which accompanies the new modalities of aid championed by the Paris Declaration, including those centred on the World Bank and IMF-led Poverty Reduction Strategy Papers (PRSPs) and PRSP-linked financing instruments, such as budget support whereby financing is channelled direct into a country's budget in support of a general policy framework.

The Eurodad report shows that the complex array of structures which have grown up around the PRSP process where donors and recipient governments gather to discuss policies and programmes under the guise of

PHOTO: MBBG/Flickr.com





policy coordination have increased donor interventions in country's development strategies and economic policies.

"As donors increase the amount of aid they give either through direct budget support or to sector (e.g. agriculture, health, education) ministries, they also want to have a say on government policy in that sector," says the report.

"Not only do the donors' constant presence and increased discussions with governments on the minutiae of government policy place additional pressure on overburdened administrations in developing countries, they also enable donors to get increasingly involved in the details of national policymaking."

The Eurodad report argues that the conditionalities accompanying new aid instruments such as budget support has therefore shrunk the political space that such an instrument was supposed to have provided.

It says: "Budget support has come hand in hand with more intrusion

by donors in government policy making through ever more detailed matrices of policy conditions and performance indicators ... usually laid out in the Performance Assessment Framework (PAF) - the conditionality matrix attached to budget support."

Conditionalities may also be attached through the Paris Declaration indicators themselves. For example, according to the Paris Declaration, donors are required to increase the use of country systems, including national procedures for public financial management and public procurement. However, recipient countries must in turn commit towards improving such systems in order for them to be considered reliable by donors.

Indicators for reviewing compliance with the Paris Declaration principles in these areas include adherence of developing countries to "broadly accepted good practices" or implementation of a reform programme to achieve such practices. These "good practices" in turn are based upon the

OECD's indicators which include the opening up of national procurement systems to "qualified foreign firms", according to Bissio's report.

This amounts to a controversial conditionality of liberalising public procurement system and undermining developing countries' right to use national procurement systems as a development tool, and one which goes against the developing countries' demands against the Singapore issues in the World Trade Organisation (WTO), says Bissio.

In adopting some of the report's recommendations at its fourth session in January this year, the High-Level Task Force on the Right to Development called for "greater efforts to promote untied aid aligned with national priorities, particularly in the fields of procurement and financial management" in order to meet the ownership requirements under the Paris Declaration and to make use of "opportunities to build on the congruence between the principles of aid effectiveness and the right to development".

The two reports referred here have come at a crucial time for the Paris Declaration in the run-up to the third High Level Conference on Aid Effectiveness to be held in Accra, Ghana in September 2008 which will review the operationalisation of the Paris Declaration framework.

The two reports can be downloaded from: www2.ohchr.org/english/issues/development/taskforce2008.htm; www.eurodad.org/whatsnew/articles.aspx?id=2168

Does aid work in a neo-liberal framework?:

AID SITUATION IN BANGLADESH

Ahmed Swapan
VOICE

Aid, in the case of Bangladesh, has put an end to the possibility for sustained economic growth by driving local producers, particularly farmers, out of business. Instead of providing assistance, aid contributes to the rise of corruption. As a result, in Bangladesh, despite receiving almost 20 billion US dollars in aid since its independence in 1971, the country remains one of the poorest and most corrupt nations of the world.

Bangladesh Aid Group was formed in October 1974, under the direct supervision of the World Bank, comprising 26 donor agencies as well as countries that made the commitment of providing US\$551 million in aid in FY1974. Aid to Bangladesh has remained at a high level since the consortium came into existence, although with substantial fluctuations in new commitments from year to year. After the high initial commitments, the figure fell to US\$ 964 million in FY 1976 and to US\$ 744 million the following year, before turning upward again. Fiscal year 1979 was

another breakthrough period, with new commitments of nearly US\$1.8 billion, a figure surpassed 3 years later when the level reached US\$1.9 billion, the all-time high through FY 1987.

Unfortunately, since the beginning, independent Bangladesh has been regarded as a test case for development by economists, policymakers, and program administrators of donor countries and international financial institutions.

Forms of aid

Aid in Bangladesh can be categorized into four. These are food aid, commodity aid, project aid, and technical assistance. Food aid is being provided either in kind or in loan or grants to procure food as well as to cover relevant food cost. Commodity aid includes programme credit, grants or credit for financing of the acquisition of raw materials and imports. Project aid, on the other hand, are grants or loan for project financing while technical

assistance are grants meant for human resource development, institutional capacity building and technology transfer.

It is worth pointing out that a major portion of the aid provided earlier came in the form of food aid, followed by commodity aid, project aid and technical assistance, with the total process taking a u-turn within a decade. But since the national development programmes have been designed so far with a view to pleasing the donor groups, keeping peoples' participation and say in these matters aside, a self-sufficient economic framework proper could not be built.

PHOTO: AFIAB UZZAMM/FELCOR.COM



Aid trend

Over the years, Bangladesh has been able to depend less on foreign aid which amounted to 5.95% of GDP in 1991 and only 2.8% in 2003 and onward. Also important to note is the fact that each year Bangladeshis working in different countries of the world send more than three times higher as the foreign aid as remittance. A reality is that the poor people for whom the aid is meant receive only one-fourth of it, with a considerable portion going back to the donor countries in the name of consultation fees and other relevant expenses, the rest being devoured by the middlemen.

Aid is now in decreasing trend from the national budget. A report published in June 2005 shows that foreign aid to Bangladesh decreased from 1585 million dollar to 1033.4 million dollar in 2003. In 2004-05 fiscal year, donors were committed to donate 715.2 million dollar which is less than 21.7% from past fiscal year.

Though the aid dependency in Bangladesh is decreasing, donors are putting much more conditions with the aid money. According to finance ministry, the amount of foreign aid Bangladesh got in 1991 equals to 5.9 per cent of the GDP. In 2003 it becomes 2.8 per cent of GDP. In 1972 the per capita debt burden was only Taka 67, while in 2004 it reaches to Taka 7200. In 1991 per capita overseas loan was 119 dollars that now stands at 122 dollars. Though the overall dependency on aid is decreasing, but some of the projects in different sectors dominantly dependent on foreign aid. The projects of health, population and family welfare sectors still bear the dependency rate of 74 per cent, public administration sector 73 per cent, oil, gas and natural resources

sectors 46 per cent, and, media sector 43 percent. The aid dependency on our ADP is decreasing gradually. The dependency rate of our ADP on aid in 1991 was 87 per cent, but in the financial year 2003-2004 it is only 42 per cent.

Donors are more interested in providing loans than grants. Out of total foreign aid of the last 30 years, 52 percent were loans and 48 percent were grants. Comparatively the ratio of debt has increased over the period of time while the ratio of grant decreased. During the fiscal year 1971/72, total foreign debt was about 10 percent and foreign grant was about 90 percent, however, in the fiscal year 1998/99, foreign debt became 57 percent. Such a trend clearly shows that although the foreign donors started providing support through grant they were more interested in loans afterwards. Not only that different types of conditionality and obligations have been imposing on Bangladesh to receive foreign loans.

World Bank and IMF presence in Bangladesh

Bangladesh, the third largest debtor country of the World Bank (WB), has been provided with credit assistance totaling nearly \$20 billion by the International Development Assistance (IDA) since 1973, the year the country joined the WB. The WB provides most of its loans for a specific project or for one which is based on one or another particular strategic policy



PHOTO: IBABASTEV/FICUR.COM

such as Structural Adjustment Programmes or SAPs the main policies of which have been:

1. Massive privatization of industries and major utilities, e.g., water, electricity, gas, railway, ports, etc.;
2. The blanket application of the 'free market policy' which actually means a unilateral canceling of all tariff and non-tariff restrictions by the country on the receiving end of the loans;
3. Withdrawal of all types of subsidies for the sake of 'efficiency'; and
4. Drastic cuts in government spending in order to ensure so-called 'macro-stability' of the economy.

In the mid-eighties, when Bangladesh was under a military regime, the SAPs started to be introduced, resulting in the disintegration of a number of

FEATURES ON AID

Consultancy Firm	Country	Bank	Remuneration
GBRW	UK	Rupali Bank	1,897,000 USD
Pricewater House Coopers	Hong Kong	Agrani Bank	6,576,269 USD
IBTC Incorporate	USA	Sonali Bank	4,859,996 USD
International Development Ireland	Ireland	Janata Bank	5,070,000 USD
Total			18,403,265 USD

industries including Adamji Jute Mills. Bangladesh Petroleum Corporation (BPC) has still been under tremendous pressure of being privatized, and so has been the Chittagong Port, the purpose of all this being putting the oil and gas sector of the country at the mercy of the large multinational companies.

The loans provided by the IMF, like those of WB, are accompanied by 'conditions' that often go against the debtor countries in question. In most of the cases, the conditions are not relevant to the causes or the management of the crisis that the countries face, with many of these conditions (privatization, trade liberalization, increasing bank interest rate as well as the price of fuel and electricity, tariff cuts and producing PRSPs, etc.) coming in conditionality package under the pressure of major IMF shareholders for their own interests. Between 1995 and 2000, IMF attached with each of its loans sanctioned, on an average, 41 conditions, which they reduced as a result of tremendous protests coming from different countries concerned. In 2002, IMF released a guideline of its conditionality policy, which was the modified version of its imposed conditions. Though the new guideline was dubbed 'positive' by IMF, different countries have been subjected to these conditions—particularly while availing Poverty Reduction and Growth facilities (PRGF) loans— that they view as 'severe' and 'excessive'.

In June, 2003, Bangladesh has been provided by IMF with a loan worth US\$501,500,000 which was to be released in three years in three installments, some of the conditions being the renovation of government Banks, privatization of Rupali Bank, reducing the interest rate of Sanchay Patras (savings scheme), raising the price of gas and oil, among others. It is the IMF that has been imposing structural adjustment programmes on different countries; and in the macro economic level Bangladesh has got the IMF as its main consultant the directives of which played a major

role in fixing the national salary structure (article 4 mission). This raised the exchange rates of the dollar against taka, led to increases in the price of gas, fuel, and electricity resulting in the tragedy of Kansat in Channababganj, Rajshahi that claimed this year the lives of 19 farmers who, along with many others, protested against the price hike.

Aid conditionality

According to the donors, the conditionalities that come along the aid programmes are meant to ensure the effective use of the aid money for the stated purposes. And these stipulations have now grown more important than they were in any previous time, with IMF imposing two types of policy conditions, namely quantitative and structural. Quantitative conditions are imposed at the macroeconomic level of the poor countries, while the structural ones

Credit type	Conditionality area
Development Support Credit	1. Energy sector Reform 2. Effective anti corruption Bureau
Power Sector	1. Transfer lines from PDB to REB
Development Support Credit (3rd Installment)	1. Reform of Revenue, Trade and Bank
Public Administration Reform	1. Recruitment of Private sector professionals instead of 1200 government bureaucrats.
Development Support Credit	1. PRSP implementation 2. Quick implement of the projects under ADP 3. Quick implement of public procurement law
ADP Implementation	1. Corporatization of DESA 2. Solve the problems of LGED and Chittagong City Corporation
Power Plant	1. Power plants will be maintained by World Bank selected companies
Development Support Credit (4th Installment)	1. Increase oil price 2. Implement macro-economic structure
Rural Electrification	1. quick solution of all cases related to the line transmission from PDB to REB

are for institutional and legislative policy reforms. All of these prove to be unfair, undemocratic, ineffective, and inappropriate mainly because they undermine democratic accountability within countries and deprive the poor of the access to the services (education, health, etc) at a low cost. And what is alarming, the WB instruction to stop appointing to different vacant posts resulted in raising the unemployment rate to 40% in Bangladesh in the year 2005.

Bangladesh Government has already started bank sector reform. The project name is "Industry Development and Bank Modernization". Another project also in hand is named "Central Bank Strengthening Project". The loan amount is estimated as 38 crore 83 lacks 90 thousand USD and 4 crore 61 lacks 30 thousand respectively, for the above projects. Donors have imposed a tag of bank privatization with these loans. A lion's share of this project money is ready to be spent as consultancy fee. According to ERD, more than 15 to 20 percent money had always been spent for consultants.

Some of the conditions commonly implemented are:

- Cutting social expenditures, also known as austerity;
- Implementing user fees in basic services such as education and health;
- Focusing economic output on direct export and resource extraction;
- Devaluation of overvalued currencies;
- Trade liberalization, or lifting import and export restrictions;
- Increasing the stability of investment (by supplementing foreign direct investment with the opening of domestic stock markets);

- Balancing budgets and not overspending;
- Removing price controls and state subsidies;
- Privatization, or divestiture of all or part of state-owned enterprises; and
- Enhancing the rights of foreign investors vis-a-vis national laws.

a breakdown of which groups are the immediate recipients of the funds (e.g. donor country citizens, local consultants, different income groups in Bangladesh, an independently conducted benefit incidence analysis giving a breakdown of who are the ultimate beneficiaries of the project, a clear statement



PHOTO: JBAUSTE/Flickr.com

Conclusion

Aid programmes are in need of restructuring in order to be more effective. A good account keeping, effective administration and determining the exact volume of loan and aid, and coordination among the donors are the measures to be adapted to this end. Most importantly, donors need to realize that they have moral obligations to help poor nations, but have no right to attach conditions to the aid that they provide.

The people demands honesty and transparency, i.e., donors and government should provide the following data for every project funded: the percentage of project funds which are believed to have been lost due to corruption at different levels,

of the specific conditionalities for the project, a signed declaration stating whether disbursement of the project funds may be used as leverage for other concessions or favours from the Government of Bangladesh and others.

Therefore, for aid to be effective, no conditions are acceptable at all - be it in aid, loans or grants. As committed, discussion in parliament on overseas assistance is necessary for public participation. Non-interventions of the IMF and WB in the allocation of financial and technical assistance, cancellation of PRSP, domestic resource mobilization and preparation of a central plan to make the donor agencies and government accountable to be accountable to the people are the prerequisites to ensure aid effectiveness.

On achieving Paris Declaration on Aid Effectiveness:

RP's problems with aid go beyond lack of transparency, accountability

IBON Foundation, Inc.

PHOTO: VICTOR VILLANUEVA/FLICKR.COM



NBN whistle-blower Jun Lozada

Independent think-tank IBON Foundation said that a recent international study which showed that the Philippines lacks transparency and accountability in aid disbursement only confirmed what broadband scandal whistleblower Rodolfo Noel Lozada Jr. described as a “dysfunctional” official development assistance (ODA) system.

The Baseline Study and Survey of the Government of the Philippines’ Compliance with the Paris Declaration Commitments was made by the Harmonization Committee on Aid Effectiveness, which includes the NEDA. The Paris Declaration is a set of reforms aimed at improving the effectiveness

of aid in reducing poverty and inequality in recipient countries.

IBON said that the anomalous infrastructure projects such as the national broadband network (NBN), funded by Chinese loans and is now under Senate inquiry, is an example of how the country’s foreign aid system is easily subverted by political influence-peddling.

Another example is the North Luzon Railways Project (NorthRail) deal whose two components are meant to be financed largely with US\$960 million in concessional loans from China allegedly involved some US\$50-100 million in “commissions” to high-ranking government officials. The ZTE-NBN fiasco in turn allegedly involved US\$130 million in kickbacks out of a US\$329 million deal.

Anomalies like these are ultimately shouldered by the Filipino people through illegitimate debt service burdens for projects with unjustifiably low or even negative social and economic returns. Political influence over loan decisions has been aggravated by procedural changes in early 2007 which weakened the control of the NEDA-led Investment Coordination Committee (ICC) over foreign-assisted infrastructure projects.

The Paris Declaration was adopted by the Development Assistance Committee (DAC), a group of bilateral donors, under the Organization for Economic Cooperation and Development (OECD) in 2005.

According to the research think-tank, the country needs to institute deeper reforms beyond the Paris Declaration to correct flaws in the ODA system.

For one, aid remains oriented towards furthering donor foreign policy interests more than the country's considerable development needs, as in the case of Japan and the US. Aid from multilateral agencies has also continued to have attached explicit and implicit conditionalities inimical to the interests of the Filipino people.

Donors have also used aid to advance their foreign policy interests at the expense of the country. Japan, overwhelmingly the country's largest donor, has effectively been using its past and current yen loan packages as leverage for the ratification of the Japan-Philippines Economic Partnership Agreement (JPEPA). Government economic managers themselves have argued that non-ratification of the JPEPA could antagonize the country's biggest aid source. The 27th and 28th yen loan packages have been reported to be worth at least P67 billion.

The US, in turn, has been taking advantage of its being the country's largest source of grant aid to revive, expand and deepen its military presence especially in Mindanao but also in conflict-affected areas across the country. There has been US\$460 million in US aid over the 2004-2007 period,

not yet including some US\$20 million yearly in P.L. 480 loans to purchase US food surpluses.

The biggest loans of the World Bank and Asian Development Bank (ADB) have had "free market" policy conditionalities attached to them since at least the 1980s. These have required changes in overall macroeconomic and sectoral policy frameworks, as well as gone into very specific implementation details.

The World Bank's US\$250-million Development Policy Loan (DPL) in 2006 for instance was essentially given because of the government's harsh fiscal austerity including cutbacks on social services, the imposition of new taxes, and continued power sector privatization.

IBON believes that the Paris Declaration also has its basic flaws, among these is its

narrow focus on aid delivery and management outside of a development, human rights, gender and social justice framework. A broader conception of aid accountability and demand for results is needed.

There are also key developmental issues not in the Paris Declaration. This includes the removal of policy conditionalities, measures to address debt burdens, the need to increase grant aid, de-linking aid from donor foreign policy interests, and sanctioning donors for aid projects that violate human rights and have other adverse impacts.

The inclusion of important concerns such as tied aid and the accountability of donors is welcome in principle, but according to IBON, the commitments here are unclear with time frames and targets conspicuously ambiguous.



PHOTO: JOHN A. WARD

Economists' concern about growing global inequality

Rainer Falk

Development + Cooperation /Third World Network Features

Immanuel Wallerstein and Stephen Roach are miles apart ideologically. But they pretty much agree on one thing: after three decades of globalisation euphoria, the pendulum has begun to swing back.

"The political balance is swinging back," writes world-system's analyst Immanuel Wallerstein (2008). "Neoliberal globalisation will be discussed about ten years from now as a seven cyclical swing in the history of the capitalist world economy. The real question is not whether this phase is over but whether the swing will be able, as in the past, to restore a state of relative equilibrium in the world system."

Where Wallerstein sees the end of neoliberal globalisation, the chairman of Morgan Stanley Asia, Stephen Roach (2007), sees an about-turn: "What I suspect is that a partial backtracking is probably now at hand, as the collective interests of globalisation succumb to the self-interests of 'localisation'. An era of localisation will undoubtedly have some very different characteristics from trends of the recent past. The most obvious: wages could go up and corporate profits could come under pressure."

It remains to be seen whether or not "localisation" is the appropriate term to describe current trends. But it is indisputable that more and more people are questioning that globalisation has delivered on

its promises and benefits. In a recent survey, 57% of the people polled in the G7 nations said that globalisation has moved too fast over the past few years (The Washington Post, 2 February 2008). Of those polled in 27 other countries, 64% thought that the advantages and burdens of globalisation were shared unfairly. Only in a few countries (10 out of 34) did the majority of people consider globalisation a positive factor for local economic development. These countries included, significantly, the catch-up economies of China and Russia, the beneficiaries of soaring oil prices such as the United Arab Emirates or special cases in the OECD like Canada and Australia.

Globalisation and inequality

Poll results are always easy to challenge. But in this case, they match the latest trends of debate among economists and international development agencies. This debate revolves around the extent to which inequality in and between nations is linked to globalisation and international economic integration. The concern about increasing inequality triggering backlashes against global integration has spread to orthodox economists. Earlier, they only used to discuss the benefits of globalisation.

Economists Kenneth F. Scheve and Matthew J. Slaughter are two examples. The latter served on

So far, only a small minority of top earners has benefited from global integration. Even conservative economists have begun to worry about social inclusion and effective redistribution.

the Council of Economic Advisers of US President George Bush from 2005 to 2007. In an essay in Foreign Affairs last year, both authors called for a “New Deal” for globalisation, based on new, top-down redistribution policies, in order to allow the vast majority a share in the benefits of globalisation. It is noteworthy that this debate is not only being conducted with a view to the traditional North-South divide, but rather emphasises domestic trends in rich nations.

Makers of development policy noticed the problems first. Three years ago, three reports by multilateral institutions simultaneously focused on the growing social inequality both within and among the nations of the world. The title of the World Development Report of 2006 was “Equity and Development”. In it, the World Bank acknowledged that redistribution of income, as well as growth, is needed to reduce global poverty. Meanwhile, the UN’s Report on the World Social Situation and the UNDP’s Human Development Report highlighted the importance of distribution issues for achieving the Millennium Development Goals (MDGs).

The International Monetary Fund and the OECD have also rediscovered the topic of inequality. In its World Economic Outlook of October last year, the IMF studied the relationship between globalisation and inequality. The OECD’s Employment Outlook concluded last year that the trend of outsourcing and offshoring is increasing the vulnerability of jobs and wages in many developed nations.



PHOTO: AMAXILLA/FLICKR.COM

In the North-South context, debate previously revolved around the question of whether it is only inequality that is growing, or whether poverty is growing too. Poverty levels can in fact decrease in spite of growing inequality – if all incomes rise, for instance, but the higher income brackets do so faster than the lower ones. If this were the case, then growing inequality would be compatible with the Millennium Goals.

The latest World Bank review of purchasing-power parities (PPP) will, however, add fresh impetus to this debate. The data show that both global inequality and global poverty are vastly greater than previously assumed (Milanovic 2008). It is reported that worldwide income inequality is not 65 Gini points, which would roughly equate to the level of South Africa, but 70 points. The Gini coefficient is a statistical measure of income distribution, with “0” corresponding to total equality and “100” to total inequality. An inequality level of 70 was never recorded before anywhere.

The new PPP estimates also imply that the number of absolute poor

is probably considerably higher than assessed so far. According to the out-dated PPP calculations, 980 million people must do with less than the purchasing power of one dollar per day.

It is difficult to establish causal links between globalisation on the one hand and unemployment and inequality on the other. Many of the approaches used for doing so are questionable. For instance, the IMF Outlook tried to ascertain what impact technological progress, financial globalisation and the international trade in goods have had on inequality. It concluded that technology and financial globalisation have boosted inequality, whereas international trade helped to reduce it by making goods and services cheaper.

Trade and technology

The difficulty, however, is that it is hardly possible to assess these factors separately. Trade globalisation is inconceivable without technical progress, and the reverse is just as true. Technological change expresses itself in new forms of trade – such

as the creation of global value chains or the provision of global call-centre services.

Nonetheless, most researchers argue that free trade, one of the central pillars of globalisation, can only be blamed to a minimal extent for inequality and unemployment. For example, Robert Z. Lawrence (2008) argues that while more trade with developing countries caused greater inequality in the USA in the 1980s, its impact was negligible over the past ten years.

According to Lawrence, rising inequality and slow wage expansion – or even decline – are due to dramatic growth in profits and associated advantages for the top one percent of income earners in the USA. Any policy focusing merely on regulating trade would, therefore, be too narrow and unlikely to succeed. Instead, Lawrence calls for a change in taxation regimes and for lending state assistance to those who need to adapt to structural change.

Lawrence's prominent colleague Paul Krugman (2008), however, warns against under-estimating the trade-related downward pressure on wages and labour relations in the USA. He points out that the USA used to import oil and other raw materials from the Third World and manufactured goods from other industrialised regions like Canada, Europe and Japan. Today, however, the USA imports more manufactured goods from poor nations than from rich ones.

Krugman himself used to warn against exaggerated fears of globalisation. In the early 1990s, he pointed out that the imports of finished goods from the Third World made up a relatively modest share of US gross domestic product (GDP). Today, he claims

that the pressure on jobs and wages is probably not quite as modest as it was.

Krugman estimates that the amount of manufactured goods imported from the third world has grown dramatically – from only 2.5% of US GDP in 1990 to six percent in 2006. Countries with very low wages registered the greatest export boost. As Krugman explains, in South Korea, Taiwan, Hong Kong and Singapore, the first “newly-industrialised countries,” wages in 1990 were about 25% of the US level.

Since then, however, US imports are increasingly being sourced in Mexico, where wages are about 11% of the US level, and China, where they are only three or four percent. According to Krugman, only a minority of highly-educated US employees has benefited from the growing trade with Third-World economies, greatly outnumbered by the losers.

The vast majority misses out

This last point is crucial. Not only do small minorities have no share in the benefits of globalisation – the vast majority of people misses out. No serious observer will claim that globalisation, trade and international investment are not good for national economies in themselves.

Yet even in the conservative camp, fears are mounting that only a tiny group at the top of society is reaping the benefits. Incidentally, this applies equally to the advanced countries and many developing countries, although details differ, of course. In any case, the question of appropriate counter-strategies and remedies is becoming urgent.

Adjustment assistance for those negatively affected by

globalisation is considered a rather conventional remedy in the rich world. The focus can be on reforming labour law, improving social-security systems or new measures for re-training and education. Such programmes are usually sold as “helping people to adapt to globalisation”, although the measures used usually have only an aftercare character, without tackling the underlying roots of unemployment and poverty.

That is precisely why Scheve and Slaughter are demanding drastic re-distribution from the top down. In their above-mentioned article, they suggest abolishing all income tax for workers who earn less than the average national income, and drastically increasing the taxation rate for the top earners.

Lawrence Summers, a former World Bank chief economist and former US treasury secretary, supported their call in the Financial Times by stating that to prevent protectionist tendencies, which would cut the overall benefits of globalisation, it was better to share the cake more fairly.

References

Krugman, Paul, 2007: Trouble with trade, in: New York Times, 28.12.

Lawrence, Robert Z., 2008: Blue collar blues: Is trade to blame for US income inequality?, Peterson Institute: Washington D.C.

Milanovic, Branko, 2008: Developing countries worse off than thought – part I, in: Yale Global Online, 11 February (www.yaleglobal.yale.edu) » <http://www.yaleglobal.yale.edu>

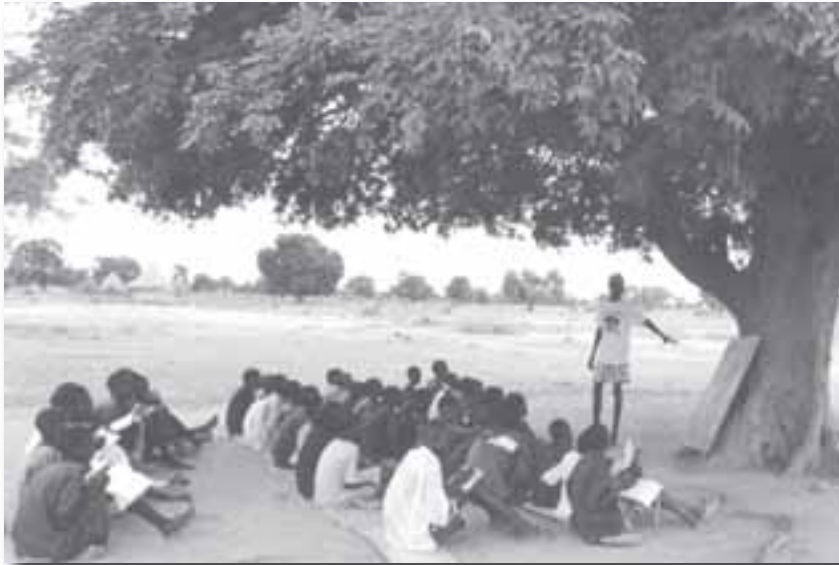
Roach, Steven S., 2007: From globalisation to localisation?, in: The Globalist, 19.6. (www.theglobalist.com) <http://www.theglobalist.com>

Scheve, Kenneth F./Slaughter, Matthew J., 2007: A New Deal for globalization, in: Foreign Affairs, July/August

Wallerstein, Immanuel, 2008: The demise of neoliberal globalisation, in: YaleGlobal Online, 4.2. » <http://www.yaleglobal.yale.edu>

U.N. POVERTY GOALS

FACE NEW THREATS



Thalif Deen
Inter-Press Service

children now survive each year; an additional two million people receive treatment for HIV/AIDS; and millions more children are in school.

Since 2000, says Ban, macroeconomic fundamentals and policy implementation have

improved markedly, with growth averaging over 5.0 percent across Africa alone.

“The challenge is now to replicate these successes in more countries,” says the secretary-general, even as the 192-member General Assembly concluded a two-day debate Wednesday on identifying the roadblocks towards progress.

But with the threat of an economic recession in the United States and its negative impact on the rest of the world, along with the dramatic rise in oil prices and foodstuffs worldwide, there is a relatively gloomy outlook for MDGs.

Srgjan Kerim, president of the General Assembly, points out that poverty, education and health goals are the areas where progress is most urgently required, and where experience suggests that positive results have a catalytic effect on the other MDGs.

According to U.N. statistics, he says the absolute number of poor in sub-Saharan Africa is still rising

The U.N.’s Millennium Development Goals (MDGs), aimed primarily at reducing poverty, hunger, disease and illiteracy, are being undermined by a rash of new problems threatening to cripple the ongoing efforts by developing nations to reach their targets by 2015.

With less than seven years to meet the deadline, the failures seem to far outweigh the limited successes achieved so far.

And the positive results, say the United Nations, are in danger of being wiped out by critical new threats, including skyrocketing food and fuel prices, increasing transportation costs, a decline in development aid and a shortage of health workers.

“More than halfway to 2015, the MDG track record is mixed,” admits Secretary-General Ban Ki-moon.

He cites the “undeniable progress” in the field of health care worldwide: three million more

and projected to stand at 360 million in 2015.

Globally, he points out, about 72 million primary age children are not enrolled in schools, and every year, more than half a million women lost their lives to causes related to child birth while about 10 million children die before reaching their fifth birthday.

Additionally, about 1.7 million people in Africa become infected with HIV, the cause of the deadly AIDS disease.

Josette Sheeran, executive director of the World Food Programme (WFP), warns there are already signs that “we are entering a new era of hunger” while, at the same time, the absolute number of hungry people remains high at 854 million.

Many nations -- particularly in Africa -- are not on track to meet the very first MDG: reducing the proportion of hungry in half by 2015.

The Rome-based WFP, which last month appealed for at least 500 million dollars more to meet the needs of the hungry in 2008, has already expressed “concern” over the rising food and fuel prices.

Since January 2008, international rice prices have registered a steep

increase of about 20 percent in world markets.

The rise in the price of foodstuffs, including bread and rice, has triggered demonstrations and riots in several countries, including Burkina Faso, Cote d’Ivoire, Egypt and Cameroon.

According to Amnesty International, most developing nations have also failed to improve MDG Goal 5, relating to maternal mortality.

“States must commit to eliminating the underlying human rights violations that drive maternal mortality,” AI said in a statement released Wednesday.

Thoraya Ahmed Obaid, executive director of the U.N. Population Fund (UNFPA), told the General Assembly Tuesday that the “sad and shocking truth” is that maternal mortality is the largest health inequity in the world.

And this health gap, between rich and poor countries and within countries, only deepens the widespread poverty that exists in our world. Poverty is a key causes of all of that, she added.

She told delegates that a study in Egypt found that every dollar invested in family planning saved the government 31 dollars

in spending on education, food, health, housing and water and sewage services.

At the same time, studies in Mexico, Vietnam and Thailand show similar far-reaching savings.

“The cost-benefit analysis is clear. And the consequences of non-investment are dramatic. It is estimated that the global economic impact of maternal and newborn deaths amounts to 15 billion dollars per year in lost productivity,” she added.

Obaid also said that one of the major challenges to progress in achieving MDG 5 is the shortage of health workers as well as unattractive working conditions.

More than four million health workers are needed in Africa and Asia. And there is an immediate need for 334,000 midwives, she added.

“Together, we can get these midwives in the communities where they are needed and give them incentives to continue to work, often under difficult conditions, to save women’s lives,” she added.

According to Obaid, at least an estimated 6.0 billion dollars in additional funding is needed each year to reduce maternal and newborn mortality. This is equivalent to about one and a half days of global military spending.

“Isn’t it incredible that just a day and a half of military spending directed at maternal health could save the lives of half a million women and 8 million newborns each year?” she asked.

...this health gap, between rich and poor countries and within countries, only deepens the widespread poverty that exists in our world.

Amid barrage of hype, reality of weak economy persists

Sonny Africa
IBON Foundation, Inc.

BON Features-- The administration has made much noise of its economic performance in 2007. Most of all it crows about rapid growth in gross domestic product (GDP), the peso's appreciation against the dollar, and reining in the national government deficit. Unfortunately these are not the whole story. There is a barrage of hype but the reality is of a weak economy and, absent fundamental economic reforms, millions of Filipinos consigned to joblessness and poverty.

A more complete descent into economic turmoil was averted last year by record overseas remittances, debt-driven spending, an upsurge in "hot money", the fortuitous weakening of the United States (US) dollar, and a US economy that had yet to fall into recession. There was also an unmatched privatization spree with the P91 billion worth of public assets sold equivalent to nearly as much as had been sold in the previous 15 years spanning three administrations. These conditions are unlikely to recur in 2008— and

the downward pull of accumulated economic problems is unavoidable.

Crisis times

The clearest signs of economic failure are in the poor conditions of millions of Filipinos. The 11.3 percent average annual unemployment rate over the period 2001-2007 is the worst 7-year period recorded in the country's history. There were 4.1 million jobless Filipinos and 6.8 million underemployed last year, or almost 11 million Filipinos looking for work.

The government uses statistical sleight of hand to give the illusion of an improved jobs situation. Its definition of unemployment since April 2005 cuts the number of jobless not by giving them jobs but by classifying long-discouraged jobseekers and those not available/willing to immediately take up work as "not in the labor force". This had the effect of reducing the "official" unemployment by around 3.5%

PHOTO: MIKESALES/PELICOR.COM



The clearest signs of economic failure under the Arroyo administration are in the poor conditions of millions of Filipinos.

The country's economic prospects are unfortunately made even worse by the crying need for credible leadership underpinned by a broad-based democracy.

and the number of jobless by 1.4 million in 2007.

Yet job creation is far short of the targeted million jobs a year and also of poor quality. Despite supposedly record growth the 861,000 net additional jobs created in 2007 is only a 2.6% increase in employment from the year before and is the fourth slowest rate of job creation in the last seven years.

The sources of jobs also betray economic backwardness. The leading sector in job creation is domestic household help with an additional 142,000 jobs, followed by 116,000 jobs in transport, storage and communication, and 111,000 jobs in wholesale and retail trade. These are among the lowest-paying, most temporary and insecure jobs in the country. In stark contrast only 72,000 agriculture jobs and 4,000 manufacturing jobs were added yet these sectors constitute the internal productive base of the national economy.

The latest Family Income and Expenditure Survey (FIES) noted

average family income dropping between 2000 and 2006 with nominal incomes not keeping up with inflation. The incomes of the poorest four-fifths of Filipino families – or some 13.9 million families – fell between five and almost 13 percent. These 70 million or so Filipinos each struggle to survive on P110 or even much less a day.

Critical times

Things can only get worse in 2008 with the US recession and a generalized slowdown in the world economy. The domestic situation is made worse than it should be by internal weaknesses resulting from “globalization”, the erosion of domestic productive sectors and over-dependence on trade, foreign loans and capital.

As it is, manufacturing sector growth slowed to 3.3% in 2006 and its 23.1 percent share in GDP is as low as in the late 1950s. Agriculture grew at a faster 5.1% clip but then wide year-to-year variances are the norm for the sector and the its 18.4% share in GDP is the smallest in the country's history. This internal domestic weakness makes the country unduly vulnerable.

The country has significant links to the US economy which remains our top investment and exports partner (accounting for 20 percent of the country's respective totals). Drops in US consumption and investments will be deeply felt. This effect is magnified by “globalization” where much of Philippine exports to East Asian countries like China, South Korea, Taiwan and Malaysia are actually intra-firm trade with the US still the ultimate destination. Slower growth in third party countries that depend on US and which Philippines deals with will also cause problems.

Even the vaunted local information technology (IT)-enabled industry will likely be hit hard because of its considerable dependence on the US market, further aggravated by the continued peso appreciation. The US is an overwhelming presence in the business process outsourcing (BPO) sector and accounted for nearly nine-tenths of total BPO exports revenue and over two-thirds of foreign equity in 2005. Nearly nine-tenths of BPO service exports were to the US market. The impact will be most felt in the National Capital Region (NCR) where an estimated 80% of BPO employees are located.

There are also other sources of problems. Slow global growth could restrain OFW deployments and slow down remittances which will reduce domestic consumption. The administration's inability to even let revenues keep up with nominal GDP growth, compounded by the dearth of remaining assets to sell, could lead to an uncontrolled intensification of its fiscal crisis in 2008.

The rumbling political instability stemming from unresolved issues of legitimacy, graft, corruption and political violence are also taking their toll. If these are amplified by a drop in local business sentiment then this year or the next might even see the beginning of a steep downward economic spiral.

All this highlights the folly of government economic strategies which unduly rely on external factors instead of creating jobs and producing goods by building domestic agriculture and industry. The country's economic prospects are unfortunately made even worse by the crying need for credible leadership underpinned by a broad-based democracy.

IBON Features

CRISPIN BELTRAN:

Most outstanding legislator

Center for People Empowerment in Governance (CenPEG)



PHOTO: ARKONGSAYAN.ORG

In session, Beltran stood tall and dignified among many, untainted by the corruption that soiled many multimillionaire-congressmen's seats.

Crispin Beltran is an exemplary product of his times. Trained in genuine unionism, steeled in the parliament of the streets, and more defiant after Marcos imprisonment, he brought new politics in Congress. Through it all he remained at the forefront of the workers' struggle – and that struggle has produced a hero.

Beltran, known to many Filipinos as Ka (short for kasama or comrade) Bel, was adjudged Most Consistent Outstanding Congressman from 2002-2005 and was elevated to the Congressional Hall of Fame by the Congress Magazine in 2006. He filed the most number of bills in the 13th Congress among the Party-list representatives and would have achieved the same record in the present one had he not met a fatal accident on May 20. The Philippine press and the whole nation – ruled by a government seen as one of the most corrupt in the world – were astounded to find that he died a poor man and had maintained an even frugal life.

Anakpawis (Toiling Masses) Representative and Kilusang Mayo Uno (KMU or May First Movement) Chairperson Emeritus Crispin Beltran passed away on May 20, 2008 due to severe head injuries after falling 14 feet from the roof of his house, trying to repair a leak. He was 75.

But why was Beltran tagged and imprisoned as an “enemy of the state” by two Presidents – Ferdinand Marcos in the 1980s and, for a year-and-a-half, by Gloria M. Arroyo? What kind of politics did he wage

that provoked state authorities to believe that by neutralizing him – either by arrest or physical harm (he had faced countless attempts on his life) – they would put an end to his ideology as well?

Humble beginnings

Born of humble beginnings in Bikol in 1933, Beltran's life had been etched by struggles whether as a young guerilla courier fighting the Japanese imperial occupation or as a farm worker, office sweeper, gasoline attendant, messenger, bus driver and later, as a cab driver to support his education. His legacy as one of the country's outstanding labor leaders traces its roots to when, at age 20, he joined fellow drivers in a strike. From thereon, there was no looking back. He either helped organize or served as leader of pioneering labor organizations, the last as chair of the Kilusang Mayo Uno (KMU) in 1987 following the abduction and brutal murder of Rolando Olalia and his driver by military operatives. Three years earlier, he escaped Marcos torture and imprisonment and went to the countryside to organize workers and farm laborers.

For Beltran, working alongside the country's proletariat did not only mean going on strikes for bread and butter or facing company executives in tough wage negotiations. The years spent in labor leadership also produced hard-fought lessons in ideological skirmishes with "yellow" or compromising trade unionism and also linking up with organizations of farmers, youth-students, urban poor and other sectors in a nationwide cause-oriented movement. It meant

taking up the cudgels of the poor through peaceful but militant engagement with state authorities in denouncing oppressive policies while advocating for genuine social, economic and political reform. He knew that any picket or street protest would be met by police truncheons, water cannons, or even bullets but Beltran never for a second vacillated in the frontline of the struggle, as colleagues in the street parliament would narrate.

Known for his solid pro-people leadership in the labor movement, Beltran was invited to join the senatorial slate of the Partido ng Bayan (PnB or people's party) in the 1987 elections – the first to be held after 14 years of Marcos dictatorship. Reminiscent of the fate suffered by the Democratic Alliance (DA) whose six representatives elected in the 1946 elections were unseated for opposing onerous economic and military agreements with the United States, the PnB came out badly bruised from the polls with many of its volunteers killed and most of its candidates for Congress and local positions victims of fraud.

Beltran and the Party-list organizations that he represented (Bayan Muna and, later, Anakpawis) garnered significant seats in elections for the House, with BM topping both the 2001 and 2004 polls. House records show that the labor leader championed the issues of the poor in privilege speeches as well as by filing bills and resolutions on their behalf. The speeches, bills and resolutions penned by Beltran, among others, called for investigations of violations of the

rights of workers, farm laborers, urban poor, migrant workers, consumers, GSIS members as well as public employees and victims of human rights violations. He was most vehement in opposing the Visiting Forces Agreement (VFA), Arroyo's support to the U.S. war on terror and the invasion of Afghanistan and Iraq.

Vindictive Arroyo

These initiatives inevitably antagonized government agencies, big industrial and agricultural corporations, energy companies, and military authorities. Consequently, the congressman earned the vindictive ire of Mrs. Arroyo as she watched her centerpiece policies and bills sponsored subjected to condemnation one after the other by the labor leader - together with Party mates and other legislators - inside and outside the halls of Congress. Coauthoring three impeachment initiatives and denunciations against scams linking the Arroyo couple also cost Beltran's office access to the countrywide development fund, among others.

The denial of CDF funds became part of what the progressive Party-list bloc denounced as a systematic campaign to unseat them from the House through demonization, election fraud, and the use of physical violence. The campaign was integral to a national security doctrine that seeks to neutralize the underground Left's alleged political infrastructures resulting in a series of summary executions and forced disappearances. Beltran was picked up and jailed by Arroyo authorities in February 2006 in a crackdown mounted by

the President's attack dogs against the progressive bloc. After nearly two years in detention, he was set free by the Supreme Court which dismissed the trumped-up charges. By then, however, Beltran had physically weakened - a result of harassment, threats, and stress he suffered under a government that considered him "a threat to national security" and only because, as workers in the labor movement said, he stood by his principles and refused to be cowed by Malacanang through bribery and other pressures.

The last public performance that he did was when as a minority member of the House energy committee he spoke against attempts by the President to place Meralco in the hands of her business cronies in the guise of state nationalization. Before that, he filed a bill calling for a genuine agrarian reform program in place of CARP which for two decades he had denounced as a hoax. Just like the P125 legislated wage increase that Beltran and the militant labor groups had been asking for nearly 10 years, the genuine agrarian reform measure that the progressive legislator filed will be shot down by Congress' dominant conservative members and Arroyo allies. Ever a leading figure in major rallies even while he was already in Congress, Beltran delivered what turned out to be his valedictory - wearing a white T-shirt and a red cap together with co-workers at the May 1 rally in Liwasang Bonifacio, Manila.

Tributes

In a tribute to the fallen labor leader, Sen. Alan Peter Cayetano said Beltran is probably among the few members of Congress deserving of the title "Honorable." People who visited him while in detention to lend moral support left being inspired instead, a fellow activist leader recalls. Down with ailment, he still took pains serving food or coffee, a former KMU public information writer also says. "Don't deprive me of my wanting to serve you - no matter how small it is - if that's the only way I'll be of service," Beltran told him, quoting Golda Meir.

There are at least two lessons that can be drawn from the legacy left by Beltran. One is that his participation in the Party-list system led to the infusion of new politics in an elite-dominated Congress and with it a sterling record of legislative work for social and economic reform for the poor. A member of the legislature once noted that the

entry of the progressive Party-list bloc into Congress gave the body the meaningful role that it never had. In session, Beltran stood tall and dignified among many, untainted by the corruption that soiled many multimillionaire-congressmen's seats. But the political repression that Beltran and his colleagues endured - and continues to endure - all the more unmasks not only the state's subversion of the Party-list program that aims to represent the poor in policy making but also the continuing dominance of elitist politics that denies the poor a role in governance participation.

Beltran is vindicated for devoting his life to labor militancy alongside other marginalized classes - building power from the bowels of poverty and injustice - from where people's governance will rise. The labor and legislative record of Beltran proves that the breed of people's leaders is bound to increase - as it now appears - and that elitist rule will be a thing of the past. And that is the second lesson.



PHOTO: ARNOLD BAYALON/NOG

Maoist victory in CA elections

Gopal Siwakoti "Chintan"



PHOTO: ASHISH LOHOKUNG RAU/FILIPK.COM

Arguably for the first time in its history the Nepali nation has regained, through popular franchise, a degree of sovereignty that its servile political leadership had steadily surrendered over the years to various foreign interests. The idea of a Constituent Assembly to found a republic first came up in political circles in the 1950s. Today, five decades later that has become a reality and this reality is a spectacular one.

For the first time in the history of modern South Asia, a constitution is to be written in an assembly that is more representative than any other in the subcontinent. This is the long delayed revolution that so many forces both inside Nepal and outside

have tried to thwart ever since it began to stir to life long ago. This is the single biggest contribution of the Maoist movement, not just to Nepal but also to South Asia—the potential democratization of a nation's founding charter so that the state represents the peoples' will to a greater degree than its predecessors did.

This is the meaning of the victory of the Maoists in the elections to the first popularly elected constituent assembly in South Asia. This is the victory of the Nepali people against their feudal oppressors, the triumph of popular sentiment over the malicious propaganda of the media, the success of the republic over the kingdom, the attainment of sovereignty against foreign interference and the conquest of Kathmandu by the rest of Nepal.

Why the Maoists won

The Maoists have won a majority of the seats under the first-past-the-post system and are on course to win the largest share

The emergence of a new political force at the helm of the state has implications for all the major powers with geo-political interests in Nepal.

of the seats in the proportional representation system as well. This overwhelming victory has come as a surprise to the mainstream political parties of Nepal, to the global media, to India and all the outside powers that have made a habit of interfering in the sovereign affairs of Nepal. All of them loiter in Kathmandu and chatter to each other about the destiny of Nepal. But the outcome is not a surprise to those who have kept their ears close to the ground.

What the myth-makers of Kathmandu failed to understand was that the Nepali polity was comprehensively anachronistic, based on a narrow system of accommodation of the urban and rural elites, and unable to deliver even the most rudimentary form of welfare to the vast majority of impoverished rural Nepalis. Left to fend for themselves after a series of betrayals that saw people being deprived of the agrarian livelihood thanks to World Bank-IMF reforms, deprived of the water and natural resources thanks to Asian Development Bank-led

developmental destruction, denied even basic services such as electricity and a decent education, ordinary Nepalis voted in large numbers for a political force that had articulated a new radicalism in Nepali history and underwent severe hardships to give a voice to peoples' aspirations in the course of the 10-year old civil war.

The civil war, though brutal and bloody, gave rural Nepalis an insight into the extent to which the Kathmandu based state and the social and economic interest groups it protected would go to preserve the privileges of the few against the aspirations of the many. This is something that most observers of Nepali politics do not comprehend. There is a liberal delusion that people being ground to extinction by extreme poverty have the same distaste for class war that the exploiters of the nation entertain and hence in an election an underground force will be defeated. Yet, it was the mainstream political forces that were reluctant to hold the elections in the first instance because, being closer to the ground than commentators who live exclusively off Kathmandu, they knew the reality of just how meaningless the Nepali state had become to the Nepali people. If anything, the conduct of the Nepali Army in fighting the civil war alienated the mass of the people from the institutions of the state, including the political parties.

The mainstream political parties were themselves unable to overcome their ideological paralysis and formulate a clear vision of their politics that would at least have neutralized the loss of credibility that resulted from their craven conduct during the years that they managed the polity between 1991 and 2004. They were unable even to take a definite and categorical position on the question of monarchy and the

army, both of which had caused immense damage to rural Nepal through their depredations. In short, when the Maoists articulated a politics more relevant to a larger number of Nepalis, the political forces defending the outdated polity became proportionately more irrelevant. This is why the Maoists won despite India's success in ensuring that the two major left forces, the Maoists and the UML, fought the elections against each other.

The success of the Maoists is also attributable to its amazing collective leadership and coordinated actions, which was sustained despite the intense pressure exerted by various forces, not least the media, to divide them.

Prachanda's leadership is likely to be severely tested, much more so than it was in the underground.

External implications

The emergence of a new political force at the helm of the state has implications for all the major powers with geo-political interests in Nepal. So far all of them have invested heavily in the former mainstream parties, particularly the Nepali Congress. This has been truer of the US, the Europeans and to an extent the Chinese. With the Indians, the approach has been different. Whereas officially, India engaged with the Nepali Congress and UML, its covert agencies have maintained channels of communication with the Maoists. The intricate negotiations between

the Maoists and the other Nepali political parties that took place in New Delhi in 2005 also gave the Maoists overground legitimacy and opened up communications with official India.

While the elections results have come as a shock to the Indian establishment, India will have less difficulty in dealing with the Maoists than the US or the Europeans. However, what will be interesting is the attitude of the Maoists towards Indian overtures. It is no secret that India had a significantly obstructive role to play in ensuring that the Maoists did not have any major alliance partners during the elections and this drew the ire of the Maoist leadership. The Indian bureaucracy, especially those who sit in South Block, has been notoriously dense and obtuse in its reading of the Nepali situation. From the time of Shyam Saran India's Nepal

policy has been shallow and ill-informed and it was only in 2005 briefly that India rectified its course. Therefore, India will have its work cut out to rebuild good relations with the Maoists, so that Nepal and India can co-exist on a more equitable basis than has been the case hitherto.

In this context, much has been made in India of the China factor, merely on the strength of alleged ideological affinities between the Maoists and China. Given that there is nothing Maoist about present day China, and given China's economic utilitarian

attitude to external relations there does not seem to be much scope for any great deepening of Nepal China relations. In the past the Chinese were very comfortable in dealing with the king, even when he seized power in 2005 and there is no particular affinity between the Chinese and the Nepali Maoists, any more than there is between the Chinese and the Indian Maoists. This is primarily the rhetoric of security alarmists and hawks in the Delhi establishment and their clients in Kathmandu. Historically, all political forces in Nepal have had more affinities with India

latter is but an international sub-set of the former. The new US ambassador, Nancy Powell is an unknown quantity, but she will have to live with the messy heritage of two previous incumbents who had no clue what they were doing. US and UK policy in Nepal have been utterly ill-informed and they have had very few real connections with the Maoists, who are still on the US' list of terrorists. To date there has been no indication of any rethink on the US policy to Nepal and Nancy Powell was more keen to meet the fallen giant Girija Prasad Koirala, whose family led its party

to a rout in the just concluded elections.

If there is no American rethink and US diplomacy continues to keep to its failed course, the only available option for US diplomatic personnel stationed in Kathmandu to use domestic clients to whip up an unstable

climate before staging a coup. The attempt cannot be ruled out even if the success of such an enterprise is open to question.

In the circumstances, Prachanda's leadership is likely to be severely tested, much more so than it was in the underground. In the underground he rose to Olympian heights of leadership and held the movement together for 10 years despite every attempt to break it. Those same qualities will have to come to the fore if he has to steer Nepal through to a socialist republican future. www.rediff.com



Prachanda (Nepali communist leader)

than with any other country for obvious cultural and geographical reasons and it is difficult to see that situation changing drastically unless the Indian establishment bungles so drastically that such a situation is forced on the Maoists. As between India and China, primarily the same set of overall relations are likely to continue, though the Maoists are more likely to stand up to India's domineering than the other political parties.

In fact the country with the most to lose is the US and, therefore, by extension the UK, since the

Executive summary of selected Philippine NGO submissions

The following is a summary of the submissions of Karapatan, National Council of Churches in the Philippines, Ibon Foundation, Bagong Alyansang Makabayan, Indigenous Peoples Rights Monitor, GMA Watch, Asian Legal Resource Center and NGO Working Group on Asia to the UN Human Rights Council as it conducts the Universal Periodic Review (UPR) on the Philippines. This summary also includes the report prepared by Bayan Muna, a political party in the Philippines which suffered political persecution.

The submissions discussed the human rights crisis in the Philippines that showed a pattern of human rights violations nationwide, specifically extrajudicial killings, enforced disappearances, abduction, torture, arbitrary detention and strong military presence in rural and urban poor communities.

The pattern shows that the human rights crisis was brought about by the Philippine government's counterinsurgency program, Oplan Bantay Laya, (Operation Freedom Watch) launched in 2002 that has targeted not only armed rebels but also unarmed civilians. Journalists, lawyers and judges, human rights defenders and church people, who have publicly expressed their opinion, have fallen victims of the politically motivated killings as they are considered by the military as "enemies of the state".

As indicated in Bayan Muna's submission, because of their critical stance on the Government's national policies, they are considered recruiters of the New People's Army (NPA) and "legal fronts" of the communist party. Their leaders and members have



been placed under the military "order of battle" subject to threats, harassments, intimidation, frustrated killings, arbitrary arrests, illegal detention and torture.

All reports indicated that a culture of impunity allows the killings and enforced disappearances to persist and be tolerated. The lack of prosecution or the widespread lack of accountability of the security forces – both the police and military – continues the culture of violations and denial of rights.

Poorly conducted investigations, in which there is little or no reliance on forensic evidence and an inability to produce witnesses mean that many complaints are being dismissed even before they are heard in court. A case is considered solved once it has been filed in the prosecutor's office.

The Melo Commission and Task Force Usig created by the government to investigate political killings are face-saving tools to the international community. Suggested perpetrators stated in the Melo report have not yet been convicted and its recommendations delayed.

Though the Philippine government welcomed the UN Special Rapporteur on extra-judicial, summary and arbitrary execution Professor Philip Alston to indicate the country's "good citizenship in the international human rights system", Executive Secretary Eduardo Ermita claims his final report on the human rights situation was maligned and misrepresented. The recommendations made by Professor Philip Alston are still pending and have yet to be genuinely implemented.

The lack of real witness protection emphasizes the susceptibility of being the next victims of killings. For example, Siche Bustamante-Gandinao was killed on March 10, 2007, days after speaking to Professor Philip Alston. Witnesses are not given the protection and assistance needed in spite of the witness protection program created under the Republic Act 6981.

The Philippine government has signed into law its Human Security Act which qualified a terrorist act as "to sow and create conditions of widespread and extraordinary fear and panic among the populace, in order to coerce the government to give in to an unlawful demand". Martin Scheinin, UN Special Rapporteur on the Promotion and Protection of Human Rights and Fundamental Freedoms while Countering Terrorism described this as "an overly broad definition which is seen to be at variance with the principle of legality and thus incompatible with Article 15 of the International Covenant on Civil and Political Rights."

Because the administration cannot



violently suppress its international critics, the government aligned certain foreigners with Taliban and Al-Queda activities. GMA watch reports that hundreds of individual critics from over 50 countries were placed on a blacklist indicating that they were to "be watched" because of their alleged links to such groups. These are names of petitioners criticizing the Arroyo administration, solidarity writers denouncing the extrajudicial killings, and groups who have visited the Philippines to investigate on the human rights violations.

The Indigenous Peoples Rights-Monitor described three areas of human rights violations: political killings of indigenous peoples and the continuing threats to indigenous leaders and community members asserting their collective rights; escalating militarization

of indigenous peoples' territories including the forced recruitment of indigenous peoples into paramilitary groups; and violation of the collective rights of indigenous peoples to their land and resources brought about by the widespread implementation of extractive industries and other development projects in indigenous territories.

The submission also described the failure to adequately implement and follow the provisions of the Free, Prior and Informed Consent in the government's Indigenous Peoples Rights Act that was made a requirement for any project or activities in indigenous territories.

Finally, this human rights crisis should be seen in the landscape of extreme poverty. Ibon Foundation and Bagong Alyansang

Makabayan discussed the non-compliance by the government of the different rights elaborated in the ICESR. This is a result of “free market” socioeconomic policies that have increased the control of foreign and domestic elite economic interests of the nation, particularly its labor and natural resources, to the detriment of the national economy and the welfare of the majority of the Filipino people.

Recommendations were forwarded to the Philippine government as follows:

- Issue an order to the military to immediately stop the killings, abductions, torture, and other forms of human rights violations, including the revocation of all hit lists that target members, leaders and other civilians suspected by the military as being affiliated with “communist front organizations”
- Review and repeal, to ensure strict compliance with international human rights standards, of the government’s counter-insurgency program which is cynically self-titled: *Oplan Bantay Laya* (Operation Freedom Watch)
- End the reign of terror and intimidation that has been virtually imposed by massive troop deployment and military operations
- Revoke the labeling and association of progressive democratic organizations, national liberation movements, indigenous people as “enemies of the state” and repeal all military hit lists
- Prosecute and punish the perpetrators of extrajudicial killings, enforced disappearances and torture and other forms of human rights violations
- Resume peace talks with the National Democratic Front of the Philippines and the Moro Islamic Liberation Front
- Repeal the Human Security Act of 2007
- Allow the UN representatives, Special Rapporteurs and Working groups especially those who have sent their requests to the Philippine government to visit and inquire into the human rights situation in the Philippines
- Ensure the independence of the Commission on Human Rights and pass legislation that would provide the commission prosecutorial powers independent of the Department of Justice.
- Call on the government to fulfill its pledges to the UN Human Rights Council.
- Implement the recommendations made by the Melo Commission, the UN Special Rapporteurs on extra-judicial, summary or arbitrary executions and indigenous peoples.
- Ratify all international human rights instruments to which it is not a party, and in particular the Option Protocol to the Convention Against Torture and the Convention on Enforced Disappearances
- Immediately enact, and strictly implement, laws on torture, involuntary disappearances and internally displaced people
- Review the Indigenous Peoples Rights Act and other laws in conflict with IPRA and the UN Declaration on the Rights of Indigenous Peoples
- Review and repeal or revise existing laws, such as those for example relating to mining and the Automatic Appropriations Law, to ensure full conformity with international human rights standards
- End regression and promote progressive realization of economic, social and cultural rights of people adversely affected by the economic policies of the government.
- The different non-government organizations also forwarded to the UN Human Rights Council the following:
- Enjoin the Philippine government to establish a truly independent body to investigate and address complaints relating to the above-mentioned human rights violations.
- The UPR review of the Philippines must assess fulfillment of all of the voluntary pledges made by the Philippines in 2006 and 2007 and in particular its “commitment to protect and promote human rights at the national level” and its pledge to “uphold justice and strengthen efforts to address impunity”.
- A fair and thorough UPR review should support serious consideration to remove or at least suspend the Philippines’ membership in the Council until such time that there are indications of genuine, effective and adequate good practices to resolve and address the human rights issues and concerns in the country.

Philippine UPR Watch

DDT Linked to Breast Cancer

UTUSAN Konsumer

Women heavily exposed to the pesticide DDT during childhood are five times as likely to develop breast cancer, a new scientific study suggests.



PHOTO: BRAD SMITH/FILOR.COM

For decades, scientists have tried to determine whether there is a connection between breast cancer and DDT, the most widely used insecticide in history.

“There was very broad exposure to this pesticide, and with this study, we have evidence that women exposed when young were the most affected,” said Barbara A. Cohn, director of UC Berkeley’s Child Health and Development Studies, who lead the study of 129 women. “If this finding holds up, those who were young and more highly exposed could be the women in greater risk.”

Women born between 1945 and 1959 were most likely to have been heavily exposed as children to DDT, which was sprayed throughout the United States to kill mosquitoes and other insects. DDT used began in

1945, peaked in 1959 and was banned nationwide in 1972 because it was building up in the environment.

Because the pesticide was ubiquitous, the authors wrote, “the public health significance of DDT exposure in early life maybe large.”

If the early-exposure theory is true, breast cancer rates could rise as the DDT generation ages. Two-thirds of women with invasive breast cancer are 55 or older when they are diagnosed, according to the American Cancer Society.

Several larger, earlier studies found no evidence that DDT caused breast cancer.

However, those studies were based on amounts found in the blood of middle-age and older women,

after they had contracted cancer and decades after DDT was banned.

The new study looked for the first time at DDT concentrations in women when they were primarily in their 20s, closer to when their breasts developed and during a time of widespread spraying. The UC Berkeley team measured DDT in blood collected between 1959 and 1967 from 129 women.

Their study, funded by the National Cancer Institute, is published in *Environmental Health Perspectives*, October 2007.

The women in the top third of DDT concentrations who were exposed before age 14 were 5 times as likely to get breast cancer as the women with the lowest levels, according to the study.

The Berkeley study "is very compelling and important and addresses a question about timing of exposure that many of the existing studies could not

...virtually everyone on the planet still carries residue because the pesticide persists in the environment and in tissues, breaking down slowly.

address," said Mary Beth B. Terry, an associate professor of epidemiology at Colombia University's Mailman School of Public Health. She co-wrote the Long-Island study.

"Their findings in general support their hypothesis that the earlier you were exposed, the stronger the effect," Terry said. "We think with organo-chlorines and other exposures, the timing may be more important in terms of breast cancer."

A 5-fold increase in breast cancer – 400% - is considered very high. Most traditional risk factors, such as late menopause, obesity and older age at first pregnancy, increase risk by 50-100%.

DDT is prohibited today in most of the world, though it is used in small volumes in some malaria-plagued African nations.

But virtually everyone on the planet still carries residue because the pesticide persists in the environment and in tissues, breaking down slowly.

Many environmental toxicologists and epidemiologists have in recent years altered their thinking about toxic exposures. They used to focus on lifetime exposure. But now they suspect that chemicals may activate genes or damage DNA in the womb or during early childhood, resulting in diseases decades earlier.

Other evidence suggests that breast cancer can be triggered early in life. In lab animals, prenatal doses of chemicals can trigger cancerous cells in fetal mammary glands. Also, Japanese females who were younger than 20 in 1945 developed the highest breast cancer rates among those exposed to radiation from the atomic bombs.

Source: *Los Angeles Times*, 30 September 2007

PHOTO: WIKIMEDIA



Back to the Sixties

Joseph S. Yu

Across the Universe is an ode to the sixties, a love story set to the songs of The Beatles. And if the filmmakers had been content to keep the movie at that level then it might have been a success. Unfortunately, they also try to grapple with some of the harsher realities of the period, and end up revealing they haven't really grasped the sixties' spirit of rebellion and possibility.

The film ostensibly tells the love story of Jude and Lucy, but its overarching goal seems to be to capture the spirit of the sixties. Jude (Jim Sturgess) comes to America from Liverpool in search of his father, whom he believes is a professor at Princeton but who is really a janitor. He is befriended by Max (Joe Anderson), a rebellious student, and falls for Max's sister Lucy (Evan Rachel Wood, who's revelatory), whose boyfriend is a soldier serving in Vietnam. Meanwhile, in a small Ohio town, Prudence (T.V. Carpio) struggles with her lesbianism.

It is in this first act that Across the Universe is most enjoyable and shows the promise of the film that could have been. When Lucy sings "It Won't Be Long" to express her anticipation at her boyfriend's return or Prudence sings "I Wanna Hold Your Hand" (here re-arranged as a slow ballad) to her oblivious cheerleader crush, the audience experiences familiar Beatles songs in an entirely new way.

Unfortunately, the film eventually gives way to an overcrowded and unfocused second act. The characters travel to New York, where they live in a boardinghouse run by a Janis Joplin analogue called "Sadie" (Dana Fuchs delivering some of the best song performances in the film). Of course, a Jimi



Hendrix look-alike (named "Jojo" and played by Martin Luther McCoy) also shows up. Instead of developing Jude and Lucy's love story, the movie also has to tell the stories of all these characters. Even worse, the movie's momentum is killed altogether by a pointless and too-long sequence in which Jude, Lucy and their friends take acid and join "Doctor Robert" (a fictionalized Ken Kesey played by U2 frontman Bono) and his gang in a cross country trip on a bus.

They eventually end up in a circus run by “Mr. Kite” (Eddie Izzard), which is the movie’s most unbearable sequence. Eddie Izzard intones the lyrics to “Being For the Benefit of Mr. Kite” while director Julie Traynor gets to indulge herself in all sorts of theatrical effects such as puppets and masks in depicting the circus.

This second act is redeemed somewhat by the scene depicting Max’s induction into the Army and his being sent to Vietnam. Traynor pulls out some of her most striking and meaningful visuals in this scene, including a sequence in which new inductees, wearing only towels, are forced to march like automatons. Later on the same group of half-naked recruits drag a replica of the Statue of Liberty through the jungles of Vietnam, a rather pointed jab at the supposedly patriotic motives behind US involvement in the war.

Unfortunately, even as the movie paints a dire picture of

the Vietnam war (with implied parallels to the current Iraq war), it also treats the radicalized anti-war movement unsympathetically. In the film Lucy’s increasing involvement with the anti-Vietnam Students for a Democratic Reform (SDR) strains her relationship with Jude and eventually leads to their breakup. The breaking point comes when a jealous Jude confronts the SDR’s leader, whom he believes is moving in on Lucy, with the song “Revolution.” Even in the context of the film this strikes quite a jarring note.

For one, Jude is portrayed in the movie as being apolitical, if not outright apathetic. He’s simply content to live the bohemian life without engaging the growing political and social turmoil around him. So where does his rant about “when you talk about destruction/ don’t you know that you can count me out” and “when you want money for people with minds that hate/all I can tell you is brother, you have to wait” come from? Also,

the SDR is not shown as turning to violence until later in the movie, after Jude and Lucy have already split and Jude is back in Liverpool.

Lucy does not come out as much better. Although she’s supposed to be radicalized, her participation in the anti-war movement seems shallow, motivated purely by the death of her soldier boyfriend and her brother Max’s current service in Vietnam. Ultimately, it’s implied that her involvement in the movement ends once Max returns home.

Honestly, the movie could have done without this anti-war subplot, or at least handled it with more sensitivity. It seems to paint the radicalization of the anti-war movement, and the violent protests that followed, as signaling the end of everything that was good (i.e. peace and love) in the sixties. It has the feel of something written by two old codgers reminiscing about the “good old days” and wondering why can’t kids today be more like

we used to be. (The film’s co-writers, Ian La Frenais and Dick Clement were born in 1937 and both were already 70 when the movie was released in 2007.)

Notably, the last song in the movie proper is “All You Need is Love,” ostensibly sung by Jude to Lucy. But it could also serve as the filmmakers’ closing message to the audience: love is all you need.

PHOTO: 4-FREE-WALLPAPERS.NET



STATEMENT BY CIVIL SOCIETY ORGANISATIONS ON THE WTO NEGOTIATING SITUATION, AND ON FOOD AND FINANCIAL CRISES

1. The WTO's Doha Round negotiations are at a crucial stage. At this time, we need to re-affirm the centrality of development concerns and the interests of developing countries in any outcome of the Round. It should be remembered and reaffirmed that the objective of this Round is not market access per se, and especially not market access for developed countries, but the reorientation of the multilateral trading system so that it will contribute to the development of developing countries.

2. As the Development Declaration of the ACP Group, African Group, LDC Group, Bolivia and Venezuela stressed in their document (WT/L/687 dated 12 July 2007): "For the developing countries, what matters in this Round is the content of the agreements, which must translate into positive outcomes for our trade and trade balance, improvement in production and supply capacity, and increased employment and incomes of our people. These are among the development yardsticks by which proposals, negotiations, modalities and texts have to be assessed.

3. We are concerned about moves by some quarters, including the Director General of WTO and the European Trade Commissioner, to rush to conclude the Doha Round as soon as possible. We are especially concerned about plans to hold a Mini Ministerial meeting in May or June, and a super Green Room meeting of senior officials before that. The promise made by developed countries at Doha in 2001 has been betrayed in the current trade offs. What is now on the table is not a development package.

4. These are our concerns:

- *The time is not right to hold a "horizontal process" or Ministerial. There are too many areas on contention in agriculture, NAMA, services, etc.*
- *The main proposals on the table lack development content. Instead, developing countries will be on the losing end in agriculture and industrial products, as well as services, based on these proposals. Developed countries would have to make small commitments, they would also not make much in terms of development obligations, but developing countries would have to cut their tariffs very steeply in NAMA (60-70% in many cases) and also very significantly in agriculture (36% on average compared to 24% in the Uruguay Round).*
- *The process of starting a "horizontal process" and a super Green Room of a few senior officials and later a few Ministers is top-down, exclusive, lacks transparency and is fraught with the possibilities of pressures and manipulations. The legitimacy of whatever is the outcome will be questioned.*

The US domestic situation means there is no confidence that any commitments it makes can be honoured. Trade authority lies with Congress, and there is now no fast track authority for the President. Especially in light of the current confrontation between President Bush and Congress over US trade policy, as evidenced by the debate on the US-Colombia FTA, it is clear that Congress will not grant new fast track authority to the current Administration. Thus whatever deal is concluded would have to be passed on to the next President and Congress. No one knows what may happen if a Doha agreement is initialed by the current US President and passed on to the next President. Only a new US Administration and Congress would be able to agree to a final deal and ensure follow through for its passage. Thus the current rush for an agreement is illogical.

Governments have to ensure the content of the proposals and draft texts conforms to the development interests of developing countries. Content cannot be sacrificed for timelines. It is more important to get the agreements right than to meet deadlines. Therefore the WTO members should not be rushed into agreements on modalities. We maintain our stand that “no deal is better than a bad deal.”

We are concerned about the process of calling a “Ministerial.” Unlike a full Ministerial, this “Ministerial” is expected to be attended by only 20-30 Ministers. (1) How are decisions taken on the scope, nature and participation of the horizontal process? (2) Which countries are invited to the meetings? On what basis are they selected? (3) If a country is not selected, can it request to participate in the process? If yes, what is the procedure? If not, why not? (4) Will the proceedings of the horizontal process and its Green Room meetings be made known to the whole membership and to the public? By what method, and at what time? (5) How will the public and all WTO members be ensured that they can know the options and outcomes and can participate in the decisions?

The conclusion of a Doha Round on present terms will also worsen the present food crisis and financial crisis, and not help solve these problems, as claimed by some quarters.

The food crisis is in large part a result of supply not meeting demand due to a drastic reduction in food production in many countries. Other factors are sharp price increases due to speculation on the world's food market, the expansion of biofuels, climate change affecting weather patterns, and rising oil prices that push up the cost of fertilizer and fuel. In particular, many developing countries have been pressured to reduce their applied tariffs on food products and to dismantle government support (such as subsidy of inputs, infrastructure and marketing assistance) due to World Bank and IMF policies. This allowed the massive inflow of food products including those that are heavily subsidized by rich countries and thus artificially cheapened.

The Doha Round will worsen this situation by reducing developing countries' tariffs further by an average 36%. Developed countries meanwhile will be able to retain their high domestic subsidies by “shifting boxes”, as many of the supposedly non-distorting Green Box subsidies have been found to be in reality distorting, and there is no plan to limit or eliminate these subsidies. Many of the LDCs or small economies that do not have to reduce tariffs or by as much as other developing countries meanwhile face higher tariff cuts through the EPAs, which in turn will render their agricultural sector less competitive in a more permanent manner than structural adjustment programmes did.

To resolve the food crisis, developing countries need to produce more food. They can do so through having higher tariffs to enable local farmers to compete with imports, especially when high subsidies in imports continue. This includes explicit protection of domestic policy space for developing countries to strengthen the livelihoods of small producers. There must be a review of the Doha proposals in light of this paramount priority to ensure developing countries can produce their own food, and not just rely on imports. There must also be a change in the policies of the international financial institutions and a re-negotiation or cancellation of the EPAs, to enable the use of policy tools (including tariffs and government support to farmers) for food production in developing countries.

The Doha Round would also worsen the financial crisis through the pressures put on developing countries to open their financial services to foreign financial institutions. The practices and financial instruments of these institutions are now recognized as causing the financial crisis. Through the GATS negotiations, developing countries are pressurized to commit to liberalise. This liberalisation of finance can lead to the further spread of harmful financial practices and instruments to developing countries, and thus magnify the world financial instability and crisis. FTAs (including EPAs) will worsen this problem through the services and the investment chapters, that enable unregulated inflows and outflows of funds.

We therefore request the following to the governments

1. *There should be no rush to convene a Mini-Ministerial at the WTO. After the new Chairs' papers on agriculture and NAMA are produced, the Doha negotiations can be put on the back burner, with all the proposals including those by members (especially developing countries) to be placed on the same status, when talks actively resume after the new US administration and Congress are established.*
2. *The development content of the proposals on the table must be carefully assessed, and this development content of the Round must be expanded until it reaches an adequate level.*
3. *The food crisis highlights the need for developing countries to expand food production and increase 'self-sufficiency to a high degree. Especially due to the food crisis, developing countries should have sufficient leeway to not reduce their tariffs on food products so that they can locally produce food. An effective agricultural special safeguard mechanism should be established for developing countries, as soon as possible, without waiting for the conclusion of the Doha Round.*
4. *Given the link between financial deregulation and liberalization and the global financial crisis, the WTO should suspend negotiations on liberalizing financial services in the GATS. Any other GATS negotiations including on domestic regulation should not affect governments' policy space to regulate financial services.*
5. *Reforms are urgently needed to the policies of international financial institutions, to stop their policy advice and conditionalities that pressure developing countries to lower their agricultural tariffs and to abandon or reduce government support to farmers.*
6. *Existing FTAs (including EPAs) that pressure developing countries to lower their agricultural tariffs and to liberalise their financial sector and other services should be reviewed, renegotiated or stopped. FTAs and EPAs that are being negotiated should not pressure developing countries to cut their agricultural tariffs or to commit to liberalise their financial markets. WTO rules should be reviewed to enable developing countries to have sufficient flexibility, special and differential treatment and non-reciprocal treatment in regional agreements so that they do not face additional pressure towards excessive liberalization.*

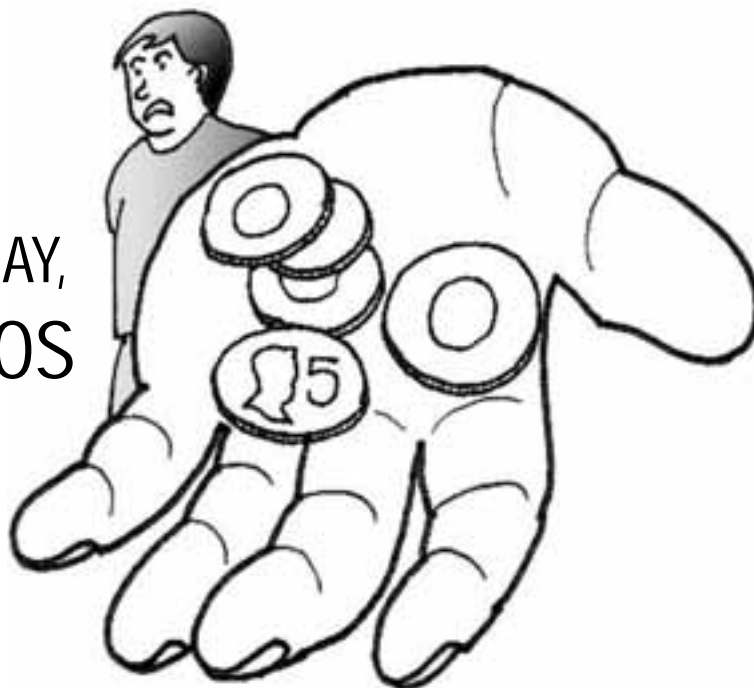
The original sponsors of the statement include:

- | | |
|--|--|
| 1. Africa Trade Network | 18. Southern and East African Trade, Information and |
| 2. International Gender and Trade Network (IGTN) | Negotiations Institute (SEATINI) |
| 3. Africa Water Network | 19. TraidCraft |
| 4. LDC Watch | 20. Canadian Council for International Cooperation |
| 5. National Coalition of Mining – Ghana | (CCIC) |
| 6. Reality of Aid Network | 21. Oxfam International |
| 7. Economic Justice Network – Ghana | 22. Action Aid International |
| 8. Ghana Trade and Livelihood Coalition | 23. Christian Aid |
| 9. African Initiative on Mining, Environment and | 24. UBUNTU |
| Society (AIMES) | 25. World Development Movement (WDM) |
| 10. Nandom Deanery Integrated Rural Development | 26. Public Services International (PSI) |
| Programme (NANDIRDEP) | 27. World Council of Churches (WCC) |
| 11. Trade Aid Integrated Upper East – Ghana | 28. Consumer Association of Penang |
| 12. Third World Network (TWN) | 29. Friends of the Earth (Malaysia) Sahabat Alam |
| 13. Centre for Sustainable Development Suryarri | 30. South Asia Alliance for Poverty Eradication |
| - Ghana | (SAAPE) |
| 14. Forum for African Alternatives | 31. Rural Reconstruction Nepal (RRN) |
| 15. National Association of Nigerian Traders (NANTS) | 32. NGO Federation of Nepal (NFN) |
| 16. IBON Foundation, Inc. | 33. Ecologistas en Acción, Spain |
| 17. National Coalition Against Privatisation – Ghana | |

IBON SURVEY:

LIVELIHOOD WORSE TODAY, SAYS MOST FILIPINOS

IBON Foundation, Inc.



More Filipinos feel that their livelihood worsened compared to the previous quarter, according to the latest results of the nationwide survey conducted by research group IBON Foundation.

The April 2008 nationwide survey shows that the number of Filipinos who said that their livelihood worsened grew significantly from 46.3% in January 2008 to 64.3% in April. Those who answered that their livelihood got better fell from 6.1% in January to 4.4% in the latest survey.

Asked if their family's income is enough for their needs, 71% of the respondents said that it is not enough, an increase of almost 10 percentage points from January 2008.

The latest IBON survey was conducted across various sectors nationwide with 1,495 respondents from April 7 to 16. The survey used multi-stage probability sampling and has a margin of error of plus or minus three percent.

Below is the tabulation of results of respondents' perception of their livelihood and income.

How is your livelihood today compared to a year ago?

	January 2008		April 2008	
	Frequency	Percentage	Frequency	Percentage
Better	92	6.12	66	4.41
Same	686	45.64	449	30.03
Worse	696	46.31	962	64.35
Don't know	21	1.40	14	0.94
No answer	8	0.53	4	0.27
Total	1,503	100.00	1,495	100.00

Is your family's income enough for its needs?

	January 2008		April 2008	
	Frequency	Percentage	Frequency	Percentage
More than enough	13	0.86	25	1.67
Enough	543	36.13	380	25.42
Not Enough	928	61.74	1,069	71.51
Don't know	13	0.86	19	1.27
No answer	6	0.40	2	0.13
Total	1,503	100.00	1,495	100.00

