



Editorial

Global Economic Crisis and its Implication for South Asia

The world today is at a turning point and faces multiple systemic crises and India is not excluded from it. The global financial crisis that is threatening to spill into a great depression poses a major awkward question on neo-liberalism and casino-finance capital. The cozy collaboration between the ruling elite and business that fostered private gain and loot at the expense of the poor and the marginalized people of the South calls for a rethink of the speculative financial market. The global meltdown, with its epicenter in the US, is spilling over to the real economy with its growth engine grinding to a halt. The best indicator of this is the rising unemployment and job losses. The financial crisis will raise world unemployment to 210 million by the end of 2009, its highest rate in the past decade, according to the ILO and this will include at least 20 million who lose their jobs between now and the end of 2009, according to its officials.

The crisis started in America with the subprime mortgages, but the entire global financial system is caught in it. There are several causes – excessive risk-taking by banks, new financial instruments which were little understood but much used by hedge funds and others, rapid movements of markets thanks to IT and 24x7 news coverage which spread panic fast. But underlying all those things were global financial imbalances.

The countries of the South will not escape the effects of this crisis. Many of them whose financial systems are still not sufficiently “opened up” will escape the direct impact of the world financial crisis, but they certainly will have to face the impact of the recession of the real economy. The deepening recession resulting in declining purchasing power of people in the US and Europe and other parts of the world has already made its adverse impact on the exporting sector such as sea-food, garments and agricultural products. Commodity exporting countries that gained from higher prices now face lower incomes as those prices plummet. Meanwhile, investment in developing countries, the backbone of their economic growth, has dropped as a result of problems in the global credit market.

Two areas are of special concern here. One is the inevitable decline in the terms-of-trade for primary commodities that will occur in a recession, which will push cash-crop growing peasants into even greater distress. The other is the loss of food security over much of the Third World that will inevitably occur.

The world economy has been run undemocratically since 1945, with the major global institutions dominated by the victors of World War II. That is not how it was originally meant to be. The existing finance institutions were born of crises and now represent entrenched interests of some players. It will be difficult to reform or replace them until a serious, sustained crisis makes change inescapable. The financial meltdown could be one such crisis that facilitates an overhaul of the Bretton Woods institutions at a time when Southern countries have emerged as the world's main debtor countries. Until a new world order emerges, we will continue to live in a dysfunctional world with an outdated set of rules. Only revamped institutions and new rules can deal with the root causes of the present crises, not just the symptoms.

The formation of the Bank of the South would definitely alter power relations within a multilateral development banking system, and would re-problematise development within a context in which the liberal ideology has blocked the way to the major goals of humankind, particularly to critical and alternative discourses and proposals for making another world possible.

The new World Bank and the new International Monetary Funds, whatever their new names may be, must have radically different missions from those of the former institutions; they must make sure that the international treaties on the (civil, political, social, economic and cultural) human rights are actually carried out through their action in the field of international credit and international monetary relations.

These new global institutions must be part of a global institutional system controlled by a thoroughly reformed United Nations Organisation. It is an essential priority that the global South must get together into regional entities as soon as possible, with a common bank and common monetary fund.

From this perspective, the idea of Bank of the South opens possibilities for challenging neo-liberalism in previously forbidden fields: on the one hand, development financing with due respect for the sovereignty and integration of peoples, and on the other, theoretical thinking on an equitable, intercultural, democratic, sovereign place and developing a people-centered development paradigm.

This will also eliminate the current bias in favour of dollar-denominated US Treasury bills. This will wean the US from the addiction to other people's money and make it start saving. It would also rebalance the world's financial system. Maybe these will be the first fruits of the meltdown for Global Governance.

Politics of terror and Crisis of Governance

Following the latest terrorist attack in Mumbai that killed over 200 and injured around 390 people, rage is the predominant mood even 3 weeks after the attack. The mood and rhetoric is reminiscent of the US after 9/11. The phrase 'war on terrorism', invented in the US after 9/11, is now used quietly in India. This is a dangerous militaristic mood that led the US to the disastrous invasion of Iraq and Afghanistan. Let this not lead India into a similar, militaristic intervention against Pakistan.

The terrorist attack will have succeeded if it makes us to lose our rationality and moral moorings. Our response comes from the usual hurt sentiments. While it is true in every sense that it is also an attack on democracy by an international terrorist organization and network, we need to pay attention to what this attack on democracy means and what would be an appropriate democratic response to such threats to our system of governance. Our response should be more as a matured democracy. It means hard diplomacy in mobilizing international pressure and opinion on Pakistan, to dismantle terrorist outfits there and strengthen civil society and democratic state in Pakistan.

It must be realized that the problem of terrorism in India cannot be separated from the communalization that has taken place during the last two decades. Communalism and religious extremism feed terrorist violence...The extremist forces based in Pakistan have found congenial conditions to intervene because of this vicious cycle of communalism and terrorism in India.

The fight against terrorism would fully succeed only when the forces of religious communalism were isolated and defeated. This requires not the anti-political campaign "sponsored by the upper class and the corporate media," but a grater determination to firmly adhere to democratic and secular politics, which alone would keep India's integrity and unity safe.

We have to be extra vigilant about the freedom that is the basis of our individual and collective life. We cannot compromise our Constitution by mindlessly passing draconian legislations that suffocate our own spirit rather than strangle our enemy.

We need to revamp our police act that was installed by the British Raj to suppress its colonial subjects. A democracy cannot be a hard state in the sense of being a kind of police state using on its citizens powers that were used by the British Raj. We already have a surfeit of legislations as though more laws necessarily make a better government. However, our governments easily panic when they fail to prevent attacks on citizens and that is what makes India a soft state.

The most effective weapon we have against terrorists is to become even more steadfast in our resolve to band together as a community and ensure that no member of the minority cowers with the fear of reprisals or discrimination after an attack. To ensure that further polarisation within Mumbai society along religious, sectarian lines does not occur, that innocent people are not killed or terrorized in "response"; to dump the notion that shredding civil liberties and democratic rights helps anybody in any way, and to shred chauvinism and jingoism and strongly counter those attempting to foment communal strife, regardless of which religion they belong to.

The lesson to be learnt is not one of hatred but of peace and unity. Of tolerance and harmony. Of pluralism and secularism.

The global war on terrorism which has so far focused on Iraq and Afghanistan has now moved into South Asia with India as the new arena terror. The Mumbai attack challenges the Indian state on not only how it manages its domestic security but also how it formulates its external policy towards Pakistan. It will be prudent for India, instead of getting into the Western orbit of influence, to follow an independent path by forging closer ties with its neighbours on a common security platform. It is India's political and moral predicament to live in friendly relationship with its neighbours though the terror outfit in Pakistan is still a major challenge.

SAAPE NEWS

1 bn € to save 1 bn people

SAAPE calls on the EU to pass the 1 bn € food facility and save 1 bn people on the brink of starvation

SAAPE calls on the European Union to use the 1 bn € fund as an immediate and essential response to the global food price crisis driving millions into destitution and hunger.

At the occasion of a special meeting of the European Parliament's development committee on the 1 bn € fund with high-level guest-speakers, such as the heads of the Food and Agriculture Organization (FAO) and the World Food Program (WFP), SAAPE welcomes the ambitions by the European Commission and MEPs like Gay Mitchell and Thijs Berman to use the 1 bn € to fund agricultural development in developing countries.

"On moral grounds, the EU must pay back to small farmers in developing countries the 1bn € it has saved by way of farm export subsidies", said Perna Bomzan, Programme Co-ordinator for the SAAPE-Eurostep EU advocacy initiative in Brussels.

Even with food prices reaching an historical peak, throughout the developing world poor small-scale farmers can barely survive from what they harvest. "The additional funds will help in boosting our agriculture in a sustainable, humane and regenerative way", said Sarath Fernando with the Movement for National Land and Agricultural Reform in Sri Lanka. "And we also urge the EU not to give in to demands by multinational companies to implement an industrial agriculture system, based on mono-culture, hybrid seeds, chemical fertilizers and genetically-modified organisms, which is the very reason for the current deadly crisis".

With severe droughts leading to crop failures from Australia to Latin America, the loss of arable land to an obscene biofuel production and famines in Africa making the headlines again, the call for help seems to be more urgent than ever. Especially at a time when, according to latest UN and World Bank announcements, aid to poor nations has slumped and more people suffer from extreme poverty than previously thought.

"The EU must act now and prove that it is a reliable leader on the international scene, capable of reacting adequately to major crises and living up to their own high standards and the expectations in a post unipolar world", said G. V. Ramanjaneyulu with the Centre for Sustainable Agriculture in India, working mainly with women farmers. "Further, the EU must take the lead in promoting the new paradigm of local resource based technologies and a community managed institutional systems that have been actually working wonders on the ground".

As an answer to the food price crisis SAAPE favors food sovereignty. "It is the inalienable right of peoples to define and implement their own agricultural policies, which are ecologically, socially and economically appropriate to their unique circumstances", said Prem Dangal with the All Nepal Peasants' Federation that was a forerunner in enshrining the Right to Food Sovereignty in the country's interim constitution in 2006. Empirical evidence shows that farmers, who have maintained their right to choose their mode of production, have all over the world found distinct approaches to secure food safety and have managed to feed themselves and their families sufficiently.



Regional Consultation on Democracy and Governance

The Regional Consultation on Democracy and Governance was held at Colombo on July 18 & 19, 2008. Sixty participants attended the consultation from across the region covering almost all the countries of South Asia except Afghanistan. The consultation was held in the backdrop of numerous human rights and development challenges that threaten stability and democracy in the region. At the same time, various long-standing ethnic conflicts and sectarian violence hamper further progress in the absence of a climate of social justice. Despite these challenges, there have been notable successes as witnessed in the peoples' movement in Nepal against monarchy, against military dictatorship in



Pakistan, against unelected government in Bangladesh or against divisive and communal Hindutva politics in India. Nevertheless, democracy for a vast majority of South Asians signifies elections and consequently the challenges are to redefine democracy and raise peoples' aspirations for inclusive democratic practices. It was exciting enough to ask what democracy had done to South Asia; it was even more rewarding to engage with what South Asia had done to democracy. This dual enquiry forms the leitmotif of the process. All through the previous half century and more South Asia has been experiencing profound transformations. How much of this change is the result of the introduction of democracy and popular self-rule, will always remain a topic for debate. After all, like elsewhere in the world, democracy did not enter the region as a single and isolated phenomenon. It was accompanied by at least three other factors: the forces of popular nationalism, the urge to and urgency of building and retaining a strong state, and the idea of modernity. The interplay of these factors has helped shape the nature and character of a South Asian democracy.

The keynote address was made by Professor Ram Bapat where he spoke about the Emergence of the

Neo-liberal State and the democratisation process in South Asia. In his presentation he demystified the concept of Governance and urged for a conscious radical practice to deepen democracy. He also pointed out the mutual contradictions between democracy and governance and how the latter is promoted as a "user-friendly" concept by global powers including the World Bank and others. This was followed by presentations from various countries. Prof Babu Matthew from India, Farooq Tariq from Pakistan, Dr. Mahbub-i-Rashid from Bangladesh, Netra Timsina from Nepal, Sathivale Balakrishnan & Linus Jayatilake from Pakistan and Mohammed Latheef from Maldives spoke at this occasion. The speakers put forth various complexities of their respective countries as well as regional issues in an effort to connect the singular with the universal. All the presentations were followed by live discussions and interactions.

The consultation concluded with the decision to continue the discourse on this issue, also to come out with position papers on democracy for each South Asian country, and to have a common South Asian paper and a Peoples' Charter.

People's SAARC

PEOPLE'S SAARC DECLARATION – 2008

Towards A Peoples Union of South Asia

20 July 2008

The Assembly resolved to issue the Colombo Declaration as the People's SAARC Declaration issued by a gathering of representatives from SAARC countries.

We, members of social movements, labour unions, women's groups and civil society organisations have gathered here in Colombo from 18-20 July 2008, as part of the process of Peoples SAARC, to forge a vision for a Peoples Union of South Asia.

We represent a rich and wonderful diversity of cultures, languages, religions and a multiplicity of identities and are linked by shared histories, geographies and cultural practices.

We believe we have the opportunity and strength to transform our social, economic and political futures to ensure that all our peoples can live in peace, security and dignity.

For this to become a reality, we must take a



collective stand against all structures of oppression, discrimination and violence facing the people of the region. We uphold the equality of all countries in the region, and condemn attempts of any one country to dominate the region. We stand for a secular, democratic, equal, peaceful and just South Asia. We will ensure that those who have been traditionally marginalised from political processes, such as dalits, women, indigenous peoples, ethnic, religious and sexual minorities, will be in the forefront of this political project.

This involves creating a discourse on democratic and participatory political processes which respect national and local priorities and take into consideration the very real inequalities between the different states in the region. We are ready to take on this challenge through resolute struggle.



We hail the people's movements for democracy and peace and against dictatorship and monarchy, that are ongoing in the countries in the region. After discussions and debates for three days at plenary sessions and over thirty workshops we affirm our commitment to achieving the following goals and aspirations;

1. To build a South Asian identity based on our diversities and common histories. We Reject bigotry, jingoism and hatred and will work towards ensuring that enmity between countries is not propagated through instruments such as the media and education.
2. Resolutely oppose intervention of USA

and war exercises both in the region and elsewhere. Reject the so called War on Terror which is nothing but an attempt to cover up warmongering by USA and its allies to target ordinary citizens.

3. South Asian countries to commit to a no-war pact and declare the region as nuclear-free. This also involves the drastic reduction of defence budgets and de-militarisation of the region.
4. Free movement of peoples in the region or in other words a visa-free South Asia
5. Restoration and creation of rail, road and sea-links that meet the needs of people. Encouraging and facilitating people- to- people contact and communication in the region.
6. Peaceful and just resolution of all conflicts in the region, including those on the border, through political negotiations, and revoking so called national security laws that give a free-hand to state authorities to commit atrocities against their own peoples.
7. Operationalisation of food sovereignty through building alliances of women, peasants and agriculture labour. This would involve the creation of seed and grain banks, promotion of participatory research and sustainable technologies and the rejection of monopolistic and environmentally destructive technologies such as genetically modified organisms.



8. Fisherpeople's right to fish in territorial waters be recognized and legally protected through proper mechanisms. Innocent fishers incarcerated for wandering into neighboring territorial waters be immediately released.
9. The right to mobility is a human right. Migrants should be assured of dignity and right of work as well as physical protection, basic amenities and adequate wages. The victims of trafficking must be protected, especially women and children. Similarly, the rights of individuals and communities subjected to forced displacement due to conflict, disaster, and development projects should be protected.

10. Ensuring rights of all workers, especially women and dalit workers in accordance with the International Labour Organisation Convention, United Nations Covenants and National Constitutions.
11. The setting up of regional institutions and mechanisms such as a South Asian Tribunal of Justice to address human rights violations Those responsible for war crimes and crimes against humanity must be prosecuted. Protection to be guaranteed for right of dissent, protest and organization. We call for the immediate release of political, social, media activists and prisoners of conscience in the region.
12. Recognizing the universality of visibility, opportunity, equal rights and dignity for all people, including excluded groups and minorities: ethnic, sexual, gender and people with disabilities. Recognize the prevalence of caste based discrimination that denies human dignity, socio, economic, political equality and justice to the 260 million dalits of in the SAARC countries

13. Achieving Climate justice by ensuring that the burden of adjustment is borne by the elites. This requires a fundamental departure from the current industrial and economic paradigm in the region. Also, people's rights to information, knowledge, skills, housing, education, health, food security and their organizations must be fulfilled to strengthen their resilience to hazards.



14. The creation of alternative regional trade and economic co-operation frameworks that meet the needs and aspirations of small producers and labour. This will ensure the defeat of neo-liberal instruments such as the World Trade Organisation and Free

Trade Agreements in the region. (In the light of current attempts to revive the flawed WTO Doha Round we commit to work with groups across the region and elsewhere to ensure that no deal comes out of the WTO Mini-Ministerial Meeting at Geneva from 21-25 July 2008.)

15. Recognition of health, education, housing as basic human rights. The scaling up of public infrastructure such as housing, health, education and other civic amenities through democratic sources of development finance. We urge equitable quality education to all children through common school system in the region.. We oppose the privatisation of these services and uphold the principle of basic services for all. We particularly assert the rights of those affected by disasters.

16. Upholding knowledge commons, rather than monopolies of corporations. Adoption of free and open source software and open standards in all e-governance projects. Setting up of a South Asian resources pool for free software which enables international relations with knowledge sharing.

17. Unconditional cancellation of loans from International Financial Institutions & bilateral debt.

We call upon Government representatives at the 15th SAARC Summit at Colombo to seriously address these concerns and demands of the people of the region.

SAARC must be made accountable to the citizens of the countries in the region. We celebrate the struggles for democracy and resistance to neo-liberalism and imperialism in the region and in particular the victory of the people's movement in Nepal. Our Peoples Union of South Asia is a rainbow coalition of democratic forces. We pledge to continue to learn, inspire and empower each other to realise this vision.



Workshop on Democracy and Governance

The South Asian region has witnessed tumultuous political activities in the last couple of years starting from a genuine mass participation in the struggle against the monarchy in Nepal, the people's determination and grit to overthrow the military dictatorship in Pakistan, the struggle against the unelected government in Bangladesh and various other micro and macro movements attempting to further democratize the political, social, cultural and economic processes in the region. It is to be noted that democracy and the process of democratisation in South



Asia have a chequered and uneven history. Obviously they are not fixed ends to be reached once and then taken for granted. The achievement of democracy is a continuous struggle process constantly waged by vigilant, active, informed people. It is in this perspective that various organisations working on the issue decided to hold a workshop on Democracy & Governance with people's participation at all levels.

The workshop was co-organised by Prayatna, SAAPE, Vikas Adhyayan Kendra & NGO federation of Nepal.

The objective of the workshop was to take a note and exchange our experiences, ideas and aspirations for:

1. The role and capacity of civil society, peoples organisations, political organisations and others in the region in order to increase popular participation in decision making.
2. Democratic institutions in order to develop and sustain just governance.
3. The competence of the public bodies in order to promote the effective, honest and accountable exercise of power.
4. The capacity of organizations that protect and promote human rights in order to enhance each society's ability to address rights concerns.
5. The will of political bodies to respect rights, rule democratically and govern effectively.



A lively exchange of experiences and aspirations followed the presentations made by speakers from across South Asia. Sathivale Balakrishnan from Sri Lanka raised the issues of democracy and governance and its dynamic inter-relationships. He stressed that governance is to be in accordance with rule of law, transparent and constantly accountable to the people. Governance then is to be the concrete mechanism and practice to eliminate exclusion, to eradicate the process of marginalisation, to restore control to the people and to protect their dignity at all times. It is to be a mechanism to maximise the resources of the people against poverty and humiliation and to constantly enable them to lead a rich human dignified life within the society. Netra Prasad Timsina highlighted the universal ideals of democracy, human rights and peace as reference points to analyze the condition of the Nepalese society, the power of information to politicize people and the social energy of various networks, institutions, solidarities and social movements of citizens and the April movement which marks a fundamental difference from other historical revolts – of 1950, 1979 and 1990 - on various grounds. Farooq Tariq from Pakistan raised questions about military rule in Pakistan and the mass movement opposing it. Balram Banskota of Nepal spoke about the role played by the peasants in the democracy movement. was very strong.

The other demands from the farmers in the country in collaboration with others in the region are as follows:

- Protect community wisdom with Biodiversity based ecological Agriculture system
- Implement comprehensive land reform and genuine agrarian reform
- Ensure women ownership on seed and right over land and productive resources
- Revoke patent on life forms and food as traded commodity only
- Stop neo-liberal policies and negotiations thereof such as WTO, FTA etc.
- Conserve, preserve and protect the farmers' knowledge of traditional rice culture and rice cultivation
- Implement the programme of food sovereignty as the basis of international treaties
- Protect our bio-diversity wealth and their community usages, both product and processes
- Hate bio-piracy and IPR provisions that deprive local communities their legitimacy over "improved" genre
- De-privatisation on productive resources, social service and common property
- Resist process of imperialist Globalization and call moratorium on GMOs
- Assert peasants rights to land and productive resources
- Avert increasing vulnerability of marginal land holders and stop to fall into landlessness
- Abolish all forms of bondage including debt-bondage victimizing the agricultural wage labourers
- Insure fair wages to agricultural workers and minimum social protection for all poor farm families both wage workers and self-employed
- Enlarge and establish agriculture market in rural areas by increasing rural electrification and other infra-structures
- Ensure unemployment benefits to rural agricultural labourers
- Ensure livelihood of indigenous people and Dalits
- Condemn international organizations like IRRI that has collaborating with industry against peasants
- WTO, out of agriculture. No privatization on common pool resources.

Sharmila Karki of Nepal highlighted the strong presence of women both in terms of their overall presence and their contribution and pressure on the democratisation. Sebastian Rodrigues of India spoke about the ongoing struggle of struggle of adivasis against mining in Goa. It is important to note that Goa's mining industry has led to collapse of people's economy, social fabric tarred, cultural degradation, environmental pollution, illegal mining, drying of water sources and numerous other things.



Workshop on National Security, Ideology, Policies and Practices

The thematic group on Peace, Justice and Demilitarisation organised a workshop on National Security, Ideology, Policies and Practices in collaboration with Focus On The Global South, Peace Mumbai, and Sangat. The paper presenters and key note speakers highlighted mainly the security issues in connection with South Asia by giving examples how the marginalised sector people are being affected from this.

Dr Mathura Prasad Shrestha, in his keynote speech said that in spite of decades of development programs, the people of SAARC in general remain largely deprived of a fair or even just share. The gaps within and between peoples and cultures that are rising alarmingly and proposed to examine the interrelated issues - democracy, peace, development, role of UN systems and international cooperation critically. He elucidated that conflict is understood differently by

different persons and the so-called times of peace or conflict are relative to a dynamic equilibrium determined by an ever-changing scenario. He warned that Forced peace breeds fatalism, individual or social inertia, general discontent and even crisis and a suppressed conflict is not a resolved conflict. Citing Nepal's experience, Dr Shrestha stressed that Nepal's experiment with peace might appear tortuous and tiring on the surface but the people of Nepal are confident in what they themselves are constructing with hope and belief that this is their time, won after optimal sacrifices.

Mr Padma Prasad Khatiwada raised the issues of peace process in Nepal and the challenges of arms management. Other speakers in the workshop included Prof. Kamal Mitra Chenoy and Kamala Bhasin.



Workshop on Debt

In the light of the rate of debt accumulation and increase in debt servicing in the South Asian region the issue assumes enormous significance. Besides the loss of competitiveness in the international market due to insufficient exchange rate adjustments and the weakening of terms of trade, economic mismanagement and crisis of governance, the downward pressure is larger in the region facing higher debt burden as these countries confront higher interest rates, decline in the external resource inflow, lower export earnings, lower domestic output and lower imports. The rapid accumulation of debt, rising repayment burden and the economically and politically resource inflow or rescheduling motivated rescheduling of debt has raised concerns regarding the impact of debt on the live and livelihood of the people in this region. A workshop on debt under the aegis of the larger gathering sought to examine the impact of rising debt burden on South Asian countries.

The workshop was jointly organised by Rural Reconstruction Nepal (RRN), Equity and Justice Working Group Bangladesh, IBON South Asia, SUPRO Bangladesh and Vikas Adhyan Kendra, India. The objective of the workshop was to:

- to examine the impact of rising debt burden on the lives and livelihoods of the South Asian population,
- to provide an overview of definition of the ecological and illegitimate debt to the activist,
- to provide latest information on how UNFCCC, International Financial Institutions and G8 consensus proceeding for new form of neo-liberal exploitation (climate business / carboncracy) in least developed countries and
- to identify the issues how people in South Asia can act together and how the activist in South Asia can play an effective role in this regard



so that they can promote micro activism linking to the movement at macro level.

Various participants from across the region raised important points concerning the issues. The speakers on this occasion were Farooq Tariq from Pakistan, Abdul Awal from Bangladesh, Anivar Aravind from India and Rezaul Karim Chowdhury from Bangladesh.

Important international campaigners on debt and aid also participated in this workshop. Lidy Nacpil from Jubilee South spoke on illegitimate debt and Tony Tujan from IBON foundation spoke on the interlinkages between debt and aid.

The workshop was followed by intense discussion among participants and a list of recommendations and were sent to the organising committee for further incorporation in the Peoples SAARC declaration which is to handed over to the Heads of States during the SAARC summit.



Protesting involvement of World Bank in the management of MDTF for climate change in Bangladesh

Dhaka 11 October 2008: In relation to the global day of action against IFIs, Debt and Climate, Equity & Justice Working Group-Bangladesh (EquityBD) organized a round table discussion on “Multi Donor Trust Fund for Climate Change Adaptation and the role of World Bank” at National Press Club, Dhaka. The objective of this seminar was to sensitize people’s opinion against the involvement of the World Bank in

the management of Multi Donor Trust Fund (MDTF) for climate change adaptation in Bangladesh.

Md Shamsuddoha, General Secretary of EquityBD, presented the keynote paper while Dr Tofail Ahmed moderated the seminar. In the keynote presentation Md Shamsuddoha said, the formation of such a special fund for Bangladesh was first proposed by



the UK government in the 'UK-Bangladesh Climate Conference' held in Dhaka in March 2008. Following this conference, the government of Bangladesh prepared 'Climate Strategy Paper and Action Plan' and presented in the 2nd UK-Bangladesh Climate Conference held in London in September 2008 wherein UK government proposed involvement of the WB in the management of this trust fund. He said all climate funding should be through the existing government channels, adding that there should not be any separate body like the World Bank for channeling the fund and overseeing the management of the fund. Md Shamsuddoha called on the government not to take any fund given by the WB imposing tough conditions and regulations.

Abul Mal Al Muhit, ex-Finance Minister of the government of Bangladesh, said the risks of climate change could not be faced only by undertaking few projects, the matter should be underscored in all development plans and projects. "The representation of the people who are vulnerable to climate change should be included in fund management and developing the climate change strategy paper," he added.

Rejecting the 'Climate Change Strategy and Action for Bangladesh' of the government of Bangladesh, Ziaul Haque said UK Bangladesh Conference on climate change reached a consensus that the polluter countries would reduce only 50 per cent of their total carbon emission by 2050, which is considered by the scientists insignificant. He urged the government not to refer to this term in the next UN convention on climate change.

Local government specialist and Chittagong University Prof Dr Tofail Ahmed said climate change issue is now a matter of national existence. So, it should be underscored seriously.

Anti-debt rally in Pakistan

In connection with Global Week of Action Against Debts, CADTM-Pakistan organized a protest demo and rally at Shimla Pahari, Lahore press club on Friday, 17th Oct. over 50 social, political and civil society activists, laborers and women participated in

the rally. The marcher took a full round of the press club. They were holding banners and placards inscribed with slogans against policies of international financial institutions. They were raising full-throat slogans against IMF and World Bank.

CADTM-Pakistan focal person Abdul Khaliq and LPP spokesperson Farooq Tariq addressing the marchers said the government of Pakistan should refuse repayment of debts to IFIs and use this amount on social sector. They also demanded of the institution of independent audit commission for inquiry into debts of Pakistan.

They said the debt crisis is structural, where as it had been initially presented as a crisis of insolvency. Of course the indigenous factors, such as the decisions taken by national leaders, corruption etc. have played an important role in the development of this crisis. But it is above all exogenous factors, such as terms of trade, the trans-national companies, and increase of interest rates, among others, which are responsible for triggering it.

They told the rally participants that the official external debt has never gone down since 1999 when the military regime of General Musharraf took over, although after 9/11, Pakistan received a record aid. The external debt has gone up to \$ 45 billion in June 2008 from \$ 33 billion in 1999. In fact, Pakistan is the fourth largest borrower of the World Bank and fifth-largest recipient of US aid to foreign nations but even then the country has not been able to reduce external debt.

Its borrowing record is littered with corruption and wasteful spending. Despite the fact that Pakistan is spending an estimated amount of \$ 4 billion on debt-servicing every year, the volume of payable debt is going up and up., which is a matter of grave concern for conscious citizens of Pakistan.

They demanded of the government to refuse payment of loans to multilateral donors and IFIs and use this amount on the improvement of social sector. They also called for debt audit and inquiry into written off loans of influential people of Pakistan.

The rally was terminated in front of Press club gate after one-hour activity. Mainstream electronic and print media duly covered the event.

Conference on Democracy, Development and Peace in Asia, 10-12 November, 2008, Kathmandu, Nepal

Background

The closing decades of the 20th century marked 'unprecedented political reform' in the Asia-Pacific region. Major transitions from authoritarian rule to democracy began with the popular uprising against the Marcos regime in the Philippines in 1986 and the negotiated transitions from military rule to multi-party democracy in Korea and Taiwan in 1987, the UN intervention in Cambodia in 1993, the fall of Indonesia's Suharto regime in 1998, recent ongoing democratic transition in Nepal after a long decade of conflict and internal turmoil. More and more governments are today chosen through popular mandate than ever before. This represents a rise of political and civil rights enjoyed by citizens from what two decades ago was a region dominated by authoritarian rule.

However, this triumph of democratic governance has also been accompanied by triumph of a very minimalist discourse and practice of democracy. More often than not the arena of democratic polity has remained under firm control of a handful of political elites not only in Asia but across the third world. On the other hand globalisation of capital and neo-liberal hegemony has facilitated the role back of State from its welfarist stances eroding to a great extent of whatever social democracy was installed or had historically evolved through struggles which has had deleterious effect on women, working population and other marginalized groups. Recent glaring examples come from India, the largest functioning democracy in Asia, where the "democratic state" is increasingly putting its weight behind big capital against its own denizens (whereas traditionally it played a mediating role, biased though, between capital and people/labour). Coupled with this the neo-liberals' "global war on terror" and the consequent global environment of power play, domination and competition has enabled "democratic states" to institute draconian laws not only militarizing states but societies. Under such a circumstance, democracy has been reduced to merely an electoral process to mask the actual weakening of democracy. In such a context, where on one hand democracy has become a global paradigm of governance since the collapse of "really existing socialism" on the other the very meaning and practice of democracy in reality and its future prospects are in crisis.



In order to arrive at an assessment of how "really existing democracies" in Asia have fared, and also to re-examine and rediscover attempts and struggles to reconstitute democracy, it is of utmost importance to contextualize and discuss the socio-political system within which they are functioning. It is in this backdrop that the conference on Conference on Democracy, Development and Peace in Asia was held on 10-12 November, 2008 at Kathmandu, Nepal. The organisers - LDC Watch, KDF, ARENA and SAAPE – felt that the recent going transition to democracy in Nepal provides a good opportunity as well as a formidable challenge to rethink democracy and to re-evaluate how democracies have fared in Asia.

Socio-political stirrings at the grass root of the Nepalese society which culminated into the Jana-andolan- II of April 2006 (the 2nd people's uprising in April 2006) forced mainstream pro-democratic political forces to bring in important issues of exclusionary socio-economic and cultural structures and has greatly empowered people marginalized by those structures (like patriarchy and caste system deeply entrenched in Nepalese society). The recent constituent assembly (CA) results are also indicative of this; it has ensured the largest representation of women (33.2%) in the history of Nepal along with significant representation of traditionally marginalised castes, nationalities and other minority groups like bonded labourers, street vendors, differently able, gay and lesbian rights activists etc. Such diverse representation is not only unprecedented in history of Nepal but whole of South Asia. This has definitely created hope that the future course of state governance will uphold the issues of economic, social and cultural rights. But at this point some amount of caution is also required; even though Nepal transitional phase has created a prospect of more inclusive democracy the process will also throw up tremendous challenges in a post conflict scenario.

Agenda and Key Issues

The general objective of the conference was to strengthen democracy, development and peace in Asia. "Really existing democracies" across Asia have failed to address the issues of the 'downtrodden', oppressed and marginalised on many accounts. The issues of exclusionary structures which violate socio-economic and cultural rights have become a part of official State discourse but more often than not just as lip service. A good illustration on this point would be again India, where out of approximately 3 million (in both tiers of state and central government) elected representatives 2 million are women and 22% represents dalit and indigenous (adivasi) and yet women, dalit and indigenes remain more oppressed and vulnerable than ever before. It can be argued that the within the present "really existing democratic" framework representation often becomes a mechanism of producing a new 'rent taking' political elites who might still bear the name of marginalised.

Developmental model pursued both by authoritarian as well as democratic regimes in Asia have been invariably top-down, devastating and exclusionary, benefitting only a small section of the population (often guided by interest of global and big national capital). In the wake of this developmental paradigm, millions have been rendered homeless, deprived of their livelihoods. And majority of them happens to be indigenous (also dalit in case of South Asia) and marginalized. On the other hand, even though many Asian countries have a formal political democratic setup, democracy is visualized and it operates within the larger paradigm of nation building/nation, without recognizing or erasing the homogenizing

tendencies of the notion of modern nation itself which renders minority nationalities and linguistic, religious and other minority as the "other." This has led to long standing conflicts with the State often militarizing not only itself but also societies. In short, the kind of development matters tremendously to democratization and peace and vice versa, and therefore, identifying key questions and challenges to development and conflict resolution at every stage of democratizations are crucial for all actors for democracy building.

It is in the light of these general crisis and short comings of democracy in Asia a three day conference was held in Nepal. The conference took recent changes and challenges in Nepal as a referral point but also tried to encompass Asia in general, as most Asian societies have a similar mutually relevant socio-cultural context and fairly similar economic situation at the grassroots' level. Some of the key

agenda that the conference aspired to tackle are listed below:

Key agenda:

- To show that sustainable development, peace with dignity and justice and democracy are dialectically linked and that each sustains and impact the other,
- To look at development not only as the growth of GNP or other national indicators, but rather at human development and how economic development impacts on the lives and capabilities of people including expanding economic, social and cultural rights. How to make sustainable development as a key component of democracy,
- To show from past experience across Asia that instituting a multiparty democracy and an electoral process at local, regional and



national level doesn't ensure economic justice and social justice. So, how to envision a new structure of which will ensure justice? How to do institution building and making people friendly constitutions,

- To look at long lasting peace (not just absence of conflict) and democracy as intertwined processes. Which means addressing entrenched societal structures which violate basic tenets of democracy and how to address them in a democratic framework,
- To consider the fact that most countries in Asia today face a challenge from majoritarian religious mobilization. The need is to bring back secularism as a key tenet of democracy i.e.: striving not just for a secular State but also how to constantly secularize societies,

- To look at institutions, structures and policies and politics in Asia that have favoured inclusive and peaceful people oriented development, and that can be used as example in other parts of Asia,
- To assess problems and prospects of Asian societies and how democratic rights can be improved. To assess the idea of Asian values,
- To distinguish the different stages of Asian democracies, their special and separate problems,
- To identify key challenges in Democracy - Civil Society complex in Asia, and
- To identify key challenges to Democratic Governance in transitional and consolidating Democracies in Asia

Key Issues:

- Development and democratization: assessing the impact of economic development to democratization and vice versa
- Principles and ways to make development as a key component of democracy
- Developing multiparty democracy and electoral process at local, regional and national level in the framework of economic and social justice
- Understanding democratic transition in Nepal
- Democratization and development-peace complex: addressing societal structures that clash with basic tenets of democracy in a democratic framework
- Secularism as a key tenet of democracy: interaction between secular state and secular societies: Are we becoming majoritarian democracies? The issue of minority rights; excluded social groups' policies and institutional arrangements for inclusion
- Key challenges to democratic governance in transitional and consolidating democracies in Asia
- Democracy and equity: political, economic, social and cultural rights
 - Civil society and political society in sustainable democracy, development and peace
 - Judiciary and judicial responsibility; and the rise of the executive in Asian democracies
 - Is effective local self-government possible without land reform? Financial powers in local self government

- Global War against Terror [GWAT] and militarization's impacts on development and democracy in Asia
- Synthesis of agenda for civil society and governments for further actions and policies

Participation and Participants

The conference brought together various progressive experts and representatives with organic links to various grassroots movements striving for change from different parts of Asia. The resource persons were drawn from various sectors of expertise, political leaders, academics; members of civil society organizations, people's movement as well as from among fraternity of LDC, ARENA, KDF, SAAPE and partner organizations included. The conference also strived to bring together different stake-holders in more fruitful democratization in Asia including civil society actors, policy makers, parliamentarians, and also representatives from different marginalized sections of the Nepalese society like women, dalit, workers, unemployed youth; and also representative voices from among students.

The participants mainly comprised of academics, representatives of civil society organizations, social movements, community organization, relevant institutions, experts, trade union leaders, and parliamentarians.

The conference was inaugurated by the Prime Minister of Nepal, Pushpa Kamal Dahal at the Kathmandu City Hall (Rashtriya Sabha Griha) where he underlined that the market-led neoliberal economic policies in the disguise of globalisation further marginalises the poor and helpless. Referring to the global financial meltdown he said that its chain effects were having tremendous negative effect on the countries of the south. He also accused the capitalist system for various ills facing the world including food and energy crisis, global warming and climate change. The noted Marxist thinker Prof. Samir Amin in his keynote speech at the inaugural session said the global crisis pointed at 'systemic failure of capitalism.' The inaugural session was followed by two days of plenary sessions which included diverse issues as the Democratic Transition in Nepal, Key Challenges for Participatory Democracy in Asia, Peace-Building in Political Processes to Democracy, Identifying Key Challenges and Moving towards Alternative Democracy in Asia, Governance for Democratic Development and Peace, etc.

The presentations and the inputs were subject to collective discussion and critique by general participant of the conference. Thus various ideas achieved synthesis with the active and animated participations from the floor.

South Asia News and Views

Afghanistan

Current crises threaten to plunge more Afghans into poverty, warns UN official

The various crises facing nations today could worsen the plight of millions of underprivileged people in Afghanistan, which is already ranked the fourth poorest country in the world, a senior UN development official cautioned today.

“A combination of food price hikes, a downturn in the global economy, the effects of climate change, weak governance, and the intensification of the armed conflict threaten to push even more Afghans into the ranks of the desperately poor,” Manoj Basnyat, Country Director for Afghanistan, UN Development Programme (UNDP), told reporters in Kabul.

“I believe Afghanistan’s biggest problem today is poverty,” Mr. Basnyat stated, noting that the country has a poverty rate of 42 per cent, with another 20 per cent of people hovering just above the poverty line. In addition, 70 per cent of Afghans face food insecurity, 20 per cent of rural households are chronically food insecure and another 18 per cent face seasonal food shortages. “However, poverty is not inevitable but a reflection of the way societies are organized and resources distributed,” he noted. Poverty in Afghanistan is driven by many factors, he explained, including low literacy, poor health care, mismanagement of natural resources and social structures that disadvantage particular groups and communities. While the challenges are tremendous, the situation is not hopeless, stressed Mr. Basnyat. “We can move Afghanistan out of its current rank of fourth poorest country in the world if we all work together.” In that regard, he said the country has a “very promising” poverty reduction plan in the form of the Afghanistan National Development Strategy

(ANDS). Launched in June at the Paris conference that brought together representatives of Afghanistan and its international partners, the strategy is the country’s five-year plan to reduce poverty and promote economic and social development.

“Afghanistan is now at an important crossroads and much depends on moving forward with the key poverty reduction objectives that are part of the Afghanistan National Development Strategy,” said Mr. Basnyat. UNDP is assisting the country in its efforts through a number of initiatives, such as the National Area Based Development Programme, which focuses on the challenges of specific areas of the country considered to be particularly vulnerable. By supporting the establishment of 306 District Development Assemblies in all 34 provinces together with the Ministry of Rural Rehabilitation and Development, UNDP is working to ensure full, open community consultation and participation in the rural development process. “Proper community consultation at this level is the key to success,” stressed Mr. Basnyat. “We must focus at the grassroots level and that means in every district across the country.” The National Area Based Development Programme has completed 520 rural infrastructure projects since 2006, including irrigation systems, roads, schools, clinics, bridges, community centres, and protection walls, benefiting some 2.5 million people in rural areas. He also highlighted what he referred to as the “Kandahar Model” of community-based development which allows the agency to implement infrastructure projects in areas previously thought too insecure for development work.

U.S. military frees Afghan journalist after 11 months

U.S. military frees Afghan journalist from Bagram

New York, September 22, 2008—The Committee to Protect Journalists welcomes the U.S. military's release of imprisoned journalist Jawed Ahmad from Bagram Air Base in Afghanistan on Sunday, 11 months after he was first detained. But CPJ calls again on the U.S. military to end its practice of holding journalists without charge on an open-ended basis.

Ahmad, 22, was never charged with a crime, and military officials have never explained the basis for his prolonged detention. Ahmad, who is known by his nickname Jojo and also uses the surname Yazemi, does not know why he was freed, according to an interview with the Canadian *Globe and Mail*. Ahmad worked most recently as a field producer for the Canadian broadcaster CTV and had several other freelance clients in the past.

Ahmad said he was detained at a NATO airfield near the southern city of Kandahar where he worked, after being invited there by someone who said he was a U.S. public affairs officer, according to the *Globe and Mail*. He was later transferred to the U.S.-operated air base at Bagram, he said. He told the newspaper he was beaten, that two of his ribs were broken, and that he was deprived of sleep.

"We are relieved that Jawed Ahmad has been freed and we wish him the best with his return to work," said Bob Dietz, CPJ's Asia Program Coordinator. "But he has lost almost a year of his life being held without charge and says he was brutally treated by his captors. His case adds to the U.S. military's appalling record of detaining working journalists in conflict zones, without a modicum of due process, based on allegations which are shrouded in secrecy and have apparently proved to be unfounded."

The U.S. military detained Ahmad on October 25, 2007. CPJ publicized his case after being alerted by Carlotta Gall, The New York Times reporter based in Pakistan and Afghanistan, who had worked with him.

A Pentagon spokesman told CPJ in February that Ahmad had been classified as an "unlawful enemy combatant" but did not provide information about the allegations or evidence against him.

A statement issued today by Capt. Christian Patterson, a spokesman for the U.S.-led coalition, said Ahmad had been released because he "was no longer considered a threat." The statement offered no explanation for the 11-month detention. Ahmad told the *Globe and Mail* his U.S. interrogators were suspicious of his reportorial contacts with local Taliban.

CTV News President Robert Hurst issued a statement today to CPJ. "It is startling that U.S. military authorities released Jojo Yazemi on Sunday morning without any explanation about why he was apprehended in the first place and then declared an enemy combatant," Hurst said. "CTV News is also concerned about his health after he recounted his treatment while in U.S. custody. Our priority now is to get Jojo Yazemi back to Kandahar and reunited with his family."

CPJ research shows that at least one other journalist remains in U.S. military custody. Freelance photographer Ibrahim Jassam, who was working for Reuters in Iraq, was detained September 2 by U.S. and Iraqi forces; he has not been charged. The U.S. has held dozens of journalists in Iraq, at least 10 of them for prolonged periods, according to CPJ research. Associated Press photographer Bilal Hussein was released in April after a two-year detention on unsubstantiated allegations of collaborating with local insurgents.

On May 1, Sami al-Haj, a Sudanese cameraman for Al-Jazeera, was released from the U.S. Naval Base at Guantanamo Bay, Cuba, after six years in detention. Al-Haj, also designated an "enemy combatant," was never charged with a crime.

Bangladesh

Report on 20 Months of Emergency in Bangladesh

The Government lacks legitimacy

Odhikar has been monitoring and publishing reports of the human rights situation under the State of Emergency, each month of the military backed government which was installed on 11 January 2007. The following is the report covering 20 months of this government.

The crisis of legitimacy hamstrings the Government

The government now in power for last twenty-months, unelected, without peoples mandate, installed and controlled by the military is suffering from crisis of legitimacy and acceptability. It seems to be gradually loosing its grip over situations. This has happened because of the extra-constitutional means of its installation and existence and most importantly, its attempt to prolong its regime, instead of quickly handing over power to elected representatives within a constitutionally mandated timeframe and respect precedents. Its laidback approach has created a deep crisis of confidence amongst the people. If the current course is not quickly reversed, and all energies are concentrated towards an early general election and the State of Emergency withdrawn, human rights situation could take a serious downturn.

Human Rights Commission won't safeguard human rights

The irony has been that this unelected, extra-constitutional, military backed government has attempted to give itself a semblance of a legitimate government by picking up issues long demanded by the people and human rights activists. One such demand has been the establishment of a National Human Rights Commission, independent and empowered to take action in line with internationally set standards. However, in doing so, it overlooked its main operational tool - the state of emergency - that denies people of their most fundamental rights. While keeping basic rights suspended, the government gave effect to its own law, the National Human Rights Commission Ordinance, 2007 on 1 September. It provides for the establishment of an 'independent' body to safeguard the people's rights but leaves the power to select the Chairman and members of the Commission to a committee

dominated by government officials. The Ordinance stipulates that the Human Rights Commission will investigate allegations of human rights violations by any individual or quarter and try to resolve the cases through arbitration or mediation, discouraging, and eventually preventing, the trials of the perpetrators. Human rights violations are too serious an offence to be dealt with by mere arbitration or mediation. Any act of human rights violation should be tried in a court of law and the perpetrator exemplarily punished. There should be no two ways about it. Odhikar finds that the government has made the move to establish a Human Rights Commission only to shore up their credibility before the international community. Odhikar has always advocated for a Human Rights Commission, which will be independent, both financially and functionally, from the control of the government.

Most importantly, whatever recommendations the Commission comes up with should be binding upon the government. The kind of Commission that the National Human Rights Commission Ordinance proposes, in Odhikar's view, will not be the safeguard for human rights in Bangladesh.

Right to Information Ordinance-but not to curb press freedom

The latest public relations product of the Government has been the preparation of a draft of the Right to Information Ordinance. Experts and stakeholders of right to information law have already rejected the draft, approved in principle by the interim cabinet on June 18, 2008. Leading journalists have characterised it as a 'black law' and demanded redrafting.

Odhikar also believes that the draft Ordinance will curb, rather than extend press freedom, and the people's right to know. The draft Ordinance proposes the establishment of an Information Commission, which will eventually help the authorities concerned to evade the responsibility of giving information. If the Ordinance is promulgated, people- even a journalist - will need to apply in a prescribed form for information and the authority will have the power to reject the application or provide the information sought.

Odhikar is concerned about reports that the draft Ordinance was prepared by a Committee dominated by bureaucrats, who ignored submissions made by key stakeholders like the Federal Union of Journalists, the National Press Club and the South Asian Free Media Association.

Freedom of expression and privacy in jeopardy

The government has revealed its character – and its growing sense of insecurity - in its reported decision to monitor and coordinate the tapping of telephone calls and other communications through a national monitoring centre under the Home Ministry.

According to reports, the monitoring centre will be made up of representatives from the law enforcement and intelligence agencies. A Brigadier General of the Directorate General of Forces Intelligence will head the centre.

This centre is being established despite a still-pending rule issued by the High Court Division of the Supreme Court, asking the government to explain why the provisions made for telephone tapping would not be declared unconstitutional.

The Bangladesh Nationalist Party-led alliance government wanted to introduce phone tapping during its tenure and enacted the Telecommunications (Amendment) Act 2006 in February 2006. In May of that same year, a writ petition was filed challenging the law and on May 18, 2006, a High Court issued a rule on the government to explain why the amended Telecommunications Act should not be declared illegal.

Odhikar observes that phone tapping by the State is a direct contravention of Article 43(b) of the Constitution that guarantees a person's right to the privacy of his correspondence and other means of communication. It infringes also the constitutionally granted freedom of thought and conscience, and of speech and expression. It is intrusive, intimidating and unconstitutional; and is yet another significant step towards our nation becoming a police state.

Constitutionality aside, Odhikar does not believe that public safety can be enhanced by taking hostage the civil liberties of the citizens. Odhikar demands the military backed regime abandon such plans to phone tapping, while the matter is still pending with the court.

Truth Commission should be disbanded

The Truth and Accountability Commission (TAC), setup by the government for five months, to allow people to admit to their corruption and obtain mercy

by depositing ill-gotten wealth, is a creature of this government that is not only unconstitutional but outright illegal. It is a body that deals with criminal offences, but is not a lawfully established court. This is why the High Court on August 26, 2008 asked the government to explain why the Voluntary Disclosure Ordinance 2008, under which the Truth Commission was formed on July 30, would not be declared illegal and void.

Moreover, TAC's purported objective to re-energise the economy has failed. The business community, so far, has altogether shied away from availing of this facility.

Also, politicians accused of similar wrongdoings are not allowed to avail the same facility as businessmen and bureaucrats. Businessmen and bureaucrats are allowed to continue their business and services, while politicians are barred from contesting in polls after being bestowed with mercy from the Truth Commission.

Considering that the Truth and Accountability Commission has not only failed to attain its desired objective but is also contrary to the constitutional provisions and the spirit of the rule of law, Odhikar sees no justification for it to continue to exist. The government would do well to dismantle it and allow the law to take its own course in cases of financial corruption, as with any other criminal offence.

Workers get raw deals

The workers have been singled out for discrimination by the government and even with limited restoration of right to association, basic rights of workers continue to be denied. The workers have not been effectively able to press for their demand of higher wages because trade union activities remain suspended. The work force is the foundation and creator of wealth and workers rights are recognised under international laws as well as by the Constitution. While Odhikar does not support the vandalism that wrecked some industries, it observes that most of such incidents are a result of the movement of frustrated labours demanding their due wages and allowances. To deal with the issues, the government must identify the causes behind them and the owners must ensure the proper payment of the labours, instead of using strong arm techniques. Workers are no threat to the law; rather, widespread disregard of workers rights, even by the government, has been threatening the economy and livelihood of workers.

In this day and age of global competition, local industries cannot afford to do away with a proven and potent tool to increase their efficiency and at the same

time abide by core labour standards, since collective bargaining is among the core requirements of international labour standards and has become a compliance requirement. Instead of controlling trade union rights, the government should shed their perceived bias against the working class and encourage responsible trade unionism across all the sectors to ensure a sustainable and healthy growth of the economy in general and industries in particular.

Extra-Judicial Killings continues

Since the proclamation of the State of Emergency between 12 January 2007 and 11 September 2008, a total of 279 persons were allegedly extra judicially killed by law enforcement agencies.

Recommendations

1. The government should speedily end its lack of legitimacy by forthright withdrawal of state of emergency and holding a parliamentary election before the year is out.
2. The National Human Rights Commission Ordinance must meet the standards included

in the internationally accepted Paris Principles for Human Rights Commissions and be redrafted accordingly.

3. The Truth and Accountability Commission should be scrapped as it negates rule of law.
4. The draft Right to Information Ordinance must be revised to incorporate suggestions offered by various stakeholders and appropriately drafted for an open and democratic society.
5. The reported move for a telephone tapping authority must be cancelled and freedom of expression must be upheld.
6. The government must offer and ensure rights to workers, granted under national and international laws.
7. Extrajudicial killings must stop and all such incidents must be investigated independently. Those found responsible for giving orders and carrying out these killings must be made accountable to law and victims adequately compensated.



India

Hunger in India states 'alarming'

India has some of the highest rates of child malnutrition in the world

Twelve Indian states have "alarming" levels of hunger while the situation is "extremely alarming" in the state of Madhya Pradesh, says a new report.

Madhya Pradesh's nutrition problems, it says, are comparable to the African countries of Ethiopia and Chad. India has more people suffering hunger - a figure above 200 million - than any other country in the world, it says.

The report, released as part of the 2008 Global Hunger Index, ranks India at 66 out of 88 countries.

'Scored worse'

The hunger index has been released by the International Food Policy Research Institute (IFPRI) along with Welthungerhilfe and the University of California. It measures hunger on three indicators which include child malnutrition, rates of child mortality and the number of people who are calorie deficient.

Table of full results

The problem of hunger is measured in five categories - low, moderate, serious, alarming or extremely alarming.

The survey says that not one of the 17 states in India that were studied were in the low or moderate hunger category.

"Despite years of robust economic growth, India scored worse than nearly 25 sub-Saharan African countries and all of South Asia, except Bangladesh," the report says.

The best performing state was Punjab, which has a 'serious' hunger problem and does less well than developing countries such as Gabon, Vietnam and Honduras.

About 60% children in Madhya Pradesh state are malnourished

“When Indian states are compared to countries in the Global Hunger Index, [the central Indian state of] Madhya Pradesh ranks between Ethiopia and Chad,” it says.

India is long known to have some of the highest rates of child malnutrition and mortality in under-fives in the world.

According to the Indian government statistics two years ago, around 60% of more than 10 million children in the state were malnourished.

Nutrition experts say the abysmal record is due to an inadequate access to food, poor feeding practices and poor childcare practices in India.

And now the rise in the global food prices has reduced the food-buying capacity of many poor families, making their situation worse.

In the past year food prices have increased significantly, but people's incomes haven't kept pace, forcing many families further into hunger, experts say.

The report says “improving child nutrition is of utmost urgency in most Indian states”. “All states also need to improve strategies to facilitate inclusive economic growth, ensure food sufficiency and reduce child mortality,” it adds.



Maldives

Democratic triumph

With the sensational defeat of the president of the Maldives, Abdul Gayoom who has ruled for 30 years, by Mohammed Nasheed, a former dissident, jailed for campaigning for democracy, the island nation is set for a truly historic transition. The atoll-nation's first multiparty Presidential poll was the culmination of a hard struggle to usher in democracy to the Maldives which had been in the authoritarian grip of Mr. Gayoom's regime for the last three decades. Since Mr. Gayoom's sixth five-year term beginning November 2003, there has been a proactive struggle for democracy catalysed by sustained and proactive media reportage focusing on the challenges that were being faced by the campaigners for democracy, among whom was the now victorious presidential candidate, Mr. Naheed. His election is historic for more than one reason. For one, it is a radical departure from the traditional pattern of centralized political authority in the Maldives. Right from the days of the Sultans of yore to the more recent set of virtually self-elected Presidents who have been winning one-horse races since 1968, the people of this island nation have not had the benefit of a plurality of political choices. With this watershed election, it does seem that the essential features of a functioning democracy can now come to life – political pluralism, separation of powers, and an empowered parliament. This

historic outcome is the culmination of an internal, democratic, and popular political struggle which bore the full brunt of the repression of the state forces during its campaign.

Yet a positive feature of the new situation is not President Gayoom appears to have accepted the popular mandate with good grace and has even claimed that this historic transition is indeed his legacy of “introducing a modern liberal form of democracy”. President-elect Nasheed has done well to channel popular aspirations into a substantive political formation, building a coherent strategy which has brought him to power. But he must remember that with this power comes immense responsibility. For this newly won and hard-fought political freedom to be sustained, it should be insulated from the pressures that are bound to be brought brought upon the situation by vested interests – both from within and without. Mr. Gayoom's 30 years as President have seen two successful transformations: the economic elevation of his country over the past decades, and, now, the heralding of multi-party democracy. Mr. Nasheed has the important and onerous task of taking this democratic process forward.



Pakistan

Pakistan's Economic Woes pose new threat

Energy shortages, runaway food prices ignite public anger, test leadership.

By Peter Wonacott

Economic turmoil is roiling Pakistan, spawning another daunting test for the country's wobbly leadership.

A key ally of the U.S. in its global fight against al Qaeda and the Taliban, Pakistan is trying to contain an insurgency by Muslim militants that is spreading from border areas with neighboring Afghanistan. The government also is struggling to hold together a shaky coalition of warring political parties. Now, an onslaught of economic woes threatens to over-shadow both these challenges. Pakistan raised prices of fuel products Sunday for the sixth time in five months, by as much as 17%. Runaway food prices, energy shortages and a plunging stock market have hit Pakistanis hard and left the government scrambling to defuse public anger, say officials and analysts.

"The economic issue is rapidly surpassing all other issues." Says Shahnaz Wazir Ali, a special assistant to Prime Minister Yousuf Raza Gilani who has helped draft emergency relief measures for the country's poor.

Pakistan's consumer-price index was nearly 22% higher in June than a year earlier. Chronic power outages, which have come during Pakistan's sizzling summer months, have disrupted business and helped sour the political mood. Before a modest gain Friday, the main Karachi stock Exchange index had fallen for 15 straight sessions, triggering a window-smashing rampage at the exchange Thursday by anguished investors.

On Saturday, in his first televised national address since becoming prime minister in March, Mr. Gilani tried to shift much of the economic blame to President Pervez Musharaff, whose military-backed administration ran Pakistan for eight years before the country returned to civilian

rule earlier this year.

Mr. Gilani said his government was paying the price for underinvestment in the agriculture and power sectors during Mr. Mushraf's rule. Other problems, such as high inflation stemming from rising global oil and food prices, were beyond Pakistan's control, he added.

The prime minister urged the business community to curb capital flight and instead invest domestically. And he asked the public to reduce its consumption of fuel and cooking oil to reduce imports. Mr. Gilani also promised quick relief for the poor through cash handouts and other new government aid programs.

The current distress marks a substantial shift from the euphoria that followed Pakistan's February elections. After former Prime Minister Benazir Bhutto was assassinated in December, her Pakistan People's Party went on to win the most seats in Parliament, defeating supporters of Mr. Musharraf, a former army general and chief military commander.

The PPP formed a coalition government with the other big electoral victor, the Pakistan Muslim League. That party is led by Nawaz Sharif, also a former prime minister and longtime rival to Ms. Bhutto. But the two key partners quickly fell out over the issue of when and how to reinstate judges Mr. Musharraf sacked last year while they deliberated whether he was eligible to run for another term in office.

In protest over the PPP's reluctance to act, Mr. Sharif's party withdrew from top posts in the coalition government until the judges are resealed. On Saturday, Mr. Gilani, who is a PPP leader, promised that there would be "good news" soon on the judges, issue but didn't elaborate.

The political bickering has fueled public frustration. In a public-opinion poll released last week, 86% of respondents thought Pakistan was headed in the wrong direction, compared with 59% in June 2007, when Mr. Musharraf was in charge. The survey, conducted by the International Republic Institute, a Washington non-profit organization, also found that 72% said their economic situation had worsened by June of this year. In a similar poll covering the same period last year, the figure was 34%.

The economic downturn has come just as swiftly. The economy expanded at a 5.8% annual clip for the fiscal year that ended June 30, after growing close to 7% annually during the previous five years. Imports of expensive oil have cut Pakistan's foreign-exchange reserve by more than 35% since last October, widened the country's trade deficit and put pressure on its currency, the rupee, which has touched record lows against the dollar in recent weeks.

Salman Shah, a former finance minister and economic adviser to Mr. Musharraf, says the new government missed opportunities to reassure investors by failing to push ahead with privatisation of big state companies or to market bond issues overseas. He also decries the government's push to slow consumer spending, arguing that purchases of mobile phones, televisions, and other items had spurred growth in recent years.

"It's like giving your Mercedes to the cook, and he crashed it", Mr. Shah said of the new leadership.

Some of Pakistan's poor are also calling for more assertive leadership. Mohbullah, a 45 year old truck driver who goes buy a single name, returned to Peshawar this past week after two months on the road, exhausted and having earned just 300 rupees (\$4.24) from his trip. Food and bribes at police checkpoints absorbed much of his income, he says.

"The government should come here and listen to our complaints", he says. Why are we suffering?"

Officials insist help is on the way. Under one relief program, the government has pledged to set aside 59 billion rupees to be extended in monthly payments to the poor. Called the "Benazir Income Support Program", it is the biggest cash handout

in Pakistan's history, according to Ms. Ali, the assistant to the prime minister, who helped design it.

The aid initiative has another goal. It could help diminish the allure of joining up with Islamist militants, who commonly after financial incentives to the families of volunteer suicide bombers, Ms. Ali says. "People who are living better, who can plan for their children's future, are less likely to veer forward extremism", she contends.

Dealing with the insurgency is a central aspect of Islamabad's relations its biggest aid donor: the U.S. Militants have organized under a group called Tehrick-e-Taliban Pakistan and have spread their influence beyond the country's lawless tribal regions to North West Frontier province.

In recent days, Pakistani security forces have pounded strongholds in the northwest with helicopter gunships, seeking to drive insurgents out of towns around the provincial capital of Peshawar.

The U.S. has committed more than \$10 billion to Pakistan since the September 11, 2001, attacks. Last week, Senators Joe Biden (Democrat, Delaware) and Richard Lugar (Republican, Indiana) introduced a bill that would triple the current level of nonmilitary aid to \$1.5 billion annually over five years. The money is to be set aside for schools, road and medical clinics, but the bill would also demand Islamabad provide greater accountability of spending on its counterterrorism efforts.

Mr. Gilani, in his address Saturday, said he was committed to fighting terrorists and ending religious extremism in Pakistan. But American-led North Atlantic Treaty Organisation troops in Afghanistan complain that Islamist insurgents there are crossing Pakistan's border to find sanctuary in tribal areas. A clash with Taliban insurgents last month led to a U.S air strike on the Afghan-Pakistan border that accidentally killed Pakistani soldiers and inflamed tensions between Islamabad and Washington. In his speech, Mr. Gilani reiterated that foreign forces wouldn't be allowed to operate inside Pakistan. "No foreign power will be allowed to take action on Pakistan soil," he said. "Any decision or action within its boundary will be taken by the country itself."

6.3 crore Pakistanis sign anti-terror petition

In a gesture that has attracted record participation from average Pakistanis, 63 million citizens – a third of the terror-battered country’s population – have signed in a unique anti-terror signature campaign.

Billed as the biggest lobby effort anywhere in the world, Pakistanis signed a petition called Yeh Hum Naheen (This is not us) through just four weeks in the past couple of months. It’s been the strongest signal from across the border – you could almost call it the cry of a nation tarred with a deadly brush – that they don’t want fundamentalism or terrorism to be known as the Pakistan way of life.

The campaign apparently ensured that most of the signatories were verifiable individuals. Given that the Taliban is raising suicide bombers and death squads from teens in the hardened badlands of the federally administered tribal areas (FATA), children above 11 years were also allowed to sign.

The Yeh Hum Naheen campaign was launched in 2007 with a hit song featuring some of the country’s biggest pop stars, including Ali Zafar. The idea originated with British-Pakistani media consultant Waseem Mohmood, whose aim was to prove in a

tangible manner that Pakistanis were against the violence that comes in the guise of Islamic “jihad”. “This is about giving people a common platform to fight terrorism,” Mahmood was quoted as saying by a British daily.

He said all the signatures were verified and most of them collected through direct promotions. The campaign was financed by Muslim businessmen from the UK and Indonesia and has caught the imagination of Pakistani celebrities and media. Despite the obvious attraction of the campaign, not much can come out of it. The power of civil society in Pakistan has not left room for hope and inspiration and the yearning for a civilian government has repeatedly been run roughshod over by military rule, dictators and coups. Besides, the “silent majority” has been repeatedly overtaken by the “determined minority”.

Whether the campaign makes it to the Guinness Book is not important. What’s important is whether Pakistanis can hold on to their beliefs and fight for their own identity and not the jihadis’. As Mehmood was quoted as saying, “The power to stop all these happening (terrorism) lies with the people.



Sri Lanka

Sri Lanka: Civilians urge UN not to leave war zone

Feizal Samath

COLOMBO (IPS) - As the Sri Lankan army stands poised to capture the rebel headquarters of Kilinochchi in northern Sri Lanka, residents of the town are urging United Nations agencies not to vacate the region as ordered by the government.

Last week, the defence ministry asked all humanitarian agencies, including those from the United Nations, to pull out of the war-ravaged region, citing the government’s inability to guarantee protection.

However, on Thursday and Friday, residents blocked vehicles carrying out aid workers and stopped them from leaving. “The withdrawal has temporarily

stopped,” a UN worker in Colombo, who declined to be named, told IPS on Monday.

Aid workers said on Tuesday that a group of ten UN personnel had begun moving out of Kilinochchi by road although residents have been blockading the buildings housing the UN offices in the town.

On Sep 9, UN Secretary-General Ban Ki-moon said both the government and the LTTE have a responsibility in taking “active steps to ensure the safety and freedom of civilians, allowing humanitarian organisations to do their work in safety, as well as to reach persons affected by the fighting”.

Thousands of Sri Lankan troops have gathered in

the northern Wanni district, which includes Kilinochchi, preparing for what the government and military analysts say is the biggest offensive in recent years against the LTTE.

Last year the army captured the eastern province from the LTTE and is now concentrating on the Wanni region, especially the rebel bastions of Kilinochchi and Mullaitivu. The LTTE has, for 25 years, fought for a separate homeland for ethnic Tamils to be carved out of the north and east of the Sinhalese-dominated island.

While the government controls the flow of information to media on what is actually happening on the ground, troopers say they expect a huge battle in the Wanni. "The casualties on our side are rising as they (the Tigers) are giving a good fight," one young soldier, who had returned on leave to his village in north-central Kurunegala from the warfront, told IPS by telephone.

The soldier said the rebels are urging civilians not to leave the area and are promising to take control of areas lost to the army in the next few months.

While the military says no time-frame can be given for the capture of Kilinochchi, the soldier, who cannot be named, said his colleagues have been told it would take till the end of December. Much of the battle against the rebels, so far, has been through precision bombing of LTTE targets by air force fighter jets. The military also said that its deep penetration units have infiltrated into rebel-held areas and succeeded in killing key LTTE officials.

However, last week, the rebels hit back by launching an unexpected air-and-ground attack on the fortified security base at Vavuniya, a government-controlled town south of Kilinochchi, using small aircraft. According to reports on Monday in the pro-LTTE website, 'TamilNet,' more than 22 soldiers were killed as the rebels stopped an army advance on Kilinochchi while suffering only 'minimal' casualties.

On the other hand, the defence ministry's website spoke of 18 rebels being killed on Monday when the army stormed an earthen barrier being erected to "delay the security forces' movement toward Kilinochchi." Three soldiers died in the fighting, the ministry's statement said.

Kilinochchi houses the LTTE's intelligence units and serves as a communications nerve centre. The group's elusive leader Velupillai Prabhakaran is said to be operating from in or around Kilinochchi. While there is a sense of anticipation in Colombo that the military is closing in on the rebels and set to capture

Kilinochchi town, military analysts say it will not be easy. "The Tigers have been holding back their senior fighting cadres and have mostly used the younger lot in recent battles," a senior military analyst, who declined to be named, said.

The analyst pointed out that it took nearly a year for the army to capture the northwest Mannar district. "The Tigers have so far been fighting a delaying war, and now that is changing into a full-blooded battle," he said.

According to the LTTE's Peace Secretariat, the air raids and bombings carried out in the Wanni region have forced more than 113,000 people to leave their homes. It said the action by Sri Lanka's armed forces amounted to genocide. Independent verification of the battles and the humanitarian situation in the Wanni is not possible as journalists are barred from visiting the district.

The influx of residents from the north into Colombo, due to the intensification of the war, and fears of worse battles ahead, is worrying the government. Defence secretary Gotabaya Rajapaksa was quoted in the state-owned 'Daily News' on Saturday as saying that, "an alarming situation has been observed by the security forces as a large number of people have come to the Colombo police division in August alone without any valid reason."

According to the defence secretary there is a fear that LTTE cadres may mingle with the refugees and infiltrate sensitive areas in Colombo. Attempts by the government to transport people from the north out of Colombo were earlier stopped by the Supreme Court on the grounds that they were a violation of fundamental rights.

UN officials in Colombo said they were going ahead with the withdrawal from Kilinochchi and were trying to sort out the issues that were delaying their departure. On Monday, disaster management minister Mahinda Samarasinghe told the 'Island' newspaper that the UN Resident/Humanitarian Coordinator in Colombo, Neil Buhne, had reiterated the UN decision to leave LTTE-held areas.

Other aid agencies said the UN had asked for three weeks time to complete the pullout, but latest indications are that it could happen sooner, by Sep. 20. An aid worker said there are 12 international agencies working in Kilinochchi including Oxfam, Save the Children and UNICEF, and that all of them are pulling out. That would leave workers of the International Committee of the Red Cross (ICRC) which has been allowed to stay and play its traditional role as a neutral intermediary between warring groups.

Reports from Kilinochchi say residents are asking senior UN officials to give a written statement that the UN is leaving the area contrary to its stated principles of protecting civilians in a war zone.

Separately, the LTTE is also not allowing civilians to

leave the area which, the government says, follows a previous pattern of using non-combatants as human shields.

Wednesday, 17 September 2008



Regional

Global Week of Action against Debt

Protesting involvement of World Bank in the management of MDTF for climate change in Bangladesh

Dhaka 11 October 2008: In relation to the global day of action against IFIs, Debt and Climate, Equity & Justice Working Group-Bangladesh (EquityBD) organized a round table discussion on “Multi Donor Trust Fund for Climate Change Adaptation and the role of World Bank” at National Press Club, Dhaka. The objective of this seminar was to sensitize people’s opinion against the involvement of the World Bank in the management of Multi Donor Trust Fund (MDTF) for climate change adaptation in Bangladesh.

Md Shamsuddoha, General Secretary of EquityBD, presented the keynote paper while Dr Tofail Ahmed moderated the seminar. In the keynote presentation Md Shamsuddoha said, the formation of such a special fund for Bangladesh was first proposed by the UK government in the ‘UK-Bangladesh Climate Conference’ held in Dhaka in March 2008. Following this conference, the government of Bangladesh prepared ‘Climate Strategy Paper and Action Plan’ and presented in the 2nd UK-Bangladesh Climate Conference held in London in September 2008 wherein UK government proposed involvement of the WB in the management of this trust fund. He said all climate funding should be through the existing government channels, adding that there should not be any separate body like the World Bank for channeling the fund and overseeing the management of the fund. Md Shamsuddoha called on the government not to take any fund given by the WB imposing tough conditions and regulations.

Abul Mal Al Muhit, ex-Finance Minister of the government of Bangladesh, said the risks of climate change could not be faced only by undertaking few projects, the matter should be underscored in all development plans and projects. “The representation of the people who are vulnerable to climate change

should be included in fund management and developing the climate change strategy paper,” he added.

Rejecting the ‘Climate Change Strategy and Action for Bangladesh’ of the government of Bangladesh, Ziaul Haque said UK Bangladesh Conference on climate change reached a consensus that the polluter countries would reduce only 50 per cent of their total carbon emission by 2050, which is considered by the scientists insignificant. He urged the government not to refer to this term in the next UN convention on climate change. Local government specialist and Chittagong University Prof Dr Tofail Ahmed said climate change issue is now a matter of national existence. So, it should be underscored seriously.

Anti-debt rally in Pakistan

In connection with Global Week of Action Against Debts, CADTM-Pakistan organized a protest demo and rally at Shimla Pahari, Lahore press club on Friday, 17th Oct. over 50 social, political and civil society activists, laborers and women participated in the rally. The marcher took a full round of the press club. They were holding banners and placards inscribed with slogans against policies of international financial institutions. They were raising full-throat slogans against IMF and World Bank.

CADTM-Pakistan focal person Abdul Khaliq and LPP spokesperson Farooq Tariq addressing the marchers said the government of Pakistan should refuse repayment of debts to IFIs and use this amount on social sector. They also demanded of the institution of independent audit commission for inquiry into debts of Pakistan. They said the debt crisis is structural, where as it had been initially presented as a crisis of insolvency. Of course the indigenous factors, such as

the decisions taken by national leaders, corruption etc. have played an important role in the development of this crisis. But it is above all exogenous factors, such as terms of trade, the trans-national companies, and increase of interest rates, among others, which are responsible for triggering it.

They told the rally participants that the official external debt has never gone down since 1999 when the military regime of General Musharraf took over, although after 9/11, Pakistan received a record aid. The external debt has gone up to \$ 45 billion in June 2008 from \$ 33 billion in 1999. In fact, Pakistan is the fourth largest borrower of the World Bank and fifth-largest recipient of US aid to foreign nations but even then the country has not been able to reduce external debt. Its

borrowing record is littered with corruption and wasteful spending. Despite the fact that Pakistan is spending an estimated amount of \$ 4 billion on debt-servicing every year, the volume of payable debt is going up and up., which is a matter of grave concern for conscious citizens of Pakistan.

They demanded of the government to refuse payment of loans to multilateral donors and IFIs and use this amount on the improvement of social sector. They also called for debt audit and inquiry into written off loans of influential people of Pakistan.

The rally was terminated in front of Press club gate after one-hour activity. Mainstream electronic and print media duly covered the event.



South Asia Regional Conference on Food Sovereignty, Agrarian Reforms and Peasants Rights Concluded

Peasant leaders from different countries of South Asia participating in South Asian Regional Conference on Food Sovereignty, Agrarian Reform and Peasants' Rights organised in Kathmandu, Nepal on 8-9 July 2008 concluded that without Scientific Agrarian Reform, there are remote chances of achieving sustained economic revolution in the countries of the region where agriculture is the mainstay of the majority people living in rural areas. They urged the governments of the South Asia region to devise policies for scientific agrarian reform to fight against poverty and hunger and assure fundamental rights of all citizens to food, energy, health and education, including other economic, social and cultural rights.

They also demanded for immediate actions to stop and annul the creation of Special Economic Zones (SEZs) by forcing farmers to evict from their lands that they nurtured for centuries, which are the tenets of corporate globalisation. Lamenting intolerable price hike in agricultural inputs including energy, the peasant leaders demanded for subsidies and support prices to cope with the unfavourable impacts of weather conditions in agricultural production as a consequence of climate change phenomena under the aegis of global warming to which the group of G8 countries and the IFIs are largely responsible. The other issues that need to be addressed without further delay are stopping of the increased cases of farmers' suicidal due to continuously reducing farm production and piling up of increased debt burden, forcing the farmers unable to pay back their loans, rather adding

more for maintaining their families' survival. The increased feminisation of poverty had further added the sufferings of already victimised women farmers; hence poverty needs to be eradicated as the top most priority of the region. The delegates also reaffirmed their commitment to continue the struggles for reinstating people's sovereign rights on food and make the states accountable to solve the current crises of food and energy in the region.

Speaking as Chief Guest of the concluding ceremony of the conference, the Chairman of Communist Party of Nepal (Maoist) Mr. Pushpa Kamal Dahal (aka Prachanda) committed for the implementation of food sovereignty, education, health and employment which are included as the fundamental rights in the interim constitution of the Federal Democratic Republic of Nepal. He further said, however, if they failed to implement these principles into practice, the provision alone in the constitution will remain as another lie, and a mere repetition of inaction of the previous governments.

Similarly, Mr. Jhala Nath Khanal, the General Secretary of Communist Party of Nepal Unified Marxist and Leninist) lauded the roles played by the ordinary people, specifically the peasants that played mammoth role during the People's Movement-II in Nepal, in asserting the sovereign rights of the people and forcing the autocratic king's regime to kneel down. He further said, "The issues of right to food and food sovereignty are closely linked with the

institutionalisation of scientific agrarian reform for the peasants' occupational, professional and communal rights, therefore, our party is committed for constitutional protection and promotion of the rights of the peasants”.

This two-day regional conference was organised by All Nepal Peasants' Federation (ANPFa) – the

Regional Thematic Focal Point of Food Sovereignty, Livelihood and Employment Theme of South Asia Alliance for Poverty Eradication (SAAPE), and participated by over 350 delegates from different countries and organisations in the region.

9 July 2008



The South Asia Regional Workshop on Sustainable Agriculture and Food Sovereignty

The South Asia Regional Workshop on Sustainable Agriculture and Food Sovereignty concluded at Dhaka, on 26 September, adopting a 10 point declaration along with a plan of action to undertake actions to achieve genuine agrarian reform in South Asian Countries to enable marginalized peasants to have effective access and control over land, water and other productive and natural resources. The members from citizens groups, peasants and civil society organizations of different South Asian Countries from Bangladesh, Bhutan, India, Nepal, Pakistan and Sri Lanka gathered in the workshop in Dhaka on 23-25 September 2008 to share their own experiences and struggle to achieve sustainable agriculture for food sovereignty in South Asia. The workshop was organized by Sushasoner Janya Procharavijan - SUPRO, the Country Thematic Focal Organization (CTFO) of Food Sovereignty, Livelihood and Employment theme of South Asia Alliance for Poverty Eradication (SAAPE).

Participants in the 3-days workshop emphasized on the structural causes of hunger and severe food crisis including global price hike and food shortage and urged the leaders of South Asian countries to come forward for increased regional cooperation to achieve food sovereignty in the region for realization of right to food for all, by formulating agriculture policy, free from the control of IFIs, TNCs and MNCs. They emphasized that food is not a mere commodity; it is a basic human need and hence the right to food should be considered as fundamental rights. In this context it is important to achieve food sovereignty for the communities and give priority to the small farmers and farm communities to address challenges of food crisis. South Asian countries should take initiatives to support and promote sustainable agriculture to achieve food sovereignty in the region.

Dhaka, 26 September 2008



Nepal, India ink 29-point deal

By Thira L. Bhusal

Major Agreements

- Establish Pancheshwor Development Authority
- Ministerial-level joint commission
- Restore Koshi embankment by March 2009
- Resolve Laxmanpur barrage inundation problem
- India to shun construction at Mahali Sagar
- Agreement to set up Joint Standing Technical Committee

- Pre-feasibility study on Naumure within 3 months

The Nepal-India joint meeting of top water resource officials concluded here today after reaching a 29-point agreement in which India reiterated it would not continue any controversial construction work along the Nepal-India border and to expedite implementation of past agreements. In the agreement reached at the Joint Committee on Water Resources (JCWR) meet, India reassured Nepal that it would shun construction of new structures along the border which have been

causing inundation problem in bordering areas of Nepal every year.

Nepali officials had expressed concern over the new construction work going on at Mahali Sagar in Kapilvastu district. In reply, the Indian officials said the work has already been stopped. The JCWR then decided to make a joint field visit within one month and resolve the issue. During talks at the Standing Committee on Inundation Problem (SCIP) held in the first week of October 2004 in Kathmandu, India had agreed not to continue any construction work at Mahali Sagar and other controversial sites until a bilateral agreement is reached.

To resolve the inundation problem caused by the India-built Laxmanpur barrage, the Indian side proposed that a structure should be constructed with a capacity to channel 40 cumec [cubic metre per second] of water to the Gandheli and Sotia canals through Kalkalwa Bund. India is ready to implement the proposal. The Nepali side will send its comments on the proposed structure within a month. At least nine VDCs (40 square kilometres of Nepali territory) are submerged every monsoon due to the Laxmanpur barrage.

During bilateral talks at the High Level Technical Committee prior to the SCIP talks held in October 2004 in Kathmandu, the Indian representatives had agreed to give natural outlet to water blocked in Nepali territory. The two sides have agreed to set up the Pancheshwar Development Authority at the earliest. The Authority will develop, execute and operate the Pancheshwar Multipurpose Project. Water resources secretaries of Nepal and India will co-chair the Authority.

The two governments, during the visit of Prime Minister Pushpa Kamal Dahal to India last month, had instructed the water resource ministries of both countries to expedite work on the project. For the 5,600 MW multi-purpose Pancheswar project, a treaty was signed between India and Nepal in 1996. The Nepali side reiterated that the sill elevation of the head regulator for releasing water from the Tanakpur barrage to Nepal be lowered to 241.5 meters to ensure more water to Nepal.

The JCWR also proposed a Joint Ministerial Level Commission on Water Resources and another Joint Standing Technical Committee (JSTC) at Joint

Secretary level. The JSTC will be coordinating all existing committees and sub-committees under the JCWR. This decision was taken in the light of the top-level political agreement reached between the two governments during the prime minister's India visit to set up a three-tier mechanism, at the ministerial, secretary and technical levels.

The two governments, in establishing the mechanisms, aim at pushing forward discussions on the development of water resources in a comprehensive manner including hydro-power generation, irrigation, flood control and other water-related cooperation. The top officials, who visited the Koshi embankment breach areas on Tuesday as part of the three-day talks, committed themselves to completing the reconstruction of ravaged parts of the Koshi and turning the river back to its original course by March 2009. High level bilateral talks will be held over issues related to the Koshi embankment breach in the first week of November. The Koshi burst its embankment at West Kushaha in Sunsari on Aug. 18, displacing more than 35,000 people in Nepal and affecting around 2.5 million in Bihar state of India.

Regarding the 245 MW Naumure hydro project, the two sides agreed to jointly prepare a pre-feasibility report within three months. The Nepali side proposed to maximise the irrigation potential in the Rapti River basin and utilise a part of the flow in Kapilvastu district with the construction of necessary storage reservoirs at Naumure and Bhaluwang. "The project will include irrigation facilities in Kapilvastu," Nepal's Water Resources Secretary Shankar Koirala told journalists upon the conclusion of the talks.

The government of Nepal assured the Indian side that it will guarantee the security of field investigations and studies for the Saptakoshi High Dam Multi-Purpose Project, said a statement issued by the Indian Embassy in Kathmandu. The JCWR decided to extend by one year the tenure of the Joint Project Office established to study the project.

India's Secretary of Water Resources Umesh Narayan Panjiar described the talks as successful in achieving a positive outcome over long standing issues. The next JCWR meeting is scheduled for February 2009 in Banaras, India.

Source: The Kathmandu Post, 02 October, 08

South Asian workshop on women's rights to land and other land-based resources

Sangat, Women and Media Collective and Action Aid International collectively organised a South Asian Workshop on the very important theme of women's rights and control over land and other land-based resources in South Asia. This workshop was held at Colombo on July 21, 2008.

The workshop was attended by 32 women and men activists working at the grass roots levels, feminist researchers, legal experts from Bangladesh, India, Pakistan, Nepal and Sri Lanka as also people from regional networks and organisations like Sangat, SANSAD, SAAPE, Action Aid International and so on. The group which came together had a lot of experience and insights in to the issue of women's land rights and are all committed to working on this issue.

Every one who gathered at the meeting believed that land rights are extremely important for women to give them an identity, a sense of dignity, to ensure food security and to provide livelihoods. That property and land ownership help women deal with violence and oppression more effectively was the general consensus.

The major issues discussed in the workshop were:

1. Women's land rights
2. Women's struggles for land
3. Women's struggles, diverse contexts and
4. Moving forward on women's land rights in South Asia

Participants shared their experiences and exchanged information in all the sessions. Every one was keen to listen to the on-going struggles in the neighboring countries. There was a lot of engagement and energy in all the presentations and the rich discussions which followed.

It was clear to all that much more work needs to be done at all levels and for our struggles to succeed much more collaboration and networking is essential at the national and South Asian levels. The participants decided to form an informal South Asian Network on Women's Land Rights.



SAARC Economic Agenda all but forgotten

Jyoti Malhotra

Last week, at a seminar in New Delhi on the promise and potential of a South Asian unified market, the organizers screened a film in the afternoon, perhaps intending to ward off post-lunch lethargy. The film showed happy, smiling faces of children in Bhutan, lush rice fields in Bangladesh, and cars on dirt roads and mountain tracks as part of a SAARC (South Asia Association for Regional Cooperation) rally that promoted peace, brotherhood and regional connectivity.

The film reminded me of the story of Catherine the Great sailing down the Volga river in her early years and thinking that all was well with her kingdom by looking at the smiling faces of people, of course, had been instructed to smile, and the houses were mere cardboard fronts – both were orchestrated by her able but ambitious general Potemkin.

Then, in one of those instances that prove there really is a God in the machine (at least sometimes), the screen went dark. The voice-over remained but there were no images. That seemed a realistic portrayal of the South Asian unified market-darkness after noon and no real way towards light.

So, even as Prime Minister Manmohan Singh finds his way to Sri Lanka on 1 August to participate in the 15th SAARC summit that starts the day after, SAARC's scorecard on economic integration remains dismal. The historically troubled relationship between Indian and Pakistan has largely prevented the grouping from taking off since its launch in Bangladesh in 1985, Even then, economics was expected to help overcome political differences, but it hasn't.

Meanwhile, across the eight member countries,

poverty continues unabated with up to 40% of the population living without access to basic amenities, though it is quite possible that the nations may be able to address this problem better if they were to do it together.

SAARC leaders, however, remain obsessed with trying to outmaneuver each other. Two years ago, Pakistan proposed that China become a SAARC member. India objected and pointed out that China was not a member of South Asia.

Fine, said Pakistan, and proposed that the country be invited as an observer. Seeking to balance the China-Pakistan all-weather friendship, India got the US, South Korea and Japan to also apply for membership in the same category.

At this year's summit in Colombo-it was actually Maldives' turn to host the summit, but the world's oldest dictator, Abdul Maumoon Gayoom, who has held power for 28 years and resisted holding free and fair elections, didn't presumably want hundreds of free-thinking leaders and journalists landing up, and asked Sri Lanka to play the host-Myanmar and Australia have applied for observer status.

Australia's application is par for the course, especially since Japan and the US are already observers in SAARC, and the country's foreign policy seems linked to that of the US. Myanmar's application is more interesting; the country is a close ally of China, and the Chinese have made it quite clear that they would prefer that it remains isolated (the logic being that it would then value its few friends, including China).

This is where India managed to pull off a coup. New Delhi's quiet diplomatic initiatives targeted at Myanmar are of recent vintage, and come from the decision that there's no use antagonizing the military dictatorship in Yangon.

India has sought to build close connections with the Myanmar military, especially with its second most powerful Gen.Maung Aye, offering an alternative to the rapid Chinese takeover of Myanmar. The offer to build, operate and transfer the strategically located port at Sittwe on the Bay of Bengal and to upgrade the Kaladan waterway network and the connecting highway to Mizoram are all part of this effort.

If Myanmar's gets the nod, a Myanmar general will sit at the same table as an American diplomat. The US has tried to persuade the world to impose sanctions on Yangon.

Invoking the Curzonian (or larger) idea of India, some strategic thinkers point o the widespread influence this idea once commanded. Myanmar, or Burma, was after all part of British India till 1935, after which the last king was ordered to live in Ratnagiri (in Maharashtra) where he dies. Even without the crutches of imperialist expansion – akin to swear words in a post-Iraq world-India's efforts to strengthen ties with Myanmar can only benefit the SAARC region.

Still, it's one thing to welcome more and more countries as observers, and quite another to focus on the reason why SAARC was set up-to promote economic integration and see how a potential economic powerhouse backed by more than 1.5 billion people can perform. Only, SAARC's leaders have set the bar so low, they're content with doing a SAARC development fund, a standards institution, and a pact on mutual assistance in criminal matters in Colombo.

But, where are the big ideas?

Considering that economist-prime minister Manmohan Singh has just emerged victorious from a bloody political bout at home, may be he should turn his attention region-wards. It's a good place to go.



NEWS AND VIEWS – GENERAL

The World Bank suddenly discovers 400 more million poverty-ridden people

By Eric Toussaint & Damien Millet

The World Bank recently acknowledged significant mistakes in its figures concerning poverty in the world. Indeed, while “the WB’s estimates of poverty are improved thanks to more reliable data on the cost of living”, the outcome is a head-on questioning of statistics produced by this institution, which has been facing a serious legitimacy crisis for several years: all at once the WB has just found out that 400 million more people live in poverty than earlier thought. In other words more than half of the sub-Saharan population!

This reflects the lack of reliability of statistics published by the WB and shows that their main objective is to back up the neoliberal policies imposed by its own experts the world over. As can be read in its press release,¹ 1.4 billion people in the developing world (one in four) were living on less than US\$ 1.25 a day in 2005, while previous estimates were around 1 billion. Yet the WB still finds grounds for rejoicing, since what matters in its eyes is not the number but the proportion of poor people. Why is this? Because with rampant world demography, the latter figure can more easily suggest improvement: if for instance the number of poor people does not increase, the proportion will automatically fall with the passing years.²

This is why the Millennium Development goal is to reduce by half the proportion of people living on less than a dollar a day between 1990 and 2015. But given the WB’s huge mistakes in its accounts, the set of

current international policies against poverty collapses. Structural adjustment policies (reducing social budgets, cutting costs in the field of health and education, an agriculture geared to export with consequent reduction of staple food crop cultivation, relinquishing food sovereignty, etc.) that have been enforced by the IMF and the WB since the early 1980s have seriously worsened living conditions for hundreds of millions of people throughout the world.

There has been a lot of criticism of the WB in this respect since Thomas Pogge, professor at Columbia University, wrote recently: The World Bank’s accounting policies are most questionable. We have good reason to think that with a more credible method we would observe a more negative trend and more widespread poverty. [...] As long as the

WB’s current method and the data it produces are used by international organisations and university research on poverty, the problem cannot really be considered seriously.³

The WB has exposed its weakness both statistically and politically. More than ever our objective must be threefold: turning away from the logic of structural adjustment, doing away with the WB, and developing a new international institutional architecture.

1. See <http://go.worldbank.org/C9GR27WRJ0>
2. See Thomas Pogge www.etikk.no/globaljustice/oslo_Global_Justice_mainlecture.doc
3. www.cadtm.org/spip.php?article3282



Which development facing poverty?

Nicolas Angulo Sanchez

When we speak of human development and the reduction of poverty, we must not refer to the unleashed consumption of goods (from cars, computers, increasingly powerful cell phones down to an almost unlimited variety of any product), but to the fact that every human being should be able to

satisfy his basic needs of food, health care, housing, education, for example, as well as having enough leisure time to enjoy culture and the arts, carry out enriching social relations, make our legitimate vocations come true in any field we chose, and also have enough time to rest. This is an idea of human

richness, and therefore of poverty, which goes much further than the field of economy and its monetary or commercial evaluation.

Instead, the development model that is being imposed by the current globalization of the market not only does not decrease poverty, but it puts an accent on productivism and consumerism which are destructive for the environment and for social cohesion and solidarity, as well as of man, reducing him to the unidimensionality that Marcuse denounced in the 60s of the past century¹. The capitalist model of development which is predominant nowadays, is really about the “development of underdevelopment”² or the “underdevelopment of development”³, to the extent that the development of the richer implies the underdevelopment of the poorer and that what the present globalization of the market really does is to widen the gap between them, increasing social and economic inequalities more and more, as well as the relations of dependence and domination. In any case, we could speak of the failure of development, especially in the Third World, and mainly in Africa⁴. There are some who go even further, at least in the semantic field, when they discard the word “development” because they consider it is unavoidably linked to capitalism, in other words, to the “westernization of the world”⁵ or its growth⁶, which is the “truly existing development”. In this sense, the “anti-developmentalists” propose a “society of ungrowth” in order to stop the devastating productivism that destroys the planet and therefore rebuild the world, recovering its roots.

At the same time, there are authors who share most of the criticisms of the anti-developmentalists, but who indicate that the alternatives to development that they put forward are too similar to the model of alternative development proposed by the supporters of the endogenous or culturally self-centered development. They proposed a type of development different from “western-style” development, which started from tradition, because they consider that the aims of development and not only the means to achieve its fulfillment must not be imported from “developed” countries. This is why the goal of development must be adapted to a given society within the dynamism latent in the system of values of that society: its traditional beliefs, its significant systems, local institutions and common practices. In this sense, the goals of this alternative development must focus on improving in every possible way the standard of life and society in a way that the community understands this, and somehow reestablishing the harmony with nature which has been seriously damaged because of the

degradation caused by this artificial nature which is modern technology.

In any case, it is arbitrary to conceive development, as well as poverty, in a merely economical sense, like the promoters of the current commercial and financial globalization do; that is, without considering the environmental, cultural and political dimensions, and only limiting it to the economic field, not taking into account its redistributive dimension focused on achieving a greater social equality or fairness, and therefore, eradicating poverty. On the contrary, the development of people and communities must be understood as a process that creates and favours the conditions that promote the full deployment of their physical, cultural, political, economic and environmental faculties⁸.

Economic growth does not guarantee development or the decrease of poverty

In many cases there are countries where economic growth not only does not lead to the improvement of the standard of living of the more vulnerable and poorer sectors, but makes it worse, and where important resources are used to repress those who dare protest. Such is the case of several African states with important mineral or oil resources (Nigeria, Congo, Equatorial Guinea, etc.) or diamonds (Liberia, Sierra Leona, etc.), which are usually immersed in serious internal conflicts which lead to bloodshedding civil wars financed precisely with the funds obtained from the export of these resources of their subsoil, a great part of which is used for the purchase of arms and the training of military and paramilitary forces used in the repression and annihilation of opponents (such as Colombia in Latin America, for instance).

Human development must be characterized by transparency, fairness and non-discrimination, facing other kind of processes in which the only goal is growth at any cost, without considering its human and environmental cost, and if the benefits will be fairly distributed or not. According to U.N. expert on the right to development, there can be a spectacular increase in the export industries with larger access to world markets, but which don't integrate the more underdeveloped economic sectors in the growth process and don't overcome a double economic structure; moreover, they come hand-in-hand with increasing inequalities or disparities and an ever-growing concentration of wealth and economic influence, bringing no improvement in the indexes of social, educational, health development, gender equality or environmental protection⁹.

Thus, it is necessary to balance economic growth with social development and respect and preservation of the environment. An authentic and sustainable human development is not possible if all the economic, social and political rights are recognized and respected, because this is the only way to achieve the necessary social balance in order to have lasting peaceful coexistence. This is why it is necessary to combat the belief which has been intentionally promoted by the hegemonic powers, that economic growth must be promoted above any other consideration, assuming that everything else will automatically happen after that: nothing could be more uncertain, since, as we have already indicated, there is no automatic link between economic growth and progress in matters of development and human rights, as well as in the decrease of poverty.

In sum, high growth can mean little development, while small development could be enough, if there is a fair redistributive policy, to improve human development and reduction of poverty. Besides, economic growth is not so much a precondition for development and reduction of poverty as a more equitable redistribution of wealth could be. In other words, the redistribution of wealth through fairer redistributive policies carried out by public powers in favor of the poorer, vulnerable and defenseless groups or individuals is positively a necessary condition to achieve development in its human, social and sustainable sense, and therefore, of the reduction of poverty.

Economic growth can be necessary to the extent that the construction of adequately equipped schools, health care centers or other social services imply economic growth. The same happens if the so-called "invisible" jobs, because they are not paid a regular wage such as domestic chores and social and family assistance carried out mainly by women, are included into public and private accounting. In any case, economic growth must be demystified as an essential panacea, especially in relation to the eradication of poverty, since, as we said before, the present financial and commercial globalization may well promote economic growth, but not only is it not eradicating poverty, it is causing a tremendous increase in social and economic inequalities. Likewise, this globalization model is destroying natural eco-systems and degrading the environment at a tremendous pace, without considering that natural resources are limited and the increase in their exploitation plays against the interests and the enjoyment of the human rights of all, mainly the more vulnerable and unfavoured.

Besides, the current productivist and consumerist model of the more industrialized countries is

devastating and non-exportable because reasonable limits have been largely surpassed, for if the poorer countries consumed and produced with the same intensity as the richest ones, we would need a much bigger planet in order to support it. Indeed, considering as a starting point the fact that the natural eco-systems have a limited capacity to recycle, reabsorb or recover from the pressure they are suffering due to industrial activity and human consumption, and that these could be measured in the necessary surface to uphold such consumption, a U.S. citizen needs an average 9.6 hectares for his daily consumption (the "American way of life"), a Canadian, 7.2; and a European, 4.5; while the estimated limit on a planetary scale is 1.4 hectares. At the present time, we would already require an area equivalent to 120% of the Earth's actual surface¹⁰. If the entire planet consumed and produced like the U.S. we would need a planet four or five times bigger. Therefore, the present model of economic growth can only favor a lucky few, to the detriment of the majority of the population, including the middle classes, and above all, the poorest, thus promoting an increasingly unequal and unfair society. The indigenous peoples, as well as the populations of many less industrialized countries are the living proof that a worthy life is possible without falling into the consumerism of the highly developed countries that devastates the environment and the human being. Human rights have also been created -among other reasons- to make possible these alternative ways of human development, of living as human beings with dignity and well being, without damaging the environment and not participating of the consumerism and an economic model which in its actual neo-liberal version, does not tolerate the freedom to live differently, that is, off of the constant trading, of the stock-market casino, of the labor overexploitation and the plundering of nature.

The present economic globalization implies and extension of the market relations not only in its geographic and demographic dimension, but also in the most internal and intimate spheres of man. Everything is on sale, even the genome and human life: money is freedom and with money you can do and know whatever you want. On the contrary, without money you are a nobody in the market. But perhaps the worst part is that the expansion of market to all the corners of society and the human being is done at the cost of denying the possibility, the freedom to refrain from participating and depending on this market and the money. This is why those peoples, cultures and people who still choose to maintain their customs and traditional, ancestral or particular ways of life are currently where they can still survive, slowly and

unavoidably agonizing before the inexorable increase of the market and money, which leads us to an increasingly more chaotic, unpredictable and unorganized society, for the benefit of a privileged minority.

In sum, the model of economic globalization that is being imposed on all corners of the planet is a tremendous limitation -not to say an almost total annulment- of the freedom of each nation to choose the model of development that fits their own characteristics better. Development and poverty reduction policies should be drawn mainly by the people and groups they affect because they are the ones who will understand better than anyone else what their circumstances and their specific needs are. All the peoples and the cultures are part of the heritage and the common wealth of the world and deserve the same respect and consideration regarding their preservation. Likewise, environmental considerations should also be taken into account, for ecosystems are also part of the common heritage of humanity and of the peoples who live there.

1. See MARCUSE, Herbert: *El hombre unidimensional*, ed. Seix Barral, Barcelona 1972.
2. See HARRIBEY, Jean-Marie: *Quel développement pour une société solidaire et économe?*, in: «Les autres voix de la planète», magazine, periodic publication of CADTM (Comité pour l'Annulation de la Dette du Tiers Monde), N° 23, June 2004, Liège (Belgium).

3. See GUNDER FRANK, André: *El subdesarrollo del desarrollo. Un ensayo autobiográfico*, collection «Cooperación y Desarrollo» N° 12, ed. IEPALA, Madrid 1992.
4. See AMIN, Samir: *El fracaso del desarrollo en África y en el Tercer Mundo. Un análisis político*, colección "Cooperación y Desarrollo" N 9, ed. IEPALA, Madrid 1994.
5. See LATOUCHE, Serge: *En finir, une fois pour toutes, avec le développement*, in: «Le Monde diplomatique», Mayo, 2001.
6. See FERNÁNDEZ DURÁN, Ramón: *El desorden se dispara*, in the book «FMI, Banco Mundial y GATT, 50 años bastan. El libro del Foro Alternativo. Las otras voces del planeta», ed. Talasa, Madrid 1995.
7. See GOULET, Denis: *Ética del desarrollo*, ed. IEPALA, Madrid 1999.
8. See MARTÍNEZ NAVARRO, Emilio: *Ética para el desarrollo de los pueblos*, ed. Trotta, Madrid 2000.
9. See United Nations document E/CN.4/2001/WG.18/2.
10. The 2006 Report of the World Wildlife Fund, "Living Planet", which includes a summary of the present state of the natural world, indicates that "according to the actual projections, by the year 2050, Humanity will be using twice the value of the natural resources of the planet, in case these resources haven't been completely used". It also confirms the tendency of the loss of biodiversity which had already been mentioned in prior reports (see *La huella humana es demasiado grande para la naturaleza*, in "Rebelión", section "Ecología Social" (www.rebelion.org, 12.11.2006)).



The Accra Third High Level Forum on Aid Effectiveness: A CCIC Participant Assessment of the Outcomes

Brian Tomlinson
Policy Team, CCIC
September, 2008

Introduction

1. 700 representatives of civil society organizations (CSOs) gathered in Accra, Ghana, at the beginning of September, on the occasion of the Accra High Level Forum (HLF). For many CSOs, this was the culmination of more than a year's consultations, preparations and engagement on issues affecting the fundamental reform of aid practices and its impact on development, ending global poverty and realizing human rights for poor and marginalized people. The Accra Third HLF was originally intended by its organizers (the OECD DAC Secretariat, the

Government of Ghana, and the World Bank) as a largely technical stocktaking review of indicators of progress by donors and governments in achieving some limited objectives to reform in aid practices by 2010, as set out in the 2005 Paris Declaration.

2. CSOs mobilized to influence this Accra HLF official agenda in numbers unprecedented for an international meeting on aid. Accra CSO Parallel Forum had a turnout of more than 700 participants from 80 countries. The Accra International Women's Forum also took place, with more than 250 women's rights organisations, gender advocates and experts from

all the regions of the world present. The International Trade Union Confederation (ITUC) held a preparatory meeting for about 50 trade unionists, the majority from developing countries consisting of religious-based networks, farmers' organizations, debt campaigners, CIVICUS, parliamentarians, etc. From among these CSOs, 80 were official delegates with full rights to participate and intervene in the official HLF. This level of engagement contrasts markedly with the mere 14 CSOs (including CCIC) present in Paris in March 2005 at the final negotiations and signing of the Paris Declaration.

3. The Parallel CSO Forum established an ambitious "high bar" for bold commitment to genuine change in the outcomes of the Accra HLF. These include:

- Development effectiveness as the measure of aid effectiveness, with new indicators by 2010 to measure aid effectiveness in terms of international human rights standards, gender equality, decent work and sustainable development.
- Country ownership as democratic ownership, with citizens and parliaments fully engaged in debating and setting development priorities for the alignment of aid to country priorities.
- Time-bound specific targets for the maximum and flexible use of developing country systems, with multiple-year rolling aid resource commitments, increasing country level predictability of aid.
- Significant reduction in the burden of policy conditionality by 2010.
- An ambitious target for demand-led technical assistance by 2010.
- Elimination of tied aid by 2010, including food aid and technical assistance.
- Agreement and implementation of new international standards of transparency by 2009, which include access to timely information by beneficiary populations, and independent aid monitoring as the basis for mutual accountability.

4. At the Accra Women's International Forum, CSO delegates stressed that "aid effectiveness without gender equality and women's rights perspective will not lead to effective development; neither will it contribute to reduce poverty, inequalities and the achievement of the MDGs". Among its several recommendations the Forum called for "a strategic

plan for financing gender equality and women's empowerment that is reflected in budget guidelines into the monitoring system of the PD implementation".

5. CSOs clearly were deeply frustrated and disappointed by the limited ambition of negotiations, which, by the time delegates had arrived in Accra, most new language and time-bound targets in the AAA had been diluted or removed. Nevertheless, by the final day of the HLF, a synergy of interests between developing country governments, CSOs and some like-minded donors were able, at the last moment, to bring some new commitments into the AAA.

6. The following sections of this report identify some key aspects of the Accra HLF as background to this overall assessment. A subsequent section points to specific contributions by Canada to the HLF.

What was accomplished?

7. A change in discourse towards development effectiveness... In various policy dialogues with the Working Party on Aid Effectiveness since early 2007, the CSO International Steering Group clearly asserted that aid and development effectiveness were mutually reinforcing concepts and aid delivery can only be considered effective in its development impact on poverty and inequality – in its support for people claiming their rights, in promotion of women's rights, in its contributions to livelihoods and decent work, in building sustainable environments and in supporting democratic determination of development priorities.

8. The Accra Agenda for Action has language that now addresses the relationship between aid and development effectiveness. The AAA states that

"Gender equality, respect for human rights, and environmental sustainability are cornerstones for achieving enduring impact on the lives and potential of poor women, men and children. It is vital that all our policies address these issues in a more systematic and coherent way." [para 3]

"We commit to continuing efforts in monitoring and evaluation that will assess whether we have achieved the commitments agreed in the Paris Declaration and the Accra Agenda for Action, and to what extent aid effectiveness is improving and generating greater development impact." [para 11]

"Developing countries and donors will ensure that their respective development policies and programmes are designed and implemented in ways consistent with their

agreed international commitments on gender equality, human rights, disability and environmental sustainability.” [para 13c]

9. In most of the nine Roundtables, which were the venues for policy discussion and debate at the HLF, the predominant discourse focused on issues of development impact of aid on poverty, inequality, participation and democratic ownership.

10. The Roundtable outcomes are significant as they will inform the content for a Chairperson’s Report for the Accra HLF, which will accompany the AAA, and which should be a starting point for the Working Party and its preparations for the 4th HLF.

11. Wide acceptance that the Paris Declaration has failed to deliver even modest reform... During the plenary presentations and the Roundtable discussions, no one disputed that progress in the reforms agreed in Paris have been much too slow and needed to go deeper. In fact this lack of progress was used by some donors to justify their reluctance to make further commitments. Aid was widely seen to be still much too tied, unpredictable, with little accountability and limited use of country systems. Issues of conditionality, tied aid, strengthening accountability and space for developing country citizens to determine appropriate development policies, were the subject of debate and discussion.

12. Even on issues, such as conditionality, which were largely ignored in the Paris Declaration and had almost no progress in the AAA, Roundtable discussions resulted in proposals to ministers and the HLF Chairperson that could move forward a more explicit debate post-Accra.

This Roundtable message that conditionality undermines country ownership goes much further than the AAA, which calls for “mutually agreed” conditions that “support ownership” and could establish different rights-based foundation for the continuing debate on conditionality.

13. Proactive negotiating by developing countries strengthened language on mutual accountability, use of country systems and South/South cooperation... By January 2008 developing country members of the Working Party had come together with their own agenda for the AAA, focusing on use of country systems by donors, demand-led technical assistance, tied aid, conditionality and mutual accountability. An informal synergy between CSOs and some developing countries on common policy goals for Accra began to be evident after April.

14. Along with CSOs, officials and ministers from

developing countries pushed back to reassert some language favourable to developing countries in last minute negotiations. While not successful in getting a time-bound commitment (end of 2009) for donors to create plans to eliminate tied aid, they were able to strength language on the use of country systems as “the first option for aid programs in support of activities managed by the public sector”

15. Brazil in particular was very active, and was highly critical of current aid governance as well as donor approaches to South/ South cooperation. They insisted that the principles and criteria that donors assume in their own aid relationships do not necessarily apply to South/South co-operation.

16. Deepening country ownership and recognizing CSOs as development actors in their own right... CSOs were unambiguous in calling for the recognition of democratic ownership as the foundation for strengthening country ownership in aid relationships. The AAA does not refer to “democratic ownership”, but it does clearly commit to “broaden country-level policy dialogue on development” through a closer involvement of parliaments, local authorities and CSOs in preparing, implementing and monitoring national development policies and plans. It calls on donors to support efforts to increase the capacities of these actors “to take an active role in dialogue on development policy”. Unfortunately however the AAA suggests no indicators to assess progress in this commitment to deepen country ownership.

17. The engagement of CSOs in preparations and during the HLF was the hallmark of this High Level Forum.

18. This shift in attitude and discourse on CSOs and aid effectiveness is the product of the constructive engagement of CSOs through the International CSO Steering Group as well as the particularly strong leadership of Canada and CIDA as chair of the multi-stakeholder Advisory Group on Civil Society and Aid Effectiveness. The Advisory Group conducted in-depth consultations with CSOs, donors and governments over the past year, which resulted in a series of specific recommendations to strengthen the recognition of CSOs as development actors in their own right, to deepen the Paris Declaration principles by strengthening democratic and local ownership, and to identify enabling conditions for CSO aid effectiveness.

19. Finally, in paragraph 20b, donors and governments “welcome the CSOs’ proposal to engage with them in a CSO-led multi-stakeholder process to promote CSO development effectiveness”.

Canada at the High Level Forum

20. As noted above, Canada played a significant role in promoting space for maximizing CSO engagement with the Working Party on Aid Effectiveness and in the HLF, while being careful not to speak on behalf of CSOs as chairperson of the Advisory Group on Civil Society and Aid Effectiveness. The position of Chair afforded Canada a place in the Working Party's Steering Committee for the HLF from which to make specific contributions to the organization of the HLF, to various drafts of the AAA and its final negotiations in Accra.

21. In a parallel announcement, Bev Oda, Minister of International Cooperation, announced the government's plan to fully untie Canadian development assistance over the next five years by 2012-13.

22. At the HLF, Canada's statement promised to increase the transparency and predictability of Canadian aid, particularly for a limited number of focus countries in which Canadian aid will be concentrated (confirming earlier policy announcements that Canadian aid will be concentrated on fewer countries).

Conclusions

23. There are no quick fixes for transforming aid into an effective instrument to address poverty. A number

of opportunities exists coming out of the Accra HLF for an agenda for aid that focuses aid reform on issues of development effectiveness which must be matched by political will on the part of donors and governments to pursue a new agreement in 2010 within emerging new aid architecture and on continued CSO capacities to promote these directions.

24. The AAA acknowledges its inter-relationship with the UN Financing for Development process and the contributions of the June 2008 first UN Development Cooperation Forum. But it remains a challenge to create a more equitable global platform to debate and resolve issues of aid policy and practice.

25. In November 2008, the Working Party on Aid Effectiveness is scheduled to meet to set out its own post-Accra workplan. Prior to this meeting, CSOs involved in mobilizing for Accra, will come together at the end of October to determine a CSO political strategy that addresses these opportunities and challenges. It will provide a CSO perspective to the Working Party and to the Doha Financing for Development review at the end of November. In December, the Open Forum on CSO Development Effectiveness will confirm its workplan and a decentralized process over two or three years to define principles and guidelines for CSO effectiveness.



An initial response from individuals, social movements and non-governmental organisations in support of a transitional programme for radical economic transformation, Beijing, 15 October 2008

Preamble

The Asia-Europe People's Forum at Beijing took stock of the meaning of the unfolding global economic crisis and the opportunity it presents for us to put into the public domain some of the inspiring and feasible alternatives many of us have been working on for decades. This statement represents the collective outcome of our Beijing nights.

The Crisis

The global financial system is unraveling at great speed. This is happening in the midst of a multiplicity of crises in relation to food, climate and energy. It severely weakens the power of the US and the EU, and the global institutions they dominate, particularly the International Monetary Fund, the World Bank and

the World Trade Organisation. Not only is the legitimacy of the neo-liberal paradigm in question, but the very future of capitalism itself.

Such is the chaos in the global financial system that Northern governments have resorted to measures progressive movements have advocated for years, such as nationalisation of banks.

These moves are intended, however, as short-term stabilisation measures and once the storm clears, they are likely to return the banks to the private sector. We have a short window of opportunity to mobilise so that they are not.

The challenge and the opportunity

We are entering uncharted terrain with this conjuncture

of profound crises – the fall out from the financial crisis will be severe. People are being thrown into a deep sense of insecurity; misery and hardship will increase for many poorer people everywhere. We should not cede this moment to fascist, right wing populist, xenophobic groups, who will surely try to take advantage of people’s fear and anger for reactionary ends.

Powerful movements against neo-liberalism have been built over many decades. This will grow as critical coverage of the crisis enlightens more people, who are already angry at public funds being diverted to pay for problems they are not responsible for creating, and already concerned about the ecological crisis and rising prices – especially of food and energy. The movements will grow further as recession starts to bite and economies start sinking into depression.

There is a new openness to alternatives. To capture people’s attention and support, they must be practical and immediately feasible. We have convincing alternatives that are already underway, and we have many other good ideas attempted in the past, but defeated. Our alternatives put the well-being of people and the planet at their centre. For this, democratic control over financial and economic institutions are required. This is the “red thread” connecting up the proposals presented below.

Proposals for debate, elaboration and action

Finance

- Introduce full-scale socialisation of banks, not just nationalisation of bad assets.
- Create people-based banking institutions and strengthen existing popular forms of lending based on mutuality and solidarity.
- Institutionalise full transparency within the financial system through the opening of the books to the public, to be facilitated by citizen and worker organisations.
- Introduce parliamentary and citizens’ oversight of the existing banking system
- Apply social (including labour conditions) and environmental criteria to all lending, including for business purposes
- Prioritise lending, at minimum rates of interest, to meet social and environmental needs and to expand the already growing social economy
- Overhaul central banks in line with

democratically determined social, environmental and expansionary (to counter the recession) objectives, and make them publicly accountable institutions.

- Safeguard migrant remittances to their families and introduce legislation to restrict charges and taxes on transfers

Taxation

- Close all tax havens
- End tax breaks for fossil fuel and nuclear energy companies
- Apply stringent progressive tax systems
- Introduce a global taxation system to prevent transfer pricing and tax evasion
- Introduce a levy on nationalised bank profits with which to establish citizen investment funds (see below)
- Impose stringent progressive carbon taxes on those with the biggest carbon footprints
- Adopt controls, such as Tobin taxes, on the movements of speculative capital
- Re-introduce tariffs and duties on imports of luxury goods and other goods already produced locally as a means of increasing the state’s fiscal base, as well as a means to support local production and thereby reduce carbon emissions globally

Public Spending and Investment

- Radically reduce military spending
- Redirect government spending from bailing out bankers to guaranteeing basic incomes and social security, and providing universally accessible basic social services such as housing, water, electricity, health, education, child care, and access to the internet and other public communications facilities.
- Use citizen funds (see above) to support very poor communities
- Ensure that people at risk of losing their homes due to defaults on mortgages caused by the crisis are offered renegotiated terms of payment
- Stop privatisations of public services
- Establish public enterprises under the control of parliaments, local communities and/or

workers to increase employment

- Improve the performance of public enterprises through democratising management - encourage public service managers, staff, unions and consumer organisations to collaborate to this end
- Introduce participatory budgeting over public finances at all feasible levels
- Invest massively in improved energy efficiency, low carbon emitting public transport, renewable energy and environmental repair
- Control or subsidise the prices of basic commodities

International Trade and Finance

- Introduce a permanent global ban on short-selling of stock and shares
- Ban on trade in derivatives
- Ban all speculation on staple food commodities
- Cancel the debt of all developing countries – debt is mounting as the crisis causes the value of Southern currencies to fall
- Support the United Nations call to be involved in discussions about how to resolve the crisis, which is going to have a much bigger impact on Southern economies than is currently being acknowledged
- Phase out the World Bank, International Monetary Fund, and World Trade Organisation
- Phase out the US dollar as the international reserve currency
- Establish a people's inquiry into the mechanisms necessary for a just international monetary system.
- Ensure aid transfers do not fall as a result of the crisis
- Abolish tied aid
- Abolish neo-liberal aid conditionalities
- Phase out the paradigm of export-led development, and refocus sustainable development on production for the local and regional market

- Introduce incentives for products produced for sale closest to the local market
- Cancel all negotiations for bilateral free trade and economic partnership agreements
- Promote regional economic co-operation arrangements, such as UNASUR, the Bolivarian Alternative for the Americas (ALBA), the Trade Treaty of the Peoples and others, that encourage genuine development and an end to poverty.

Environment

- Introduce a global system of compensation for countries which do not exploit fossil fuel reserves in the global interests of limiting effects on the climate, such as Ecuador has proposed.
- Pay reparations to Southern countries for the ecological destruction wrought by the North to assist peoples of the South to deal with climate change and other environmental crises.
- Strictly implement the “precautionary principle” of the UN Declaration on the Right to Development as a condition for all developmental and environmental projects.
- End lending for projects under the Kyoto Protocol's “Clean Development Mechanism” that are environmentally destructive, such as monoculture plantations of eucalyptus, soya and palm oil.
- Stop the development of carbon trading and other environmentally counter-productive techno-fixes, such as carbon capture and sequestration, agrofuels, nuclear power and ‘clean coal’ technology.
- Adopt strategies to radically reduce consumption in the rich countries, while promoting sustainable development in poorer countries
- Introduce democratic management of all international funding mechanisms for climate change mitigation, with strong participation from Southern countries and civil society.

Agriculture and Industry

- Phase out the pernicious paradigm of industry-led development, where the rural sector is squeezed to provide the resources

necessary to support industrialisation and urbanisation

- Promote agricultural strategies aimed at achieving food security, food sovereignty and sustainable farming.
- Promote land reforms and other measures which support small holder agriculture and sustain peasant and indigenous communities
- Stop the spread of socially and environmentally destructive mono-cultural enterprises.
- Stop labour law reforms aimed at extending hours of work and making it easier for employers to fire or retrench workers
- Secure jobs through outlawing precarious low paid work
- Guarantee equal pay for equal work for women – as a basic principle and to help counter the coming recession by increasing workers' capacity to consume.
- Protect the rights of migrant workers in the event of job losses, ensuring their safe return

to and reintegration into their home countries. For those who cannot return, there should be no forced return, their security should be guaranteed, and they should be provided with employment or a basic minimum income.

Conclusion

These are all practical, common sense proposals. Some are initiatives already underway and demonstrably feasible. Their successes need to be publicised and popularised so as to inspire reproduction. Others are unlikely to be implemented on their objective merits alone. Political will is required. By implication, therefore, every proposal is a call to action.

We have written what we see as a living document to be developed and enriched by us all. Please sign on to this statement at the bottom of the page.

A future occasion to come together to work on the actions needed to make these ideas and others a reality will be the World Social Forum in Belem, Brazil at the end of January 2009.

We have the experience and the ideas - let's meet the challenge of the present ruling disorder and keep the momentum towards an alternative rolling!!



Seminar on 'LDC and Brussels Plan of Actions (BPoA)' at National Press Club, Dhaka, Bangladesh

LDC Watch, South Asia Alliance for Poverty Eradication (SAAPE) and Equity and Justice Working Group (Equity BD), Bangladesh jointly organized the seminar on 'LDCs and Brussels Programme of Action (BPoA)' in Dhaka.

In the introductory speech, Dr Arjun K Karki of LDC Watch said there were 24 least developed countries in 1971. 'But now the number of LDCs has increased to 49 and the rich countries are responsible for their deterioration,' he said. 'We were not poor. We were systemically made poor. LDCs must apply '2P' strategy i.e Pressure and Partnership to gain benefit from the international Programme of Actions and multilateral development processes.

In the keynote presentation Md Shamsuddoha, Secretary equitybd, specifically analyzed the major challenges facing the LDCs in the implementation of BPoA and asked the lending countries and agencies to take immediate measures, which include fulfilling their promises for ensuring economic development in low-income countries, by building up human

resources and increasing institutional capacities, enhancing the role of trade in development, reducing vulnerability, protecting the environment and mobilizing financial resources'.

Dr Hasan Mahmud, Special Assistant to the Awami League Chief Sheikh Hasina, said the least developed countries, like Bangladesh, could not reach their goal, as they follow the advice of international donor agencies like the World Bank (WB), Asian Development Bank (ADB) and International Monetary Fund (IMF).

BNP leader Rizvi Ahmed said the elected representatives of the government must make efforts to prepare the development plans with their eyes on nation's interests, both at local and international levels. The Jatiya Party's presidium member, GM Quader, said the political parties here lack the will to protect the nation's interests while negotiating with the lending countries and agencies.

29 August 2008



G8 needs an overhaul

Deep K Datta-Ray

Underpinning French president Nicolas Sarkozy's statement that it is 'not reasonable' for the world's premier economic club to continue in its present form is a crucial transformation, currently underway, in the global economy. The implications are profound. Not only does the G8, as presently constituted, appear to control a wheel detached from the rudder but because a resurgent Asia provides new developmental models for an increasingly interconnected world.

India and China are now the drivers of the global economy. The West risks splitting the global economy into rival camps and ultimately harming itself by denying the Asian giants a role commensurate with their economic experience. The havoc in the US housing market and credit crunch is producing turmoil in the European economy.

Indians and Chinese pay for western products from profits earned by selling cheap manufactured goods and services to the industrialized world, thereby also checking price inflation in the developed world. Godman Sachs' chief economist warns that academics and policymakers have missed the fundamental role of India and China. At the heart of this failure is a delusive mantra that the West continues to repeat: 'Be like us and you will succeed. Persist in your own ways and you will fail.'

The reverse is also true. Decades of aid and planning could not resuscitate Bangladesh's economy or stem

its slide towards extremism. In contrast, India and China crafted their own path with infinitesimal aid relative to population.

However, China's one-child policy means it will grow old before it becomes rich. Young Chinese will have to support an army of retired people without pensions. An opaque decision-making process provides few clues about how China will cope.

Hopelessly out of touch, the G8, self-appointed captains of the global economy, are in no position to navigate these changes. Dominated by western economies it occasionally includes Russia but never Indian and China. Sarkozy's answer, in part motivated by the desire to not offend the G8's second-tier economies, is not to eject any members but expand the organization to include the new economic powers. However, a grouping must be small to act decisively. The global economy cannot be held hostage by the desire to 'save face'.

What is needed is not uncontrolled expansion but a cull. Realism demands replacing European members who have a common currency and economic policy with one EU seat. India, China, Brazil, Russia and the US would be the other members to make a G6. It would further integrate the world into the Asian economy, provide the means to prevent shocks which in an interconnected world can be transmitted internationally and give the world a say in managing India's and China's vast economies.



New Light on Global Poverty?

C.P. Chandrasekhar

On August 26, the World Bank released a set of updated and improved estimates of the extent of global poverty and its movement over time (Policy Research Working Paper 4703, August 2008, Development Research Group, World Bank). They suggest that in 2005 about 26 per cent of the world's population was living in poverty, which is nine percentage points more than the 17 per cent figure yielded by the methodology adopted hitherto. This implies that 468 million more people, who were not accounted for in the earlier poverty estimates, were living in poverty in 2005.

However, according to the World Bank, this increase in the incidence of poverty in 2005 is not associated with any change in the rate of decline in poverty

between 1981 and 2005. In fact, the trend rate of decline in the incidence of poverty is slightly higher at 0.98 per cent a year, as opposed to 0.83 per cent a year, over the 25 year period starting 1981. As a result, the percentage of the population of the developing world living below the poverty line almost halved from 52 per cent to 26 per cent between 1981 and 2005, with the number of poor falling from 1.9 billion to 1.4 billion.

The new estimates are based on anew poverty line of \$1.25 per day in 2005 purchasing power parity (PPP) dollars as opposed to the \$1.08 a day in the 1993 PPPs used earlier. PPP estimates compute the equivalence between different national currencies and the U.S. dollar, by taking into account differences

in the prices of comparable goods prevailing in different countries. Thus if a particular basket of goods and services consumed “on average” across the world costs a hundred dollars in the U.S., the sum in rupees required to purchase the same basket in India would be treated as equivalent to \$100 in purchasing power (PPP) terms. In what came to be known as the “Penn effect”, the equivalences between national currencies in developing countries and the U.S. dollars as estimated on a purchasing power parity basis were very different from the equivalences captured by actually prevailing exchange rates. Given the role of lower wages in making the prices of goods that are not freely traded much cheaper in poorer countries, PPPs in developing countries equate less units of the local currency to a dollar than indicated by exchange rates.

The practice of computing the values of appropriate bundles of comparable commodities in different countries began in 1968, with a small sample of just 10 countries. Since then, PPPs based on price surveys in an increasing sample of countries have been computed at periodic intervals, with the one preceding the most recent being in 1993. It is because of the release of a better set of PPP estimates for 2005 involving a larger number (146 as opposed to 117) of countries and more attention to the cross-country comparability of goods and services for which prices were being collected, that the World Bank has had to revise its poverty estimates. The new PPP estimates suggest that the 1993 estimates significantly overstated the purchasing power of local currencies in many developing countries. Thus PPPs yielded by the 1993 estimates equated 1.80 yuan and 7 rupees to a dollar in China and India respectively in 2005. Those figures rise to 3.46 yuan and 16 rupees if the estimates based on the 2005 surveys are used.

Such substantially higher PPPs have two implications for estimates of poverty. First, the international poverty line would be lower than it would have been if the inflation adjusted poverty lines for 2005 we converted to dollars using 1993 PPPs. A lower poverty line would imply less poverty, everything else remaining the same. Second, a higher PPP means that the dollar values of the consumption levels in developing countries would be lower. Lower consumption would increase aggregate poverty for any given international poverty line. The changes in poverty reported above indicate that the second of these effects dominates the first.

The World Bank is not too perturbed by the sharp increase in the number of income poor, partly because the shift to a new PPP affects only the levels of poverty. The rate of change in poverty incidence over time is not affected by the revision, since poverty estimates for previous years are derived using national consumer

expenditure of income surveys and national consumer price indices. The rate of change should, therefore, remain the same as before, because it is the same PPP which is applied to values for all years. It is possibly because of the revision of the poverty line and/or of adjustments for the urban bias implicit in the PPP estimates that the new estimates point to a slightly faster rate of reduction in poverty incidence between 1981 and 2005 than indicated by the estimates based on 1993 PPPs.

This faster rate of decline is of considerable significance for the World Bank. The period after 1980 coincides more or less with the period of accelerated globalization in the post-World War II period, and the new estimates confirm the view favoured by the Bank that globalisation has helped poverty alleviation rather than slowed its pace as critiques of the process argue. Further, if the pace of poverty reduction realized over the past few years persists, the headcount poverty ratio would stand at 16.9 per cent in 2015, as compared with 41.7 per cent in 1990, implying that the developing world as a whole is on track to realize the Millennium Development Goal (MDG) of halving the 1990 poverty rate by that target date. However, this result is largely the result of development in China, so that excluding China, the developing world is not on track to realize this goal.

There is, however, reason to be skeptical about inter-temporal comparisons and projections of this sort. These comparisons are made by constructing, through means that are not always rigorous, a long term series on global poverty. The number of countries for which consumer expenditure or income surveys were available in each of the year before the mid-1990s was small, necessitating interpolation or extrapolation to generate the relevant estimates. Moreover, the quality and comparability of expenditure and income surveys are known to vary widely across countries and time. Finally, as Sanjay Reddy of Columbia University has argued, PPP estimates “reflect the relative costs (across countries) for a worldwide pattern of consumption prevailing at only one moment in time, and this pattern is constantly changing. The notion that the new PPPs constitute merely an ‘update’ which better captures the reality over the entire period being assessed is badly mistaken” (“The World Bank’s New Poverty Estimates: Digging Deeper into a Hole”, available at www.socialanalysis.org).

If robustness of estimates is a concern for the Bank, then it should not be using these figures for comparisons over time. But the comparison permits the Bank to highlight (as in the title of the paper reporting the new estimates) the ostensible success of the fight against poverty during the globalization years.

The point is that there is much else that the new (and old) estimates show which could have been highlighted, rather than a suspect inter-temporal comparison. First, China, which accounted for 38 per cent of the world's poor in 1990, say its share fall to 12 per cent by 2005. India, on the other hand, saw its share rise from 22 to 30 per cent. There are stark differences in poverty reduction rates across countries. Secondly, a small increase in the poverty line from \$1.25 a day to \$1.45 a day increases the number of people below the poverty line in all developing countries by 22 per cent (from 1.4 billion

to 1.72 billion) and in India by 30 per cent from 456 million to 590 million). This bunching of the population around the poverty line is of significance since, as Reddy notes, "a human being could not live in the US on \$1.25 a day in 2005 (or \$1.40 in 2008), nor therefore on an equivalent amount elsewhere." We, therefore, are still considerably underestimating poverty. Emphasizing features such as these, rather than the change in poverty over time, may help fight the complacent view held by many developing country policy-makers that growth is winning the war against poverty.



Towards an Alternative to IMF, World Bank

BRIC alliance will attempt to set up a new international financial institution.

Vladimir Radyuhin

The western finance crisis has spurred BRIC-building, with the fast-growing economies of Russia, Brazil, India and China (BRIC) stepping up efforts to formalize their four-way club.

The Finance Ministers of the BRIC nations would meet later this year for the first time to discuss the setting up of a new international financial institution, it was announced in Moscow this week.

The agreement was reached by the leaders of the BRIC countries at their meeting on the sidelines of the G8 summit in Japan last month, Russia's Deputy Finance minister Dmitry Pankin told the press in Moscow.

The new body is conceived as an alternative to the outdated financial institutions, he said.

"The post-World War II financial structures, such as the International Monetary Fund and the World Bank are not working efficiently", Mr. Pankin said. "It is necessary to look for alternative instruments or modify the existing ones so that they reflect the new multi-polar world".

Moscow voiced disappointment over G8's failure to initiate reform of the international financial institutions.

"Prior to the Hokkaido summit the expectation was that G8 would come up with a new vision for the future global financial system and international institutions regulating global financial system and international institutions regulating global finances. However, this did not happen," the Russian minister said.

He added that the coming meeting of the BRIC Finance Ministers would give a start to an "interesting dialogue."

The meeting will mark another step towards institutionalization of the BRIC forum set up in Yekaterinburg, Russia, in May, when the Foreign Ministers of the four nations held their first stand-

alone meeting. The foreign ministers called for close interaction of the financial institutions of their countries to cope with the current crisis.

The BRIC countries are already in consultation over the global financial crisis, according to Bank of Russia Chairman Sergei Ignatyev.

"We are closely interacting. The central bank chiefs of BRIC country hold regular consultations in Swiss Basel every two months, besides bilateral visits", Mr. Ignatyev said last month.

The current financial crisis allows the four BRIC countries to increase their share of the world economy even faster than originally forecast.

In 2007 the International Monetary Fund estimated that the combined gross domestic product of the BRIC accounted for 12 per cent of global growth, up from 8 per cent in 2000. Today the BRIC economies are collectively 16 per cent of global GDP, founder of the BRIC concept, Jim O'Neill of the Goldman Sachs said at the St. Petersburg Economic Forum last month.

Moscow has taken the lead in building the BRIC alliance, as President Dmitry Medvedev and his predecessor-turned Prime Minister Vladimir Putin both want Russia to play a central role in modernizing the international financial infrastructure.

After taking office on May 7 Mr. Medvedev said Russia was "a global player" with the capabilities and resources to "take part in setting new rules of the game in the global economy."

Mr. Medvedev also promised to turn Moscow into a major international financial centre, and to make the rouble into a regional hard currency in the near future as part of efforts to overhaul of the international financial architecture, doing away with the domination of the United States and EU and increasing the role of big developing economies.

In a speech at the St.Petersburg Forum the Russian leader put the blame for the global financial crisis squarely on the United States. He said “aggressive financial policies” of the world’s biggest economy, whose role in the international economic system no longer matched its actual capabilities, was one of the principal underlying causes of the worst global crisis since the Great Depression of the 1930s.

Mr. Medvedev’s plan calls for streamlining the international financial institutions so that their work in different financial markets is better coordinated and

reflected the interests of more countries; better regulation of financial markets, and creation of basket of reserve currencies, including the rouble.

At the Yekaterinburg meeting the BRIC nations stated their resolve to push for reforms at the IMF, World Bank, WTO, and United Nations. As the West shows little interest in meeting their demands the BRIC members are taking steps to create alternative multilateral organization to challenge the dominance of the existing world policy forums.



Press Release: December 10, 2008

NGOs Celebrate Historic Adoption of Optional Protocol for Economic, Social and Cultural Rights at United Nations

From the NGO Coalition for an Optional Protocol to the International Covenant on Economic, Social and Cultural Rights (www.opicescr-coalition.org)

New York, December 10, 2008 The United Nations General Assembly today adopted by consensus an Optional Protocol to the International Covenant on Economic, Social and Cultural Rights (ICESCR), establishing a complaints procedure for violations of economic, social and cultural rights. The adoption of the Optional Protocol represents an historic advance for human rights on the sixtieth anniversary of the Universal Declaration. Forty-two years after a similar mechanism was adopted for civil and political rights, those who suffer from violations of their economic, social and cultural rights have finally been given equal status and their right to an effective remedy has been recognized, consistent with the provisions of the Universal Declaration.

The Optional Protocol will provide victims of economic, social and cultural rights violations who are not able to get an effective remedy in their domestic legal system with redress at the international level.

It is the result of several decades of work by governments, civil society, human rights experts and the UN human rights bodies to remedy a long-term gap in human rights protection under the international system. It has appropriately been described by Louise Arbour, the previous High Commissioner for Human Rights as “human rights made whole.”

Highlights of the Optional Protocol

Communications: States Parties to the Covenant joining the Protocol recognize the competence of the UN Committee on Economic, Social and Cultural Rights to receive and consider communications alleging violations of the economic, social and cultural rights set forth in the Covenant.

Interim Measures: The Committee may transmit to the State Party concerned for its urgent consideration a request that the State Party take such interim measures to avoid possible irreparable damage to the victims of the alleged violations.

Inquiry Procedure: If the Committee receives reliable information indicating grave or systematic violations of the Covenant, the Committee shall invite that State Party to cooperate in the examination of the information and to this end to submit observations with regard to the information concerned. The inquiry may include a visit to the territory of the State Party concerned.



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