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**GFMD:**  
Development not for  
grassroots migrants

ON SPONSORSHIP SYSTEM  
ON UNDOCUMENTED MIGRANTS  
BORDER CONTROL AND IMMIGRANT BRIDES IN THE RECEIVING COUNTRIES

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# Migrants Say No to the GFMD

No to forced migration. No to labor export.

Create jobs at home. End poverty.

Defend and advance our rights.



Nothing less.



International Assembly  
of Migrants and Refugees

Manila, Philippines

October 29-30, 2008

The International Assembly of Migrants and Refugees (IAMR) is a collaborative effort of the International Migrants Alliance (IMA) and Migrante International, with the cooperation and support of Asia Pacific Mission for Migrants (APMM), ISON Foundation, Bayan Philippines, Asia Pacific Forum on Women, Law and Development - Task Force on Labor and Migration (APWLD-TF L&M) and CARAM Asia.

## The Global Forum on Migration and Development:

# DEVELOPMENT NOT FOR THE GRASSROOTS MIGRANTS

Asia Pacific Mission for Migrants (APMM)

**O**n October 29 and 30, 2008, representatives of states are set to meet for the Second Global Forum on Migration and Development (GFMD).

This gathering is even more significant now considering that the meeting will be held in Manila, Philippines – a country known for its decades-old export of labor and ranks among the top labor-sending countries and is one of the biggest recipients of remittance from overseas nationals. From the

estimated 10 million Filipinos working in other countries across the globe, remittances sent in 2007 reached US\$14.4B.<sup>1</sup>

The first GFMD was hosted by the Belgian government and focused on the following themes: Human Capital Development and Labour Mobility; Maximising Opportunities and Minimizing Risks; Remittances and other Diaspora Resources: Increasing their Volume and Development Value, and; Enhancing Institutional and Policy Coherence, and Promoting Partnerships.

In 2005, the International Organization for Migration (IOM) estimated that there are about 191 million migrants worldwide. This was about 3% of the total world population.

In this year's Manila GFMD, the central theme shall focus on 'Protecting and Empowering Migrants for Development' with the roundtable themes on: (a) Migration, Development and Human Rights; (b) Secure, legal migration can achieve stronger development impacts; and (c) Policy and institutional coherence and partnerships. <sup>2</sup>

While the GFMD holds so much promise in words, delving into its agenda and framework reveals otherwise. What is really in store for migrant workers and peoples of developing countries is the grim future of intensified commodification of migrant labor.

#### **Globalization, Migration and the Rise of the GFMD**

It is a foregone conclusion for the grassroots that globalization has failed to deliver its promises of development for the majority of the people. In fact, the world is in

such an unprecedented crisis that even the main superpower – the United States – has resorted to wars of aggression and occupation of sovereign nations just so it can salvage its own dwindling economy.

Globalization and its policies of liberalization, deregulation and privatization have not uplifted the condition in underdeveloped and developing countries. Unemployment, underemployment, landlessness and deprivation of basic services are more prevalent than ever. Their natural resources are plundered and their economies are held hostage by the powerful countries. The great majority either sink deeper into the quagmire of poverty due to accumulated problems and the current impact of the economic crisis.

According to the research group IBON Foundation, the average annual unemployment rate of 11.3% and of underemployment of 18.9% from 2001-2007 is the "worst seven-year period of these rates in the country's history."<sup>3</sup>

Indonesia, another major exporter of labor, pegs its unemployment rate in 2006 at 10.6 per cent of 106-million workforce while the

number of underemployed has exceeded 43 million.<sup>4</sup>

Poverty continues to worsen in the Philippines. Even with an absurdly low poverty threshold of P41.25 (US\$0.80), 32.8% of the population is poor. The economic disparity in the country is so wide that the top 20% of the population has a total income of 52.8% and the bottom 80% shares the rest.

With the prevalence of poverty and shrinking opportunities to survive, millions of people are driven to seek employment abroad. In 2005, the International Organization for Migration (IOM) estimated that there are about 191 million migrants worldwide.<sup>5</sup> This was about 3% of the total world population.

Labor export has been a flourishing industry in many developing and underdeveloped countries. It is used to prop the sagging economy of countries battered by perennial crisis induced by the drive of the monopoly capitalists to save their own businesses and economies.

Labor-sending governments also use forced migration of people to deflect the simmering social volcano of people's discontent in face of the massive joblessness,

Labor-sending governments also use forced migration of people to deflect the simmering social volcano of people's discontent in face of the massive joblessness, poverty and constriction of social services.

poverty and constriction of social services. It is a deception tool employed to enable the daily survival of a big part of the populace.

However, the biggest and most evident impact of forced migration is the income it generates and the remittances that migrants send to their home countries. Government income mainly comes from the various fees that it exacts from departing and current migrants. The Philippines, for example, earns billions of pesos a year considering that more than 3,000 overseas Filipinos leave the country everyday for work abroad.

Still, remittances overshadow income from state exactions. The estimated US\$2.26 trillion combined remittances of all foreign workers around the world far exceed the combined development aid from the rich and powerful countries.

It comes as no surprise then that monopoly capitalists will turn its attention to the lucrative business that is migration.

The GFMD process did not come about from a vacuum. While the decision to convene it came from a High-Level Dialogue on migration backed by members of the powerful OECD in September 2006, its gradual evolution can be traced to various other international gatherings that shaped the concepts of development and migration.



IMAGE: LUIS JORJUE

These include the formation of the World Trade Organization that radically shifted the concept of development to embracing the principles of neoliberal globalization in 1995, the Monterrey Consensus in 2002 and the Paris Declaration in 2005 that dealt with development aid, and of course, the botched attempt of the WTO to control migration through the General Agreement on Trade and Services Mode 4 in 2005.

Failing to do so within the WTO framework, OECD countries are now trying to assert its agenda on migration through the GFMD process.

### Unraveling the GFMD

The GFMD's expressed nature is that it is "an informal multilateral and state-led multi-stakeholder process ... to identify practical and feasible ways to strengthen the mutually beneficial relationship between migration and development."<sup>6</sup>

To understand the GFMD is to know that it does not really depart from the neoliberal globalization

framework. It is globalization applied to migration.

Under the GFMD, development for the underdeveloped countries will mean the even further systematization of the labor export program and the commodification of migrants. In simpler terms, it will mean that migrants shall not be different from any other good that is traded.

In its conclusion, the First GFMD said that 'migration is an opportunity, not a threat; as such, migration policies can contribute to development and to achieving the Millennium Development Goals; that development policies can harness best the potential benefits of migration.'<sup>7</sup>

While it purports not to advocate for migration to replace genuine development, its adherence to globalization – whose concept of development reigns right now – makes such a declaration empty.

The GFMD does not, in any way, attempt to address the root causes of forced migration. While it hides under the cloak of universally-

accepted concepts and principles such as the ‘right to migrate’ and the ‘right to development’, its support for the perpetuation of forced migration and denial to take into account globalization as a cause of poverty, joblessness and maldevelopment is evident.

For as long as developing and underdeveloped countries remain backward and impoverished, monopolists have a steady and even increasing supply of cheap labor to exploit – both the workers exported as migrants and the workers left behind.

Remittance is on top of GFMD’s priority concerns. It maintains that although remittances cannot be appropriated by governments, their positive impact on development can be increased through options, incentives and tools designed and implemented by governments in partnership with other relevant actors.<sup>8</sup>

Currently, there is a drive to corner the flow of remittance of migrants in the whole world. This is being done in order to ensure the superprofits of monopoly banks, and ensure that debt-ridden

countries will have dollars to pay their debts. Even more than the superprofit, the cornering of remittances will lead to further concentration of finance capital. This concentration of finance capital will even be reinforced by the fact that for many migrants, working abroad means getting loans from banks.

The use of remittances is hoped to do away with capital pump priming and Official Development Assistance (ODA) that donor countries and financing institutions such as the IMF have not been able to meet as a result of the globalization-induced crisis.

In order to do this, they must make sure that the administration of migration is going well. Aside from ensuring the smooth flow of labor export, migration management shall ensure that the labor-sending countries can squeeze the maximum benefits from labor export to augment state revenues and help cover deficits in foreign payments.

At the end of it, the GFMD deliberately misses the concrete concerns of migrants for its sole

concern is the advancement of globalization policies in labor-sending countries and how monopoly banks, other private businesses, the monopoly capitalist states, and governments of labor-sending countries can benefit from migration.

### **Grassroots’ response**

For the 2nd GFMD, grassroots migrants are taking up the challenge of confronting the meeting, exposing its nature, and bringing to fore the real concerns of migrants.

The Manila GFMD is set to face the resistance of grassroots migrants, advocates for migrants’ rights, and anti-globalization groups. Efforts have already been conducted in various countries to educate migrants and their advocates on what the GFMD is all about and its repercussions.

In June this year, the International Migrants’ Alliance or IMA was formed. Composed of more than 100 organizations coming from the grassroots migrants – domestic workers, factory workers, agricultural workers, undocumented migrants, foreign brides, political refugees, workers in the service sector and the likes – from 25 countries, the IMA has resolved to mount actions that will challenge the very core principles and framework of the GFMD.

While the GFMD is evidently a concern primarily of migrants, its framework and agenda impact on all other sectors of society. As globalization ravages the lives and livelihoods of everyone, the GFMD is both a cover to

Under the GFMD, development for the underdeveloped countries will mean the even further systematization of the labor export program and the commodification of migrants. In simpler terms, it will mean that migrants shall not be different from any other good that is traded.

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globalization's failure and a venue to further advance its agenda.

Thus on October 28 to 30, the IMA together with Migrante International and IBON Foundation will convene the International Assembly of Migrants and Refugees (IAMR) as a parallel event to the GFMD meeting. In the IAMR, leaders from grassroots organizations of migrants and of other sectors in the regions of Asia-Pacific, Europe, North America, Africa and Latin America will talk about the issues of migrants ranging from the challenges in building the migrants' movement to the issues

of seafarers. In attendance will be regional groups such as the Asia Pacific Forum on Women, Law and Development and CARAM-Asia.

To confront the GFMD is a daunting task. In the face of such a challenge, the unity and solidarity of migrants and other

sectors shall be most important weapon for an effective resistance to GFMD and the imperialists' and their servile governments' design on migration.

#### Endnotes:

- <sup>1</sup> 2007 Annual Report, Philippine Overseas Employment Administration (POEA)
- <sup>2</sup> [http://government.gfmd2008.org/forum\\_info/gfmd\\_philippines2008.html](http://government.gfmd2008.org/forum_info/gfmd_philippines2008.html)
- <sup>3</sup> IBON Position Paper on Supreme Court Forum On Economic, Social, Cultural Rights, [www.ibon.org](http://www.ibon.org)
- <sup>4</sup> <http://old.thejakartapost.com/yesterdaydetail.asp?fileid=20060925.A05>
- <sup>5</sup> [www.iom.int](http://www.iom.int)
- <sup>6</sup> First GFMD background paper
- <sup>7</sup> GFMD Conclusions and Recommendations
- <sup>8</sup> Ibid



Elected founding leaders of the IMA

PHOTO: KIKOMANHK / FLICKR.COM

## Reality of Aid Network launch 2008 Report on “Aid Effectiveness: Democratic Ownership and Human Rights”

**A**ccra, Ghana - Civil society organizations (CSOs) are unanimous in highlighting the failure of aid to effectively deliver progress to communities around the world, as explained in the Reality of Aid 2008 Report, “**Aid Effectiveness: Democratic Ownership and Human Rights**” which was launched on September 1 during the CSO Parallel Forum on Aid Effectiveness.

The 2008 Report, published by the Reality of Aid (RoA) Network, gathered evidence and experiences of CSOs and

people’s organizations working in the forefront of development policies on the present reality of aid. It also recommended some proposals and directions for reforms. This is an alternative source of knowledge amongst people and confirms the real situation happening in different communities all over the globe.

The report cited the continuing practice of donors to impose conditionalities on their aid to developing countries, and this has prevented communities to assert their right to development. It also documented deeply troubling

trends and failures in aid reforms as revealed by authors both from southern and northern countries.

The authors of the RoA 2008 Report came up with their strong conclusion that the only true measure of aid’s effectiveness is its sustained impact on reducing poverty and inequality through deepening commitments and achieving their commitments in implementing human rights, in achieving gender equality and in promoting environmental sustainability.

In the CSO Parallel Forum on Aid Effectiveness and the High



PHOTO: REALITY OF AID SECRETARIAT



Level Forum III, the Reality of Aid Network with hundreds of CSO members all over the globe, asserts the following proposals and calls for their immediate implementation.

- 1) Aid effectiveness commitments must be clearly and demonstrably refocused on implementing human rights obligations and standards, including the right to development;
- 2) Donors and governments must promote democratic and local ownership, including the active inclusion of parliaments, CSOs and citizens in policy making and agenda setting;
- 3) Genuine and regular mechanisms are needed to hold donors to account and development effectiveness;
- 4) The highest standards of openness and transparency on the part of all development actors are essential;
- 5) Donors, including IFIs, must commit to eliminating all types of imposed policy conditions from their aid and untying their aid without restrictions by 2010;
- 6) Donors must cancel all illegitimate debt and the debt of the poorest countries and increase both the volume and predictability of aid; and
- 7) Donors and governments meeting in September 2008 Accra HLF 3 must agree on an Accra Agenda for Action that sets in motion ambitious initiatives over the next two years to deepen their commitments to aid reform beyond the Paris Declaration.

Please visit [www.realityofaid.org](http://www.realityofaid.org) or write RoA Secretariat: [secretariat@realityofaid.org](mailto:secretariat@realityofaid.org) for more information on the Reality of Aid 2008 Report, "Aid Effectiveness: Democratic Ownership and Human Rights".

## WB's CIF - an attempt to control global climate financing policy, CSOs say

CSOs that gathered during a workshop in Accra, Ghana in September rejected the World Bank's proposed funding mechanism and condemned its attempt to control the global financing policy on climate through its Climate Investment Fund (CIF).

Although recognizing that adaptation should move to the top of the policy agenda if it is to make a difference, CSOs said that what WB is proposing are market-driven solutions which will not solve the problem.

The CIF is a multi-donor funding mechanism, which will supposedly help developing nations invest in clean technologies and build up their defences against climate change. The CIF was unveiled July this year, with ten developed countries pledging a total of USD 6.1 billion to the fund.

According to northern and southern CSOs who attended the workshop, the CIF has turned conditionality upside down, with certain macroeconomic conditions attached. Rosario Bella Guzman of IBON, expressed fear that the CIF will be used to pressure developing countries regarding

carbon emissions and carbon trading.

Other contentious issues arise from the CIF such as its unclear relation to the sunset clause post-2012 which states that adaptation projects close down after 2012 when in fact, the CIF opens a window of possibility of ignoring the clause as new money pours in. Gender sensitivity and people's issues are also not integrated into the framework of WB.

In a nutshell, the CSOs believe the CIF is just a debt trap and undermines the UNFCCC which is supposedly more democratic.

This month, India openly rejected the CIF in an effort to harden its stance - together with China and the G77- for developed nations to directly transfer funds to affected and poor countries. These countries are also calling for a different adaptation fund but under the UNFCCC.

The climate change funding workshop was organized by IBON Foundation and AidWatch during the CSO Parallel Forum on Aid Effectiveness. Both organizations are involved in the Movement for a People's Protocol on Climate Change.

**RP vulnerable to US, global financial crisis:**

## Economic relief to peoples urgent

Contrary to Pres. Arroyo's statement that her administration's economic measures will withstand the current global financial crisis, research group IBON Foundation says it is precisely government's economic strategies that have made the Philippine economy overly vulnerable to external factors.

The chronic dependence on exports, foreign investment and debt-- including official development aid that ends up as foreign debt-- is at the heart of the economy's vulnerability. Economic relief measures are thus urgent as the people will bear the brunt of the effects of the global crisis on the Philippine economy.

The government overplays the so-called "decoupling" effect where the Philippines is supposedly much less dependent on the US market. On the contrary, developments in the US will still have a severe impact on the local economy as the US remains one of the country's top exports and investments partners. Third-party partners such as South and East Asian markets are also finally linked to the US ambit.

Drops in US consumption and investments will be deeply felt as the largest part of Philippine exports directly or indirectly goes to the US. Around 20% of foreign investment in the country comes from the US. Further, some 20% of

exports already directly go to the US but a large part of exports to Japan, China, Hong Kong, South Korea, Taiwan and Malaysia which take up another 50% of exports, are actually components for assembly into products whose final destination is still the US. Slower growth in third party countries that depend on the US and which the Philippines deals with will also have adverse effects on Philippine exports manufacturing.

Even the vaunted local information technology (IT)-enabled industry will be likely hit hard because of its considerable dependence on the US market, further aggravated by the continued peso appreciation. The US is an overwhelming presence in the business process outsourcing (BPO) sector and accounted for nearly 90% of total BPO exports revenue and over two-thirds of foreign equity in 2005. The impact will be most felt in the National Capital Region (NCR) where an estimated 80% of BPO employees are located.

Slow global growth could restrain OFW deployments and slow down remittances which will reduce domestic consumption. The global financial crunch could also result in further cuts in the salary and benefits of OFWs as employers



PHOTO: KC ALABANZA

react to the crisis. All this highlights the folly of government economic strategies which unduly rely on external factors instead of creating jobs and producing goods by building domestic agriculture and industry.

Immediate economic relief measures have to be taken to arrest the inflationary impact of the financial crisis starting with the removal of the regressive RVAT on oil. Other urgent measures include implementing a nationwide across-the-board wage hike, increasing the budget for social services, and suspending debt payments because of the people's urgent need for resources and support.

It is becoming all the more urgent for the government to put a stop to failed policies of globalization. Beyond the immediate economic relief, much more meaningful over the longer term is to focus all efforts to build a genuinely self-reliant domestic economy. **IBON Foundation, Inc.**



PHOTO: DANIEL LIU

## **Undocumented migrants and immigrants:**

# **Issues and challenges for the defense of their rights and promotion of their wellbeing**

Ramon Bultron

Commission 16 on Migration, Refugees and Displaced People  
International League of People's Struggle

### **The Undocumented Migrants and Immigrants**

**T**he existence of undocumented migrants and immigrants is part of the whole phenomenon of the forced migration of people and the commodification of human labor.

Undocumented migrants and immigrants are generally considered to be those who are staying without proper documents (working visa or resident status) in a particular country. How they become undocumented varies. Some are already undocumented since entering the host country,

commonly facilitated by illegal recruiters and traffickers. Others become undocumented after running away from abusive and exploitative working and living conditions. Still others enter a country as tourists and then later on look for jobs as undocumented migrants.

There are also undocumented who are forced to become so because of the grave limitation on the length of stay that host countries implement and their need to keep a job overseas.

Undocumented migrants and immigrants are that part of foreign labor that are largely unknown,

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*(Abridged version of a paper presented during the Founding Assembly of the International Migrants' Alliance, 15 June 2008, Hong Kong SAR)*

unrecognized and severely unprotected. There are varying data as to how many undocumented, sometimes called irregular, migrants and immigrants in the world there are.

The International Organization for Migration (IOM) estimates that of the 191 million migrants in the world in 2005, about 30 to 40 million are undocumented. However, there are also some migrant experts that put the figure at 40% of all migrant workers.

Because of its very nature, it is hard to give an exact data on undocumented migrants and immigrants. However, there are countries said to be “hotspots” for undocumented migrants and immigrants such as the United States, Thailand especially in terms of Burmese migrants, Malaysia as shown by the deportation of hundreds of thousands of undocumented migrants and families in Sabah, and, collectively, Europe.

The US alone has an estimated 9.3 million undocumented immigrants in 2002 that represent about 26 per cent of total foreign-born population. More than half of them are from Mexico, 23% are from other Latin American countries, and 10 per cent are from Asia. Europe, meanwhile, has an estimated 2.6 to 6.4 million undocumented migrants. In 2001, an average of 1,800 undocumented migrants enter Europe each day.

Undocumented migrants and immigrants are but the result of the increasing reserved labor force from countries experiencing grave economic and political crisis. Like their documented counterparts,

Labor-sending countries receive remittances from their nationals abroad that are recognized as major economic contributions in saving their countries from the severe economic and political crisis.... In receiving countries, undocumented migrants and immigrants have been engaged in sectors that help build and sustain their host countries economy.

they leave their home countries in order to seek employment abroad. They may be found in some of the most dangerous, difficult, and dirty jobs. They usually work in agricultural farms, small and medium-scale enterprises, service sectors like restaurants and hotels, domestic work, and, for many undocumented women migrants, in the sex industry.

**Globalization and ‘War on Terror’ breed more undocumented migrants**

Crackdowns on undocumented have become more frequent especially in recent years. Laws and policies that tighten border control further has been instituted.

The constriction of the economies of the more developed countries has also given rise to xenophobia that targets the general migrant and immigrant communities, but is even harsher against undocumented migrants. Anti-migrant sentiments with reasons ranging from the “stealing of jobs” to blaming migrants and the

undocumented ones for increasing crimes rates in the country. This has led to the Malaysian government even proposing to impose a curfew against migrants and then putting them in only one place like herded cattles.

With the advent of the US-led “war on terror”, undocumented migrants have become targets of more violent crackdowns that violate many of their fundamental civil and political rights such as what happened after the US government implemented the Patriots Act as well as Absconder’s Act.

As with the crisis resulting to neoliberal globalization policies, the impacts of the US “war on terror” are also felt in migrant-sending countries. Conflicts that are already present in some countries have intensified with the advent of the anti-terror hysteria forcing more and more people to evacuate and take refuge either inside their own country or to other countries. This has been

shown, for example, in Mindanao in southern Philippines where US troops even participated in the conflict with local armed groups that has forced many to flee their homes and go to Sabah, Malaysia.

**Economic Role of Undocumented Migrants and Immigrants**

Labor-sending countries receive remittances from their nationals abroad that are recognized as major economic contributions in saving their countries from the severe economic and political crisis. For sure, a significant part of the estimated US\$ 226 trillion of remittances in the world came from undocumented migrants and immigrants.

In receiving countries, undocumented migrants and immigrants have been engaged in sectors that help build and sustain their host countries economy. For example, the labor force participation rate of undocumented immigrants in the US is 96%. They comprise about 5% of the total working population of the US. It is also said that US’ net benefit on immigration is about US\$10 billion every year.

In the US many bills have been filed that essentially criminalizes the status of undocumented immigrants...

In South Korea, for instance, the participation of undocumented migrants in industries is so crucial that small- and medium-scale businesses get scared whenever the government announces an impending crackdown. These SMBs, that in reality are sweatshops, rely so much on the cheap labor that undocumented migrant workers provide.

**Major Issues of Undocumented Migrants and immigrants**

1. Criminalization of undocumented migrants and immigrants

Criminalization of undocumented migrants and immigrants has been a rising trend in the past years. Crackdowns have been happening in major hosts of undocumented migrants and immigrants that have led to the arrest, detention and eventual deportation of hundreds of thousands of them.

In the US many bills have been filed that essentially criminalizes the status of undocumented immigrants such as the infamous Sensenbrenner-King bill in 2006 that tags undocumented immigrants as criminals and their employers, relatives and friends as alien smugglers and thus, also gives federal and state police powers to arrest them.

In Asia, some of the most notorious governments in terms of massive crackdowns against undocumented migrant workers are those of South Korea, Malaysia, Taiwan, Japan, and Macau.

Aside from violating their civil and political rights, crackdowns

against undocumented migrants and immigrants living with their families have also caused the separation of the family unit that make many children stateless. In Sabah, for example, about 10,000 children are considered stateless because they have been separated from their parents during the deportation procedure, their parents are undocumented as well, or they lack the necessary information and education to get registered.

Aside from deportation, there have also been cases of arrested undocumented migrants being abused while in detention. Arrested women migrants also suffer from sexual harassment. There have been cases in Kuwait and other countries in the Middle East wherein arrested migrants are taken not to precincts but instead to other places where they are made to choose between having sex and getting released.

2. Exploitative and abusive condition in the workplace

Exploitative and abusive conditions in the workplace oftentimes push migrant workers to become undocumented.

Such was true with the former Trainee System in Korea, also known as the Industrial and Technical Training Program, that allowed foreigners to come to Korea and work as trainees. In practice, however, they were made to work in factories without any training at all and thus, they were called ‘disguised workers’.

Trainees in Korea suffered from very low compensation, were made to work for 12 hours a day

without overtime pay, had no days off, worked in hazardous and unclean conditions and lived in accommodations without sufficient heating or cooling system. It was not surprising then that they ran away.

In other countries like Taiwan and those in the Middle East, a major problem that pushes migrants especially domestic workers to run away is the lack or absence of daysoff and holidays.

Undocumented migrants are not covered by existing labor laws of host countries. They are not eligible for health or any other insurance. They live and work constantly with fear of getting caught. Upon apprehension, they are detained and even made to pay a large fine. In Taiwan, arrested undocumented migrants are made to pay NT\$10,000. Their detention is usually prolonged if the employer denies to give them back their passports and their own governments take long to issue them travel documents.

When they encounter any type of abuse, many undocumented migrants find it hard to seek redress because national laws are not considered applicable to them.

### 3. Lack of protection by national governments of undocumented migrants and immigrants

For documented workers, it is always a hurdle to seek protection from their own governments. It is doubly harder for undocumented migrants.

Sending governments do nothing, not even by way of diplomatic protests, when their nationals

abroad are subjected to harsh treatments especially by the governments of host countries. They are afraid to “rock the boat” and lose a market for export of their workers. For the sake of maintaining an inhuman trade, governments of labor-exporting countries are prepared to sacrifice the fundamental rights of their nationals.

It usually takes pressure from the organized ranks of migrant workers and service-providing NGOs for overseas posts of sending countries to act on welfare cases of undocumented migrants. They deny them funds for quick and sufficient mechanisms to respond to the needs of their undocumented nationals.

A couple of months ago, more than 100 stranded workers sought the help of the Philippine government in Jeddah. They

ran away from their employers because of harsh working and living situation. However, instead of assisting them or repatriating them properly back home, Philippine officials urged them to surrender themselves to authorities. Many of the stranded migrants are now in jail and even some cannot be located because of the lack of effort to at least monitor their cases and condition.

### 4. Limitations of international agreements and conventions

The most prominent of international instruments governing foreign workers is the International Convention on the Protection of the Rights of All Migrant Workers and Members of Their Families. It provides basic rights to migrant workers without any distinction as to their status. It is, of course, a very different matter if the member states of



PHOTO: TSCHAUT MARCUS

the United Nations pattern their national policies accordingly.

In April 1999, major sending and receiving countries in the Asia Pacific signed the Bangkok Declaration on Irregular Migration. The declaration does not include much by way of compelling countries to adhere to the statements mentioned in the document.

In 2006, member countries of the Association of Southeast Nations (ASEAN) issued the ASEAN Declaration on the Protection and Promotion of the Rights of Migrant Workers.

However, it is very unfortunate that ASEAN countries can only come up with a declaration that does not shed light on concrete issues facing migrant workers in the region. By not doing so, governments of ASEAN countries can only claim reiteration of what have been essentially contained in other international conventions and agreements without necessarily committing themselves to steps towards the resolution of outstanding issues of migrant workers.

This may not come as a surprise considering that of the ASEAN countries, only three, mainly labor-exporting countries (Philippines, Indonesia, and Cambodia); have ratified the convention as of January 2006.

### **Experiences in empowering undocumented migrants and immigrants from the grassroots**

In recent years, breakthroughs have been made in empowering undocumented migrants and

immigrants both in country and, to some extent, regional level.

The establishment of migrant organizations composed of mixed membership and leadership from the ranks of regular and undocumented migrants, intensive education of how similar the concerns of migrant workers, and concrete victories in advancing the rights of migrants have set the stage for the unity of migrant workers to be formed and later on flourish.

Cooperation with local trade unions has also led to the formation of the Migrant's Branch of the Equality Trade Union of the Korea Confederation of Trade Unions. ETU-MB has shown how local workers can promote and protect the rights and wellbeing of their migrants.

After the sit-in protest of the ETU-MB to protest the crackdown in 2003 and the subsequent implementation of the Employment Permit System or EPS, migrants' activists saw the need to also form an independent trade union composed by and of migrant workers. Thus, in 2005, the Migrants' Trade Union was formed.

In Japan, service NGOs are actively assisting undocumented migrant workers especially women. They are also engaged in helping out undocumented children and defending the rights of parents and children against arbitrary separation of the family.

The formation of the May 1st Coalition in the United States is also a milestone in the movement

of undocumented immigrants. The successive proposed bills that curtail the rights of undocumented immigrants have united immigrants of various nationalities to unite and launch series of actions that call for immigrants's rights including the Great American Boycott in May 1, 2006.

In 2003, the APMM, with TENAGANITA in Malaysia and Migrante International in the Philippines organized the Asia Pacific Conference on Undocumented Migrants that gathered representatives of grassroots organizations and NGOs working for undocumented migrant workers to explore the theme. Since then, there have been cooperative efforts among different groups in various forms from sharing of information up to simultaneous actions.

Indeed undocumented migrants and immigrants are some of the most exploited among foreign workers. It is of great importance the efforts are now being made to organize undocumented ones in the grassroots level. Services that other NGOs as well as the solidarity that local workers extend are also very important in ensuring the protection of the rights of undocumented migrants and immigrants.

The establishment of the International Migrants Alliance (IMA) is also a significant step in the empowerment of undocumented foreign workers. Undocumented migrants and immigrants have long since been rendered voiceless and invisible. It is high time for the movement of migrants to change this.

# Sponsorship system and its effects on

# EXPATRIATE WORKERS IN THE GULF COOPERATION COUNCIL\* (GCC) COUNTRIES

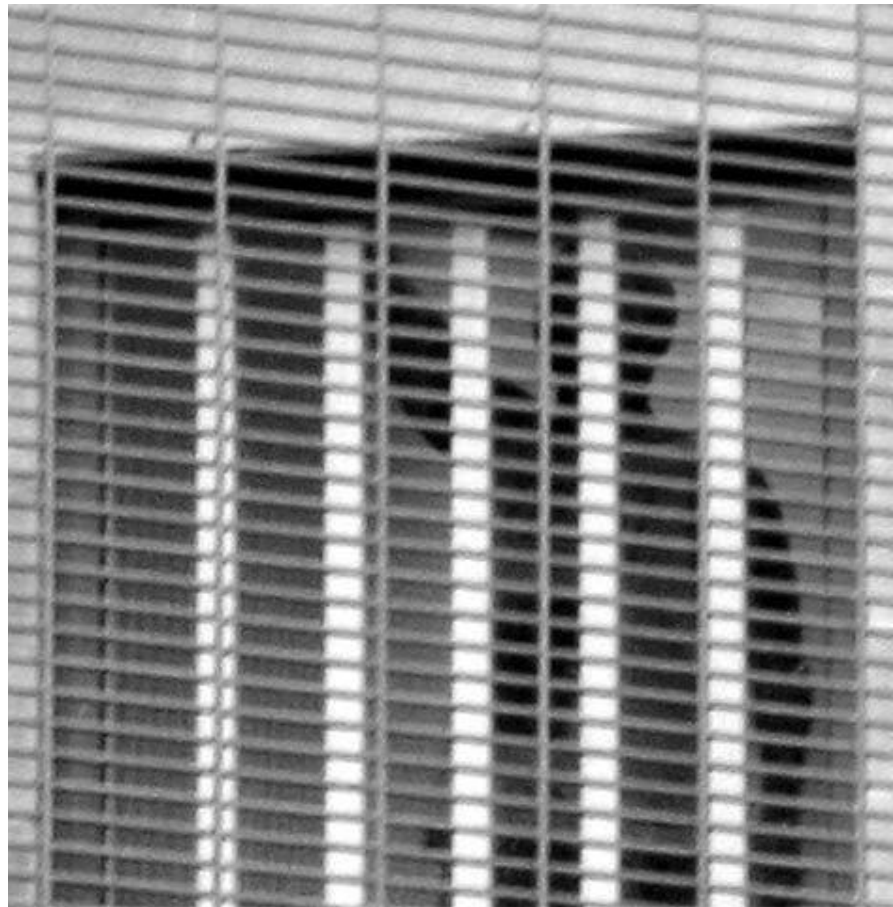
Aurelio Estrada  
Asia Pacific Mission for Migrants

## I. Introduction

One of the most recent and publicized problems facing expatriate workers in the Gulf Cooperation Council (GCC) countries today is the sponsorship system. This has been strongly exposed by both international human rights organizations and GCC countries as being oppressive and slave-like. This in turn has led labor officials in some GCC countries to also call for the abolition of the sponsorship system.

The International Labor Organization (ILO) had even set a June 2008 deadline for the six member countries of the GCC to abolish the system.<sup>1</sup> Even the US State Department has time and again put most (4) of said countries in the Tier 3 trafficking list while Bahrain is in the Tier 2 watch list and the United Arab Emirates in the Tier 2.<sup>2</sup>

What is lacking though is the perspective from the migrant workers themselves and their advocates.



A migrant behind bars

PHOTO: DELETETHEBORDERS.ORG

This paper would attempt to fill in that void by presenting how they perceive this problem, how it affects them and how they have resisted this kind of system. It then provides them a say on what their demands are in resolving this perennial problem in the Gulf States.

\*GCC Countries: UAE, KSA, Kuwait, Qatar, Bahrain and Oman



## II. Description and Definition of Sponsorship System

The sponsorship system serves as the legal basis for temporary residency and employment in Gulf States. Expatriates cannot enter, work, change jobs or leave the country until they have permission from their sponsor, usually a GCC citizen, company or ministry.

The system requires that the expatriate can work only for the sponsor and is entirely dependent on the contract in order to remain in the country.<sup>3</sup>

It is also a common practice for the sponsors to take possession of their foreign workers' passport. As earlier stated the latter cannot leave the country without the prior consent of the sponsor. This consent is written on a paper called "release paper". However in Saudi Arabia, the release paper signed by the sponsor is subject for verification by the Immigration Department and can only be used depending on its validity period which is usually three days. Without an authenticated release paper, foreign migrant workers cannot leave the country or change sponsor. Hence, they become stranded workers.<sup>4</sup>

Other than this, the sponsors have a wider leeway in imposing changes in the labor conditions of their workers through contract substitution.

## III. Effects of the Sponsorship System on Expatriate Workers

### a. Stranded Workers

Stranded migrant workers are those terminated and abandoned by their employers and are without proper working and travel documents. Most of them have grievances lodged against their employers or sponsors at the

Courts and Embassies for contract violations such as non-payment of wages, long hours of work, poor working and living conditions, and sexual and physical abuses. Others became stranded after they were forsaken by their sponsors. And many more are those who do not want to let go of their workers, a number of whom are even provided unlimited employment contract.

One of the most classic examples of a stranded worker is that of 65-year-old Leonora Somera who was separated from her family for 20 years. She first worked as a domestic worker for a Saudi family in Riyadh in 1987. A year after her original sponsor died and the latter's son took her with him and his family to Jeddah. Initially she did house work, and eventually took care of her employer's goats as her primary job up to 2005.

She was not paid regularly for her SR500 (US\$134) monthly wage and her repeated requests to be repatriated was disregarded. She was able to escape from her employer when a compatriot advised her in November 2005, but was only repatriated back to the Philippines in March 2008.

### b. Domestic Workers

Domestic workers in the Gulf are not included in the labor laws of its member countries. Most of them have no or limited days off and essentially are living like prisoners. They are also paid very little considering that they are working in oil rich countries where majority of the native population work in the public sector and are given financial assistance by their governments.

There are also lots of abuses heaped on domestic workers. These include verbal, physical and sexual abuse; overworking; lack

Implement  
a standard  
employment  
contract for  
expatriate  
workers in all  
GCC countries....  
Abolish the  
sponsor system.

of sleep; accusations of theft; and delay in salaries.

And even if domestic workers are abused, they would be charged a huge sum of fee if they want to transfer to other employers. These fees range from 200 - 500KD (US\$754 - 1884) for instance, in Kuwait.

If they run away and seek assistance from their embassies, a number of them are charged with absconding and/or even theft. They are subsequently jailed and deported after a maximum of serving 7 months in jail.

### c. Other work categories

Those who work with establishments have problems that include contract substitution and non-compliance of provisions in the contract. There are so many cases pertaining to this in all GCC countries.

## IV. Other issues related to sponsorship system

### a. Visitors visa in relation to sponsorship system

Most Filipinos go to the UAE with as tourists with visitors' visa

and later try to find their luck by looking for work directly in this Gulf Country. They say this is the easiest way to go and find work in the UAE.

According to the Philippine Consulate in Dubai, 500 to 700 Filipinos arrive in the UAE everyday. Unfortunately only around 20% find work and a permanent place to stay.<sup>5</sup>

UAE's Ministry of Labor (MOL) has recently banned the hiring of foreign workers with visit visas by introducing the temporary work permits. Said permits are good for three months and can be renewed once. According to the MOL such permits can protect the migrant workers as they can file complaints against their employers with the said Ministry.

The MOL, however, admitted that most employers still hire migrant workers with visit visas. This is cheaper for the employers as they would need to provide their employees with accommodation and health insurance if they hire workers who have temporary work permits. The MOL admitted that in the first quarter of 2008, only 6,000 were issued such permits.

And there is also a problem with the Philippine Consulate's attitude to those who enter on visit visas. According to its labor attaché, Virginia Calvez, they are supposedly not protected by the laws of both the UAE and the Philippines since those who came in with visit visas are not allowed to work by the host government.

This was belied, however, by UAE's Ministry of Labor which took up the case of ten complaining hotel workers recruited by an agency called Princess House Party Organizer. The Ministry gave the workers three options: 1) go back to work; 2) go home and face

an entry ban and; 3) pursue their case in court.

In Kuwait one of the problems confronting expatriate workers is the refusal of the employers to convert visit visas into working visas. Thus the workers have to exit to either Bahrain or Dubai once their visas expire then go back to Kuwait with the same kind of visa. This was the case of the expatriate workers in Kharafi National which staged a strike because of this and other issues.

b. Made to work with other sponsors

The Social Work Society of Kuwait made a survey and found out that 20.2% of establishments have their workers being sponsored by others. The reasons given by these companies include the following:

- need of additional labor
- non-approval of Ministry of Social Affairs and Labor on the numbers required
- seeking transfer of sponsorship
- compensating for escaping labor
- expanding in work

It is alleged that some sponsors sell such visas to other companies for material gain.

c. High cost of so-called free visa

Free visas are residence/working visas that are bought from so-called visa traders for a huge sum and the person who bought this does not need to work for his/her sponsor. The price of these has increased this year because the Ministry of Social Affairs and Labour has become stricter in the issuance of work permits and had closed down a number of companies undergoing visa trading.

This now costs as high as KD2,200 (US\$8,325) for Arabs and KD1,200 (US\$1,541) for Asians on a two year work permit. This used to be from KD1,500 – 1,800 and KD800 respectively a few years ago. Renewing the visa for another two years now costs KD600 (US\$2,270).

For domestic workers, visa traders charge between KD 600 to KD 700 for a visa and between KD 250 to 300 for an annual renewal.

This does not assure though that one can find a job when he or she arrives in Kuwait and involves companies hiring skilled labor.<sup>7</sup> This is also true in the United Arab Emirates where a free visa costs between 7- 9000 Dirhams or US\$1906 – 2450. This is good for three years. But there are some unscrupulous sponsors who suddenly cancel the visa and the migrant worker becomes undocumented or worse they are charged for absconding, although these cases are rarer now.

## **V. Resistance and opposition to the sponsorship system**

a. Kingdom of Saudi Arabia

Filipino migrant workers in the Kingdom of Saudi Arabia (KSA) have a long history in waging campaigns for the immediate repatriation of stranded workers. The first was in 1997 when up to 2,000 stranded workers from Riyadh were successfully sent home as a result of the campaign.

This campaign was coordinated in Saudi Arabia, Hong Kong and in the Philippines. A migrant organization named the System of Unity for Social Integrity or SUSI-MIGRANTE was able to organize the stranded workers with the formation of the Migrant Workers Stranded in Riyadh or MWSR.<sup>8</sup>

In Manila, Migrante International was able to mobilize a number of the MWSR's members' families and formed their organization based in Manila. They conducted several protest actions in different government agencies including the Department of Foreign Affairs (DFA).

The second was this year in Jeddah when an expose' on stranded workers camping out under Al Khandara Bridge was made in January. These were composed of migrant workers of different nationalities including around 50 Filipinos that month. The Filipinos later swelled to 111, including women and children.

At the moment there are still some migrant workers who camp out under the Bridge. But because of the extreme summer heat their numbers pale in comparison than during the winter season. It is believed though that many remain in hiding.

**b. United Arab Emirates**

This includes the struggle of the hotel workers who passed through Princess House Party Organizer agency.

Protest actions by migrant workers against contract substitution and unfair provisions in the contract are not tolerated by the UAE's Ministry of Labor. The UAE authorities have been alarmed by recent actions by migrant workers and have stated that they will only recognize three legal reasons for protest, i.e. unpaid wages, poor living conditions and lack of safety procedures. Other than these three, the Ministry of Labor stated migrant workers would be violating the law and would jeopardize their stay in the country if they protested against other issues. According to the Ministry,

the workers had to respect the contract that they signed even if it is a common practice for said agreement to be substituted and violated.

**c. Kuwait**

Because of the many problems of migrant workers of all nationalities in Kharafi National and the history of collective action, the Filipino workers struggled for the company to honor the workers' original contract. Other issues they raised included their having visitors' visas instead of working visas; conditions of their board and lodging; low wages; and the payment of their airfare to the Philippines to those who would want to finish their contracts.<sup>9</sup>

There is a 25,000 multinational work force in Kharafi of whom ten percent belong to the management division.<sup>10</sup>

**d. Even the labor ministers of Bahrain and Kuwait have publicly called for the possible scrapping of the sponsorship system. Bahrain's Majeed Al Alawi insisted that the system would be abolished by the end of 2008 and that this is supported by the country's Crown Prince.<sup>11</sup> The head of Kuwait's Ministry of Social Affairs and Labor expressed that it may also do this by June 2009.<sup>12</sup>**

**VI. Demands**

**a. Implement a standard employment contract for expatriate workers in all GCC countries that would disallow the practice of contract substitution and penalize employers who do not follow the provisions of said contracts.**

**b. Abolish the sponsor system to limit the imbalanced power of the employer over their workers which includes confiscation of the latter's passport by the former. The work permit should be the responsibility of the Labor Department while visa matters should be the main responsibility of the Immigration Department and not solely on the sponsor's. It is up to said departments to give the worker the right to freely transfer to other employers or take their annual leaves and not the sole prerogative of the sponsor.**

**Endnotes:**

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- 2 Trafficking in Persons Report, US State Department, 6/04/08
- 3 Minister insists Bahrain will abolish sponsorship system, Gulf News, 4/30/08
- 4 The Stranded Filipino Migrants In Saudi Arabia, APMMF undated paper
- 5 Visit Visa Fact Finding Committee Report, 2006
- 6 Study Resume of the Conditions of Expatriate Labor in Domestic Sector, Kuwait Social Work Society
- 7 Asians hired, stranded on visit visas, Arab Times, August 4, 2008
- 8 MWSR -- Launched its Second General Assembly APMM News Digest January – March 1999
- 9 Report of Migrante Kuwait to APMM via email, 1st half of 2007
- 10 Minister insists Bahrain will abolish sponsorship system, <http://archive.gulfnews.com/articles/08/04/30/10209579.html>
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- 12 Kuwait may abolish sponsor system in 15 months, Kuwait Times, March 12, 2008



The empire's new clothes:

PHOTO: JONATHAN HOLMES

## Where does boutique capitalism leave Montreal's garment workers?

Yumna Siddiqi and Eric Shragge  
Immigrant Workers Centre

**W**alk down Chabanel Street on a weekday afternoon at 3:00 p.m. and you will see people streaming out of the large buildings that line the street, housing the factories that make this the center of the garment district of Montreal. Earlier located in Mile End and before that downtown, the garment industry has historically been an entry point for immigrants into the local economy. Now the future is uncertain for its thousands of workers. In the last five years, there has been a steady decline in manufacturing jobs in the garment industry, the direct consequence of a WTO-GATT mandated ending of quotas and tariffs on garments between 1994 and 2005 and the shift of garment manufacturing jobs to lower wage regions such as

India, Pakistan, Bangladesh and China and increases in importing the products to Canada.

Since 2003 Canadian apparel manufacturing shipments have declined. Imports have gone up, for example 2004-2006 those from China have risen by 52%. In Canada, between 2003 and 2006, clothing manufacturing for its domestic market has decreased by 41% with a corresponding drop of employment by 31.7%. With the changes in production, between 2000 and 2006, there was a loss of 25,000 jobs in Quebec; production has dropped by 40%. Between 2004 and 2006 the total number of employees declined by 10,106 while revenue for the companies increased by \$905,117. In other words, with its reduced workforce and off-shore production these companies made more profits.

The garment factories that operate in Montreal have been steadily laying off workers. Many have circumvented their legal obligation to provide adequate compensation by avoiding the appearance of mass layoffs and letting workers go in ones and twos. In September 2007, a worker at L'Amour Inc. who had been abruptly laid off after fifteen years came to the Immigrant Workers Centre (IWC) and asked if there was anything we could do to help him obtain fair compensation for his years of loyal service to the company. This was the beginning of the IWC's campaign to mobilize and fight for justice for garment workers at L'Amour Inc., a 55-year-old Montreal clothing manufacturer with 2,500 employees worldwide. The campaign has expanded to include 70 workers, some of whom worked for L'Amour for as many as thirty years and are now jobless.

Interviews with the workers reveal the depth of their anger and frustration with L'Amour. One former employee, S, recounted how he had worked for forty hours a week for thirteen years, but was then laid off by L'Amour with no compensation beyond what he had earned. In our conversation, he emphasized how skilled he was, consistently pressing as many as 11,000 socks a day: "I was one of the special guys on the tube machine. Nobody like me." E, who had worked as a knitter's helper for five years and then as a knitter for ten years until he was laid off by L'Amour, also emphasized his skill and dedication to his work, and his sense of outrage that he had been so little valued: "I gave thirteen

years of my life to them, and what I got, I got nothing."

Both workers also pointed to problems with their working conditions. They noted that workers on the night shift were locked in, often having to wait half an hour after their shift for the security guard to unlock the main door and let them out. E said that workers had to work continuously for eight hour shifts: "During that time we had no break. The machine was running. We have no choice to go to eating place, to cafeteria, get fresh air." E was especially vexed by the fact that the L'Amour management played favorites among workers: "If they like employees, they say 'OK OK OK, we want to keep that person.' Let's say I have no back up. Some person back up the person. I hadn't back up. If I had back up, I still working at L'Amour. That's the policy at L'Amour. Let's say you are manager, you are so close to me, you save me, you say, 'Don't touch this person, I recommend this person.'"

"But we are all good. We are all able to work. We are all skilled... so why I need that person to back me up. I know how to work. I know how to work 25 machines. I was working long time. 10 years I was knitter, 5 years I was knitter's helper. Why I need someone to help me?"

When we asked them about the union to which they had belonged, they said that it was in fact a union established by the management which they were forced to join, under the threat that they would lose their jobs. S recalls: "Everybody need the job, so everybody scared. They

gave the vote to the union. Not just me, so many people gave the vote. The management want the union." E describes the pressure that was put on workers to join the management's in-house union: "After that time some people against the union, they fire those people. At that time it was torture, because we were scared. We were scared that they would ask if we had joined the union. It was a kind of mental torture." The union that the management established was a complete sham: "So many people had questions about the union, about personal life—insurance, whatever, but nobody listened there. They made a room for the union, but nobody sat there. There was a table and a chair, but nobody came!" By setting up a fake union, the management effectively kept workers from forming a real union that would fight for their interests.

Now, these workers have come together to challenge L'Amour's practices and to get just compensation. E explained how he learned of the L'Amour campaign. "My sister-in-law's friend, she told me, you have the right to at least speak up. Why you hiding. That's why I came here to meet you. And this is the story. They are treating me like an animal, not like a human being." Asked about what they hoped to achieve through the IWC, E said, "They get organized. They have the right to say something and they do. They are doing. Something could happen. I want to see people organized—they have the right to say something. They are trying to speak." The struggle for many of the workers is for more than monetary compensation. S and E were dissatisfied with their



PHOTO: IMMIGRANT WORKERS CENTRE

employers' lack of appreciation and recompense for their many years of unstinting work. As E put it, "What is the worker's worth? Somebody is torturing. I cannot explain that feeling. It's not a question of my salary. It's a question of my dignity. My personality, my working identity, and my experience, they are healing."

### The Context of Textile/Apparel Manufacturing

The story of the changing context of the textile industry in Montreal is the same as that in many developed capitalist nations. Montreal is the Canadian centre of the garment industry with 75% of the jobs in manufacturing in Quebec and 62.3% of Quebec's garment manufacturing establishments are in Montreal. Traditionally, the textile and apparel sector has

drawn from migrant workers, initially from rural to urban-small single-industry towns or large cities-or from other countries at times Eastern and Southern Europe and now from all corners of the 'Global South'. These workers with a high number of women have been subject to the ups and downs in the sector and have attempted to protect themselves through some of the most important union struggles in the history of the movement in Quebec. Currently, shifts in production from so-called developed capitalist countries to the South is the way that companies have been able to reduce their production costs and increase access to an unregulated market in labour.

There have been major consequences for many workers who have lost jobs and for others who are hired in small

sub-contracting production and who face only precarious situations. Further, companies argue that if they do not move their production 'off-shore', they will no longer be profitable, and would close down. In the cases of the larger textile and apparel companies in Montreal this is not the case. These companies are profitable and the moves are designed to increase their profits, at the expense of those workers who over many years contributed

to building these companies. In addition, these companies, in different ways, have received support from different levels of government such as grants to support technology development and municipal subsidies for their buildings; yet these same governments have either not demanded the companies remain or indirectly encouraged their moving.

The governmental response to this crisis entirely neglects the needs of the workers who are its worst victims. Governments have given up on large-scale mass production for an international market. They propose instead to foster niche production focusing on design and the use of advanced technology, and to promote Montreal as a fashion center and to develop niche brands, with an emphasis on creativity and technological advancement.

To support this vision the government has been pouring resources into convening trade commissions, funding trade missions, high tech research and development, and the redesigning of the garment district. The City of Montreal wants to revitalize Chabanel Street, the centre of the textile industry. This would further displace manufacturing and presupposes that textile and apparel production is finished. Judging from the vision spelled out in government policy brochures, the workers who have spent years of their labour in manufacturing and have built the sector appear to be completely irrelevant and dispensable.

**The Immigrant Workers Centre**

The IWC was founded in 2000 by a small group composed of Filipino-Canadian union and former union organizers and their allies, activists and academics. The idea of the centre grew out of the experience of two of the founders who had worked as union organizers. The activities of the IWC include individual rights counselling, popular education and political campaigns that reflect the general issues facing immigrant workers, such as dismissal, problems with employers or, sometimes, inadequate representation by their unions. Labor education is a priority; the IWC has focused on targeting organizations in the community and increasing workers' skills and analysis. The IWC has held workshops on themes such as the history of the labour movement, the Labour Standards Act and collective organizing processes. In addition, the IWC supports union organizing in workplaces where

there is a high concentration of immigrant workers.

Campaigns are viewed not only as a way to make specific gains for immigrant workers but also a way to educate the wider community about the issues that they face. For example, because many immigrant workers do not work in unionized shops, the Labour Standards Act provides one of non-unionized workers' few recourses against their employers. Along with many other groups in Quebec, the IWC became involved in a campaign to reform the Labour Standards Act in 2002. The IWC brought to the campaign specific concerns including the exclusion of domestic workers from this Act and the difficulty in accessing information on workers' rights. In 2003, several victories were won, including the coverage of domestic workers by the reformed Labour Standards. However, despite the reforms won in this province-wide campaign, the Act still has many inadequacies in protecting workers in precarious and irregular jobs.

Overall, the IWC is a place of intersection between the traditions of the labour and community

movements. The IWC works at both levels with the goals of serving, organizing and educating those who are not unionized. At the same time, it supports workers' efforts to unionize and to help them get adequate services from their unions. The IWC is a place that brings together union, community and student activists, people of different ages, ethnic, cultural and class backgrounds to work together for social justice for immigrant workers.

**Mobilizing Against the Lay-offs**

How to respond to lay-offs? What goals can be established in the context of these lay-offs? First of all, one would expect the union to protect its members and at the very least negotiate a decent lay-off package. The union at L'Amour, however, was one put in place by the bosses as a way



PHOTO: IMMIGRANT WORKERS CENTRE

to circumvent a stronger worker organization that would actually make demands and push for improved working conditions. It is possible within the framework of labour law in Quebec for the company to bring in an outside union. As the workers at L'Amour stated, the union was useless and did not represent them. One of the first steps the workers in the campaign took was to challenge their union through the Labour Relations Board for lack of representation. The outcome is not yet determined but it is clear in this instance that the trade union was another barrier to overcome. In another factory closure in the same time frame, a unionized company with a strong union was able secure a far better benefits package for its workers.

Do government agencies play any role in protecting workers? The Labour Standards Board has many rules and regulations designed to protect workers, particularly those working in non-unionized environments, setting minimum standards for all workplaces. In addition, this agency has a program for 'collective lay-offs', which entitle the workers to a severance package and training allowances. However, here too the path was blocked. The company had gradually laid-off workers and the total number in the required time period was below that required despite the fact the company had closed its production. Further, the company had deliberately circumvented the collective lay-off requirement through their lay-off strategy and by using multiple company names and related lists of workers to make it

difficult to track the numbers of people being laid-off. Although the Labour Standards Board would not let the case go ahead, because there were less than 100 within a two-month period, it has decided to prosecute the company for circumventing the law. It is clear that the policies of this agency were designed for large production units and do not respond to the needs of the textile/apparel sector in which 3/4's of the firms have fewer than 50 employees, and a lot of production is through just-in-time subcontracting or homework.

Many of the laid-off workers are receiving unemployment benefits but these are rapidly running out. The provincial government social assistance program does have a program for those facing collective lay-offs but a pre-condition is that the employer has to register with the Emploi Quebec office and acknowledge the collective lay-off. In the case of the L'Amour workers, the employer has not done this.

Up to this point, the institutions that are supposed to protect workers' rights and at least establish minimal working conditions have failed the L'Amour workers. In addition, the governments have not protected textile and apparel manufacturing, instead participating in international trade that has left the workers vulnerable while protecting the competitive position of the companies. The workers from L'Amour have decided that the situation of textile workers is a political question and that they have to challenge both state agencies and policies, and employers, and their union. This is

a political campaign that raises the failure of government to protect working class interests and at the same time both directly and indirectly to increase profits of the larger textile manufacturers. The campaign has unified the workers across nationality and language, brought strong leaders to the forefront in the demand for justice and respect. The campaign goes on with a demonstration being planned for the Minister of Employment office. They will present the following demands:

- 1) The Minister of Labour intervene in the L'Amour case and workers be compensated for the years that they worked. The compensation should be 1 year of pay for every five years worked. For those less than 5 years they would have an additional 4 weeks of salary added to their 8 weeks that they already received.
- 2) Recognizing that the current laws and policies regulating lay-offs are inadequate and L'Amour was able to by-pass them, the Minister launch a public inquiry into the situation at L'Amour.
- 3) Because the union did not represent the workers, it must return all of the dues received over the past three years to the workers.
- 4) The Minister force L'Amour to register for a government program for laid-off textile and apparel workers, under the Minister of Social Solidarity that would provide up to two years of benefits to the workers after their employment insurance runs out.

The struggle of the L'Amour workers for justice continues.



# **Border control and immigrant brides IN THE RECEIVING COUNTRIES**

Jane Brock  
Immigrant Women's Speakout Association - Sydney

**T**he number of spouses migrating to Australia has increased greatly over the past ten years, despite a tightening of border security measures.

Interestingly, when considering any impact of the September 11, 2001 or October 2002 terrorist attacks in New York and Washington, and Bali, the substantive increases in arrivals of spouses and fiancées in Australia have taken place since 2001. In 2001-02, 16,527 spouses or fiancées arrived; this increased by almost 13,000 annually with 29,421 spouses and fiancées arriving in 2006-07.

In fact, the only decline in recent years took place in 1997-98 in response to measures introduced the previous years to address fraud through alleged sham marriages contracted purely for immigration purposes. As the Annual Report of the Immigration Department [1997-98] noted:

“The full impact of measures introduced in 1996 to increase the scrutiny of bona fides in spouse, fiancé(e) and interdependency cases became apparent in 1997-98, with a 29 per cent decline in the application rate compared with that of the previous year and a doubling of the average rate of refusals. At the same time, the Immigration



## Still, unscrupulous men do use the immigration processes as weapons to oppress their wife, and to force submission.

Review Tribunal set aside 20 per cent fewer decisions to refuse applications. [DIMA Annual Report 1997-98]”.

The criteria considered when assessing a spouse visa application are that the relationship is genuine, continuing and exclusive; the marriage is a legal and valid marriage, or will be in the case of a prospective marriage; and the sponsoring Australian citizen or permanent resident is able to sponsor her or his spouse [i.e. they have not sponsored a previous partner in the past 5 years].

In the case of de facto relationships, there is a ‘one-year relationship requirement’. The sponsor and partner need to demonstrate that their genuine, continuing and exclusive relationship has existed for at least one year.

The grant of the spouse or partner visa has two stages. Initially a temporary visa is granted. A permanent visa will be granted after a period of two years. Citizenship may be applied for after a further two years.

The fiancée or prospective spouse visa has been used increasingly, with entrants more than doubling in number since 1998-1999. This visa allows entrance of an intended spouse. In one way, this visa is a sensible innovation. Often people from different countries meet [either in person or through other means such as over the Internet], and form a

relationship. They may feel that it would be a good idea to spend some time together living in one city and country to confirm that the relationship is right and they do want to marry their partner. This visa allows that to take place. People are not forced into an early marriage as the only route to obtain a visa to allow them to live together in Australia.

Still, unscrupulous men do use the immigration processes as weapons to oppress their wife, and to force submission. There are cases where men have threatened to withdraw sponsorship and report the spouse to the Department of Immigration if she does not follow his ‘rules’. Others deter the woman from reporting domestic violence to the authorities with similar threats. In response to this situation, and to increasing cases of women suffering and not reporting domestic violence, a ‘domestic violence provision’ was introduced allowing abused women to apply for permanent residence on the basis of domestic violence.

It is not always clear how many of the spouse and fiancée visa involved has been termed ‘mail order brides’. A recent article in the Sydney Morning Herald noted:

“More than 3,000 Asian-born women married Australian-born men in 2005, according to the Bureau of Statistics. These unions accounted for 3 per cent of marriages that year. One thousand Asian-born men married Australian-born women”<sup>1</sup>

This higher number of Asian-born women marrying Australian-born men suggests that possibly up to 2,000 Asian-born women could have married Australian men in the sort of transnational commodified marriage arrangements that have emerged over the past decades.

But as Narushima states, whilst the stereotypes of Asian women as submissive and compliant have to be abandoned, the issues and feelings are deeper and more complex –

“People date people they meet. The problem lies in the extra scrutiny interracial relationships attract. If an athletic, tanned, blonde met and dated a dumpy, freckly redhead, few would arrive at a perverse motive. They’re just a couple in love, different though they appear.

Add a difference in looks to a perceived difference in culture and, suddenly, love must be secondary. The relationship must be built on lust, or offer a social benefit - improved “status” or a visa, perhaps.

People continue to use the insult “mail-order bride”. Mothers of Caucasian men continue to fret about Asian girlfriends just being “so different”. My own mother is guilty of holding the view of Asian women as obedient and meek. She once said she would be happy for her daughters to marry who they like but she advised my brother to marry a Japanese woman because she would be more likely to do the dishes and take care of him”.]

Indeed, Australia is witnessing a progressive change –

From 1986 to 2001, the proportion of people marrying outside their ancestry increased between the first and third generations in every

racial and language group in Australia other than the English, a study of the 2001 census results, Australians' Ancestries found.<sup>2</sup>

Change dates back over 50 years and the gradual dismantling of the "White Australia" Policy and the adoption of a non-discriminatory immigration policy.

The setting initially was the aftermath of World War II –

During World War II, many non-white refugees entered Australia. Most left voluntarily at the end of the war, but many had married Australians and wanted to stay. Arthur Calwell, the first immigration minister, sought to deport them, arousing much protest.

Minister [Harold] Holt's decision in 1949 to allow 800 non-European refugees to stay, and Japanese war brides to be admitted, was the first step towards a non-discriminatory immigration policy.<sup>3</sup>

The Longitudinal study of 10,000 migrants to Australia who arrived between December 2004 and March 2006, shows that only 4% of family stream migrants rated racism as the thing they most disliked about Australia. The report further noted –

Some groups reported quite high levels of racism in Australia - 51 per cent of Former Overseas Student PAs, 60 per cent of people from mainly English speaking countries and 53 per cent of people who spoke English as their

best language said that Australia had at least some racism. Furthermore, 13 per cent of those from mainly English speaking countries said Australia had a lot of racism – a figure that was more than double that for persons from non English speaking countries.

Other groups reported relatively low levels of racism. Only 19 per cent of poor English speakers and 34 per cent of those aged over 45 said that there was either some or a lot of racial discrimination in Australia.<sup>4</sup>

The same study has shown that unemployment for off-shore spouse migrants fell from 30% in August 2005 to 8% 2 years later. However, women in the family stream were less likely than men to be in a skilled position [32% likelihood compared to 57%], and unemployment was higher for women family stream migrants [7% compared to 2%]. Women

also earned \$A11,000 less per year than male migrants in the group - \$A36,000 per annum as against \$A47,000 for men.

The migration and life of immigrants to Australia is against the background of stricter border security. Australia's border control system uses 3 layers of checking

1. At the time of application all applicants are checked against a database of people on "immigration alert". In June 2005 there were 386,000 people on these lists.

2. An Advance Airline Processing System allows airlines to verify the bona fides of travel documents and visas, covering 98% of people flying into Australia, with overseas compliance officers based in 27 overseas cities, including Manila, Kuala Lumpur, Shanghai, Bangkok, Ho Chi Minh City, Hong Kong, Islamabad, Beijing, Colombo, Hanoi, New Delhi, Taipei and Phnom Penh.

3. Checks on arrival in Australia.

All visa applicants are required to declare any criminal convictions. Applicants over 17 who will stay in Australia for more than one year are required to provide a criminal records check for any country where they resided for more than 12 months in the past 10 years. Section 501 of the Migration Act 1958 imposes a 'character test'. Grounds for failing the character test are –

the person has a substantial criminal record;



PHOTO: DANIEL FLOWER

- the person is associated with a person, group or organisation that is reasonably suspected of involvement in criminal activity;
- having regard to their past and present criminal or general conduct, the person is not of good character; or
- there is a significant risk that, if allowed to enter or remain in Australia, the person would:
  - engage in criminal conduct in Australia;
  - harass, molest, intimidate or stalk another person in Australia;
  - vilify a segment of the Australian community;
  - incite discord in the Australian community; or
  - otherwise represent a danger to a segment of the Australian community.

If a person fails the character test, their visa will be cancelled. The Department of Immigration and Citizenship monitoring procedures include –

The Department works closely with Australian law enforcement and security agencies, as well as other governments, to ensure that the Department’s decision-makers have access to a comprehensive and up-to-date database of persons who are

known to be of character concern. Such information can be used both in relation to considering visa applications, as well as to assess visa holders for possible visa cancellation under section 501.<sup>5</sup>

These powers have a wide scope for arbitrary use and abuse of powers. The case of Dr. Mohammad Haneef, working in Queensland on a temporary ‘Long Stay Business’ visa highlighted that the power to cancel a visa and exclude on flimsy grounds of alleged involvement in terrorism can be used capriciously by the Minister of Immigration, and the legal challenges open through the Courts are not strong.

In the case of temporary spouse visa applicants there is little evidence that they have been caught up in the Department’s compliance activities locating and dealing with unlawful non-citizens. Of the 18,341 unlawful non-citizens located by the Department, the majority were holders of bridging visas (38%), student (23%) and visitor (23%) visas. Spouse and fiancé visas are temporary residence visas, and temporary residence visas as a class comprised 12% located unlawful non-citizens in 2004-05.

The heightened border control and security measures appear to have

less impact on women traveling to Australia to marry Australian citizens than on other visa classes. However, the tightening of the provisions relating to spouse and partner visas require the couple to demonstrate a genuine, exclusive and continuing relationship, and to be open to inspections and spot checks of their home by Departmental officers to verify details such as shared living arrangements, shared bank accounts, and a commitment to build a life together.

The most significant role of criminal law relating to spouse visa applicants is the documented evidence of increased incidence of domestic violence in marriages that may fit the description of a ‘mail-order’ marriage. Whilst the domestic violence provision and some funding of specific support services for migrant women who are victims of violence has appeared to improve the rates for reporting of such violence, there are still immigrant women who are not aware of their rights, and the protections they have under Australian law. This educational task is an on-going challenge.

**Endnotes:**

- 1 Yuko Narushima, “Time to halt the spread of that noxious weed, the ‘oriental flower’”, The Sydney Morning Herald, 17 September 2007, p 15.
- 2 Ibid, p15.
- 3 Department of Immigration and Citizenship Fact Sheet 8: Abolition of the White Australia Policy.
- 4 Department of Immigration and Citizenship, New migrant Outcomes: Results from the third longitudinal survey of immigrants to Australia, August 2007, p 47.
- 5 Department of Immigration and Citizenship, Managing the Border: Immigration Compliance, 2004-05 Edition, p 8.

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**Global priority:**

# FEEDING MARKETS, STARVING HUNGRY

Devinder Sharma

While millions around the world starve, billions of dollars are pumped into the faltering US financial system to keep it alive.

**T**he giants have stepped on a financial minefield. In the past six months, three of America's top five investment banks have disappeared. The remaining two – Morgan Stanley and Goldman Sachs – are gasping for breath. While Morgan Stanley is considering merger options, the stocks of Goldman have slumped.

Strong tremors were felt all over the world.

In what appears to be a classic example of “public-private” partnership, the US government stepped in

to bail out AIG by agreeing to lend US\$85 billion in emergency funds in return for a 79.9% stake, which means effectively taking control of the world's largest insurance company. In the week following the mayhem in Wall Street, central banks in Britain, European Union, Japan, Switzerland, Canada, Russia and India have pumped in US\$600 billion in multiple rescue acts. Ironical isn't it? The private-sector giants are ultimately rescued by the government's treasury.

In the past one year, the US treasury has already spent US\$900 billion in bailouts. And with the International Monetary Fund (IMF) chief Dominique Strauss-Kahn warning that the worst is yet to come taxpayers all over the world will eventually have to shell out more to cover up the huge losses being incurred by the private giants. This reminds me of the old saying: heads you win, tail I lose.

Sure, the markets won. The US President George Bush could not remain a silent spectator. Expressing urgency: "Government's intervention is not only warranted, but essential," he has offered the mother of all bailouts – US\$1 trillion package.

And sure, within hours, the world's markets began to smile again.

The political urgency with which the US government and for that matter governments elsewhere have come to the rescue of the financial system from getting worse exposes their double standards. US\$600 billion (that has been coughed out in just one week) could have wiped out hunger (FAO estimates 854 million people go to bed hungry every night) from the face of the planet. The additional US\$900 billion that the US has spent in the past one year could have pulled out the world's estimated 2 billion poor from perpetual poverty and that too on a long-term sustainable basis. The one trillion bailout package that George Bush is promising could have wiped out the last traces of poverty, hunger, malnutrition and squalor from the face of the Earth.

Only if the global leadership was honest enough, such urgency could be demonstrated in tackling global poverty and hunger. There would have been no need for the United Nations to provide a cover-up for their collective guilt in the form of Millennium Development Goals. Poverty

would have been confined to history. Hunger could have been banished by now.

Coming back to the collapse, this in essence is the market mantra. When the going is good, the government must step back and allow the bull a mad run. Profit becomes the sole motive, and investors lap it over. The markets will correct itself you have repeatedly heard. The investment banks have always reassured governments, regulators and investors that they have the expertise to manage asset risks.

Profits are raked in by capitalist corporate marauders. A few corporate houses make billions, present fake numbers and arguments, and walk away with the cake. Credit ranking industries provide them with the highest honours. And when the collapse comes, the losses are invariably picked up by the average taxpayers, on whose savings the governments provide the bailouts. The trillion dollar question that arises is: Why should the governments intervene? Aren't the markets supposed to be self-regulatory and self-contained? And still more importantly, why should the governments try to keep the markets alive?

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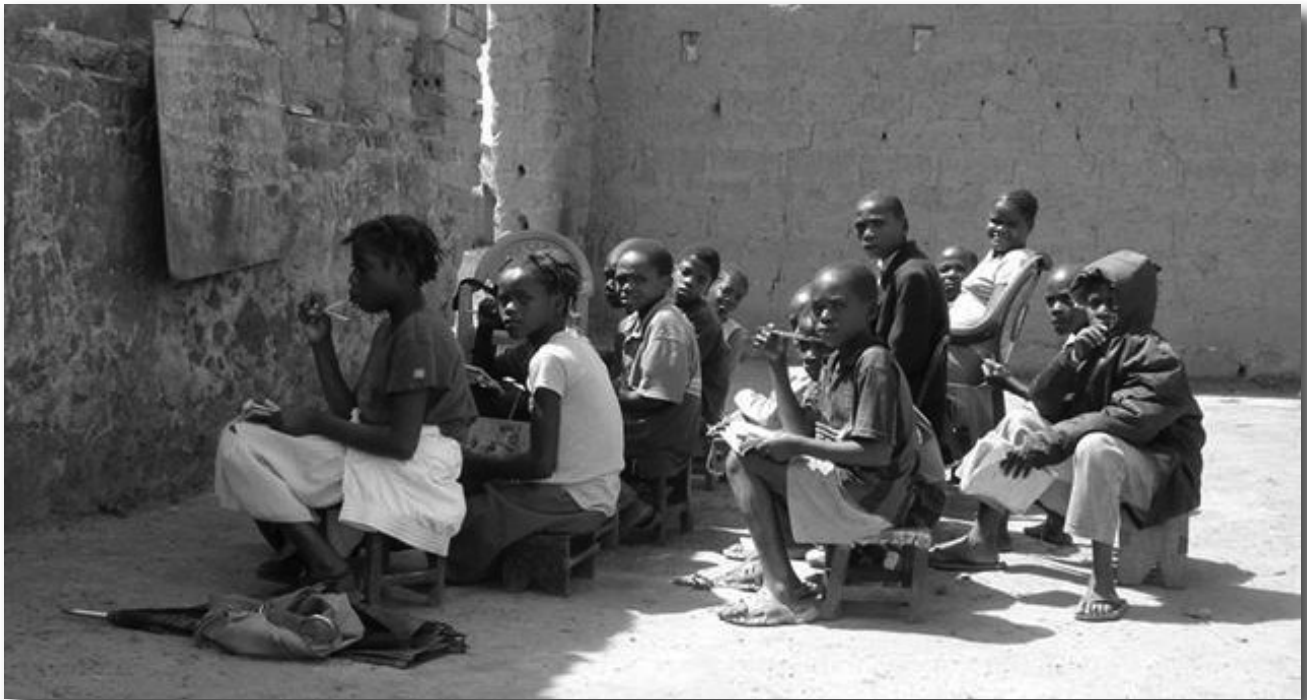


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And before we move any forward let me assure you. These firms were no ordinary business houses. As someone has said they represented the pride of the American financial system. They had the best of talent, attracting the best from the business schools. They advised foreign governments, providing expert opinions. They have rewritten economic and monetary policies for the World Bank/IMF and the World Trade Organisation. Such has been the power of the markets that the mainline economic thinking the world over has become its mute disciple.

Privatisation has been the economic buzzword, forcing the governments to open up to foreign direct investment. Markets became the ultimate economic nirvana.

In India, pressure is on to disinvest the remaining public sector companies: pressure is

also building up to privatise the nationalised banks. The arguments are same, you have often heard them. Every economist worth the name will argue in favour of privatisation of the nationalised banks. And when the private sector goes bust or the markets explode, it is invariably the governments that are expected to nationalise them.

Thanks to the left parties, India escaped the heavy shocks but the tremors did force the Reserve Bank of India to pump in US\$18 billion in the domestic banking system through liquidity adjustment facility. Let us not forget, the United Progressive Alliance (UPA) government was keen to open up the financial sector, bring in a legislation to allow dilution of government equity in public sector banks and reform the insurance sector. Privatisation of banks and further opening up of the insurance sector

will now be on hold following the global meltdown.

Reviewing the impact of the financial crisis, Indian Prime Minister Manmohan Singh asked his ministers “to stay alert on the global turmoil.” Not drawing any lessons from the collapse, Finance Minister P Chidambaram however remains bullish on financial reforms. If only the left parties had allowed him to go his way, India would have been in the throes of a terrible economic and political crisis.

Come to think of it. The US\$85 billion bailout for AIG by the US government is the biggest nationalisation in history. Rescuing AIG was crucial because its failure posed a much bigger threat to the entire financial system. The US\$ one trillion bailout package, equivalent to the size of India’s GDP, is in reality what will keep the markets

alive. If nationalisation is now justified, if it is the government which actually keeps the markets thriving, I fail to understand how was the government bad in the first place? Why was it being branded as a remnant of the bygone socialist era?

In fact, in the days to come we will see more and more such bailouts or in other words more companies and firms being nationalised. No wonder, Prof Nouriel Roubini of New York University's Stern School of Business had once called it: "privatisation of profit and socialisation of losses."

You come heavily on the police intelligence when the terrorist strikes do not stop. So much so that even the Home Minister becomes a target of ridicule. But when the financial intelligence fails, and that too with the

brightest of the money managers from the best of the business schools in control, you refrain from even pointing a finger. You don't ridicule the chiefs of corporate world nor do you mock at what the so-called prestigious business schools produce. The reason is simple. We are all part of the greed, which in one word can define the reason behind the financial meltdown.

In other words, let us accept we are all beneficiaries of a corrupt financial system. Therefore, we refrain from standing up and calling a spade a spade.

Howsoever best we may try to reform a financial system that is based on greed let me assure you it cannot be ever unclogged and truly regulated. The hypocrisy shrouding the success of the market economy must therefore end. Let markets operate freely,

survive on its fundamentals. Let the markets learn to manage its risks, without the government coming to its rescue. Let capitalism sustain on its own, with lifesaving intravenous injections from the government treasuries. Let me see how far the markets can then survive.

Till then, you don't have to shed any tear for the estimated 24,000 hungry that perish with each passing day in an endless wait for their next morsel of food. They have been bluntly told time and again that the governments have no money to feed them. Their legitimate right to food has in reality been snatched by the markets to stuff your pockets. This is a small price the poor must pay to fulfil your dreams. – **Third World Network Features**

*About the writer: Devinder Sharma is a food and trade policy analyst.*



PHOTO: AKSHAY MAHAJAN





PHOTO: ALEX INDIGO

## **Carbon offsets: MORE HARM THAN GOOD?**

Melissa Checker  
Counterpunch

**F**rom Coldplay to Leonardo diCaprio to Al Gore, influential environmentalists are increasingly modeling green behavior by neutralizing their carbon emissions through carbon offsets. Briefly, offsets are based on the notion that consumers can balance out carbon intensive activities, like travel, by contributing to projects that reduce greenhouse gases. Between 2005 and 2007 the market for carbon offsets grew 175%, reaching \$110 million (Faris 2007). But just as buying indulgences in the Middle Ages never really erased your sins, carbon offsets rarely counteract your carbon use. Moreover, in some cases, carbon offset projects actually hurt local people. Many experts now believe that well-intentioned consumers are not just wasting

their money on offsets, but that purchasing them actually does more harm than good.

### **How it Works**

Suppose you buy airplane tickets for your family's summer vacation on a website like Travelocity, Orbitz or Expedia. Somewhere in the process of taking your credit card information, the website will ask whether you would like to offset your trip's carbon emissions for a nominal fee (e.g., a roundtrip flight from NYC to San Francisco = 5,142 miles = 2,455 lbs CO<sub>2</sub> = \$17.85). Or, you can offset your car rental, hotel stay and flight (a seven day cross-country trip can be offset for \$5.44/day/person). You can also offset your wedding, and, if you're feeling guilty on a daily basis,

you can offset energy usage in your home, or your dorm room.

At this point, your original travel search engine will have linked you to a carbon offset company. These for-profit organizations act as brokers, channeling consumer contributions to projects that either replace atmospheric carbon (i.e., by planting trees) or promote renewable energy. Sounds promising, but is it really so easy to “zero-out” the carbon that leads global warming? The answer, unfortunately, is no.

### The Trouble with Trees

Take, for example, carbon sequestration programs, which account for approximately 20% of the carbon offset market. Based on the idea that trees absorb carbon, these programs sponsor the planting of large forests designed to reduce greenhouse gases in the atmosphere. For over a decade, governments and non-profit foundations in the developing world have been offering large sums of money to developing countries in exchange for tree plantations, also known as “carbon sinks”.

However scientists point out that there is a major difference between the kind of carbon emitted from the burning of fossil fuels and the kind of carbon stored by trees. “Carbon emissions from burned oil, gas or coal cannot be considered as equal to the same amount of biological carbon in a tree,” write scientists at the Forests and the European Union Resource Network (FERN 2005). Whereas in nature, carbon moves freely between forests, oceans and air, the fossil carbon pool is inert. Once out of the ground and into the air via cars, coal extraction, etc., fossil carbon joins the active carbon pool. It will not return to the fossil carbon

pool for millennia. So, the carbon absorbed by trees does not zero out the carbon emitted by airplanes.

Even if the carbon were equivalent, trees are not necessarily reliable carbon storehouses. First, scientists point out that when trees burn, rot, or are chopped down, they release any carbon they have stored (Kill 2003). Second, according to ecologist Ram Oren, principal investigator on Duke University’s ongoing Free Air Carbon Enrichment project, if trees do not receive enough water or nutrients, any extra carbon they store very quickly goes back into the atmosphere (Cropping 2007). For instance, in 2002, the band Coldplay announced it would offset the environmental impact caused by the release of its second album by planting 10,000 mango trees in southern India. More precisely, Coldplay worked with CarbonNeutral, an offset company, which in turn contracted with Women for Sustainable Development, an NGO. Eventually funds went to local farmers who were supposed to plant and care for the trees. However, four years after the album’s release, many of the trees had died – a drought

...scientists point out that there is a major difference between the kind of carbon emitted from the burning of fossil fuels and the kind of carbon stored by trees.

dried the soil, and many villagers never received funding to help them maintain their trees (Dhillon and Harnden 2006).

### Carbon Offsets and Human Rights Violations

The Coldplay/Carbon Neutral project left behind more than just dead mango trees. Indian villagers, who are economically marginalized to begin with, invested time and energy that could have been directed at other, more secure income-generating projects. In fact, one of the biggest problems with carbon offset schemes, particularly forests, is their lack of attention to the lives of local people. Frequently, carbon sinks displace local populations, generating poverty, inequality, and food and water scarcity. They also drastically reduce biological diversity. In turn, the erosion of resources at every level exacerbates local conflicts (McAfee 2003). Even more seriously, some carbon offset tree plantations have become an excuse for human rights violations.

One well-known case exemplifies the violence created by offset forests. In the early 1990s, the Uganda Wildlife Authority and the Face Foundation, a nonprofit corporation established by Dutch power companies, launched an initiative to plant scores of trees in Mount Elgon National Park. In order to implement the project, the Ugandan government evicted thousands of local farmers. Most have been fighting to regain their land ever since.

Two years ago, after a new government came into power, the courts granted an injunction in the farmers’ favor. Almost immediately, they cut down carbon-sink trees and planted maize and other vegetables instead. In response, the paramilitary Ugandan Wildlife



PHOTO: DAVID JONES

Authority (UWA) began beating and shooting the farmers. Now, the perimeter of Mount Elgon is tantamount to a war zone (Faris 2007; Smith 2007; Zarembo 2007).

The Ugandan case is not the only example of violence associated with carbon offset plantations. There have been other reports in Central America, Africa and India. In general, clearing vast areas of land amid people without economic resources is always problematic.

### Alternatives to Arbors

Some carbon offset companies try to steer clear of those problems by funding the production of energy efficient light bulbs, solar panels, or other alternative energy sources. Yet even these projects are rife with uncertainty. For instance, the LA Times reported on a dairy farm in Pennsylvania that received funding from Native Energy, a popular offset broker. The farm had already won an alternative energy grant from the US Department of Agriculture

to capture methane and burn it to generate electricity. Just after the project began Native Energy signed a deal to pay the farmer for 29,000 tons of carbon dioxide reductions. The money did not pay for any further methane burning – in fact, in the Times article, the farmer refers to the offset deal as a “free bonus” (Zarembo 2007).

In another example, Native Energy paid \$36,000 to the Alaska Village Electric Cooperative, a power utility for dozens of remote Eskimo communities in Western Alaska. The cooperative had just received \$2.8 million in federal funding for a \$3.1-million wind turbine project. In exchange for its contribution (roughly 1% of the total project costs) Native Energy received 25 years of carbon dioxide reductions, or 100% of the project’s carbon reductions. Here, consumer offset fees actually bought little except the ability for Native Energy to sell more offsets.

Examples like these have inspired a lot of buzz about ensuring ‘additionality’, or verifying that offset funding generates genuine

and unique carbon reductions. Most offset companies now advertise that their projects’ additionality is certified by “third party” experts. But critics point out that certifiers, themselves, are often consultants with their own stake in endorsing a project’s success.

More generally, determining criteria for additionality can be tricky business. Some projects might be complete without offset funding, but the extra cushion it provides ensures their sustainability. Whether that constitutes additionality is open to interpretation. For instance, environmental watchdog group Clean Air Cool Planet published its own “Consumer’s Guide to Retail Carbon Offset Providers” in 2007. Native Energy ranked among the top eight providers, with especially high marks for additionality, despite the questionable examples mentioned above.

The problem is that almost every aspect of the carbon offset market is subjective and unfettered. This past January, the US Federal Trade Commission (FTC) announced that it will begin to take a closer look at the “booming, unregulated ‘carbon offset’ market” (Joyce 2008). But, in the meantime, offset companies are free to charge with the market will bear, and economists predict that the industry will grow by \$40 billion by the year 2010 (Faris 2007).

### The Real Danger

For that \$40 billion, consumers receive the false notion that they are helping to stem global warming. But this idea is not merely a little white lie, or some benign snake oil. Rather, it is a poisonous illusion. As long as we think that we can compensate for our consumption with a little extra cash, we come no closer to -- and

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PHOTO: MICHAEL MANDIBERG

in fact prevent -- the kinds of change needed to fend off global warming. As Kevin Anderson, a scientist with the Tyndall Centre for Climate Change Research put it, "Offsetting is a dangerous delaying technique because it helps us avoid tackling the task [of dealing with climate change]... It helps us sleep well at night when we shouldn't sleep well at night" (as quoted in Smith 2007).

### Shortcuts are not the Answer

Every carbon offset company's website urges consumers to change their consumptive behaviors in addition to buying offsets. In some cases that wording is more visible than others. But even carbon offset companies recognize that in the end, consumers must do more than "zero out" their Hummer in order to stem, and eventually adapt, to global warming.

Going a step further, consumers could stop sending their hard-earned cash to offset companies in the first place. Instead, they might sink it into renewable resources, and energy efficient and verifiably "green" goods and services. Once consumer demand for such products increases, they

will become more affordable to low and middle income people.

Better still, eco-conscious consumers can keep their money in their pockets and find innovative ways to reuse and recycle things that they already have. In terms of air travel, we might hope that more business meetings and conferences will be held online, that flying becomes a once yearly treat for families, and that those families will recognize the environmental costs of their flights and tread lightly on the places they visit.

Pressuring our elected leaders is also critical. For example, while the FTC fusses over regulating the carbon market, other governmental agencies could be more effectively regulating and policing greenhouse gas emissions from industries, including the construction industry. Citizens might also pressure their leaders to channel more resources into preparing people for climate change, especially those most vulnerable. For, the problems with carbon offsets are economic or environmental. Rather, scores of human beings are already hurt by the lawless new carbon market and the kinds of climate change we are currently seeing.

To conclude, across the globe, marginalized people are facing, or will face the ultimate double whammy. Whammy 1 is happening right now, as local people lose their livelihoods either to industries and corporations, to "coercive conservation" schemes such as carbon sink forests, or to more frequent and intense fire, droughts and floods. In addition to their livelihoods, marginalized peoples are losing their lives as they are first to die or be injured in heat waves, floods, hurricanes, tornadoes, etc.. Whammy number 2 comes a few years down the line, when global warming has further raised our atmospheric temperatures and our sea levels, intensifying the storms, droughts and floods that inevitably hit certain people harder than others.

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## CSO statement on aid and the debt crisis

Debt remains a severe problem for underdeveloped countries and their citizens over two decades since the explosion of the debt crisis in the early 1980s. It continues to hinder development, consign economies to backwardness, and keep generations of people in poverty and deprivation. The rapid descent of the global economy into greater turmoil in 2008 makes the situation even more urgent. The plight of those who have long been mired in poverty is worsening and underscores the pressing need to resolve the debt burden afflicting scores of countries and the majority of people on the planet.

The United Nations (UN) Millennium Development Goals (2000) and the Monterrey Consensus (2002) are among the recent major initiatives that have drawn attention to issues regarding the financing of development. Yet progress has been scant. Most donors are still not meeting declared commitments to scale up aid and targets set for 2010 are unlikely to be met unless dramatic increases are forthcoming. Foreign capital flows have largely gone to a handful of underdeveloped countries and, even then, many times with questionable development gains. Many MDG targets are also unlikely to be achieved not just in terms of reducing extreme poverty but also in with respect to health, education, nutrition, child mortality and others.

The Paris Declaration (2005) on aid effectiveness is also a recent initiative and seeks to address issues on the effectiveness of official development assistance (ODA). The PD has been endorsed by 115 donor and recipient countries as well as by 26 major international organizations so far. Going beyond a mere statement of principles the Paris Declaration (PD) sets targets and indicators in five (5) areas of concern: ownership, alignment, harmonization, managing for results, and mutual accountability. A comprehensive global process has been underway since 2005 involving the most significant official players in the aid system and CSOs.

The PD however has been criticized for its limitations in addressing fundamental concerns of development and human rights, for its failure to promote democratic ownership as central to development, and even for not setting clear or ambitious enough targets and indicators. CSOs have been active in demanding and pushing for deepening the PD and enriching it through the full participation of stakeholders so that its expressed principles are upheld and goals achieved. These concerns are raised towards achieving greater development effectiveness.

A key issue for aid effectiveness is the overwhelming debt crisis that wreaks havoc on development finance for most developing countries. Its persistence is among the greatest factors causing economic underdevelopment and social backwardness. The financial drain of debt service also sustains aid dependency as ODA becomes a ready source for government services and even for debt servicing. The debt burden is already of such a scale that it hinders attainment of the declared ultimate objectives of aid effectiveness: reducing poverty and inequality, increasing growth, building capacity and accelerating the achievement of the MDGs.

The people in underdeveloped countries have suffered trillions of dollars in debt and debt servicing for decades. Hundreds of billions of dollars are paid annually to support the profits of creditor banks and organizations in the world's wealthiest countries. There was a total of US\$4.2 trillion in debt service just since 2000 or an average of US\$530 billion over the last eight years. Yet these external debts just keep on growing and are estimated to total US\$4.6 trillion in 2008 – an eight-fold increase from debt levels in 1980 – and projected to breach US\$5 trillion by 2010. This causes deep hunger, poverty, misery and deprivation for billions of peoples particularly in Asia, Africa, Latin America and Eastern Europe.

Debt is a severe drain on the scarce capital and finance of countries already so lacking in these. There are national governments that spend up to half of their budgets on debt servicing at the expense of vital social services of education, health and housing, by privatizing public utilities and other services, and by heavily taxing the people. The debt is also effectively paid for through the greater exploitation of workers

in factories, employees in offices, and peasants in the fields. It is paid for by stripping mountains of their minerals, uprooting forests, and exhausting fisheries. In many cases this is even with the consent or collusion of governments that prioritize debt service and repaying foreign creditors over the development needs of their citizens.

Ineffective ODA itself has long been contributing to the debt problem and escalation of the debt crisis and underdevelopment in recipient countries. Aid must be made effective to reduce the pressure of ODA loans on the already intolerable debt burden of so many nations. The pressure of debt servicing makes countries even more vulnerable and dependent on ODA so the debt burden must be significantly eased in order for aid effectiveness reforms to take root.

Much of ineffective aid comes in the form of large infrastructure projects financed through concessional lending. There is also tied aid, technical assistance, and other aid to finance export and commercial interests. As far as poor communities are concerned, many projects have no clear development benefits for them and, on the contrary, they have suffered badly through social, economic or outright physical displacement.

ODA has made up and continues to make up a large part of the debt burden. Even if aid is given as loans on "concessional" terms these are loans nonetheless. Over US\$900 billion of ODA given since 1960 have been loans which imply at least a trillion dollars in total debt service. Global ODA is heavily concentrated in the world's five most powerful countries with the US, Japan, France and Germany together accounting for three-fourths of the total. Yet many of these loans have not gone to domestic development and have been ineffective aid.

Furthermore, the debt problem caused by ODA loans have been used by donors to impose neoliberal policy conditionalities which sustain and deepen the conditions of underdevelopment which created the vulnerability to debt in the first place. Trade and investment liberalization has undermined domestic agriculture and industry. Privatization has turned social and public services into opportunities for profit. Deregulation has unleashed unbridled profit-seeking. These have destroyed the livelihoods of hundreds of millions as well as caused chronic trade deficits and perpetual profit outflows that can only be filled in by increased foreign borrowing. This ODA has also been used as leverage to oblige governments to honor debt obligations and continue debt repayments despite the damage to local economies.

Many of these loans have just gone back to donor countries as payments for overpriced contractors, suppliers and consultants from donor countries or to domestic infrastructure benefiting donor corporations operating in the recipient country.

Current Northern government-drive debt-related initiatives such as the G-8's Multilateral Debt Relief Initiative (MDRI) and International Monetary Fund-World Bank's (IMF-WB) Highly Indebted Poor Countries (HIPC) initiative are inadequate. The MDRI and HIPC begin from a "debt sustainability" framework rather than a genuinely social and economic development framework. "Debt sustainability" as currently conceived is inappropriate for focusing on debt relief and economic policy interventions aimed at building countries' ability to service debt rather than moving towards genuine social and economic progress. In part this is because the international financial institutions remain overwhelmingly dominated by the advanced countries and are used as undemocratic "gatekeepers" in official aid mechanisms.

The Paris Declaration must rather take up aid concerns from a sustainable development, human rights, gender and social justice framework. Among others this means recognizing that the amount of underdeveloped country debt and its terms constitute a severe hindrance to development, achieving human development goals, and improving the lives of billions of people. Aid can never truly be effective if the crushing debt burden remains and off-sets any potential small-scale gains along the PD's current areas of concern. Nor can aid be considered effective if it in effect merely sustains debt service. This requires the aid effectiveness agenda to broaden much further beyond current narrow concerns of aid delivery and management.

## LETTERS

We, undersigned CSOs working on debt cancellation and aid effectiveness call for the following:

- I. Absolute and unconditional cancellation of all illegitimate debt.
- II. Removal of all forms of policy conditionalities and tied aid
- III. Increases in grants particularly for social services, rural development, gender issues, human rights concerns and the environment.
- IV. Overhaul of the international financial institutions to make their processes more democratic and to remove their undue influence over the direction of aid.
- V. Real commitment by donor countries to shift ODA from loans to grants.
- VI. Overhaul of the international financial institutions to make their processes more democratic and to remove their undue influence over the direction of aid.

### Signed:

AidWatch- Australia	Japanese NGO Center for International Cooperation (JANIC)
AIDWATCH Philippines	Jubilee Kyushu
Arab NGO Network for Development (ANND)	Law and Society Trust
Asia Pacific Mission for Migrants (APMM)	Lok Sanjh Foundation House
Asia Pacific Research Network (APRN)	LOKOJ Institute
Australian Council for International Development (ACFID) - Australia	NCCP
Bagong Alyansang Makabayan (BAYAN)	Nepal Policy Institute (NPI)
CCA	NGO Forum on Cambodia
Center for People's Development and Governance (CPDG)	Pacific Asia Resource Center (PARC)
Center for People's Resources and Services, Inc. (CEPRES)	Interpeople's Cooperation
Centre for Organisation Research and Education (CORE)	Pakistan Institute of Labour Education & Research (PILER)
CENTRIN	People's Alliance for Debt Cancellation (GARPU)
Cordillera People's Alliance (CPA)	PIRG (Public Interest Research Group)
Council for Int'l Devt. (CID)	PRAI
Debt-Net	Reality of Aid Network-Asia
East Timor Devt. Agency	Sewalanka Foundation
Ecumenical Centre for Research, Education, and Advocacy (ECEA)	Shan Women's Action Network (SWAN)
Forum LSM Aceh (Aceh NGOs Forum)	Tamil Nadu Women's Forum
Friends of the Earth (FOE) Japan	Tarabang Para Sa Bicol, Inc. (TABI)
Green Movement of Sri Lanka	Third World Network (TWN)
IBON Foundation, Inc.	TWN- Malaysia
International NGO Forum for Indonesian Development (INFID)	UBINIG (Policy Research for Development Alternative)
Japan International Volunteer Center (JVC)	Unnayan Onneshan
Japan ODA Reform Network-Kyoto	Vietnam Union of Science and Technology Associations (VUSTA)
	Vikas Adhyayan Kendra (VAK) - India
	Voices for Interactive Choice and Empowerment (VOICE)

*This statement is an initiative of the Reality of Aid-Asia Network based on the agreements of the Strategy Meeting in Manila on July 2008. Civil society organisations interested in supporting this statement should send an e-mail to the RoA Asia Secretariat (secretariat@realityofaid.org) stating this intention together with a brief description of their work around debt and aid effectiveness.*

