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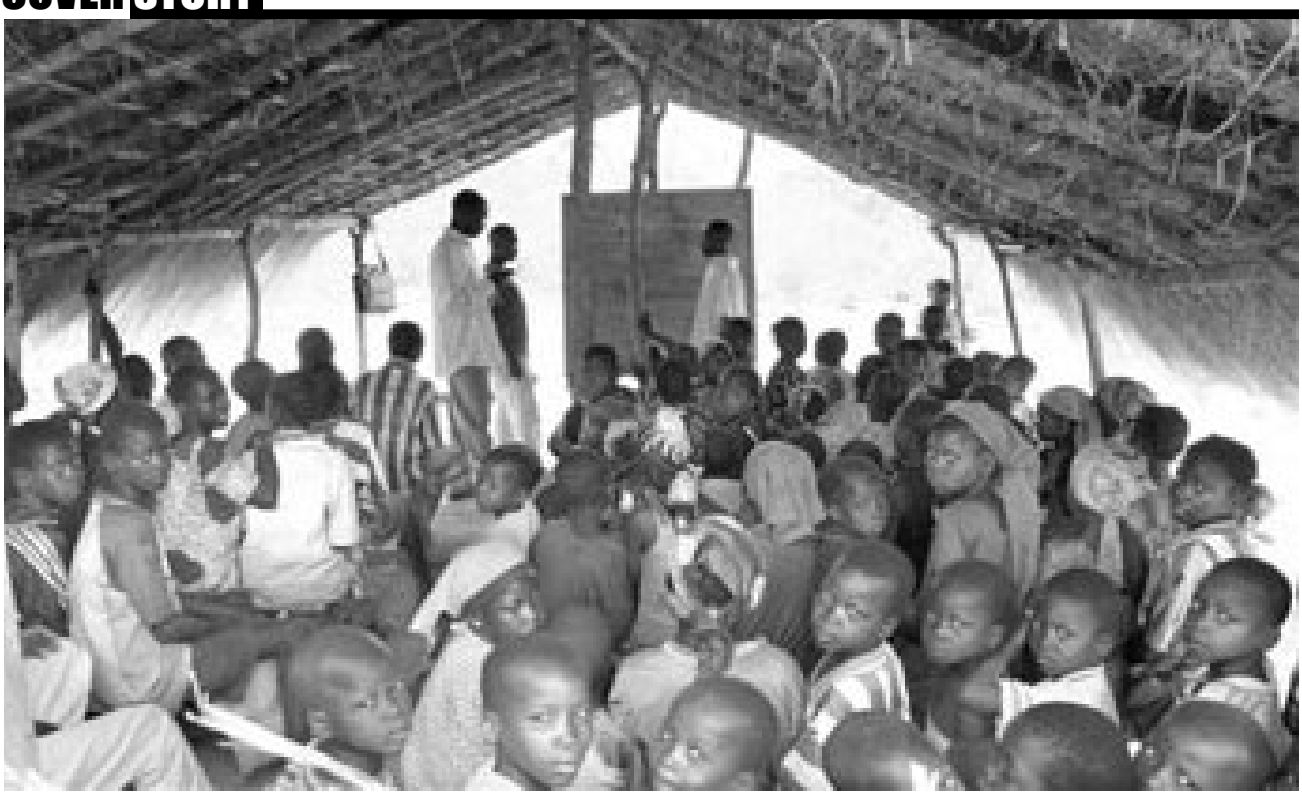

PHOTO: ANTHONY MORLAND / IRIN

RESIST PRIVATIZATION, RECLAIM PUBLIC SERVICES

Jane Kelsey
ARENA-New Zealand

Transferring power from the state to private capital and creating profitable new markets in public services, including for the essentials of life, are driving imperatives of neoliberal globalization. The term 'privatization' describes this broad ideological and political agenda. Privatization policies and practices are the primary tools that have enabled transnational corporations and private elites to plunder the public domain for private gain, while the costs and losses are socialized and/or nationalized.

The onslaught of privatization has continued now for more than two decades. The early Washington Consensus template focused on the privatization of enterprises and resources through asset sales. That has since been overtaken by a complex combination of competitive deregulation, user-charges, targeted subsidies, contracting out, concessions, public private partnerships, private finance initiatives, multi-stakeholder partnerships and much more.

Privatization policies have been accompanied by other neoliberal prescriptions, such as fiscal austerity, deregulation and competition, liberalization of foreign investment and limits on capital flows, pro-market regulation of natural resources, labour market deregulation. This integrated package creates the conditions for transnational corporations to dominate these markets, maximize their profits and minimize their obligations.

At the same time the target of privatization has broadened from public services and assets to the institutions and processes of government itself. As markets have expanded, the state's primary responsibility has been redefined as enabling private capital to expand and profit. Neoliberal definitions of 'good governance' take policy choices and responsibilities away from governments and depoliticize both the content of policies and the way they are made. This process transfers political power to technocrats, statutory bodies, private firms, local governments and NGOs, most of whom lack democratic mandates or public accountability. The fundamental social, economic and development rights of the people are eviscerated and their enduring realities of inequality, poverty, powerless and exploitation become invisible.

Some governments in Asia and the Pacific, such as India, Australia, Japan, and New Zealand, adopted this neoliberal prescription voluntarily for ideological and political reasons. In most countries, however, the privatization agenda has been dictated. From the mid-1980s the IMF, World Bank, Asian Development Bank and others imposed the Washington Consensus style of privatisation as an integral part of structural adjustment programmes, backed by loan conditionalities.

By the mid-1990s that simplistic model of privatisation was deeply discredited. It was replaced by a more sophisticated layering of obligations that were justified in the name of 'coherence' across the international financial institutions, donors and trade agreements. The underlying aim had shifted from the restructuring of national economies to achieving uniform rules that would smooth the path for international capital in an era of 'globalisation'.

The post-Washington Consensus promoted the new phase of privatization under the euphemism of public-private and multi-stakeholder 'partnerships', Policy Reduction Strategies and 'good governance'. The General Agreement on Trade in Services (GATS) and a rapidly expanding raft of WTO-plus services and investment agreements sought to lock and advance these rules and fetter the ability of governments to respond to genuine democratic pressures and remedy crippling market failures. Millennium Development Goal 8 designated all these instruments as the pathway for development and delivering people the fundamentals of life: safe drinking water, health care, education and freedom from poverty.

Despite this hegemonic straitjacket, when market activities become unprofitable and corporations exit the state is expected to step back in, absorb the costs of recovery and re-privatize. There are also a growing number of examples where the social and environmental impacts of privatization have created such volatile political conditions that the state has been forced to re-regulate or even resume control. However, a sustained counter-hegemony to neoliberal globalization has yet to emerge.

The Asia Pacific Research Network (APRN), a regional network of 50 alternative research institutions working closely with grassroots organizations and social movements, believes that privatization needs to be stopped and public services reclaimed - not because the public sector has always met people's needs, but because privatization is fuelled by transnational corporate greed that does not pretend to put people ahead of profits and is rationalized by an ideology that shows

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The negative impacts are felt in every aspect of daily life across Asia and the Pacific, most severely for the rural and urban poor, women and the elderly. It has also wrought havoc in rich countries, with growing inequality, feminisation of poverty and disenfranchisement.

APRN has chosen the topic of privatization for the annual conference in 2008 out of concern that current research and debate has begun to stagnate. The conference programme deliberately eschews the standard approach that analyses discrete sectors and contrasts state and market models. By confronting the complexities of privatization across the broad spectrum of the public domain, including governance itself, the APRN aims to establish a new level of analysis of its impacts and generate a dynamic debate resistance and alternatives through the lens of 'people's services'.

For reasons outlined above, the starting point is to treat the privatization of the public domain as a hegemonic strategy that denies alternatives, and constantly reinvents itself through new language and techniques as the previous version is discredited. The hegemony of ideology, institutions and instruments that drive the privatization model currently hides behind the commitment to 'coherence'. At the same time, the catchcry of the 'enabling' state reduces the state to an agent of capital and requires them to operate through 'partnerships' that transfer power and ensure profits to transnational corporations.

PHOTO: TIGGY RIDLEY / IRIN

Most of the current research and resistance strategies on privatization tends to focus instead on sectors, such as education, health care, water, telecommunications, electricity, pensions, public transport, etc. All those sectors are crucial to people's survival and quality of life. But communities do not experience public services and privatization in this fractured way. A more profound analysis needs to integrate the social, economic, cultural and environmental dimensions of privatization to understand what it means for people's daily lives.

The sectoral approach also favours social services and infrastructure, and often ignores the equally crucial assault on economic services and the privatization of governance. Many critiques and campaigns have exposed and opposed the failed market model of social services and utilities - private providers of health care, 'education dumping' through foreign franchises, private concessions over power and telecommunications utilities, and more.

Much less attention is paid to how privatization of economic services undermines people's livelihoods and food systems through the sale of public land and natural resources, legalizing the corporate control of seed

banks and R&D, dismantling state marketing boards, the replacement of public lending with private microcredit and commercialization of water for agriculture.

PHOTO: JASPREET KINDRA / IRIN

Equally little attention is paid to the privatization of public authority and accountability through public private partnerships and private finance initiatives, 'free trade' agreements in services and investment, and debt conditionalities that require a neoliberal version of 'good governance'. Perhaps the more blatant form is found in India through the creation of Special Economic Zones and the precedent-setting model of private sector governance adopted in Bangalore, India.

APRN hopes to challenge the simplistic market/state dichotomy for three reasons. First, the nature of the state itself has been adjusted as public responsibilities are transferred to corporations and the private sector is imported into the heartland of government. The capture of state functions and the machinery of government by the market are integral to neoliberalism. The nature of the state under neoliberalism is therefore problematic and requires rigorous interrogation.

Second, the nature of the state has always been problematic for the oppressed and exploited. Imperialism and colonization designed a state apparatus to serve the interests of external powers and cultivated local elites with a vested interest in its maintenance. That legal and administrative machinery largely remained in place after formal decolonization, despite the nationalist objectives of many liberation struggles. The economic interests of foreign and domestic capital remained largely intact and property rights were largely protected at the expense of the poor. Rights to public services and the defense of the pubic domain have been hard fought for and are constantly under threat. Neoliberalism reflects the latest phase of this struggle.

Third, the state has traditionally played very different roles in delivering public services around the region. India has a long history of public services and struggles to entrench entitlements in law. The nature of the state in former command economies, such as Vietnam and Mongolia, and the impacts of structural adjustment and the post-Washington Consensus raise very different concerns about capacity and democratic accountability, and there are significant differences even between them. The Chinese government has invited private players to operate in a rigidly regulated public domain, but is subject to GATS obligations. The state in small and remote Pacific Islands face intrinsic problems of geography, scale, government capacity and skilled workers, and high dependency on public sector employment. Richer countries of the region, like Japan, Australia and New Zealand, are also caught within the neoliberal paradigm, but can avoid the wholesale devastation faced in poorer countries. In Indonesia, the state has historically been hijacked by a combination of corrupt and unaccountable governments and private sector cronies for the benefit of local elites; opposition to privatization is often driven by the desire to protect rentier capitalism, rather than the rights of the people.

(Ms. Kelsey is currently the Vice-chairperson of the Board of Convenors of the Asia Pacific Research Network)

To ensure poor's economic rights:

SC initiative needs to go beyond judicial review

Research group IBON Foundation welcomes the initiative of the Supreme Court to improve the poor's access to justice through its nationwide summit. However, it said that the country's economic policies have the most far-reaching harmful impact that should be addressed beyond judicial review.

For one, existing judicial remedies are extremely limited in addressing the far-reaching economy-wide violations of human rights. This is aside from how nominally the Commission on Human Rights (CHR) recognizes economic, social and cultural rights matters as part of its mandate to monitor government's compliance with international obligations, such as the International Covenant on Economic, Social and Cultural Rights (ICESCR).

There also seems to be no concrete measures to apply the human rights approach to poverty reduction. For instance, the country has no official procedure that will assess economic policies according to an explicit economic, social and cultural rights framework. It also does not have specific mechanisms by which policymakers can be held accountable for the effects of trade, investment and fiscal policies on human rights. Even the CHR does not have a monitoring of how economic, social and cultural rights are affected by macroeconomic policies, which have the broadest influence on realizing these rights.

As a result, the judiciary generally gives in to the Executive and Legislature on major economic policy decisions that are deemed unconstitutional, such as the Mining Act, Oil Deregulation Law, EPIRA etc., even as it is equally responsible for upholding constitutional guidelines.

IBON strongly recommends that the judiciary establish a legal framework wherein existing laws, rules, procedures and practices can be modified to conform with the ICESCR and the Philippine Constitution. Based on this, the SC should conduct a formal review to check if the country's foreign trade and investment policies are consistent with its human rights obligations, and implement measures that will put these economic policies to public scrutiny.

Lasty, measures should be placed to ensure that the country's main economic planners, trade negotiators, and lawmakers are fully aware of their obligations and commitments under the Covenant in crafting socioeconomic policies.

CSOs meet on 'Development Effectiveness' agenda

More than 80 representatives of 67 civil society organizations (CSO) representing national, regional and international platforms came together for a 2-day "Exploratory Meeting on CSO Effectiveness" last June 29-30, 2008 in Paris, France with the objective of establishing a process that is defined, led and managed by CSOs, on their own principles of development effectiveness.

The initiative sought to set in motion processes and mechanisms by which civil society organizations both in the North and South develop, agree on and promote common principles regarding the effectiveness of CSOs as development actors and to engage in political discussions on relevance and feasibility of peer/compliance mechanisms.

The Paris meeting is the outcome of earlier multi-stakeholder consultations that called for a strengthening of the role and voice of CSOs based on an understanding of the various relationships of CSOs to their constituencies, to donors and governments, and to each other on a North-South basis.

The meeting led to the formation of a Global Facilitation Group (GFG) from different national, regional and international platforms that will map out a work plan that will culminate in the Fourth High Level Forum on Aid Effectiveness in Beijing in 2010. Some of the organizations in the GFG are ACFID, AFRODAD, ALOP, Arab NGO Network on Development, Asia Pacific Forum on Women, Law and Development (APWLD), CIVICUS, CONCORD, and IBON, among others. The GFG is set to meet on August 30th in Accra, Ghana where around 400 representatives from CSOs are expected to participate in the HLF3 and the CSO Parallel Forum.

Despite claims of under-recoveries

Big three rake in billions in global oil profits

While the Big Three oil firms in the Philippines claim losses due to under-recoveries, their mother companies abroad continue to report record billions in profits, according to independent-think tank IBON Foundation.

Royal Dutch Shell, the mother company of Pilipinas Shell, posted a net income of $27.6 billion in 2007, making it the second most profitable company in the world next to oil giant Exxon Mobil. During the same year, Pilipinas Shell recorded profits of P4.12 billion.

On the other hand, Chevron, mother unit of Chevron Philippines (formerly Caltex), reported net incomes of $18.7 billion in 2007, 9% higher than in 2006 and enough to rank it the eighth most profitable company in the world. Its local unit in the country reported P2.75 billion in profits in 2007.

Petron, which is co-owned by government and by Saudi Aramco, recorded profits of P5.94 billion in 2007. Its net income has been progressively increasing in the last three years, posting P5.76 billion in 2006 and P3.42 billion in 2005. Aramco, unlike Shell and Chevron, is an unlisted company that is not obliged to report its financials, but its profits in 2007 are likely about $15 billion.

Domestic profits do not even genuinely reflect the oil monopolies' overall profits because the transnational oil firms' local subsidiaries are merely booking their profits abroad through the deceitful practice of transfer pricing to deflect criticisms of their massive windfall profits.

At any rate, the Big Three oil firms are clearly still making billions of pesos in profits, and thus any claim of so-called under-recoveries does not mean that they are taking any losses.

The monopoly oil transnational firms abroad normally already inflate the price of their oil to get their super-profits. This overpricing has even been extremely bloated since last year by increasing speculation in world oil markets. "Transfer pricing", however, refers to oil firms' practice of further padding the price of oil they sell to their subsidiaries to shift recording of profits from subsidiaries to mother corporations. The net result of this transfer pricing is that the seemingly lower profits of the subsidiaries, because of higher costs of oil imports, are actually off-set by higher profits of the mother companies.

Oil transnational firms are able to engage in transfer pricing because of their vast control of the different stages of oil production and distribution. In the Philippines, around 90% of oil in the market passes through the Big Three. They use lower reported domestic profits to disguise the massive global profits they are making and to deflate public anger against them.

Those mega-profits earned by exploiting unchecked monopoly control and covered up through unscrupulous practices, even as ordinary Filipinos reel from the harsh impact of escalating fuel prices, highlight the urgent need for government regulation and control over the local oil sector to help ensure transparency in pricing.

IBON Foundation, Inc. is an independent development institution established in 1978 that provides research, education, publications, information work and advocacy support on socioeconomic issues.

PHOTO: JERRY WEN/FLICKR.COM

Global alliance of migrant workers founded

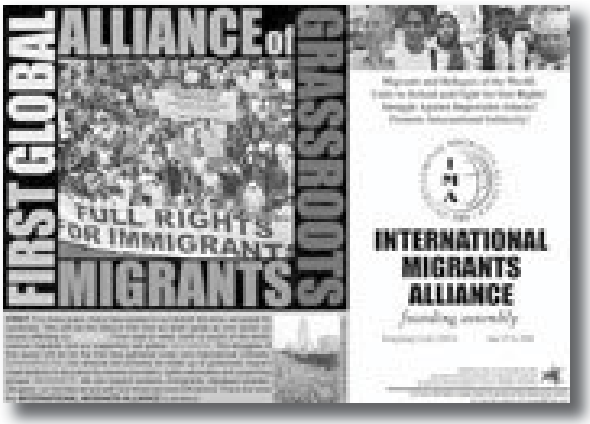
Participants and Secretariat of the IMA founding assembly

PHOTO: KIKOMANHK/FLICKR.COM

The International Migrants Alliance (IMA), the first ever global formation of migrants, immigrants and other displaced peoples, held its founding assembly last June 15-16, 2008 in Hong Kong, SAR. The IMA was conceptualized due to the perceived need of creating a formation in the world that can represent people living and working in countries other than their home ones and create a common platform for them.'

One hundred and sixty seven delegates representing 118 organizations from 25 countries participated in the 2-day assembly convened by Atik-Europe, the Association of Indonesian Migrant Workers (ATKI) in Hong Kong, Migrante, the May 1st Coalition for Immigrant Rights, the Asia Pacific Mission for Migrants, TENAGANITA, and PhilForum USA.

The establishment of the IMA marked a historic chapter in the movement of migrants and immigrants for rights and welfare and for comprehensive social change. According to the convenors, "there are around 200 million migrant workers present in almost every country in the world. They came mostly from countries beset with economic and political problems and they work in countries that are relatively well-developed. Despite the different countries of origin or sectors where they can be found, the common concerns on their situation in the host countries as well as with issues related to why they are forced to migrate exist."



A 17-person International Coordinating Body (ICB) was formed to ensure the representation of the different global regions. The ICB then elected the following members of its Executive Committee: Ms. Eni Lestari of the Asian Migrants Coordinating Body-HK as Chairperson, Mr. Ufuk Berdan of ATIK-Europe as Vice-chairperson, Ms. Connie Bragas-Regalado of Migrante-Philippines as Secretary-general, Ms. Teresa Gutierrez of the May 1st Coalition for Immigrant and Worker Rights in the USA as Deputy secretary-general, and Ms. Tess Tesalona of the Immigrant Workers Center in Canada as Treasurer.

An important task of the founding assembly will be to create the migrants' own space in the upcoming Global Forum on Migration and Development (GFMD) this October 2008 in Manila, Philippines. The GFMD is a multilateral meeting of states to discuss how migration policies can contribute to the advancement of economies. This year's GFMD will study the Philippines' government-facilitated outmigration policies, particularly the Labor Export Program (LEP), as a template for other labor-exporting countries. The last GFMD was held in Brussels in 2007.

Day laborers wait to be picked up by employers in Herndon, Va, USA

PHOTO: REV_BRI/FLICKR.COM

"Free trade", neoliberal immigration & the globalization of guestworker programs

Aziz Choudry
GATT Watchdog & bilaterals.org

I dedicate this talk to the memory of Ka Bel - Crispin Beltran - a friend and comrade who passed away in the Philippines last month. His humanity, hunger and commitment to social justice, and lifelong, principled and militant opposition to imperialism are already sorely missed by so many who had the privilege to know him.

(Paper presented during the International Migrants Alliance Founding Assembly held on 15 June 2008 in Hong Kong, SAR.)

For Canadian academic/activist David McNally, "[t]he plight of migrant workers from the Third World exposes a dirty secret about capitalist globalization: while constraints on the movement of capital are being eased, restrictions on the movement of labour are being systematically tightened. It's not that global business does not want immigrant labour to the West [sic]. It simply wants this labour on its own terms: frightened, oppressed, vulnerable. The fundamental truth about globalization - that it represents freedom for capital and unfreedom for labour - is especially clear where global migrants are concerned." [1]

The Declaration of Philadelphia, now an annex to the International Labour Organization (ILO) constitution, unequivocally states: "Labour is not a commodity" [2]. The ILO is hardly a radical organization, nor is this statement a radical proposition. Yet today, workers, especially migrant workers, are routinely commodified, through domestic, regional and international instruments, policies and agreements. These include the expansion of temporary migrant worker programs, and disputes over the interpretation of labour mobility provisions in free trade and investment agreements such as the World Trade Organization (WTO) General Agreement on Trade in Services (GATS), and bilateral and regional free trade and investment agreements (FTAs) outside of the WTO. In this presentation, I will talk about the links between the resurgence of guestworker programs, migrant workers, and free trade, mainly in reference to the Asia-Pacific.

For all of the talk of post-colonialism in some circles, in 2008, Third World countries are treated as little more than colonies of transnational corporations (TNCs) and powerful governments for natural resource extraction: notably minerals, energy, biodiversity, and even people, either as labour commodities for export themselves, or producing for export in free trade/special economic zones (FTZs/SEZs), and industrial agriculture. This system of capitalist relations is backed by war, the militarization of borders, conflict- and poverty-fuelled forced migration, and in turn, the criminalization of many migrants and immigrants. Justin Akers Chacón calls this phenomenon "neoliberal immigration" - "displacement accompanied by disenfranchisement and often internal segregation in host countries" [3]. Neoliberal policies force people from their farms, jobs, families and communities and into exploitation and precarity as migrant workers in other countries. Deindustrialization and the downsizing and privatization of essential services - accompanied by increasing user fees - are other "push factors", forcing growing numbers to seeking work abroad. Health and education professionals in shattered public sectors are forced to migrate in search of work. Free trade, its advocates (like the US Administration) promise, will supposedly lead to a reduction of immigration because countries will become more prosperous. Washington proclaimed that the North American Free Trade Agreement (NAFTA) would lead Mexico to export goods, and not people to the US, yet so-called illegal immigration to the US has risen [4].

In looking at how free trade and investment agreements can and do affect migrant workers, it is important to frame our understanding of them as comprehensive instruments of imperialism, and avoid compartmentalizing or reducing the discussion to technical trade policy analysis talk which clouds a more critical "big picture" analysis.

We are witnessing the entrenchment of immigration apartheid. A global (often Western-) educated elite is relatively mobile, but of those who are able to leave their home countries at all, the overwhelming majority of migrants are temporary, non-status, exploitable, and often underground/"illegal". Immigration requirements have tended to become more elitist, refugee systems leave fewer avenues for appeal, and for many, permanent residence is harder to attain. Meanwhile, in both migrant-worker sending and receiving countries, a more general trend of state withdrawal for responsibility for provision of social services impacts local and migrant workers alike. Worldwide, the neoliberal offensive has also eroded trades jobs, attacked unionism, imposed policies of labour deregulation, flexibilization, casualization, expanded subcontracting chains, and the relocation of industry to cheaper production sites. In some cases, these changes have

fuelled exclusionary or racist practices within unions towards new immigrants, instead of solidarity and support for struggles for workplace justice and within wider society. Immigration status is used as a tool by governments and business elites to undermine alliancebuilding among workers, while immigrants still make convenient scapegoats for politicians the world over. Simultaneously, there is a widespread reluctance and denial in many countries to admit the extent to which their economies depend on migrant labour.

Third World governments are being blamed for blocking progress at the WTO on services which are in the interest of Northern governments and TNCs. Yet Northern governments are not making any commitments in areas of interest to the Third World like labour mobility, and continue to pressure Southern countries to make better offers on service sectors...

In temporary migrant worker schemes, migrant workers are commodities, pure and simple, temporary labour units to be recruited, utilized and sent away again as employers require, tied to a specific employer, and therefore often stuck with worse conditions with little recourse to improve them. In this context, discrimination and exploitation because of race, immigration status, class, and gender play out together. Women migrant workers are particularly impacted, comprising the majority in sectors with the least protections, lowest wages and most demeaning conditions. Typically, guestworkers are not allowed to join unions, so have no collective bargaining power. Sometimes they are not paid on time or maybe not paid at all, may endure unsafe and unhealthy working conditions, and receive wages far below the average paid to local workers for equivalent work, toiling long hours, and perhaps be more willing to accept this situation because of the relatively short duration of their employment abroad, and are subject to abuse from employers. The labour of international migrants is systematically devalued. Skilled migrants frequently leave their countries only to find their qualifications and experience are not valued in the new country, and so are locked into low-skilled jobs [5].

Migrant workers and remittances are a key area of interest to the World Bank [6], the European Commission, and the International Organization for Migration (IOM) [7] and other international agencies, which increasingly promote the concept of migrant workers' family remittances to keep their native countries from collapsing. Remittances are what Devesh Kapur, in a 2004 UNCTAD/G-24 discussion paper calls "the new development mantra" [8]. The growing dependence on remittances from migrant workers puts many countries at the mercy of vagaries of anti-immigrant sentiment and immigration (and other) policies of other countries. Locked into a neoliberal model, countries that have grown dependent on exporting workers often have shrinking policy space to pursue other options for economic development. Growth of remittances has outpaced that of private capital flows and official development assistance (ODA) during the last 15 yrs [9]. A 2007 UN International Fund for Agricultural Development (IFAD)/ Interamerican Development Bank (IDB) report showed that migrant remittances were over US $ 300 billion in 2006 [10], well over twice what ODA contributed. Of course, migration is certainly not only a South-North phenomenon, but occurs among countries in the South, Indonesian workers in Malaysia, South Asians in Gulf, Filipina caregivers in Syria, Lebanon, and dozens of other countries, and Zimbabwean and Mozambican workers in South Africa, as last month's anti-migrant worker violence tragically reminds us [11].

GATS, "Mode 4", and migrant workers

I) GATS - A deal made in heaven for TNCs, and hell for the people

According to David Hartridge, former Director of the WTO's

PHOTO: THOMAS SENNET/WORLD BANK

Services Division, "without the enormous pressure generated by the American financial services sector, particularly companies like American Express and Citicorp, there would have been no services agreement" [12]. The European Commission stated: "GATS is not just something that exists between Governments. It is first and foremost an instrument for the benefit of business" [13]. GATS is more about investment than trade. Under GATS, governments agree to open the economy to foreign suppliers of certain services. Services have been described as anything that you cannot drop on your foot, including banks, schools, energy, healthcare, water, rubbish collection, libraries, railways, airlines, TV and radio. In those services, foreign suppliers must be given at least as favourable treatment as it gives to local suppliers. Governments cannot set limits on the numbers of service suppliers operating in its market or impose requirements for local content. Just as workers are treated as mere commodities in these agreements, so too are fundamental services. New Zealand academic Jane Kelsey characterizes GATS as an ideological transformation of services from fundamentally social relations embedded in communities to commercialized commodities traded within an international marketplace [14]. Unsurprisingly, the GATS approach to labour mobility is very much driven by the interests of TNCs and investors, and not those of workers in the global south.

II) Mode 4- facilitating corporate operations: a false panacea for migrant labour justice

GATS includes clauses on the temporary movement of 'natural persons' to facilitate trade and investment in services, although there is no definition of what "temporary" means. Its annex on the movement of natural persons deals with negotiations on individuals' rights to stay temporarily in a country for the purpose of providing a service. GATS mode 4 extends to foreigners who are service suppliers in the host, home or a third member country, in respect of the supply of a specific service, employed in a foreign company established abroad, or which is supplying services under a contract without permanent presence in that country. It also includes independent or self-employed service providers, who get paid directly by customers.

GATS does not apply to work outside of service sectors nor to people seeking permanent employment or permanent residence. There are differing interpretations among WTO member countries about the

relationship between Mode 4 and other modes of supply. Broadly, Northern governments insist that Mode 4 is supportive of the other modes. So Mode 4 supports mode 1 (cross-border supply of services); mode 2 (consumption abroad); and mode 3 (commercial presence or foreign direct investment). For example, for mode 1, an IT consultant travels abroad to install software supplied internationally by his company; for mode 2, a travel agency sends a guide abroad along with a party of tourists, and for mode 3, TNCs post executives to staff offices overseas.

The World Bank estimates that over 40% of Mode 4 commitments are for intra-corporate transfers, and another 50% cover executives, managers and specialists and business visitors [15]. Some governments argue that there is no a priori exclusion of any occupation or skill level from GATS coverage, and in that sense, all categories of natural persons could be negotiated under mode 4. Mode 4 commitments are restrictive, and subject to various limitations regarding immigration rules and economic needs tests. Where it exists, the right of labour mobility does not necessarily entail the right to practice a profession, due to national regulations for licensing and recognition of qualifications.

III) Tensions over Mode 4 and liberalizing the movement of labour

Some Southern governments see GATS Mode 4 as a way to help facilitate increased mobility of temporary workers from labour-abundant countries to labour-scarce ones, earning them more foreign exchange, while others see in these moves the potential for a global guestworker program that should be opposed. Southern governments, like India, push for an interpretation which sees Mode 4 as covering independent suppliers of services, and not just supportive to other modes, an interpretation which favours TNCs and their interests. Northern governments are pushing stringent GATS commitments on the South, and making it clear that they will not improve their offers on Mode 4. India wants separation of mode 4 from Mode 3, arguing that only Northern TNCs can afford commercial presence (mode 3). As a draft WTO negotiating text on services, released in late May shows, there remains little movement on this issue: no member country has tabled new offers on services at the WTO since late 2005 [16].

India has put forward the idea of a GATS visa [17] to facilitate the temporary entry of Indian professionals under mode 4. The Least Developed Countries (LDC) group at the WTO, led by Bangladesh, has unsuccessfully pushed developed countries to liberalize their markets for semi-skilled categories of service providers of the LDCs under mode 4 of GATS, going beyond high-skilled categories. [18] Some commentators argue that governments lobbying for a broader interpretation of GATS Mode 4 would need to

Strawberry pickers in California

PHOTO: DONNAPHOTO/FLICKR.COM

demonstrate their intention and means of enforcing the temporary nature of the Mode 4 movement before the developed countries agree to liberalize this area [19].

Some NGOs also see GATS mode 4 as a potentially favourable instrument to regulate and liberalise the movement of migrant labour. [20] They seek to allay perceived fears of developed country governments regarding the adoption of a liberal interpretation of mode 4 such as opposition to the permanent immigration of workers who might enter under such an agreement, concerns about rising unemployment and related domestic opposition to foreign workers, and argue for practical ways to overcome these obstacles.

The International Confederation of Free Trade Unions (ICFTU, now ITUC [21]) and Public Services International (PSI) [22] expressed alarm at a request from China and India to take the stipulations of wage parity that those countries which have made Mode 4 commitments have specified in their offers out of the negotiations. "Not only is it bad enough that the WTO, which has no expertise in migration issues, has undertaken to conduct such discussions....It sends the wrong signal to all those who think exploitation of workers is a competitive advantage in the quest for profits", argued Guy Ryder, General Secretary of the ICFTU.

Under dispute mechanisms of free trade and investment agreements, wage parity between temporary migrant service workers and locals may even be challenged as a protectionist measure. Sending countries could charge that wage parity undermines the competitive advantage of their migrant workers who will work for lower wages. Yet temporary foreign service workers would still have to pay the same living expenses as local workers. Proposals to expand Mode 4 commitments to explicitly cover semi-skilled and unskilled workers must be seen in context of expansion of temporary foreign worker/guestworker programs in North. They are no solution to injustices created by neoliberal programs, they work to undermine domestic labour rights, by creating and expanding a subclass of workers on special temporary visas, only here, impacting service sector jobs in ways that hitherto have mainly affected manufacturing. [23]

Tensions over the coverage and liberalization of labour mobility under GATS cannot be separated from analysis of horse-trading, armtwisting and bullying that takes place in relation to other aspects of trade and investment agreements, and aid conditionalities, for example, as well as longstanding debates over linkages between labour standards and free trade commitments. Third World governments are being blamed for blocking progress at the WTO on services which are in the interest of Northern governments and TNCs. Yet Northern governments are not making any commitments in areas of interest to the Third World like labour mobility, and continue to pressure Southern countries to make better offers on service sectors (especially finance, telecommunications, energy, distribution, environment) as a prerequisite for any new concessions on agriculture, for example.

GATS and services liberalization under FTAs are fundamentally about advancing and locking in privatization, deregulation, and unrestricted foreign investment and contracting-out that workers around the world have been resisting on many fronts.

FTAs [24]

With the slow pace of WTO negotiations and the understanding that lower-key one-on-one talks can often get faster, deeper results, while dividing up emerging alliances among Third World governments against Northern positions at the WTO, attention turned to bilateral free trade and investment agreements (FTAs). In general, governments have preferred bilateral labour agreements (BLAs), usually sectoral, giving them more flexibility control and regulatory discretion over multilateral agreements [25]. Now, a number of bilateral free trade and investment agreements have also become processes through which some governments seek to include agreements on labour mobility.

IBON has drawn attention to the reality behind the much-heralded labour mobility provisions of the still-to-be-ratified Japan-Philippines Economic Partnership Agreement (JPEPA) [26]. The agreement allows for the entry and temporary stay of Filipinos who supply health services as nurses or certified caregivers for one to three years (which may be extended). But these professionals must be proficient in both spoken and written Japanese and be qualified under Japanese law - prerequisites which severely limit their entry into the Japanese labour market. Very few nurses and caregivers will be able to overcome such barriers. After 6 months of language training, applicants can already have on-the-job training for up to 3-4 years while they try to pass the relevant national exams. Until they pass, they will only be paid as non-licensed workers, trainees, candidates, or as nurse's aides and caregiver's assistants. This may reduce healthcare costs in Japan, but at the expense of Filipino health professionals. Similarly, under Japan's EPA with Indonesia, 600 experienced caregivers and 400 registered nurses from Indonesia are to be admitted on 3-4 year visas [27].

The European Union (EU) and the Australia-New Zealand Closer Economic Relationship Trade Agreement (CER) are broadest in terms of labour mobility, including access to labour markets of member countries without work permits, full national treatment for service providers, and mutual recognition of technical qualifications. Where FTAs have made some 'GATS-plus' commitments under Mode 4, governments have often not negotiated mutual recognition agreements (MRA) for recognizing qualifications to allow skilled professionals to take up jobs. The labour mobility provisions in the India-Singapore Comprehensive Economic Cooperation Agreement (CECA) are largely similar to GATS, with 127 subsectors of skilled occupations granted temporary entry [28], but only professionals in auditing, architecture, medical doctors, dentistry and nursing can practice subject to MRA between to the two countries. The agreement says that mutual recognition is granted in service sectors subject to the licensing requirements of accounting and auditing, architecture, medicine, dentistry and nursing within 12 months from the date of entry into force of the agreement. This is yet to be resolved.

Singapore has been most proactive in Asia-Pacific in liberalizing movement of natural persons through bilateral FTAs, varying in the specificity of scope and length of stay. But basically, these still mainly cover business visitors, investors and intra-corporate transferees, citizens and residents of partner governments who represent a service supplier. In the Japan - Singapore Agreement there is no chapter on movement of natural persons, but provision for facilitation of movement of investors for business purposes in Chapter 7 on investment [29]. ASEAN Investment Framework Agreement [30] commits to freer movement of skilled labor and professionals.

US FTAs such as the ones concluded with Singapore and Chile allow temporary entry of business professionals from other parties to facilitate trade in services, but US approaches each trade deal individually to determine if a temporary entry chapter will benefit US trade in services [31].

Under the Thailand-Australia Free Trade Agreement, Australia made GATS-plus commitments by granting temporary entry to Thai professional chefs and masseurs, especially to provide services such as cooking training and training in traditional Thai massage through training institutes agreed to hold consultations on establishing a standard of recognition of Thai qualifications for acceptance of qualified Thai massage therapists. [32]

In sum, while there has been some limited sector-specific liberalization of temporary movement of labour in FTA services provisions, the restrictive and cautious approach has prevailed. Interestingly, the EU-Algeria FTA (Euro-Med Association agreement) has articles on permission for entry of intra-corporate transferees under GATS, but also articles which explicitly commit to cooperation in preventing and controlling illegal immigration and readmission. [33]

Good enough to work, good enough to stay

Where some liberalization of labour movement has been written into agreements like GATS Mode 4 and similar provisions in FTAs, it is highly restrictive, and framed in the interests of TNCs and overseas investors who are

the true beneficiaries and authors of these deals. Generally, FTAs have tended to deepen, accelerate and broaden liberalization and deregulation, but in this area, they have thus far had very limited effect. We cannot place any hope or faith in these instruments to advance workers' rights to migrate. There remains a danger that such agreements could in the future become institutional frameworks covering temporary migrant labour flows. Political sensitivities about immigration have to contend with ageing populations and shrinking domestic labour (and taxpayer) pools in many Northern countries, putting new pressures to bring in new workers.

Struggles for dignity and justice and a living wage for migrant workers cannot be left to be fought in arenas which commodify them, like GATS and FTAs, by governments which are themselves frequently antagonistic to people's struggles domestically and internationally by their embrace of neoliberal and imperialist policies. Global capitalism fragments labour and the lives of working people everywhere. Across the board, WTO and FTAs serve the interests of TNCs and other political and economic elites, not the people. GATS and services liberalization under FTAs are fundamentally about advancing and locking in privatization, deregulation, and unrestricted foreign investment and contracting-out that workers around the world have been resisting on many fronts. Just as many movements have rejected the idea of giving global capitalism a happy face by incorporating so-called "social" and "green" clauses linking free trade to labour and environmental standards, so too we must assert that neoliberal globalization is fundamentally exploitative of workers, and insist that such agreements have no legitimacy to deal with the lives of migrant workers. To expect to harness or transform them into instruments that will somehow advance migrant workers' struggles is like expecting a tiger to become a vegetarian. Injustices perpetuated in the WTO and FTAs are not unintentional imbalances to be resolved by polite NGO lobbying, but underpin the very values and framework of these instruments. Rather than fighting to expand terms and provisions in these trade and investment agreements, we must support struggles of immigrant workers for regularization, justice and dignity. Support migrant worker organizations like Migrante [34], the New York Taxi Workers Alliance [35], immigrant workers centres [36], and encourage established trade unions to support immigrant workers' struggles. As a 2004 Canadian Labour Congress discussion document [37] argues, this struggle "is critical in holding the line against declining wages and working conditions for the entire labour movement. [Migrant workers] are at the edge of the economic divide and must be protected and involved in our collective struggle in order for real change to occur. A worker is a worker."

Indian guest workers protesting sub-human working and living conditions.

PHOTO: ALLISON ACOSTA/FLICKR.COM

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A young Bangladeshi girl pauses from brick-making

PHOTO: MANOOCHER DEGHATI / IRIN

On the global economic and financial crisis: ROOTS AND PROSPECTS

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(Paper presented at an international forum on the 'Global Financial Crisis' held last June 19, 2008 in Hong Kong, SAR)

The deep problems of the world capitalist system are in very sharp focus today. The majority of humanity has long suffered unremitting poverty and exploitation. But the people are being pushed into even greater difficulties by the current episode of intense economic and financial crisis which is feared to be the worst since the Great Depression of the 1930s. The current descent into greater socio-economic turmoil does not just underscores the inevitability of crisis under capitalism – it also exposes how imperialism's dogged and vicious efforts to secure profits are precisely what create the conditions for ever greater instability. All this affirms how there can never be true socio-economic development or equity for the people under the oppressive and exploitative capitalist system.

The global capitalist system has seen a generalized growth slowdown in the nearly four decades since the early 1970s. Even the relatively high finance- and speculation-driven growth of the last few years has not been able to reverse this trend, aside from such hollow growth being unavoidably short-lived and unsustainable. The people are further and further away from the false promises of prosperity through neoliberal "globalization". The number of those living on a conservative $2 or less a day has doubled in the last three decades and stands at 2.8 billion or nearly half the world's population. A billion people go hungry

everyday, and two billion do not even have clean water.

The current explosion of crisis appears to begin from financial excesses in the United States that led to domestic troubles which had subsequent repercussions on the rest of the world. Yet while the sub-prime loan crisis in the US housing market is the most immediate trigger, this merely reflects the system-wide problem with world capitalism, i.e. unprecedented reliance on paper profits and digitally conjured capital. There are initial estimates that financial losses could reach up to US$30 trillion worldwide.

In its effort to maintain its profits, monopoly capital forced greater trade and investment liberalization on the neocolonies to exploit their cheap neocolonial labor, plunder their raw materials, and capture their markets. But these have been less and less effectual, and so it has relied more and more on paper profits and digitally conjured capital. The financial crisis manifesting first of all in the US merely exposes world capitalism's system-wide problem of an unprecedented reliance on this largely fictitious capital. At the root of all this is capitalism's crisis of overproduction exacerbated in the last decades by the neoliberal "globalization" offensive.

The people are also now severely burdened by rapidly increasing food and energy prices. Neoliberal globalization of agricultural production and trade has destroyed backward rural food systems and depleted food supplies aside from worsening the poverty of agricultural producers. Subsidized food imports flooded domestic markets at the same time as producers have found themselves ever more tied to overpriced inputs from big foreign agri-business. The giant transnational oil corporations have used their monopoly control to drive prices up which has been exacerbated by speculation in oil futures markets. Rising energy prices drive up food prices even further.

Imperialist aggression

The intensification of the global crisis in the 1970s and the severe profit squeeze on the advanced capitalist powers drove them to seek deeper in-roads into neocolonial markets through their neoliberal globalization offensive. The people of the world have since been challenged to confront the big powers' ever more calculating rapacity and increasing economic aggression to multiply their exploitation. Imperialism has become increasingly aggressive in seeking to relieve its crisis and maintain its superprofits.

Monopoly capital forced greater trade and investment liberalization on the neocolonies. Backward agricultural systems were overrun and vast numbers of the peasantry thrown into greater hardship. At the same time there were more vicious attacks on labor even in the advanced capitalist countries. An economic assault pressed down wages, salaries and benefits across the globe while political assaults pummeled unions and other organized workers. Usurious debt burdens were used to directly extract surpluses from the neocolonies on a massive scale. They were quickly plunged into a debt crisis in the early 1980s which has since been opportunistically used to increase imperialist economic and political control over them.

The limits of these wide-scale efforts to support capitalists' profits – at the expense of deepening misery on a global scale – could not but assert themselves. The large-scale economic dispossession of the people further constricted opportunities for investments which in turn further accentuated the glut of finance capital. By the 1990s, imperialism increasingly relied on getting its profits from purely financial schemes that were disconnected from any productive activity. Parasitic capital took advantage of advances in information and communications technology not just to facilitate its global production networks but also to fashion complex financial instruments for creating profits outside of any actual productive activity.

Previously unseen levels of profits were derived from sheer speculation. But while seemingly increasing the capital stock, these huge amounts of capital existed only digitally and were greatly diverging from real economic values. The eventual economic impact upon massive financial losses are however very real. Imperialism sought to surmount its crisis with a bewildering array of financial instruments that created unprecedented debt-

The greatest share of the world's income remains concentrated in the imperialist countries that, as of 2006, have only 16 percent of the world's population but account for three-fourths of global GDP.

and speculation-driven illusions of prosperity and growth. Global financial assets include equities, private and government debt securities and bank deposits. These have bloated sixteen-fold from US$12 trillion in 1980 to an estimated US$190 trillion in 2007, over a third of which are in the US. In 2006 the value of global financial assets was equivalent to 350% of global gross domestic product (GDP). Superconductive finance capital destabilizes economies of entire regions at a time and there were a record US$8.2 trillion in cross-border capital flows just in 2006.

PHOTO: MANOOCHER DEGHATI / IRIN

The self-limiting and destructive nature of this conjured economic dynamic was soon exposed. The financial crisis that engulfed in Asia in 1997 and that quickly spread around the world, including to the US in 2000, showed up the vagaries of financial markets. The adverse effects on the real economy of footloose international capital rapidly crossing borders were clearly seen.

The 1990s also saw the expansion of global labor markets for capitalism to exploit. In particular, the opening up of China, the former Soviet Union, Eastern Europe and the greater openness of various Southeast and South Asian economies effectively doubled the number of people for exploitation. Imperialism tapped these hundreds of millions both through setting up investment enclaves overseas as well as by directly bringing in migrant labor or taking advantage of displaced refugees. Social services and public utilities were turned into opportunities for profit.

All those problems only continued to mount in the 2000s and are now coming to a head. Global markets kept on constricting in the face of the imperialist economic offensive. The relentless “globalization” of trade and investment continued to destroy productive forces in neocolonial agriculture and industry: subsistence farming, backward agriculture and incipient manufacturing industry. The working people in the advanced capitalist economies continued to suffer low remuneration for their labors. Debt and speculation were used not just to generate financial profits but also to artificially inflate demand and counter stagnation. But the resulting shallow growth in construction, real estate, commercial trading and finance sectors could not for long compensate the pressures narrowing global markets. Despite the supposedly rapid growth in the last few years there remain shrinking opportunities for genuinely productive investment.

Global capitalism is fundamentally limited in how it deals with the crisis because this is rooted in the system’s basic contradiction between private profit and social production, and in the resulting crisis of overproduction. Among the false solutions it is floating are neo-Keynesian New Deal-type fiscal stimulus, financial lifelines and bail-outs, and “reforming” the global financial architecture towards greater financial governance. These will all ultimately fail not just for being limited efforts but more so because they pretend that the problem is merely about financial excesses and resulting inadvertent instability.

Imperialism’s financial crisis

The situation of the US economy is useful in showing aspects of the problems of the capitalist system in sharp relief. Real average and minimum wages were steadily increasing since the 1940s and 1950s. These however became basically stagnant since the onset of intensified crisis in the early 1970s. This has caused the share of wages and salaries in national incomes to fall since 1970 and by 2006 already reached the smallest share of income on record. The share of corporate profits on the

other hand has correspondingly been rising and by 2006 was at its highest since 1950.

There was a seemingly rapid accumulation of capital since the 1980s and particularly since the 1990s. US financial assets were equivalent to less than four times GDP in 1980 but by 2007 had soared to over nine times GDP. In the late 1990s the share of financial profits in total corporate profits conspicuously increased from less than 20% to over 40 percent. And yet the financial services sector accounts for only 5% of US private sector jobs.

But since these were largely merely paper capital it is inevitable, albeit unpredictable, for the financial bubbles to burst – hence the bubble-driven finance, construction, real estate and retailing boom now going bust. Combined household, corporate and public debts have risen to an unprecedented and clearly unsustainable US$51.1 trillion in 2007 which is equivalent to nearly four times US GDP of US$13.8 trillion. Public debt breaks down into federal (US$9.2 trillion) and state debt (US$2.2 trillion) while private debt is composed of financial sector debt (US$15.8 trillion), business sector debt (US$10.1 trillion) and household sector debt (US$13.8 trillion).

The depth of the problem has already invited comparisons with the US recession in 1927 that eventually led to the stock market crash in 1929 which marked the start of the Great Depression. On the ground, tens of millions of Americans are facing crushing personal debts and uncertain futures. The number of Americans who are jobless or otherwise seeking more work has been rising particularly since the start of the year and now number some 15 million. There is also a resurgence in military production and rising militarism, conspicuously accompanying the rising competition between the imperialist powers.

In the 1990s, the bulk of adverse effects occurred when financial crisis erupted that dragged down real economies. Today, however, the financial excesses have even greatly expanded into speculation in commodities which has resulted in ever more direct effects on the people through grossly higher oil and food prices. Among others this has driven oil industry profits to record highs with US$155 billion in profits in 2002, three-fourths of which are of the top five oil firms. The speculation in food markets has also greatly aggravated the destruction of neocolonial food systems.

Continuing challenges

The people face great challenges in the struggle against the oppression and exploitation intrinsic to capitalism and that are deepening further. Imperialism's international mechanisms for the domination of world trade, investment and economic life continue to set global rules and distort national economies. They establish exploitative economic relations between advanced capitalist powers and neocolonies. The international finance institutions of the World Bank (WB), International Monetary Fund (IMF) and other regional banks are thoroughly discredited but remain influential. Even if the talks at the World Trade Organization (WTO) remain stalled, it remains imperialism's most potentially expansive mechanism for pushing its plundering agenda. And particularly important in the

PHOTO: ASIA PACIFIC RESEARCH NETWORK

last few years are the bilateral and regional free trade agreements (FTAs) that the US, European Union (EU) and Japan are using to tighten their domination of individual countries and regions. From just a few dozen FTAs in the early 1990s there are now some 340 in various stages of talks as of mid-2007. And as it is the US has for instance already seized and opened up economies through sheer military coercion and aggression.

In the neocolonies these burdensome socioeconomic policies are done with the compliance of increasingly subservient governments. They craft the domestic economic regimes most favorable for imperialism and its need for profitable opportunities and outlets for its capital. They maneuver to deliver labor and natural resources to imperialism at the cheapest possible price. And they wield state force to stifle peoples' resistance and to try and make the masses docile and submissive.

In the end the world remains divided into rich and poor, and into exploiter and exploited. On the one hand are the strengthening of global monopolies and their increasing economic domination and ruthlessness. Forty-six of the world's 50 biggest transnational corporations are from the US, EU and Japan. Similarly, nine-tenths of global foreign direct investment outflows totaling US$1.2 trillion in 2006 were from the advanced capitalist countries. Investment payments and the servicing of neocolonial external debt – which reached US$3.4 trillion in 2007 – resulted in a massive net financial transfer from the neocolonies of US$670 billion just in 2006.

The greatest share of the world's income remains concentrated in the imperialist countries that, as of 2006, have only 16 percent of the world's population but account for three-fourths of global GDP. Starkly, the world's 500 richest individuals had a net worth of US$2.6 trillion in 2005 which is equivalent to the annual national income of the world's 48 poorest countries or the world's poorest 416 million people.

Meanwhile the majority of humanity is chronically deprived with generation upon generation going through lifetimes of hunger and destitution. The world's working people have less and less options for decent living, they are losing jobs and livelihoods, and their incomes are collapsing on a massive scale. Some 1.5 billion people do not have or are otherwise lacking jobs in 2007 – the 190 million unemployed and 1.3 billion so-called "working poor". Farmers, workers, indigenous communities, especially women and children, are driven into deeper misery. It is urgent for the people to achieve socio-economic development, social equity and justice.

The people's struggle

Hundreds of millions of the people across the imperialist countries and in the neocolonies have risen up to expose and resist imperialism's economic aggression. The ranks of the oppressed working people that are mobilizing have broadened and prevented imperialism and neocolonial governments from easily pushing through with their plundering agenda. This strengthens the ability of the people to face the great challenges in the struggle against the oppression and exploitation intrinsic to capitalism.

The peoples' struggle for socio-economic development is integral to the overall struggle for national liberation, democracy and social liberation. This includes the commitment of the people of the exploited countries and nations to confront imperialist systems of plunder, exploitation and oppression, and to assert sovereignty and independence. All grossly unequal imperialist trade and investment deals and policies must be outright rejected. Alternative international relations of cooperation and solidarity between peoples will instead begin to be built. The efforts to build more progressive and democratic economies will be all the more effective the more peoples there are working together on a regional and global scale.

Neocolonial domestic economies must be built where our countries' natural resources and our peoples' labors serve the needs of the masses most of all. This means a socio-economic program serving, and thus, wholeheartedly supported by the people. This shall redistribute wealth to peasants and workers and other basic sectors, beginning with true agrarian reform development that breaks feudal backwardness in the world's vast countryside. There must also be genuine national industrialization. The people's basic and vital needs for education, health and housing must be assured.

A humane, equitable and just path that does not exploit other peoples and economies and that is ecologically sound is being charted. The people will be decisively in control of their lives, as well as at the center of building just and peaceful societies. The need to continue building and strengthening democratic mass movements is as urgent and vital as ever as well as underpins our movements for national liberation.

CSO roadmap to Accra

Reileen Joy Dulay
Secretariat, Reality of Aid

A momentous event is set to take place in August this year in Accra, Ghana for civil society organisations (CSOs) engaging on the issues of CSO effectiveness and aid effectiveness. Following the 2001 OECD initiative for a High Level Forum (HLF) on aid effectiveness and the 2nd HLF that paved the way for the drafting of the Paris Declaration (PD) in 2005, the Third High Level Forum (HLF3) is being convened with the objective of monitoring the implementation of the PD. And for the first time ever, a CSO Parallel Forum on Aid Effectiveness will be organized parallel to the Third High Level Forum (HLF3).

The CSO process towards Accra

The CSO parallel process hopes to influence the official process towards HLF 3 by bringing up the issues and concerns of CSOs with regard to aid effectiveness and development effectiveness.

The International CSO Steering Group (ISG) which is composed of such networks as Alliance 2015, Association of Women in Development (AWID), Canadian Council for International Cooperation (CCIC), CIVICUS, CONCORD, European Network on Debt and Development (EURODAD), IBIS, IBON, Reality of Aid Network, Social Watch and Third World Network, among others, led the process and worked to build the capacity of Southern CSOs on the aid effectiveness agenda in order for them to be able to critically and effectively articulate their concerns and engage with other stakeholders in the aid architecture.

The CSO parallel process sought to reach out to local, national and international CSOs and NGOs. Consultations were held beginning 2007 to surface the issues and concerns of CSOs not only on aid effectiveness but also on the aid regime.

In the consultations held, CSOs expounded on their position that while they generally welcome the Paris Declaration, they find this to be quite weak in realizing aid effectiveness. They said that that democratic ownership, rights-based development, national development and gender equality should be given focus and importance in order to achieve aid effectiveness. They are also unanimous in expressing that CSOs should be acknowledged as development and governance actors and as a social representation of the different sectors of society.

CSOs were also consulted on the policy paper prepared by the ISG for the HLF 3. This policy paper was drafted to provide further discussion with CSOs on aid effectiveness agenda. From the consultations, the ISG consolidated the points raised by the CSOs and released the CSO position paper "Better Aid: A Civil Society Position Paper for the 2008 Accra High Level Forum on Aid Effectiveness" which may be downloaded from the Better Aid website (www.betteraid.org). To date, 380 CSOs already signed the CSO position paper and more CSOs are still expressing their interest to sign the said position paper.

The ISG and the Advisory Group on CSOs and Aid Effectiveness (AG) have been engaging with the Working Party on Aid Effectiveness which is based at the OECD DAC to discuss CSOs concerns and proposals that have been expressed during the consultations led by ISG and also during the multi-stakeholders consultations initiated by the AG. These will become significant inputs in the Accra Agenda for Action (AAA), which will be presented during the HLF 3.

CSOs on the Accra Agenda for Action (AAA)

In the draft outcomes for the Accra HLF, the Accra Agenda for Action (AAA) embodies high aspirations for substantive reforms in the aid architecture and aid effectiveness agenda. However, CSOs contend that

the AAA highly lacks concrete and time-bound commitments.

In the response on the AAA, CSOs highlighted specific issues that need to be addressed in order to come up with substantive proposals and recommendations to be discussed at the ministerial level in HLF 3.

In the document entitled "Response from the CSO ISG to 2nd Draft AAA", which may be found in the Better Aid website (www.betteraid.org), the following concerns and recommendations on the AAA were raised:

- democratic ownership;
- transparency and accountability;
- conditionality;
- technical assistance;
- increasing the value of aid – tied aid and procurement;
- predictability;
- fragile states;
- broadening the debate; and
- vision

Parallel Forum on Aid Effectiveness

The CSO Parallel Forum on Aid Effectiveness in Accra will be held on 31st August to 1st September. This event will serve as the final forum where more than 400 CSOs will congregate to discuss and finalize the CSO recommendations for the HLF 3 which will take place from 3-4 September.

The CSO Parallel Forum on Aid Effectiveness will be divided into two sessions. The first day is exclusive for CSOs only. The whole day program is for CSO Parallel Roundtable Sessions, which will include presentations of issues by CSOs and a strategy session on CSO participation at the official roundtable sessions.

As with the official roundtable sessions, the CSO Parallel Forum will also be having three sets of discussions with three roundtables per set.

A public session will take place on the second day of the CSO Parallel Forum on Aid Effectiveness, and will be participated in by CSOs, donors and government representatives. Among the highlights of the public session are the key messages that will be delivered by the ISG and representatives from CSOs, donors and governments.

The Reality of Aid Report 2008, focussing on the theme "Aid Effectiveness: Democratic ownership and Human Rights" is also set to be launched during the public session.

The public session will also include "Village Voices", a space that is meant to create a broad range of engagement with donors and governments as CSOs create independently organized workshops and forums which highlight their issues and concerns on the aid effectiveness agenda.

CSOs in HLF 3 and beyond

Eight hundred donors and government officials will participate in the HLF 3 that will take place from September 3-4, 2008. Some eighty (80) CSOs were accredited to the official event, and will be pushing for real aid reforms that will contribute to development effectiveness: meaningful progress on human rights, poverty eradication, gender equality, labour standards and environmental sustainability (ISG). The final recommendations and critical observations on the progress of the implementation of the PD, as discussed during the CSO Parallel Forum on Aid Effectiveness will also be put forward by CSOs in the official forum.

CSOs also set their vision to go beyond HLF 3. They will be continuing their call for aid effectiveness even after HLF 4 in 2011 which will review the actual achievements of the PD. Also, as part of their aim to attain aid effectiveness, CSO will also be addressing their own capacity, readiness and effectiveness as development practitioners. CSO effectiveness will also be given attention by CSOs as part of their aid effectiveness agenda.

Set 1	Set 2	Set 3
Roundtable 1: *Country Ownership*	Roundtable 2: *Alignment*	Roundtable 6: *The Role of Civil Society*
Roundtable 3: *Harmonization*	Roundtable 5: *Making Mutual Accountability Real*	Roundtable 7: *Aid Effectiveness in Fragile States and Conflict Situations*
Roundtable : 4 *Managing for Results and Development Impact*	Roundtable 8: *Applying a Sectoral Approach*	Roundtable 9: *The Changing Aid Architecture*

Towards a more broad-based VIEW OF OWNERSHIP

Felix Zimmermann
OECD Development Centre

The true value of the Accra High-Level Forum on Aid Effectiveness lies beyond technical discussions between experts about indicators. Participants will be exploring just what aid effectiveness really means in the wake of the 2005 Paris Declaration.

The first of the Declaration's five principles is "ownership". It occurs when partner (i.e. recipient) countries "exercise effective leadership over their development policies" and "coordinate development actions". The indicator to measure progress is the extent to which countries have "operational development strategies": code for the poverty reduction strategy papers (PRSPs) demanded of governments by the World Bank and International Monetary Fund.

In its latest review of PRSPs, the World Bank finds that 8 of the 62 recipient countries surveyed have "largely developed" operational development strategies, while most others have at least "taken action" in putting together such a strategy.

PRSPs help focus policies on the achievement of the Millennium Development Goals, but can a document drafted with donor participation – and subsequently

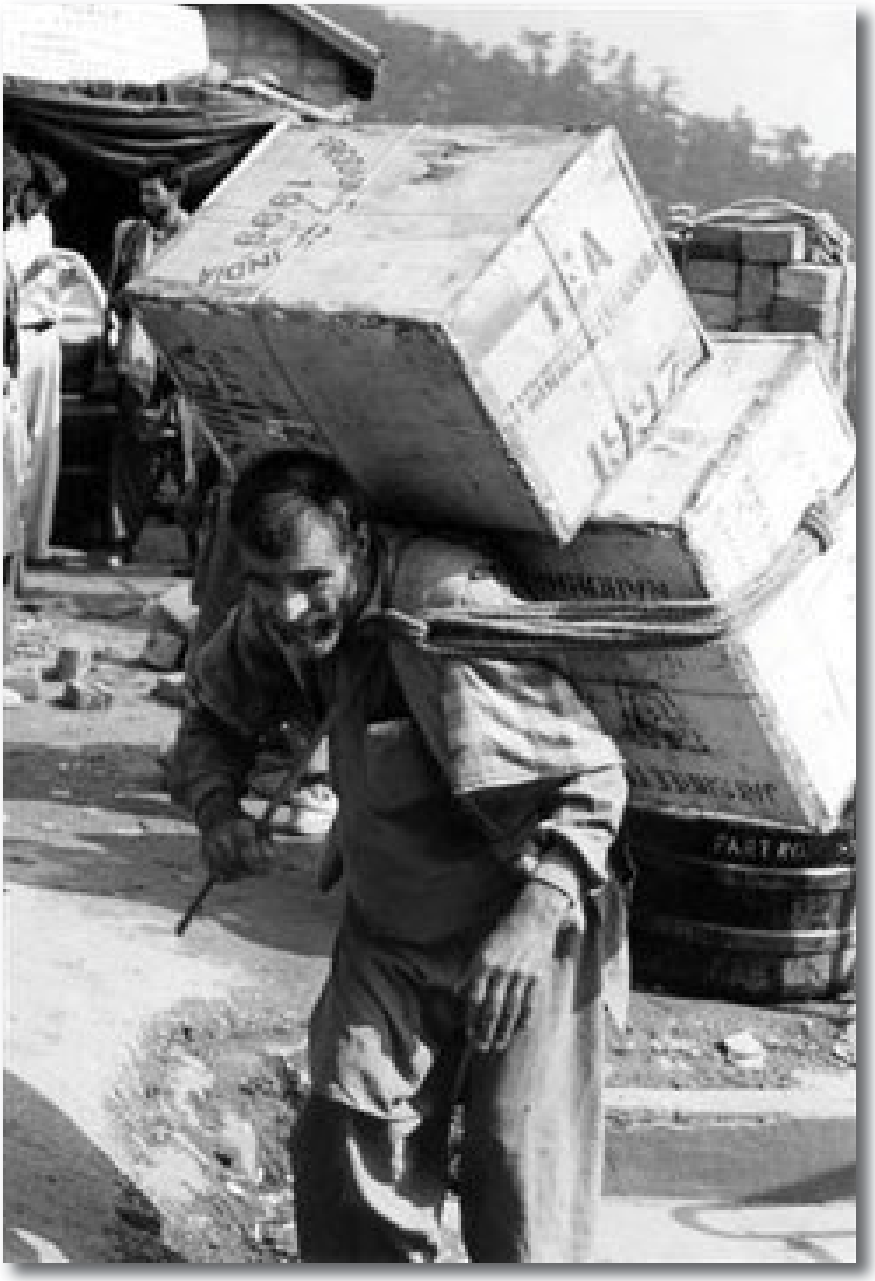

PHOTO: DEY ALEXANDER / FLICKR.COM

assessed by donors for its quality – be truly "owned" by its drafters? "Ownership", in this case, could just be a euphemism for developing countries' adoption of externally-conceived policies.

Aid recipients still lack real choices between policy frameworks. Of the annual $1.3 billion in aid for development-related research, 94 per cent is spent on research in OECD countries themselves.[1] Donors, thus, remain dominant in the production of development knowledge. Then there is conditionality. Donors cling to policy conditions to lock in a government's commitment to reform. However, experience shows that policy conditions fail to bring about reform, not least because donors are unable to enforce them properly. Moreover, linking aid to the adoption of policies clearly undermines ownership by stifling national debate about choices and by shifting governmental accountability towards donors rather than citizens.

The relationship between governments and citizens raises a further critical question: does country ownership imply government ownership?

Governments prefer the policy process to be centralized in national capitals, but recognize that aid is more effective when parliaments, local governments and civil society actors are engaged in the design of policies and monitoring their implementation. This recognition has implications for what we mean by "ownership" and extends it beyond national governments.

Political reality, however, means that local actors are still often sidestepped by national governments and donor agencies.[2] The former do not want interference from alternative power bases, while the latter are more comfortable channelling their aid through government budgets or non-governmental partners from donor countries.

Here are four ways in which policy makers should broaden "ownership":

1. Attack the barriers to local knowledge production

More home-grown knowledge would provide aid recipients with greater policy choices, more tailored solutions to development problems and a stronger bargaining position vis-à-vis donors. Support for university research institutes and think tanks is essential and should be increased. Local NGOs, parliaments and the media require greater capacities to understand and engage in technical policy dialogue on development finance.

2. Enforce local legal frameworks for participation

Broader ownership requires countries to guarantee the right to assemble and freedom of information, and to repeal laws that censure investigative journalism. More generally, governments should protect the constitutional role of parliaments and reinforce national institutions such as auditors and anti-corruption commissions. Together, governments and donors should communicate more actively about loan agreements and the conditions attached to these.

3. Improve monitoring mechanisms for ownership

Policy makers should think about more legitimate and diverse mechanisms to monitor ownership under the Paris Declaration. Currently this function is performed primarily by the World Bank, which, like all donors with a stake in aid programmes, can hardly be seen as an independent arbiter of ownership.

4. Review approaches to conditionality

Some donors have begun experimenting with performance-based conditions in aid agreements. As yet, such conditions are untested and bear risks: natural disasters or economic crises can put performance beyond a country's control. But such risks could be factored into aid contracts. In any case, donors insisting on policy conditions may soon find themselves sidelined – many developing countries have found alternative official and private sources of finance that come with fewer strings attached.

Policy makers in Accra can restructure and reshape aid policies; they can go further than the Paris Declaration and redefine what we mean by "ownership". If they are serious about making aid effective, they must.

Notes:

1 An Initiative to Strengthen Policy Analysis in Developing Countries, The William and Flora Hewlett Foundation, February 2006. Available at http://www.hewlett.org/Programs/GlobalAffairs/Thinktanks/.

2 F. Zimmermann & McDonnell, I., "Broader Ownership for Development", *Financing Development: Whose Ownership?*, OECD Development Centre, 2008.

CSOs condemn G8's DISTORTED CLIMATE 'VISION'

Hokkaido, Japan, July 9, 2008 - As the 3-day G8 Summit comes to a close, no real progress is being made on the climate change agenda as the world's wealthiest nations push for self-serving interests while sidestepping real commitments in significantly curbing their greenhouse gas emissions.

"Judging from the Summit's communiqué on the environment and climate change released yesterday, the G8 countries are not ready to commit to fulfilling their responsibilities in mitigating climate change. While they reconfirm the significance of the IPCC report and recognize the need for a 50% reduction in global emissions by 2050, no definite timeline, plans and actions are being agreed on," says Maria Theresa Lauron of the Asia Pacific Research Network (APRN), composed of 50 research organizations from 19 countries in the Asia Pacific region.

Worse, Lauron adds that the Summit has been manipulated by the US, UK, Japan and World Bank in pushing for market-based mechanisms and solutions long criticized by CSOs, academics and even by a number of Southern governments to be unsustainable.

In particular is the G8'S support for the World Bank's Climate Investment Funds including the Clean Technology Fund and the Strategic Climate Fund which basically seek to scale up public and private finance to deploy cleaner energy technologies to developing nations, in addition to supporting adaptation.

Syamsul Ardiansyah of the Institute for National and Democratic Studies in Indonesia, member organization of APRN, questions the irony, "Why will you allow an institution with a horrible record of supporting fuel extraction to manage climate fund?" Ardiansyah, citing figures from EndOilAid.org, adds that WB's support for fossil fuel extraction has increased 93% in 2006 compared to 2005, its lending for fossil fuels increased at a rate exceeding that of lending for renewable technologies.

US President George Bush is pushing for clean technology and domestic oil production as solutions to climate change, which critics argue, is a way of justifying his administration's plan to open up the Arctic National Wildlife Refuge and the Outer Continental Shelf to drilling and oil exploration. The Arctic National Wildlife Refuge is a site that is home

PHOTO: ERIC DRAPER / WHITE HOUSE

...the real solution to the climate crisis is a sustainable economic framework, which is the basic demand of grassroots in the South, as reflected in the People's Protocol on Climate Change...

to a number of protected species. In addition, the Bush wanted China and India to make the same commitments to curb greenhouse gas emissions.

Aside from clean technologies, the G8 countries are promoting market mechanisms such as tax incentives, performance-based regulation, emissions-trading and taxes and consumer labeling. Alarming is also the fact that these wealthy nations are aggressively advancing the use of biofuels.

Lauron states, "It is ironic that global food security is one of the issues discussed and yet, even the WB reports that biofuels production has actually forced global food prices to increase by a staggering 75%, in addition to displacing farmers and indigenous peoples from their lands and compromising their health and livelihoods".

Lauron acknowledges the importance of technological fixes and funding support as short-term solutions. In the long run, the real solution to the climate crisis is a sustainable economic framework, which is the basic demand of grassroots in the South, as reflected in the People's Protocol on Climate Change, which is a Southern initiative to bring forth to the climate change negotiating table the concerns and demands of peoples who are worst-affected and yet are the least empowered to adapt to climate change.

Lauron concludes, "The G8 climate vision is a distorted view of the whole climate change issue. The masquerade is over. The large and numerous protest actions against the G8 summit from all over the world could only mean that the people will not be fooled into all the greenwashing by the G8 nations. People's movements are now building their strength towards a climate friendly future based on the principles of people's sovereignty, social justice, respect for the environment and common but differentiated responsibilities".

For more information on the People's Protocol on Climate Change Campaign, please visit www.peoplesclimateprotocol.aprnet.org

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Demonstration march against the G8 summit in Hokkaido.

PHOTO: MUJI TRA / FLICKR.COM

People's struggle for justice and existence against Gandak Dam

Water and Energy Users' Federation, Nepal

Local people from the Gandak region in the Terai of southern Nepal and members of the Narayani Nadee Niyantran Sangharsa Samiti (Gandak River Control Struggle Committee) - Nawalparasi have embarked on an indefinite strike that began from the 24th May 2008. Activists have proposed 21 Points of demand regarding the Gandak barrage that they wish the respective Governments of Nepal and India to consider. The venue of the strike is located in the western Gandak canal of India. In an act of sheer bravery, activists have set up a makeshift camp barely 150 metres away from the sluice gates of the Gandak Barrage, refusing to shift until their needs have been adequately addressed. This has resulted in the complete immobilization of the two Indian canals; not a single drop of water has been released by the Indian Government since the commencement of the strike. These canals together provide irrigation facilities to the Indian states of Bihar and Utter Pradesh for thousands of hectares of agricultural lands.

The Gandak Barrage has garnered much controversy since its construction in 1964. Built by the government of India on the border of Nepal and India, it was fatefully given the go ahead after the joint contract of the "Gandaki Irrigation and Power Project Agreement" on 4th December 1959 in Kathmandu. The agreement stipulated that India would construct barrages, irrigation canals and head regulators for the common benefits of water sharing for their people. It also allowed India to purchase and occupy land in Nepali territory for the purposes of the structures. However, the actual division of water has been a rather contentious issue, indeed, questions of inequity and power struggles have continually marred the life of the Gandak Dam.

Instead of the promised, much lauded benefits of increased irrigation, the canals have rained tragedy upon the locals as many a failed dam story can attest. Every year during the monsoon, people in the surrounding catchment become unwilling victims of inundation and increased flooding. On the other hand, when water is most needed during the dry season, India refuses to open the sluice gates to the Eastern Nepal Canal, keeping the keys safely hidden in the state coffers. While abundant rushing waters flow downstream into Bihar and U. P. states, the Nepalese tributaries resemble drought stricken scars on the landscape rather than rivers. Nepal receives barely 3 percent of the total water from this supposed 'common sharing agreement'. India, however, gets the mother load, harnessing 97 percent of this white gold. Due to an unequal agreement signed without proper insight, lured by the political promises of India and no doubt bullied by a fair amount of state level intimidation, Nepal lost this "common benefit". But with that, a greater tragedy would befall the rights of her people. Not only had she forfeited all bargaining power and riparian rights, Nepal had paved the way for indefinite Indian hegemony over her national water assets by the simple mark of a signature, condemning her farmers to annual torrents of nature's fury.

Article 9 of the Gandaki Agreement states that:

"His Majesty's Government of Nepal (now Government of Nepal) will continue to have the right to withdraw for irrigation of any other purpose from the river or its tributaries in Nepal such supplies of water as may be required by them from time to time and His Majesty's Government agrees that they shall not exercise this right in such manner as is likely, in the opinion of the parties hereto, prejudicially to affect the water requirements of the Project as set out in the schedule annexed hereto".

According to this agreement, India is responsible for the complete maintenance and cleaning of the barrage, siphon and canal systems. India has not performed this duty seriously for last two decades. The evidence speaks clearly with the structures in the Nepali side lying in a state of disrepair, whether anyone from the Indian side bothered to check is debatable. Disintegrating cement walls crumble into the body of the canals, a grey trickle answers to the excuse of flowing waters; debris and general rubbish block the siphons while sluice gates and chains weep with rust colored tears. Apparently, the temples of modern India are not worthy of the mighty state's devotion nor upkeep.

On the 15th June 2008, local people organized a huge mass gathering at the Gandak Barrage at the point of no man's land

where a bridge connects Nepal to India. Various national and international activists, members of NGOs, political leaders and affected locals from both countries were present to express their solidarity and support for the campaigns fight for justice. Chairperson of Water & Energy Users' Federation-Nepal (WAFED) Mr. Ram Chandra Chataut also addressed the meeting. He stressed that the unequal Gandak Agreement must be immediately repealed and if a new treaty has to be signed between Nepal and India, equality, human rights and benefit sharing between the countries must be the first priorities. He also added that the Gandak Agreement has already lost its validity with the people most affected and is thus obsolete.

In addition to Water & Energy Users' Federation-Nepal (WAFED), Himalayan & Peninsular Hydro-Ecological Network (HYPHEN), Campaign Service Center-Nawalparasi, Indreni, Ramgram Dalit Utthan Samaj and various other organizations also expressed their solidarity to the ongoing Gandak movement and wishes for their success. Mr. Ram Kewat, Chairperson of Gandak Nadee Niyantran Sangharsa Committee, and Secretary Prem Chandra Gupta, Mr. Baijnath Chaudhari, local leader of Communist Party of Nepal United Marxist and Leninist (UML), Ms. Sita Baudel and Mr. Chinak Kurmi Communist Party of Nepal (Maoist) also Member of Constituent Assembly, stressed that the government has to dissolve the Gandak Agreement immediately. They further reiterated that the Gandak Agreement must be re-negotiated on the basis of equality and justice for both countries and their people.

To debate the perpetual irresponsibility and lack of accountability from the Indian Government seems an exhausted, if not moot point. Unfortunately, neither can the Government of Nepal be aroused from its self induced, deep slumber. Local people representing more than 13 Village Development Committees (VDCs) and activists from various water and human rights groups have gathered *enmasse* to make their demands heard. Three members are on a continual hunger strike under the flimsy bamboo and canvas camp, yet nature cares little for political dramas and monsoonal waters continue to rise regardless. Whether the health or livelihoods of these people will even get a mention seems unlikely.

While various news and radio reporters were present, the major media houses are currently too concerned with outdoing each other with outrageous stories of the ongoing political acrobatics to bother about the looming water crisis, let alone a bunch of activists in the far reaches of the newly formed Republic. We have witnessed the inflated reluctance of past Nepali governments to address national human rights abuses. It is only after relentless pressure from international advocacy networks that has stung the giant bureaucratic machine into action. The issue of river basin management is not merely of national concern, but involves the global community. In a world where diminishing water resources are stacked against an ever increasing human population, the equitable sharing of trans-boundary resources is imperative. Unless there is national and international pressure, governments will continue to ignore the plight of her people. Will Gandak be another case of cowering in the face of Indian hegemony and relegated to the 'too difficult' box? Or will those top level officials finally take notice when the people's anger can no longer be swallowed silently?


Photo by: Ratan Bhandari (WAFED)

WAFED is a member of the Water for the People Network, a broad network of organizations working on water issues in Asia. For more information, please visit www.w4pn.org

PHOTO: DANIEL Y GO

THE PHILIPPINE LABOR SITUATION

Ecumenical Institute for Labor Education and Research

As the global economic crisis reaches new lows this first half and with worse to follow in the coming months or even years, the Philippine labor force is being battered by one gut-level whammy after another. While the effects of the surge in prices of petroleum products, rice and electricity are indeed being borne by all sectors of society, the country's 36-million labor force is taking the lion's share of the beating by virtue of its ever-growing abundance in an ever-shrinking economy.

The highly-unpopular government under President Gloria Macapagal-Arroyo is trying to handle the situation by instituting populist policies designed to take the heat off its governance, while conveniently avoiding crying solutions that could make significant inroads towards addressing the roots of the problem. Labor and general public unrest fulminates as the regime continues to hedge on its social obligations, while faithfully observing policies it deems required to keep it in good terms with foreign and local big business interests, as well as with multilateral funding institutions (MFIs) that grant its perennial request for loans. What's in store for Philippine workers the rest of this year and beyond is foretold by the following objective reading of the local labor situation.

Criminally-low wages

By its own minimalist computation, the Arroyo government pegs the family living wage (or daily-cost-of-living/DCOL for a family of six) to be P894;

Table 1. No. of regular and contractual workers in some car and autoparts manufacturing companies in CALABARZON

Company	Regular	Contractual	Total workforce	% of contractual to TWF
Masuda Phils	100	700	800	87.5
Nissin Brake	60	180	240	75
Laguna Metts	91	96	187	51.33
Honda Cars	752	60	812	7.3
FCC Phils	184	50	234	21.36
Soutech DC	10	98	108	90.74
Star Motors	100	500	600	83.33

Source: CTUHR and NCPWR-ST Research, 2004

on the other hand, the current nominal minimum wage (including ECOLAs) is only P382 in the National Capital Region (NCR), translating to a wage gap of P512. This also means that the nominal wage is only 42.7% of the living wage.

Real minimum wage is at P243.31 with 2000 as the baseline year. While nominal minimum wages across regions are higher now on the average by 39% as compared with those in 2001, the year that Mrs. Arroyo took over as President of the country, real minimum wages are now lower by 7% than those at the start of her term.

In the face of such an "indecent" disparity, the current administration still refuses to legislate a P125 across-the-board wage hike as long demanded by militant labor unions under the Kilusang Mayo Uno (KMU) and the broad alliances of the Wage Increase Solidarity P125 in 1999-2000 and the Unity for P 125 at present., and on the basis of social justice. At the very least, doing so would have raised the nominal minimum wage to P507, still in deficit when compared with the living wage but certainly providing some immediate relief and better elbow room for minimum wage earners to weather out the crisis, until the necessary next round of increases. But since Arroyo's assumption of power, she has only approved an accrued measly basic wage hike of P62 and with the rest as incremental increases in cost-of-living-allowances (COLA), including the P15 and P5 NCR increase last June 14.This has hardly made a dent on the wage gap of P260 then existing in 2001 and the P384 increase in the family living wage (or DCOL) that has piled up on top in the last 7 years, leading up to the current wage deficit of P512.

Hiding unemployment, "globalizing" jobs

Stymied by worsening landlessness in the countrysides and a chronically backward industrial sector, job generation under Arroyo's watch has failed to keep up with a constantly growing labor force, currently at 36,450,000, of which 33,536,000 are officially "employed". The country's unemployment rate worsened from 9.58% in 1996-2000 to 11.4% in 2001-2005.

After arbitrarily redefining "unemployed" beginning in April 2005 to exclude own-account, domestic household and unpaid family workers, the Arroyo government was able to magically reduce subsequent unemployment figures by 1.8 million. The current joblessness statistic of 2.9 million was derived using this manipulative computation, easily rectified by using the old definition, which puts the country's real unemployment rate in double-digits and makes it the highest in Asia. Underemployment, on the other hand, is at 6.6 million individuals.

State-sponsored schemes to sop up the country's surplus labor have reached new heights, with the Arroyo government throwing its full weight behind such services-oriented solutions as labor-export and business-process outsourcing (BPO), twin mantras for "development" under neoliberalism aggressively promoted by MFIs such as the IMF-WB and the ADB. While these stop-gap measures do give some temporary relief to a regime beleaguered by social pressures of its own making, they have only further exposed Filipino workers to violations of core labor standards here and abroad while drawing the economy farther away from a much-needed comprehensive and strategic industrialization program.

Last year, the number of documented overseas Filipinos have reached 8.7 million. Around 5 million of these are contract-based workers, while the remaining 3.7 million are permanent residents or immigrants. Their remittances, amounting to $17 billion in 2007, have grown by an annual average of 16% since 2001 and now comprises 10% of the current GDP.

On the other hand, the BPO "industry" has burgeoned not only in the NCR but also in outlying regions such as Central Luzon, Central Visayas and Southern

Mindanao. Centered mainly around contact centers (or "call centers"), BPO has been touted by the Arroyo government as a "recession-proof" alternative for the upper-scale job market, and most certainly a boon for MNCs abroad eager to save up on peripheral operations cost. Accounting for 2.5% of the gross domestic product (GDP) in 2005 and employing around 163,000 workers (70% of whom are in call centers), the BPO industry is optimistically projected to employ some 1 million workers by 2010. sector. But this seeming oasis of employment opportunity is now under scrutiny from trade unionists for being extremely exploitative, anti-union, and generally hazardous to workers' health. On the average, local call center employees receive only one-fifth of the salaries of their counterparts in subcontracting countries such as the US and UK. Majority of these local workers also suffer from a host of work-related health problems, most of which are lethal in the short- or long-run.

Workers who do find jobs in the Philippines find that they face another big hurdle after being hired: contractualization. Big businesses, whether foreign or local, have long mastered the fine art of labor flexibilization in employment, assisted no end by a President and a government that is thoroughly sold out on the scheme.

Based on the 2003 admission of Donald Dee, President of Employers Confederation of the Philippines (ECOP), 7 out 10 firms in the country practice contractualization. Some of the worst "contractualizers" among companies are also among the biggest, such as Eduardo "Danding" Cojuangco's San Miguel Corporation (SMC) conglomerate (1,100 regulars out of its 26,000 total workforce); Henry Sy's SM Shoemart (1,300 regulars of 20,000); and Manny Pangilinan's Philippine Long Distance Telephone Company (4,100 of 10,000). Such widespread destruction of tenurial security in labor has had a profound impact on Philippine workers' freedom to exercise their trade union and other democratic rights. Most of all, massive contactualization has greatly reduced the variable capital for wages, with the monopoly capitalists seeking ever-increasing superprofits in the face of the current world capitalist crisis of overproduction.

Crippled unions, no unions

More than at any other period in its history, institutionalized trade unionism in the Philippines has become a sham. The Arroyo government's all-out rush to attune the local labor market to the demands of the neoliberal agenda has run roughshod over core labor standards, seemingly leaving no option to workers but to adopt an independent and militant form of advocacy.

While local laws such as the Labor Code exist that formally guarantee the right of workers to unionize, the finer print and state actions themselves say otherwise. Laws that constrain or even prohibit the formation and actions of workers' organizations abound, foremost of which are those that allow "qualified" contractualization like Articles 106-109 of the Labor Code, the Herrera Law and the Department of Labor and Employment's (DOLE) D.O. 18-02; mandatory 30-day notice in the filing of strikes; the Marcos-era strike provision that allows ingress and egress of company goods and scabs; and the indiscriminate issuance of Assumption of Jurisdiction (AJ) orders by the DOLE that covers even non-strategic or non-vital industries.

PHOTO: IRRI IMAGES

Among the anti-union legislation and practices arrayed against Philippine labor, contractualization is especially destructive. Whereas there are no explicit provisions in any

law against unionizing of contractuals, their concrete circumstances itself becomes the prohibition. No employer would consent to them being part of a union's bargaining coverage, since they only have 5-month contracts at the most. For the same reason, no union composed mostly or exclusively of contractual workers in a firm would be able to obtain a CBA with management or even to uphold one in a practicable period of time. Under this situation, contractualization is turned into a benign-looking but immensely effective tool by big business to block nascent unionism or to bust existing unions.

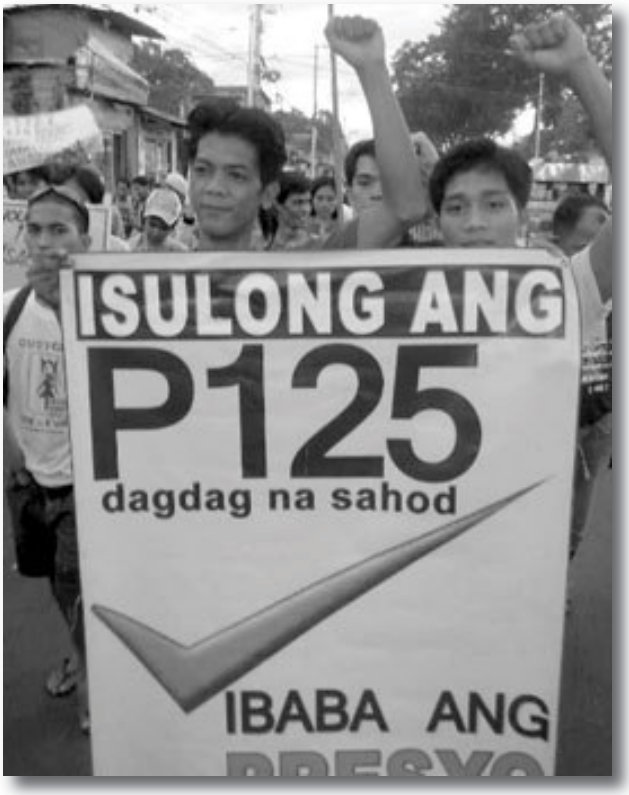


PHOTO: ARKIBONGBAYAN

Those that persist and succeed in forming unions immediately become targets of persecution by big capitalists and the state, who seem to find common ground in fostering a "no union, no strike" environment particularly in the country's special economic zones. To cite a dramatic case, Gerardo Cristobal, President of the EMI-Yazaki Garments union in Imus, Cavite was fatally shot last March 10 after having survived a previous attempt last year. Also a leader of broad-based labor alliance Solidarity of Cavite Workers (SCW), Cristobal became the 80th in a list of trade unionists killed for political reasons under the Arroyo government. None of these killings have been satisfactorily prosecuted to date.

Given such hostile conditions, it comes as no surprise that the number of genuinely unionized workers in the Philippines has sharply declined. While in 1995 14.6% of the labor force were still unionized, 2007 data shows a much reduced 5.6%, or 16,861 unions with a total membership of 1,893,000 workers. But even this is not reflective of the real picture, since DOLE does not monitor the status of unions on a regular basis and includes even those in firms that have closed down over the past few years. A more accurate benchmark would be the number of existing CBAs and their workforce coverage, which now counts 1,573 agreements covering some 222,000 workers all over the country. These figures portray the true state of union-building in the country, and is a damning record of big capitalist-state collusion in the suppression of Philippine workers' democratic rights under "globalization".

Renewed bases for struggle and unity

There are two major reasons that make the big business ideal of "cheap and docile labor" in the Philippines a temporal victory at most. Firstly, the current global economic crisis is projected by analysts to last even longer than the previous ones; and secondly, the labor movement's core of independent and militant labor are not known for taking such periodic crises lying down.

In the midst of the recent alarming slew of price hikes, militant and independent labor organizations quickly formed themselves into an alliance called the "Unity for P125". It aims to build a broad mass movement among private sector workers that will leverage not only for an immediate and substantial wage increase but for the scrapping of regional wage boards (RWBs) that are being used by government to regulate wage fixing in favor of big capital.

Workers' organizations are also in the thick of multisectoral networks and alliances that seek to bring down the prices of oil, electricity and rice. Among the concrete public measures urgently being sought are the scrapping of 12% value-added tax on petroleum products, repeal of the Oil Deregulation Law, lowering of systems-loss charges in power rates, and subsidized pricing in rice. More strategic calls, however, are also being floated to deal with price spikes in the long term and address their systemic roots, such as nationalization of the oil and power industry and genuine agrarian reform. Hit hard by crisis engendered locally and abroad, the Philippine labor sector gathers its strength to fight not only for its own welfare but for those of other marginalized sectors as well.

SEAWORTHY

Dr. Giovanni Tapang

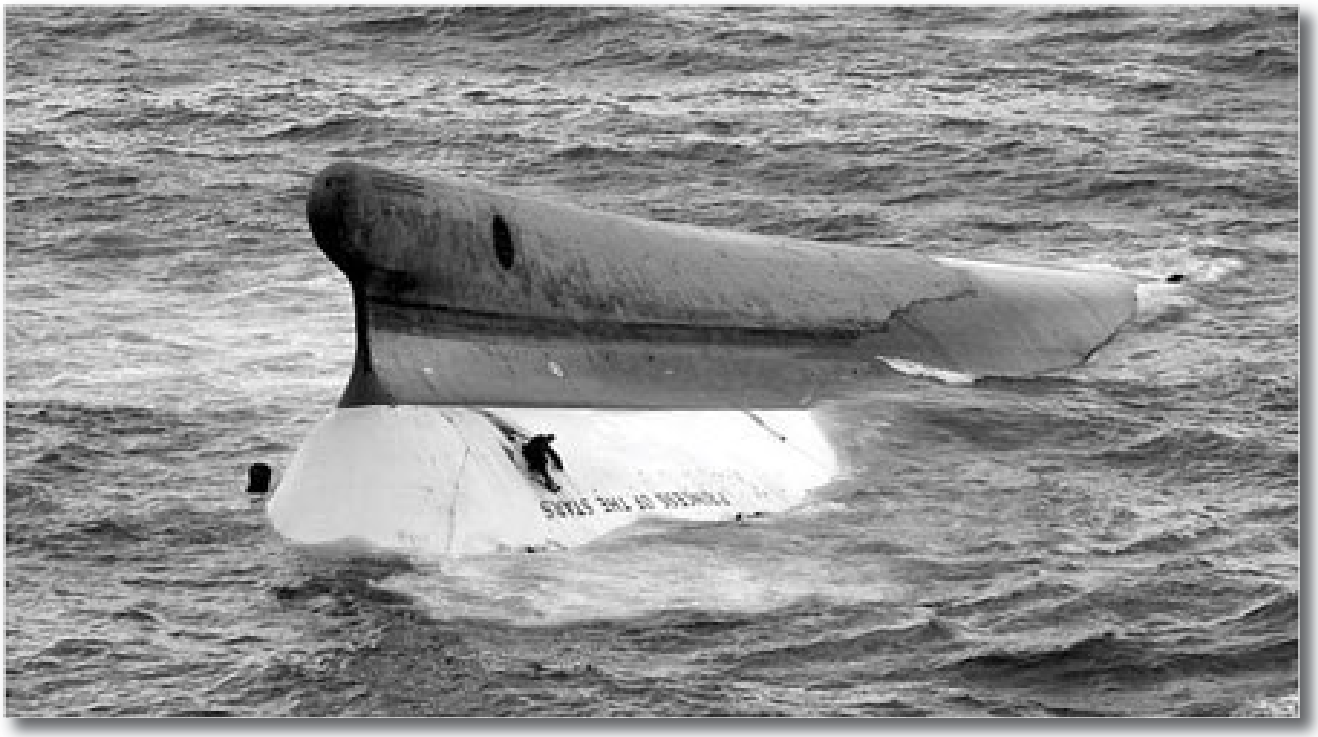
The growing frustration of the families of the passengers in the MV Princess of the Stars reflects the long-running problems of our domestic shipping industry. The ship went down near Romblon when Typhoon Frank hit the country last weekend.

While we were taught in elementary school that the Philippines is made up of 7,100 islands, going to these islands is difficult and expensive for most. Even within the three main island groupings, inter-island commuting carries the stigma from the sea tragedies in the past.

There are short-haul inter-island ferries that carry commuters and goods between small islands and small passenger boats to fill in the rest. Yet the major sealanes are controlled by a few big operators. The three major ferry operators controlling the services from Davao, Mindanao and Cebu, have merged over the last decade. A commuter from Manila to the major ports in the Visayas and Mindanao would have to contend with the rates and services of these companies.

The tragedy in Romblon highlights three things. First, even with the so-called "Strong Republic National Highway" program of the government prioritizing the development of roll-on/roll- off facilities and vessels, reliable and affordable sea transportation for commuter and goods has yet to be achieved throughout the archipelago.

Second, there exist multiple overlapping bodies under the Department of Transportation and Communication that handle shipping and domestic sea travel. Ports are the responsibility of Philippine Ports Authority (PPA) while the regulation of the shipping sector is the responsibility of the Maritime Industry Authority (Marina). Policy for safety and ship registration is with the PPA although



MV Princess of the Stars capsized

PHOTO: IONLINE PHILIPPINES NEWS

To make ourselves truly seaworthy, we need to build a strong domestic shipping industry that supports domestic trade and ensures access, reliability and affordability for the people.

enforcement and implementation is done by the Philippine Coast Guard. Dissemination of weather information, ship monitoring and even rapid rescue and coordination still needs to be addressed by these agencies.

Overlapping functions with regard to domestic sea transport make it hard to pinpoint responsibility in the wake of disasters such as the Princess of the Stars tragedy. This situation is further compounded by the deregulation and liberalization of the shipping industry.

Third, a vibrant shipping industry is ultimately dependent on a strong domestic economy. Raw agricultural products and commuters are the main cargo of vessels within the country. Only a small number of container vessels that carry the Philippines flag are involved in overseas trade. Most of our national fleet — container vessels, tankers and general cargo — are small in tonnage. Most are more than 25 years of age due to a low rate of retirement and replacement of vessels. It is only with the bulk fleet that there are new acquisitions in the past few years.

There is a lack of major shipbuilding facilities that can turn out new vessels. Machinery, ship parts and new vessels are mostly imported. Even financing ship acquisition is a problem by the domestic shipping industry. With the trend to liberalize further the shipping industry, the backbone of our domestic travel will be out of our hands and tied with the interests of foreign investors.

Public utilities are services and infrastructure that are used by the people to facilitate their daily activities and enhance economic production. Among these are electric power, water services, fuel, telecommunications and transportation. In mass transport, the infrastructure and means that enable goods and people to be conveyed from one place to another in an affordable and timely manner is a public utility. These include road networks, land, air and sea transport and traffic control.

All of these utilities should be accessible and affordable to the people since limiting access to these services would make, in general, daily activities more difficult. Since these utilities facilitate the growth of the domestic economy and support the people's daily activities, it is a must for an honest government to be the one to build and manage these infrastructures.

In a discussion with Capt. Danilo "Ka Dan" Vizmanos, a retired Navy captain who fought against martial law, he noted that as an archipelagic country, we should invest heavily as a country in building our shipping industry.

The Navy captain turned militant activist, writer and social critic passed away last Monday. Yet his aspirations still ring true: we need to upgrade our shipyards to be able to engage not just in ship repair but even in engine and machine parts production.

Our sea traffic monitoring, weather and rescue services should be strengthened. Our capacity to patrol our seas and defend our national patrimony should be increased, instead of allowing foreigners to plunder our resources.

To make ourselves truly seaworthy, we need to build a strong domestic shipping industry that supports domestic trade and ensures access, reliability and affordability for the people.

(Dr. Tapang is the chairperson of AGHAM, a progressive scientists organization founded in 1999. This article was first published in the June 26, 2008 Opinion section of the Manila Times.)

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PAN AP to the Philippine government:

Protect your people! Institute a TOTAL ban on Endosulfan!

The news of the recent decision by the Philippine government to stop diving and retrieval operations at the site of the sunken M/V Princess of the Stars due to its shipment of pesticides destined for use by Del Monte is an unmitigated double tragedy for the people of the Philippines! Only 57 survivors were rescued, while hundreds more were noted as either dead or missing, and the searches by the retrieval crews were to hopefully find those still trapped in the ferry.

Not only do the families hoping for news of survivors within the wreckage face loss of hope to find answers of their loved ones fate; now the communities in Romblon province and the salvage crew face threats of exposure from one of the world's most dangerous pesticides, endosulfan.

"It is totally scandalous that Endosulfan, which is banned in the Philippines, is allowed for use by cash-crop industries such as Del Monte and Dole!" argues Sarojeni V. Rengam, Executive Director of the PAN Asia and the Pacific. "The Philippine government has failed in its responsibility to protect the people of the Philippines. It should have imposed a total ban on this extremely hazardous pesticide. Why are there exemptions on endosulfan use for these multinational companies? And it is only due to this tragic event that these issues have come to light!"

Endosulfan is as an acutely toxic pesticide that poses significant health problems, it can effect the nervous system, causing hyperexcitation and convulsions, and nervous system mediated effects on respiration and heart. Death results from low levels of exposure. Endosulfan is very toxic: it is harmful in contact with skin; very toxic by inhalation; very toxic if swallowed; it is dangerous for the environment; and very toxic to aquatic organisms, and may cause long term effects in the aquatic environment.

The Fertilizer and Pesticide Authority had banned endosulfan, but exemptions were provided to multinational plantation food companies Dole and Del Monte operating in the country. It has been revealed that the 10 metric tons of the pesticide found inside the capsized M/V Princess of the Stars belonged to Del Monte, which runs pineapple plantations in Mindanao.

"In 1994 the Pesticides Technical Advisory Committee made recommendations to ban endosulfan to the Philippines Pesticides Authority. And the exemptions for Dole and Del Monte should only be in place for two years", stresses Dr Romeo Quijano, Toxicologist with the School of Pharmacology at the University of the Philippines. "But upon this call for a ban, the Pesticides Technical Advisory Committee was not called for another meeting and has been dormant since!" adds Dr Quijano, who is also President of
PAN Philippines.

Cases of endosulfan poisonings, resulting in death or severe disability, have been reported principally in Asia, Africa and Latin America. Effects in survivors include congenital deformities, delayed male sexual maturity, female hormonal disorders, congenital mental retardation, cerebral palsy, psychiatric disturbances, epilepsy, cancers, skin, eye, ear, nose and throat problems, impaired memory, and chronic malaise.

Endosulfan has been the subject of a Campaign for a Global Ban by the Pesticide Action Network, the International POPs (Persistent Organo Pollutants) Network and other concerned groups. It has also been banned or restricted in many countries because of human health and environmental impacts.

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