

EDITORIAL

## Bye ! Bye ! Globalization

By: Piyush Pant

So the cat is finally out of the bag. The realization has started setting-in in many countries and among the policy makers that the road to Globalization has not only been rough and bumpy but the journey, too, has been quite devastating, leaving behind a trail of uprooted and displaced people, a huge army of de-employed, increased number of poor people and more and more farmers getting forcibly evicted from their lands while small traders getting swallowed by the big corporates in the retail sector. This realization is so intense and the feeling is so strong that an epitaph of globalization is being written sooner than expected. It is being said that globalization has already reached its high water mark and is, in fact, on the retreat. It would be rather naive to call it a gut feeling. This is a feeling which has sound empirical findings to back it up. Observers say that the Globalisation is now a spent force that has evoked tremendous reactions that continue to grow in strength. For instance, the renowned sociologist Walden Bello comments- *"Fifteen years ago we were told to expect the emergence of a transnational capitalist elite that would manage the world economy. Indeed, globalization became the "grand strategy" of the Clinton administration of a global coalition leading the way to the new, benign world order. Today, this project lies in shambles. During the reign of George W. Bush the nationalist faction has overwhelmed the transnational faction of the economic elite. These nationalism-inflicted states are now competing sharply with one another, seeking to beggar one another's economies. ----In fact, globalization has failed to provide capital an escape route from its accumulating crises. With its failure, we now see capitalist elites giving up on it and resorting to nationalist strategies of protection and state-backed competition for global market and global resources, with the US capitalist class leading the way."*

This shift in the strategy by the developed world proves that the propagation and enforcement of neo-liberal economic policies and free-trade regime under globalization was meant to serve the capitalist interests of the big corporates of the developed countries rather than making trading global to benefit the poor of the third world by facilitating the passage of the global capital into the untapped markets of the developing countries. This can be easily seen in the way global capital has behaved universally, particularly in the third world countries. In fact, there has been a wide gap between the promises made by free trade and globalization and the actual benefits resulting from neo-liberal policies. These policies have resulted in more poverty, inequality, deprivation and stagnation. Even in China where poverty has diminished a bit over the last 15 years when 120 million Chinese were supposed to have been lifted out of poverty, it has been due to the interventionist state policies to reign in the market forces and not because giving them a free hand under the neo-liberal policies. In fact, Beijing is facing tremendous pressure to address the increasing inequalities created by rapid economic development and globalization. The richest

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**appeal**

**Action Programme for People's Economics and Allied Literacy**

10 per cent households in China now account for more than 40 percent of the country's wealth, whereas the poorest 10 per cent of households account for only about 2 percent. Moreover, region-wise disparities are also creeping in. For instance, coastal provinces now enjoy a per capita gross domestic product more than ten times that of the poorest interior provinces. Thus the ill-effects of rapid economic development and high rate of economic growth are getting visible in China. People are getting disillusioned and taking to streets. The news of their protests is being censored by state controlled media. Nevertheless, they are filtering-in.

Mounting national as well as international pressure is forcing Beijing to stand and look back. That's why while access to commercial banking, communications and real estate remains quite limited for foreign investors, Chinese officials have started giving more scrutiny to potential foreign investment in other sectors as well. A bid by the private equity firm Carlyle Group to take over China's Xugong Group Construction Machinery Company was held up for months, and Carlyle finally reduced its proposed ownership share to 50 percent in an effort to limit the political opposition to the deal. Measures were also initiated in August 2006 by Beijing to require government review of mergers and acquisitions that could affect China's "economic security" or which involve "key industries" or popular domestic trademarks. Besides a new anti-monopoly law, in China, primarily targets those multinationals that the Chinese government feels have too much market power. Foreign investors in China had received better tax and regulatory treatment than domestic entrepreneurs but seeing the adverse effects of this privilege granted to them, Beijing decided to reverse this orientation and in November 2005 China's National Development and Reform Commission issued Measure 39 which gives domestic venture capitalists much better tax and regulatory treatment than their foreign counterparts. Of course, foreign investment is still welcomed in China but it no longer gets the protected status it once enjoyed.

Similarly, America has also started providing protectionist regime for its trade and industries. Indeed, Bush administration hypocritically preaches free-trade while providing protection to its domestic industries. No doubt, the trade policy of Bush administration seems to be free trade for the rest of the world and protectionism for the United States of America. This approach is playing havoc with the trade talks under Doha Round. Year after year, the developing countries have been feeling frustrated with the hypocrisy of U. S. and European governments which constantly push for greater Market access while protecting their own agricultural and light-manufacturing sectors through tariffs. The developing countries are feeling cheated and are saying - "Enough is enough". Hence the final breaking-down of talks in July 2007, with little hope of revival and culmination. In fact, US approach has always been ad hoc and US policy-makers tend to be skeptical of global rules and international organizations, favouring individual and specific trade and investment treaties instead. Moreover, the national capitalist elites have failed to adopt a truly global outlook and rise above their national interests and considerations. They have competed with each other in increasing their national benefits rather than evolving a national approach to tackle the problems of over-production, stagnation, environmental crisis, liberalization of trade and the free flow of labour.

Last but not the least, the multiplying economic and political conflicts, due to policies being pursued under globalization, are enough indicators that globalization has failed miserably. The increasing resistance by the people has frustrated the attempts to thrust globalization on all the countries without paying heed to their specific conditions and needs. The people are agitated and antagonized because the neo-liberal policies have led to growing inequalities, unemployment and poverty for certain sections of society. The obsession with economic growth has resulted in disastrous consequences like destroying the environment, suspending labour laws and curtailing worker's rights. In the words of Rawi Abdelal and Adam Segal- "*One of the most worrisome aspects of the general decline of globalization today is the growth of public skepticism and the increasing popular dissatisfaction with the uneven distribution of globalization's benefits both across and within countries. These sentiments, now evident virtually everywhere, are perhaps most striking in two countries: the United States and China. In both places, they are already starting to force policy-makers to erect economic barriers.*

*The Washington Consensus has undergone a process of unravelling, and its former adherents have gone off in divergent directions.*

When two studies last year detailed how the World Bank's research unit had been systematically manipulating data to show that neoliberal market reforms were promoting growth and reducing poverty in developing countries, development circles were not shocked. They saw the devastating findings of a study by American University Professor Robin Broad and a report by Princeton University Professor Angus Deaton and former International Monetary Fund (IMF) Chief Economist Ken Rogoff as but the latest sordid episode in the collapse of the so-called Washington Consensus. Taking off from Margaret Thatcher's famous remark, partisans of this development model during its heyday in the 1980s and early 1990s claimed that the alternative to the Washington Consensus was TINA – that is, “There is no alternative”. The Washington Consensus broke with economic strategies involving heavy participation by government and positioned the unfettered market as the driver of development.

Imposed on developing countries in the form of “structural adjustment” programmes funded by the IMF and the World Bank, the Consensus reigned until the late 1990s, when it became clear that on all key criteria of development – sustained growth, poverty reduction and inequality reduction – it simply was not delivering. By the first half of this decade, the Consensus had undergone a process of unravelling, although neoliberalism remained the default mode for many economists and technocrats who had lost confidence in it, simply out of inertia.

The former adherents of the Consensus have gone off in divergent directions. Despite frequent references to it, there is, in fact, no “Post-Washington Consensus”. Mindful of the failures of the Washington Consensus, the IMF and the World Bank are now promoting what Nobel laureate Joseph Stiglitz has disdainfully described as the “Washington Consensus Plus” approach, or, that market reforms, while crucial, are not enough. Financial reforms, for instance, must be “sequenced” if we are to avoid such debacles as the Asian financial crisis, which even the IMF now admits was because of massive capital inflows into countries that liberalised without strengthening their “financial infrastructure”.

Embarrassed by the Russian descent into the hell of mafia capitalism in the 1990s because of its advice, the IMF now also talks about the importance of accompanying market reforms with institutional and legal reforms that can enforce private property and contracts. Other accompaniments of market reforms are “good governance” and policies to “develop human

capital” such as female education.

This mix of market and institutional reforms was consolidated in the first years of this decade in the so-called Poverty Reduction Strategy Papers (PRSPs). In contrast to what one analyst has described as the “bare knuckle neoliberalism” of structural adjustment programmes, the PRSPs were more liberal not only in content but in process: they were supposed to be formulated in consultation with the “stakeholders”, including civil society organisations.

Despite its icing of institutional reforms, the core of the PRSP cake remains the same macroeconomic fundamentals of trade liberalisation, deregulation, privatisation, and commercialisation of land and resources that were at the heart of the structural adjustment programmes. And community consultation has been limited to well-resourced, liberal non-governmental organisations rather than broad-based social movements.

The PRSPs are simply second-generation structural adjustment programmes that seek to soften the negative impact of reforms. As IMF Managing Director Rodrigo de Rato has admitted, the purpose of institutional reforms is “to make sure that the fruits of growth are widely shared and the poorest people are protected from the costs of adjustment” in order to prevent people from being “tempted to give up on orthodox economic policies and structural reforms”. A second successor to the Washington Consensus is what one might call the “neoconservative neoliberalism”. This approach is essentially the development policy of the Bush administration. The inspiration for this strategy was provided by the famous 2000 report of a Congressional commission on multilateral institutions headed by the conservative academic Alan Meltzer, which proposed a radical slimming down of the World Bank. It supports – at least rhetorically – debt relief for the poorest countries on the grounds that they will not be able to pay the debt and seeks a shift from loans to grants. However, debt relief and grants are conditioned on how governments perform in terms of liberalising their markets and privatising their industries, land and natural resources.

The main reason for preferring grants is that, in contrast to loans channelled through the World Bank, grants, as the United States Undersecretary of the Treasury John Taylor put it, “can be tied more effectively to performance in a way that longer-term loans simply cannot”. Moreover, grants would allow pro-market reforms and aid policy generally to be more directly

coordinated with Washington's security objectives and with the agenda of U.S. corporations. Compared with the original Washington Consensus, neoconservative neoliberalism is less doctrinaire, but in an illiberal direction, ready as it is to let the market play second fiddle to power.

### **Neostructuralism**

A third distinctive successor to the Washington Consensus, neostructuralism, moves in a more liberal direction. This is an approach associated with the Economic Commission for Latin America (CEPAL) that produced the structuralist theory of underdevelopment in the 1950s under the leadership of the Argentine economist Raul Prebisch. According to neostructuralism, neoliberal policies have simply been too costly and counterproductive. There is no trade-off between growth and equity, as the neoliberals claim, but a "synergy".

Less inequality in fact would enhance, not obstruct, economic growth by increasing political and macroeconomic stability, boosting the saving capacity of the poor, raising educational levels and expanding aggregate demand. The neostructuralists propose progressive transfer payment policies that redistribute income in ways that increase the human capital or productivity of the poor, including higher spending on health, education and housing programmes. These are the kinds of programmes associated with what the Mexican polemicist Jorge Castaneda has called the "Good Left" in Latin America, meaning the governments of Luis Inazio Lula da Silva in Brazil and the Concertacion alliance in Chile.

Being focussed on managing transfer payments to protect and upgrade the capacity of the poor, the neostructuralist approach does not interfere with market forces in production, unlike the policies of the "Bad Left" (meaning Venezuelan President Hugo Chavez and friends) that intervene in production, markets and wage policies. The neostructuralists also embrace globalisation, and they say that a key objective of their reforms is to make the country more globally competitive. Simultaneously they alleviate income disparities, upgrade the capacity of the poor and make the workforce more globally competitive. Neostructuralist reforms are thus said to hold out the prospect of making globalisation more palatable, if not popular. Neostructuralists proudly proclaim that their approach is the "high road" to globalisation, in contrast to the "low road" of the neoliberals.

The problem is that neostructuralist reforms have led to what one of its most thoughtful critics, the Chilean economist Fernando Leiva, calls the "heterodox paradox". In other words, in the quest for systemic or comprehensive competitiveness, the carefully crafted neostructuralist policies have actually led to "the politico-

economic consolidation and regulation of neoliberal ideas and policies".

Neostructuralism, like the Washington Consensus Plus approach, does not fundamentally reverse but simply mitigates the poverty- and inequality-creating core neoliberal policies. The Lula government's targeted anti-poverty programme may have reduced the ranks of the poorest of the poor but institutionalised neoliberal policies continue to reproduce massive poverty, inequality and stagnation in Latin America's biggest economy.

### **Global Social Democracy**

The more than residual attachment to neoliberalism or neostructuralism is less evident in the case of what we might call "global social democracy", an approach that has become identified with people such as the economist Jeffrey Sachs, the sociologist David Held, Stiglitz, and the British charity Oxfam. Unlike the three previous approaches, this perspective acknowledges that growth and equity may be in conflict, and it ostentatiously places equity above growth. It also fundamentally questions the central thesis of neoliberalism: that for all its problems, trade liberalisation is beneficial in the long run. Stiglitz says that in the long run, trade liberalisation may, in fact, lead to a situation where "the majority of citizens may be worse off".

Moreover, global social democrats demand fundamental changes in the institutions and rules of global governance such as the IMF, the World Trade Organisation (WTO) and the Trade-Related Aspects of Intellectual Property Rights Agreement (TRIPS). David Held, for instance, calls for the "reform, if not outright abolition, of the TRIPS Agreement", while Stiglitz says that "rich countries should simply open up their markets to poorer ones, without reciprocity and without economic or political conditionality". Also, "middle-income countries... should be allowed to extend preferences to one another without extending them to the rich countries, so that they need not fear that imports might kill their nascent industries".

Global social democrats even see the anti-globalisation movement as an ally, with Sachs thanking it "for exposing the hypocrisies and glaring shortcomings of global governance and for ending years of self-congratulation by the rich and powerful". But globalisation is where they draw the line. Like classical neoliberalism, the Washington Consensus Plus school and neostructuralism, global social democracy sees globalisation as necessary and fundamentally sound and, if managed well, as bringing benefits to most.

Indeed, global social democrats see themselves as saving globalisation from neoliberals. This is all the more important because, contrary to an assumption that was gospel truth just a few years ago – that globalisation was irreversible – global social democrats worry that

contemporary globalisation is, in fact, in danger of being reversed. They hold up as a cautionary tale about the consequences of such a development the turbulent reversal of the first wave of globalisation after 1914.

To Sachs, Held and Stiglitz, the benefits of globalisation outstrip the costs, and what the world needs is a social democratic or “enlightened” globalisation where global market integration proceeds but is managed fairly and is accompanied by progressive “global social integration”. The aim, as Held puts it, is to “provide the basis for a free, fair, and just world economy”, where the “values of efficient and effective global economic processes... function in a manner commensurate with self-determination, democracy, human rights and environmental sustainability”.

There are several problems with global social democracy’s attachment to globalisation. First of all, it is questionable that the rapid integration of markets and production that is the essence of globalisation can really take place outside a neoliberal framework whose central prescription is the tearing down of tariff walls and the elimination of investment restrictions. Slowing down and mitigating this inherently destabilising process, not reversing it, is the global social democratic agenda. That global social democrats have come to terms with the fundamental tendency of global market forces to spawn poverty and inequality is admitted by Sachs who sees social democratic globalisation as the “harnessing [of] the remarkable power of trade and investment while acknowledging and addressing limitations through compensatory collective action”.

Secondly, it is likewise questionable that, even if one could conceive of a globalisation that takes place in a socially equitable framework, this would, in fact, be desirable. Do people really want to be part of a functionally integrated global economy where the barriers between the national and the international have disappeared? Would they not prefer to be part of economies that are susceptible to local control and are buffered from the vagaries of the international economy? Would they really want new centralised global bureaucracies – that is, an alternative IMF, World Bank and WTO? Are not centralised structures of global governance themselves the problem, prone as they are to develop authoritarian hierarchies?

Indeed, the backlash against globalisation stems not only from the inequalities and poverty it has created but also from the sense of people that they have lost all semblance of control over the economy to impersonal international forces. One of the more resonant themes in the anti-globalisation movement is its demand for an end to export-oriented growth and the creation of inwardly-oriented development strategies that are guided by the logic of subsidiarity, where the production of commodities takes place at the local and national

levels whenever possible, thus making the process susceptible to democratic regulation.

### **The Larger Problem**

The fundamental problem with all four successors to the Washington Consensus is their failure to root their analyses in the dynamics of capitalism as a mode of production. Thus they fail to see that neoliberal globalisation is not a new stage of capitalism but a desperate and unsuccessful effort to overcome the crises of over-accumulation, overproduction and stagnation that have overtaken the central capitalist economies since the mid-1970s. By breaking the social democratic capital-labour compromise of the post-Second World War period and eliminating national barriers to trade and investment, neoliberal economic policies sought to reverse the long-term squeeze on growth and profitability. This “escape to the global” has taken place against the backdrop of a broader conflict-ridden process marked by renewed inter-imperialist competition among the central capitalist powers, the rise of new capitalist centres, environmental destabilisation, heightened exploitation of the South – what David Harvey has called “accumulation by dispossession” – and rising resistance all around.

Globalisation has failed to provide capital an escape route from its accumulating crises. With its failure, we now see capitalist elites giving up on it and resorting to nationalist strategies of protection and state-backed competition for global markets and global resources, with the U.S. capitalist class leading the way. This is the context that Sachs and other social democrats fail to appreciate when they advance their utopia: an “enlightened global capitalism” that would both promote and “humanise” globalisation.

Globalisation is a spent force that has evoked tremendous reactions that continue to grow in strength. Today’s multiplying economic and political conflicts resemble, if anything, the period following the end of what historians refer to as the first era of globalisation, which extended from 1815 to the eruption of the First World War in 1914. Our urgent task is not to engage in the futile task of steering corporate-driven globalisation in a “social democratic” direction by reforming the WTO and the IMF and promoting “corporate social responsibility”, but to manage its retreat so that it does not bring about the same chaos and runaway conflicts that marked its demise in that earlier era.

That is one challenge. The other big challenge is not to be waylaid into promoting a “benign globalisation” but to transcend it – that is, to create a truly equitable international order of independent national societies where domestic and local economies will be revived along with the transformation of class relations and the achievement of a healthy balance between community and the environment.

In this connection, the radical initiatives in Latin America – initiatives moving in a regional or national rather than global direction and with a strong dimension of class and ethnic equality – take us more decisively in the right path than the enlightened globalisation alternative proposed by the global social democrats. Long exploited by foreign energy giants, Bolivia under the indigenous President Evo Morales has nationalised its energy resources.

Nestor Kirchner of Argentina gave an example of how developing country governments can face down finance capital when he forced northern bondholders to accept only 25 cents of every dollar Argentina owed them. Hector Correa of Ecuador is taking the bold move of keeping the oil in the ground rather than exploiting it for short-term gains, thus showing how a Third World country can contribute creatively to addressing global warming. Chavez has launched an ambitious plan for regional integration, the Bolivarian Alternative for the Americas (ALBA), based on genuine economic cooperation instead of free trade, with little or no

participation by northern transnational corporations, and driven by what Chavez himself describes as a “logic beyond capitalism”.

There may not be a well-articulated philosophy or even a coherent strategy guiding these moves except that of people trying to gain control of their future. But they are exciting steps in the right direction and deserve our support. They also provide us lessons on how we can begin the process of striking out on different roads to the future in our own countries.

For so many of us in the anti-globalisation movement, the Hungarian thinker Karl Polanyi has served as a great inspiration. Polanyi talked about capitalism being a process of disembedding the market from its social matrix and eventually making it the force that drives society. Globalisation has been the climactic point in this process of disembedding the market. The task is to re-embed the market in society, to discipline and subordinate it to the overarching goals of justice, equality, solidarity, and – not to forget – national sovereignty.

### **People's Tribunal Finds Undue Influence of Bank on India's National Policies**

The four-day Independent Peoples Tribunal (IPT) on the World Bank in India concluded in New Delhi at JNU on 24<sup>th</sup> September hearing numerous depositions indicting the Bank's policy and project interventions in India.

While the World Bank India office did engage with the IPT and claimed they would make a deposition to respond to some of the evidence against the Bank, they failed to show up despite provision of adequate space and time by the organisers.

In its preliminary findings, the IPT observed the Bank had an undue and disturbingly negative influence in shaping India's national policies disproportionate to its contribution, financial or otherwise. While India is the world's largest single cumulative recipient of World Bank assistance, with lending totaling about \$60 billion (Rs. 2,40,000 crores) since 1944, current annual borrowing amounts to less than 1% of the country's GDP ( In 2005, India's annual borrowing from the World Bank for new projects was 0.45% of GDP).

The loans however has been used as leverage to bring about important policy changes and impose conditionalities in areas such as governance reform, health, education, electricity, water and environment—many of these with obvious political and social consequences. The loans also legitimize substantial

additional funding from a diversity of bilateral and multilateral donors such as the Asian Development Bank and Department for International Development (DFID-UK). The Bank's loans have caused extensive social and environmental harm from mass displacement in the Narmada valley to loss of livelihoods of traditional fishworkers in places such as Barwani.

It was noted that such overbearing influence on India's policy making was in violation of the World Bank's own Rules of Association, which mandate it to be an apolitical institution that should not interfere in political processes of any member country. Further, the IPT depositions stated that the presence of former Bank officials in senior government positions was unacceptable and involved conflicts of interest.

#### **Undermining Democracy:**

Vice Chairman of the Kerala State Planning Board Professor Prabhat Patnaik in his deposition cited the example of the Jawaharlal Nehru National Urban Renewal Mission (NURM), which was a World Bank designed project. In the Kerala NURM project, the state government he said was being forced to accept a conditionality to reduce stamp duties to 5% from the earlier 15-17%. To avail a loan of about 1000 crores, Kerala would lose upto Rs.7000 crores of government revenue.

Vinay Baindur of the Bangalore based Collaborative for the Advancement of Studies in Urbanism (CASUMM) showed evidence of how the Karnataka Economic Restructuring Loan (KERL) resulted in the conversion of a state government and its economy into a corporatised entity meant to generate funds for "private sector and enterprise development". The \$ 250 million loan resulted in far reaching changes; the closure/privatisation of the public sector, a little short of two lakh permanent employees were forced to take Voluntary Retirement Scheme (VRS) payments. Further, the restructuring process led to a steep rise in farmer suicides; many of those who committed suicide did so because they were unable to pay the arrears in power costs that were suddenly slapped on them on account of power tariff hikes. "The withdrawal of subsidies for agriculture led to a sharp rise in the costs of cultivation", argued Baindur in his deposition. Jury member and scientist Meher Engineer said that he found the depositions on how the Bank forced inappropriate technology on India such as incinerators especially damning. 'Given the well researched evidence that I have heard it is hard to imagine any role for the World Bank in the environment sector, he said. 'The Bank is pro-rich, pro urban and anti environment', he concluded.

The IPT was organized by an inclusive platform consisting of over 60 national and local groups such as the National Alliance of Peoples Movements (NAPM), Indian Social Action Forum (INSAF) and Human Rights Law Network (HRLN) in collaboration with the JNU Students Union and Teachers Association. Activists, academicians, policy analysts and project affected communities presented evidence against the World Bank in over 26 sectors from 21-24 September. Jury members included historian Romila Thapar, Writer Arundhati Roy, Activist Aruna Roy, Former Supreme Court Justice P B Sawant, Former Finance Secretary S P Shukla, Former Water Secretary Ramaswamy Iyer, Scientist Meher Engineer, Economist Amit Bhaduri, Thai spiritual leader Sulak Sivaraksa and Mexican economist Alejandro Nadal amongst others.

#### **World Bank and Government of India Missing in Action:**

But in response to the depositions the Bank posted a Q&A document on its India home page. In the document, the Bank makes the outrageous claim that, 'The World Bank definitely has not recommended the privatization of water supply services in India'. The

IPT is expected to issue a detailed rejoinder to the Bank.

In yet another sign of convergence with the Bank, the Government of India also failed to send even a single representative to the event. This is despite emails and faxes being sent 2 weeks in advance to several Government officials at all ministries that borrow money from the World Bank.

#### **Pushing for Electricity Privatisation:**

In the 1990s, 20-30% of World Bank loans in India went to the energy sector. Orissa had the dubious distinction of being the first state to receive World Bank loans for restructuring the sector. Sreekumar N, from the Pune based Prayas Energy Group argued that based on World Bank advice, Orissa spent upto Rs.306 crores for foreign consultants, ignoring local expertise. The consultants recommended the privatisation of distribution and the American firm AES that took over distribution in the central zone behaved in a high handed manner and ultimately exited the state in 2001.

#### **Banks Toxic Colonialism:**

Nityanand Jayaraman of the Chennai based Corporate Accountability Desk in his desposition before the jury said, 'The Bank is perpetrating toxic colonialism by funding discredited and polluting technology interventions'. As evidence he presented cases where the Bank has promoted the setting up of more than 88 Common Effluent Treatment Plants, more than 90 percent of which were shown to have failed to meet environmental norms by the Central Pollution Control Board.

#### **Just the Beginning:**

Wilfred D' Costa, General Secretary of the Indian Social Action Forum (INSAF) one of the convening groups of the IPT said, 'The tribunal has been useful since it has seen a convergence of social movements, unions, academicians, researchers and struggle groups from across the country. Our next steps would be to use this platform to create a broad based political struggle against neo liberalism and work towards an India without institutions such as the World Bank and the Asian Development Bank'.

The IPT will hold a press conference at the Foreign Correspondents Club, Mathura Road on 25 September 2007 at 3 pm where jury members will present their findings. Writer Arundhati Roy, Director of the Environment Defense Fund Bruce Rich and Economist Alejandro Nadal will share their findings with the press.

### **Thousands March in Sydney Despite Heavy Police Presence and Intimidation**

Several thousand gathered outside the Sydney Town Hall between 9.30 and 10 am on 8<sup>th</sup> September to protest against Bush, the war in Iraq and the Asia Pacific Economic Co-operation (APEC) forum leaders meeting. There was a heavy police presence with George, Pitt and Castlereagh streets barricaded by Police buses and police lining the Park street route to Hyde Park North. Despite the heavy police presence and provocation, the rally and march was largely peaceful.

The Stop Bush Coalition who organised the march said that 10,000 people attended while police estimated numbers at 5,000. While many people gathered at the Town Hall, 500 student protestors rallied in Belmore Park and marched to the Town Hall. Another 500 people, primarily trade unionists, gathered outside the Maritime Union of Australia offices and marched to the Town Hall rally.

At the start of the rally a neo-nazi group of about 20 people dressed in black and some of them with bandanas over their faces gathered at the Town Hall. The police allowed the counter demonstration to be present causing anti-war protestors to accuse the neo-nazis of provocation, with much shouting and chanting.

At the Town Hall and other convergence points police confiscated banner poles longer than one metre long from anti-war protestors. While the police had the power to confiscate such items in declared zones Alex Bainbridge, from the Stop Bush Coalition disputed their right to do this at the rally and march "We are not in a declared zone, and we do not intend to go anywhere near a declared zone, so by confiscating these poles, the police are actually breaking their own laws." Anti-war protestors noted the police did not confiscate the banner poles from the neo-nazi counter demonstration.

Damien Lawson urged the people present to respect that this will be a peaceful protest, and warned people not to be provoked either by people such as the small group of neo-nazis present or plain clothes police and that the march should remain unified and peaceful.

The march down Park street was led by the Maritime Union of Australia and the Fire Brigade Employees Union. At the corner of Castlereagh and Park streets the march came to a halt for about 20 minutes and organisers called for the crowd to sit down "to mark the loss of democracy".

Chants included "Howard, Bush, USA, how many kids did you kill today?", "Troops out now!", "The workers united will never be defeated!" Banners included 'War criminals not welcome here -- Bush go home'.

One group of protestors, dressed in formal attire, called themselves 'Billionaires for Bush' and carried banners saying 'Blood for Oil', 'How Many Species Do You Really Need?' and 'Clean Air, Can't Sell It, Who Needs It'. Many others dressed colourfully or in costumes giving the march a carnival like atmosphere.

Mamdouh Habib attended the march and said "George Bush is a great evil... He should get out of this country,". Habib was incarcerated in Guantanamo Bay and released in 2005 never being charged with any offence.

Peter McGregor, who is facing court charges for a Citizens Arrest of Attorney-General Philip Ruddock as a War Criminal at a legal conference at the University of NSW, told Green Left Weekly "whenever war criminals such as George Bush and John Howard appear in public, it's important people come out also in public, to protest them."

Dan Jones and Paddy Gibson attended the march though being on the police blacklist and have been arrested, along with seven other arrests. Paddy Gibson was later released by police as he was outside declared zones. The NSW Police intimidated protestors by flexing their new shiny hardware.

A water canon that makes up the centre piece of the Public Order & Riot Squad. But they never got to use their shiny new toy.

Another example of the excessive police intimidation happened to Chris Ward who took his wheelie bin sound system to the rally and march. "I've been searched three times today for having a wheelie bin sound system," Mr Ward said. Each time the search took half an hour and on least one occasion police reinforcements had to be called when Chris and his sound system and the 'searching' police officers were surrounded by other activists.

Human Rights monitor Dale Mills described the search as an overreaction to Channel Nine News. "In my opinion, that was just an illegal search," Mr Mills said. "That's the sort of aggressive attitude ... that provokes problems at protests."

At Hyde Park drizzly rain put a damper to the end of the rally with protestors finding shelter under trees and umbrellas. Police have been criticized for forming lines preventing people leaving the end rally in Hyde Park. At the end of the march one of the protest organisers, Damien Lawson said "We're very happy, the turnout is double our expectations, there are at least 10,000 people here and it's been a very peaceful march. We got across the key issues: opposition to the war in Iraq, concern about climate change and opposition to John Howard's WorkChoices," he was reported as saying on Skynews.

See also: Police Violence at a Park Meeting which details one incident of police provocation and also gives details from the Police website that there were 17 arrested on the day.

*When it first became part of the English vocabulary in the early 1990s, globalization was supposed to be the wave of the future. Fifteen years ago, the writings of globalist thinkers such as Kenichi Ohmae and Robert Reich celebrated the advent of the emergence of the so-called borderless world. The process by which relatively autonomous national economies become functionally integrated into one global economy was touted as “irreversible.” And the people who opposed globalization were disdainfully dismissed as modern day incarnations of the Luddites that destroyed machines during the Industrial Revolution.*

Fifteen years later, despite runaway shops and outsourcing, what passes for an international economy remains a collection of national economies. These economies are interdependent no doubt, but domestic factors still largely determine their dynamics.

Globalization, in fact, has reached its high water mark and is receding.

### **Bright Predictions, Dismal Outcomes**

During globalization’s heyday, we were told that state policies no longer mattered and that corporations would soon dwarf states. In fact, states still do matter. The European Union, the U.S. government, and the Chinese state are stronger economic actors today than they were a decade ago. In China, for instance, transnational corporations (TNCs) march to the tune of the state rather than the other way around.

Moreover, state policies that interfere with the market in order to build up industrial structures or protect employment still make a difference. Indeed, over the last ten years, interventionist government policies have spelled the difference between development and underdevelopment, prosperity and poverty. Malaysia’s imposition of capital controls during the Asian financial crisis in 1997-98 prevented it from unraveling like Thailand or Indonesia. Strict capital controls also insulated China from the economic collapse engulfing its neighbors.

**Fifteen years ago, we were told to expect the emergence of a transnational capitalist elite that would manage the world economy. Indeed, globalization became the “grand strategy” of the Clinton administration, which envisioned the U.S. elite being the primus inter pares -- first among equals -- of a global coalition leading the way to the new, benign world order. Today, this project lies in shambles. During the reign of George W. Bush, the nationalist faction has overwhelmed the transnational faction of the economic elite. These nationalism-inflected states are now competing sharply with one another, seeking to beggar one another’s economies.**

A decade ago, the World Trade Organization (WTO) was born, joining the World Bank and the International Monetary Fund (IMF) as the pillars of the system of international economic governance in the era of

globalization. With a triumphalist air, officials of the three organizations meeting in Singapore during the first ministerial gathering of the WTO in December 1996 saw the remaining task of “global governance” as the achievement of “coherence,” that is, the coordination of the neoliberal policies of the three institutions in order to ensure the smooth, technocratic integration of the global economy.

But now Sebastian Mallaby, the influential pro-globalization commentator of the Washington Post, complains that “trade liberalization has stalled, aid is less coherent than it should be, and the next financial conflagration will be managed by an injured fireman.” In fact, the situation is worse than he describes. The IMF is practically defunct. Knowing how the Fund precipitated and worsened the Asian financial crisis, more and more of the advanced developing countries are refusing to borrow from it or are paying ahead of schedule, with some declaring their intention never to borrow again. These include Thailand, Indonesia, Brazil, and Argentina. Since the Fund’s budget greatly depends on debt repayments from these big borrowers, this boycott is translating into what one expert describes as “a huge squeeze on the budget of the organization.”

The World Bank may seem to be in better health than the Fund. But having been central to the debacle of structural adjustment policies that left most developing and transitional economies that implemented them in greater poverty, with greater inequality, and in a state of stagnation, the Bank is also suffering a crisis of legitimacy.

But the crisis of multilateralism is perhaps most acute at the WTO. Last July, the Doha Round of global negotiations for more trade liberalization unraveled abruptly when talks among the so-called Group of Six broke down in acrimony over the U.S. refusal to budge on its enormous subsidies for agriculture. The pro-free trade American economist Fred Bergsten once compared trade liberalization and the WTO to a bicycle: they collapse when they are not moving forward. The collapse of an organization that one of its director generals once described as the “jewel in the crown of multilateralism” may be nearer than it seems.

### **Why Globalization Stalled**

Why did globalization run aground? First of all, the case for globalization was oversold. The bulk of the

production and sales of most TNCs continues to take place within the country or region of origin. There are only a handful of truly global corporations whose production and sales are dispersed relatively equally across regions.

Second, rather than forge a common, cooperative response to the global crises of overproduction, stagnation, and environmental ruin, national capitalist elites have competed with each other to shift the burden of adjustment. **The Bush administration, for instance, has pushed a weak-dollar policy to promote U.S. economic recovery and growth at the expense of Europe and Japan. It has also refused to sign the Kyoto Protocol in order to push Europe and Japan to absorb most of the costs of global environmental adjustment and thus make U.S. industry comparatively more competitive. While cooperation may be the rational strategic choice from the point of view of the global capitalist system, national capitalist interests are mainly concerned with not losing out to their rivals in the short term.**

A third factor has been the corrosive effect of the double standards brazenly displayed by the hegemonic power, the United States. While the Clinton administration did try to move the United States toward free trade, the Bush administration has hypocritically preached free trade while practicing protectionism. Indeed, the trade policy of the Bush administration seems to be free trade for the rest of the world and protectionism for the United States.

Fourth, there has been too much dissonance between the promise of globalization and free trade and the actual results of neoliberal policies, which have been more poverty, inequality, and stagnation. **One of the very few places where poverty diminished over the last 15 years is China. But interventionist state policies that managed market forces, not neoliberal prescriptions, were responsible for lifting 120 million Chinese out of poverty.** Moreover, the advocates of eliminating capital controls have had to face the actual collapse of the economies that took this policy to heart. The globalization of finance proceeded much faster than the globalization of production. But it proved to be the cutting edge not of prosperity but of chaos. The Asian financial crisis and the collapse of the economy of Argentina, which had been among the most doctrinaire practitioners of capital account liberalization, were two decisive moments in reality's revolt against theory.

Another factor unraveling the globalist project is its obsession with economic growth. Indeed, unending growth is the centerpiece of globalization, the mainspring of its legitimacy. While a recent World Bank report continues to extol rapid growth as the key to expanding

the global middle class, global warming, peak oil, and other environmental events are making it clear to people that the rates and patterns of growth that come with globalization are a surefire prescription for ecological Armageddon.

The final factor, not to be underestimated, has been popular resistance to globalization. The battles of Seattle in 1999, Prague in 2000, and Genoa in 2001; the massive global anti-war march on February 15, 2003, when the anti-globalization movement morphed into the global anti-war movement; the collapse of the WTO ministerial meeting in Cancun in 2003 and its near collapse in Hong Kong in 2005; the French and Dutch peoples' rejection of the neoliberal, pro-globalization European Constitution in 2005 -- these were all critical junctures in a decade-long global struggle that has rolled back the neoliberal project. But these high-profile events were merely the tip of the iceberg, the summation of thousands of anti-neoliberal, anti-globalization struggles in thousands of communities throughout the world involving millions of peasants, workers, students, indigenous people, and many sectors of the middle class.

#### **Down but not Out**

While corporate-driven globalization may be down, it is not out. Though discredited, many pro-globalization neoliberal policies remain in place in many economies, for lack of credible alternative policies in the eyes of technocrats. With talks dead-ended at the WTO, the big trading powers are emphasizing free trade agreements (FTAs) and economic partnership agreements (EPAs) with developing countries. **These agreements are in many ways more dangerous than the multilateral negotiations at the WTO since they often require greater concessions in terms of market access and tighter enforcement of intellectual property rights.**

However, things are no longer that easy for the corporations and trading powers. Doctrinaire neoliberals are being eased out of key positions, giving way to pragmatic technocrats who often subvert neoliberal policies in practice owing to popular pressure. When it comes to FTAs, the global south is becoming aware of the dangers and is beginning to resist. Key South American governments under pressure from their citizenries derailed the Free Trade of the Americas (FTAA) -- the grand plan of George W. Bush for the Western hemisphere -- during the Mar del Plata conference in November 2005.

Also, one of the reasons many people resisted Prime Minister Thaksin Shinawatra in the months before the recent coup in Thailand was his rush to conclude a free trade agreement with the United States. Indeed, in January this year, some 10,000 protesters tried to storm the building in Chiang Mai, Thailand, where U.S. and

Thai officials were negotiating. The government that succeeded Thaksin's has put the U.S.-Thai FTA on hold, and movements seeking to stop FTAs elsewhere have been inspired by the success of the Thai efforts. The retreat from neoliberal globalization is most marked in Latin America. Long exploited by foreign energy giants, Bolivia under President Evo Morales has nationalized its energy resources. Nestor Kirchner of Argentina gave an example of how developing country governments can face down finance capital when he forced northern bondholders to accept only 25 cents of every dollar Argentina owed them. Hugo Chavez has launched an ambitious plan for regional integration, the Bolivarian Alternative for the Americas (ALBA), based on genuine economic cooperation instead of free trade, with little or no participation by northern TNCs, and driven by what Chavez himself describes as a "logic beyond capitalism."

### **Globalization in Perspective**

From today's vantage point, globalization appears to have been not a new, higher phase in the development

of capitalism but a response to the underlying structural crisis of this system of production. Fifteen years since it was trumpeted as the wave of the future, globalization seems to have been less a "brave new phase" of the capitalist adventure than a desperate effort by global capital to escape the stagnation and disequilibria overtaking the global economy in the 1970s and 1980s. The collapse of the centralized socialist regimes in Central and Eastern Europe deflected people's attention from this reality in the early 1990s.

Many in progressive circles still think that the task at hand is to "humanize" globalization. Globalization, however, is a spent force. Today's multiplying economic and political conflicts resemble, if anything, the period following the end of what historians refer to as the first era of globalization, which extended from 1815 to the eruption of World War I in 1914. The urgent task is not to steer corporate-driven globalization in a "social democratic" direction but to manage its retreat so that it does not bring about the same chaos and runaway conflicts that marked its demise in that earlier era.

### **For a few Acres more**

*By: Jeemon Jacob*

*As agricultural land disappears in Kerala, the vast majority of small land-holders and farm-workers are hit the hardest*

Seven year ago, Joseph Varghese of Pulpally village in Wayanad district of Kerala was a 'respected' landlord. His family owned five acres of land on which he cultivated pepper and coffee. His children studied in nearby private schools and he owned an SUV. Several people from the nearby tribal communities were working on his farms.

Today, he works as a coolie in Karnataka for a living. He sold his farms to repay debts and vanished with his family from the village. His family lives in a rented house. "Sometimes I felt that suicide was a better option for me. Life is too hard. The only reason I held back is because of my two daughters," he says.

P Krishnaprasad, who represents Sultan Bathery in the Kerala legislative assembly, says thousands of farmers in his division have a similar story to tell. "More than 1,500 farmer suicides were reported since 1999. The maximum number of suicides in Kerala took place in Wayanad district where the major crops (coffee and pepper) have suffered severe price falls. According to official data, there were 321 suicides in this district, but the real number must be above 500," he explains. He claims that farmer suicides in Wayanad has slowed down because the Left government has taken initiatives for effective relief operations.

A national sample survey on land distribution has revealed that 76.3 per cent of the Kerala population own 00.00-00.99 acres of land per household. This comes to merely 21 per cent of the total land in Kerala, while 9.3 per cent of the population owns a whopping 54.2 per cent of the land. Clearly, land reforms in Kerala has only happened at a superficial level. The old feudal system was replaced by a new bunch of feudal lords who hold political clout.

Krishnaprasad, state committee member of Communist Party of India - Marxist (CPI-M), worked with farmers and agricultural labourers in Wayanad before becoming an MLA. He calls these figures as politically motivated statistics. "Land reforms put an end to tenant culture promoted by feudal lords in Kerala and led to a social revolution," he says. According to him, among the 1.7 million hectares of cultivable land, 1.2 million hectares belong to small farmers who hold less than five acres.

Unfortunately, land reforms did not increase agricultural production or rural employment. One of the most visible results of land reforms was the extreme fragmentation of land, the oft-cited reason for making agriculture a low-profit venture. Many new landlords realised that they could not make a living out of agriculture and turned to less labour-

intensive crops like rubber and coconut. Later, they displayed a tendency to leave their land fallow. The result was a drastic fall in employment in the agricultural sector.

Workers began to migrate to non-agricultural sectors, especially to satisfy the demand caused by large-scale construction activities. In the early 1980s, the Gulf boom pushed up land prices in the state. The neo-rich started buying land for constructing palatial concrete bungalows. Many agriculture labourers shifted to the construction sector as it offered them better wages and employment opportunities.

Back in 1967, paddy cultivation covered more than 12 lakh hectares of land in Kerala. The area has now dwindled to around three lakh hectares which led to shortage of food grains.

The fall in prices of cash crops complicated the situation further as many small farmers opted for vanilla cultivation to fetch better profits in agriculture. "Earlier, Kerala was practicing mixed crop cultivation. If one crop failed, other crops could support the farmers. Somewhere, we lost this mechanism and experimented with cocoa and vanilla to make easy

profits in agriculture," says Jaffrey Varghese, a young farmer in Ankamaly. Varghese lost more than Rs seven lakh when he switched from rubber to vanilla.

Liberalisation and the boom in IT and tourism changed land use even further in Kerala. Land was in great demand and lots of NRIs wanted to invest in land. "When banks were offering low interests, investing in land became lucrative. Most people invested in land and never took it for cultivation," says Varghese Manjaly, one such investor. According to him, the majority of people who invested in land profited heavily. "It's true that the concept is creating a neo-rich class much faster than any other industry. But the marginalised and poor have no place in such a society," he argues.

PT John, who works with marginal farmers in Wayanad, points out that even the communist government was not protecting farmers' interests. "Techno parks, smart cities, new airports, shopping malls and luxury hotels are priority areas of the developmental agenda. In such a situation, who will think of the interests of the small landholders?" he asks.

## **SEZ: A Betrayal of Democracy**

*By: Aseem Shrivastava*

*If democracy is rule with the consent of the governed, it is being betrayed in States like Rajasthan where far-reaching decisions regarding SEZs are being taken without consulting the people affected.*

Arre, arre chor aaya re, chor aaya re... SEZ laya re, SEZ laya re!" So goes the rallying cry from performers playing alarmed villagers in a street play on SEZs and land acquisition. The corrupt neta, beaming greedily in his starched kurta-pyjama, is seen striking lucrative land deals over the backs of farmers with Uncle Sam's representative in a bowler hat. He sends firm messages over his mobile to his local cronies to organise the land for the company. After some hiccups and noises of protest from villagers, the deals go through. But the story has just begun, as farmers prepare for land battles with the company and the State...

### **Immense participation**

The play has been put up in hundreds of villages of Rajasthan during the last few weeks. Organised by several different social action groups from the State, the Jan Adhikar Yatra concluded in Jaipur, after a 10-day padayatra of 300 villages in four districts (Alwar, Sikar, Tonk and Ajmer) around Jaipur by as many as 400 participants from around the State.

Consider for a moment the possibility that in order for it to set up a "Special Financial Zone" you are

asked by the government to vacate your luxury apartment in the city because the land on which the building stands is right next to the financial district. Not only is it valued very highly in the real estate market, it is pointed out to you that it is in the larger "public interest" to allow the "SFZ" to come up, hence making it possible for the government to invoke the Land Acquisition Act to take possession of your property. As compensation you are offered a sum equal not to the replacement value of your property, but to its current market value. In some cases, the compensation offered is even less. You have no voice in the matter, especially since a significant proportion of your neighbours in the building have agreed to the deal.

### **Threatened lives**

This is the precise nature of the predicament in which hundreds of thousands of rural households find themselves today. Special Economic Zones are planned on their farmlands. The SEZ Act of 2005 is being invoked to acquire land from villagers. Till date, three SEZs, two near Jaipur and one in Jodhpur have become operational in Rajasthan. In addition, five

others have received “formal approval” and 10 others (including as many as seven multi-product zones above 1,000 hectares each, five of them in Alwar district alone) await formal approval, having already acquired “in-principle approval”. The largest of these is the Omaxe SEZ planned in Alwar district. It is proposed to occupy as much as 6,000 hectares of land, a good 1,000 hectares above the legally permissible limit, as per changes announced by the Government of India in April 2007.

The padayatra has focused its protest on six related issues: acquisition of land for SEZs, forced planting of jatropha for bio-diesel (on as much as six million hectares in the State, often on the village commons, falsely construed as wasteland), removal of restrictions on the sale of land owned by SC/ST groups, better implementation of the NREG and RTI Acts (for employment and information respectively) and social security for workers in the unorganised sector of the economy.

The red thread connecting all these controversial issues is the fact that far-reaching decisions are being made without consulting affected people or allowing their political participation in any form. If democracy is rule with the consent of the governed, it is evidently being betrayed in States like Rajasthan. Big decisions are being made in a dangerously autocratic manner, with consequences all too easy to foretell.

Land acquisition for corporations is being facilitated by the State by amending or breaking existing land laws. At the same time, the implementation of schemes like the Employment Guarantee Scheme (in which Rajasthan is leading the States in terms of employment generated) are being poorly implemented: workers are being denied the promised minimum wage of Rs.73 per day. There is opacity in a large number of government decisions. RTI applications are gathering dust in public offices: the 30-day time limit is routinely violated. Red tape is rife. Public information boards are missing from Panchayat offices. Corruption has not been brought to an end. And this in the State which birthed the idea of the people’s right to information.

### **High spirits**

I walked with the padayatris in Sikar district for a few days. The sun was fierce but spirits were high. There were 75-year-old farmers singing songs mocking the government administration. Puppets were used to attract people to the street play about

land acquisition, children leading the pack. The play was hugely popular. We walked 10-12 kilometres every day, covering half a dozen villages or more. Supported heavily by remittances from the Gulf, the villages were not poor by Indian standards. Virtually everywhere the villagers themselves fed us lunch and dinner.

Even if no SEZ is proposed around Sikar for the time being, everyone has heard of them and is certainly wary of parting with their land. The local economy, according to farmers, local traders and journalists from Sikar I spoke to, has been in a state of stagnation for several years. Small trade has actually shrunk. The chief mode of income in the district is the remittance made by young workers from the area working in West Asia. As much as 80 per cent of young men from the area have moved to the Persian Gulf States in search of better prospects. Smartly dressed boys and young men I spoke to were all keen to move out of the area as quickly as possible. Some were willing to follow us to Jaipur and Delhi. Farmers complained of falling groundwater levels and the worsening economics of agriculture over the past decade. Everywhere, the universal complaint is the absence of productive employment, calling attention (if any was still needed) to the lack-lustre implementation of the NREGS so far.

### **Restless mood**

There was a dharna in Jaipur between August 21-26, bringing together six different sets of padayatris. Hundreds of people — the majority being farmers — from all over Rajasthan attended. Now that Statue Circle (Jaipur’s Boat Club) has been made out of bounds for public protests (one more sign of the State’s attempt to subvert democracy), people slept on the modest sidewalk of Collectorate Circle, braving heavy downpours on certain days and nights. Testimonies were heard from farmers from across the State, as also speeches from informed observers and activists about issues pertaining to RTI, employment, agriculture, social security, land acquisition, jatropha plantation and SEZs.

The mood is restless and public anger over the State’s persistent failure to obtain economic justice for the poor is growing. At the same time, people’s awareness of their political rights is on the rise. As their voices grow in number and loudness, it will be interesting to observe the impact on the upcoming State elections next year.

*(Courtesy: The Hindu)*

*As the tale unfolds, the big business initiative might not be as rosy as the end. The UPA and the Congress-NCP know that fully well. Because the farmers in Maharashtra are not going to take it lying down*

If the blind lead the blind will both not fall into the ditch? So runs an apothegm. And going by the policies being implemented by the ruling UPA — sans any study or sensitivity about what devastation it would wreak on the masses — the Congress-NCP-led Democratic Front (DF) government in Maharashtra seems to be too keen to prove the adage. Even if it means going about blindfolded and tearing the social fabric of the rural masses.

Not that the Left Front-ruled or BJP-ruled states are far behind the Congress when it comes to legalise Special Economic Zones (SEZ). Notwithstanding the eruption of anger of the people all over the country on the issues of free trade zones, free ports, coastal exploitation, and the emerging foreign fiefdoms, the DF regime is now toying with the idea of Agro Export Zones (AEZ). Indeed, an AEZ may easily envelope an entire agro-climatic zone, covering an entire district.

Maharashtra wants to win the race of having the largest number of SEZs. Out of the 450-odd SEZs all over the country, the state has 47 formal approvals, 24 'in-principle' and seven with 'passed' notification. Thus, Maharashtra will soon boast of having 78 'foreign territories'. But then, going by the classical law of physics — 'for every action there is bound to be an equal reaction' — the state is also recording the largest number of people's struggles against the SEZs and similar corporate mega projects which benefit big business and hit the farmer really hard, displacing him/her from his/her land and habitat forcibly.

In July-August, even as the verdant green hills along the coastal belt of Raigad in the Konkan region reverberated with the slogans raised by displaced farmers and labourers against the 'Maha-Mumbai SEZ', a quiet struggle has sparked off the embers of anger among the natives of Gorai beach dotting the outskirts of Mumbai. The Gorai beach, originally a small fishing village, is now one of the most favoured picnic spot. Esselworld, which had earlier managed to take away chunks of land, is eyeing large tracts of land in the area so as to establish an SEZ. The peasants and residents of Gorai village are virulently against the Esselworld's proposed SEZ. The movement led by Krantikari Aawas Sangharsh Samiti, though still nascent, has already held several protests and demonstrations and is growing.

Interestingly, it is not just the fisher-folk who are active in the movement. Even the small-land holding peasants — one of the oldest natives of the islands

— have joined hands cutting across all caste and religious barriers. Gorai has a sizeable population of Hindus and minorities like Muslims and Christians. And they seem united in this resistance.

This is not the only SEZ within the municipal limits of Mumbai. In the middle of the National Park, a national reserved forest was first 'dereserved' and then handed over to Royal Palms Developers so that they can form an IT/SEZ. The developer, soon after acquiring it, constructed huge residential complexes with access roads and special privileges, and doled out full page advertisements to the national dailies. Even as the media went around splashing the green dale township advertisements, a few hundred yards away from the compound wall of this swanky housing locale, children of adivasis who have been staying in the national 'spark jungles for generations, were dying of malnutrition.

Gorai and Aarey are not the only EPZs (Export Processing Zone) within the confines of Mumbai. One of the oldest EPZ that cropped up in the late 1970s was that of SEEPZ (Santacruz Electronics Export Processing Zone). It was one of the first eight EPZs to be made into an SEZ when the SEZ Act, 2005 was enacted. It is situated right inside Mumbai at Santacruz, near the airport.

Incidentally, adjacent to the airport, over four lakh slum dwellers have risen up in anger over their proposed displacement. Thirty years ago, the international airport was just a proposal on paper with a fence surrounding the runways and hangars. The area outside, even though believed to be owned by the airport authority, was a veritable swampy jungle. People from the lowest strata of the society, three decades ago, began putting up their shanties on this 270 acres of 'impossible to live' quagmire and laboured for years to make it a place worth inhabiting.

Following the privatisation of Mumbai airports, a new company arrived: MIAL (Mumbai International Airport Ltd.), as a joint venture between AAI (Airport Authority of India) and GSV (a consortium led by a South African Airport Development Authority.) The South African consortium has moved the authorities demanding the ouster of five lakh slum dwellers and demolition of one lakh houses. Are they basically hunting for real estate?

Even as the media goes hammer and tongs against the slum-dwellers, the movement to oppose mass displacement is fast gaining momentum. The area resounds with corner meetings, demonstrations and

pamphlet distribution, protesting outside the airport, government and municipal offices.

It is not just the land surrounding the Mumbai airport that the so-called global land-sharks are eyeing. In the heart of the 'white-gold cursed belt', along the Nagpur-Wardha Road, the state government, despite vociferous protests from the locals and farmers, has decided to go ahead with the formation of yet another 'foreign territory'. This SEZ along with the proposed massive air cargo hub will gobble over 2,000 hectares of land.

The genetically alloyed white-gold belt tinged red with the blood of the farmers, taking their lives every time the orange orb rises and sets in the horizon, is now facing yet another bolt. The farmers' last straw of dignity-land — is being weaned away. Government officials have already started going around the villages carrying out surveys of the plots to be usurped. According to activists from Jan Andolan Samiti — a group spearheading the movement in Vidarbha — several groups have already started holding meetings of villagers and explaining the implication of this project to them.

And just outside Mumbai — a satellite town called Dombivli — the authorities intend to swallow 27 villages, so that they can construct yet another SEZ. Going by the grapevine, this SEZ is being formed for the creation of housing complexes. But then any lopsided development sets a chain reaction in other spheres as well. Though land displacement is the most ostentatious adverse effect due to the SEZ, a not so noticed but equally chilling 'mal-development' is connected with water.

The Maharashtra government has proposed to construct large dams so as to supply water to the SEZs. There is one of the biggest districts and boasts of having dense forests with heavy rainfall. The district falls in the south-west monsoon path and makes the

region ideal for water-harvesting, but the government is more interested in mega-dams instead of constructing small, ecologically viable dams.

The government is seriously thinking of putting up a mega-dam on the Shahi river, which, according to its own survey, would inundate 20 villages. Ironically, the earlier surveys had proposed the construction of six small dams in the region which would have, in the long run, irrigated small farms of the region. Indeed, Maharashtra Labour Minister Ganesh Naik of the NCP reportedly owns 3,000 acres in the region full of hills, small lakes and forests. The proposed mega-dam would force the Shahi river to swell up and apparently provide water to this chunk of land where the minister is incidentally planning to put up a major film studio. The Krantikari Kisan Mazdoor Sanghathana, active in the area, has found out that scores of peasants have still not got their own names penned on the land deed. This means that the compensation, if and when it becomes payable, might actually go to absentee landlords.

A Shahi Dharam Virodhi Samiti comprising peasants, agricultural labourers and adivasis has been formed to stop the implementation of the mega-dam project. And the usually belligerent Ganesh Naik who had some months ago proposed that no harm would come even if a "few furlongs", of Mumbai's endangered mangroves are gone to construct a wharf and a marina (a dock for yachts laced with shopping malls, restaurants and parlours at the Sassoon Docks), was forced to cower recently when face to face with the intense resentment of the people.

Indeed, as the tale unfolds, the beginning might not be as rosy as the end. And both, the UPA and the Congress-NCP know that fully well. Because the farmers in Maharashtra are not going to take it lying down.

*(Courtesy: Hardnews Bureau Mumbai)*



## The Globalisation of Hunger

By: Yifat Suskind

At first, the numbers don't seem to add up. The world produces more food than ever-enough to feed twice the global population. Yet, more people than ever suffer from hunger; and their numbers are rising. Today, 854 million people, most of them women and girls, are chronically hungry, up from 800 million in 1996. Another paradox: the majority of the world's hungry people live in rural areas, where nearly all food is grown.

The root of the problem is the inequitable distribution of the resources needed to either grow or buy food (also known as poverty). World Food Day is an equally good time to call out one of the main culprits of the crisis: industrial agriculture, the very type enshrined in the Farm Bill that's currently before the US Senate.

The Farm Bill has far-reaching implications for farmers and food systems the world over. It is set to perpetuate a process whereby heavily subsidized US factory farms overproduce grains that are dumped in poor countries, bankrupting local farmers, who can't compete with subsidized prices. We've begun to hear a bit about the plight of these farmers, but few people know that most of them are women. In fact, women produce most of the world's food. They do so on small plots of land, working hard to feed their families and generate enough income for things like school fees and children's shoes.

### **US Agribusiness: Swallowing Up Lands and Livelihoods**

Visit the websites of corporations like Cargill and Archer Daniels Midland, who together control 65 percent of the global grain trade, and you will read that their mission is to "feed a growing world." The reality is starkly different. **Big Farming is part of a larger corporate economic model that prioritizes profit-making over all else, even the basic right to food. Around the world, agribusiness bankrupts and displaces small farmers, and directs farmers to grow export crops instead of staple foods.**

Not long ago, most farm inputs came from farmers themselves. Seeds were saved from the last harvest and fertilizer was recycled from animal and plant wastes. Farmers found innovative ways to control pests by harnessing local biodiversity, such as cultivating insect-repelling plants alongside food crops. While these techniques can produce enough food to feed the world and sustain its ecosystems, they don't turn a profit for agribusiness. That's why corporations developed genetically modified seeds, chemical

fertilizers, and synthetic pesticides.

These inputs are both expensive for farmers and highly damaging to the natural systems on which sustainable farming and, ultimately, all life depends. As the cost of farming has gone up, farmers' incomes have gone down due to trade rules that favor large-scale agribusiness over small farmers. For example, the World Trade Organization's Agreement on Agriculture forbids governments in the Global South from providing farmers with low-cost seeds and other farm inputs, turning farmers into a "market" for international agribusiness.

**Over the past 50 years, as much of the world's farmland has been consolidated in fewer and fewer hands, millions of people have been forced to abandon their rural homes. In fact, this year, for the first time ever, the number of people living in cities around the world exceeded the number living in rural areas. Most of this urban population boom is due to rural migration.**

### **Cash Crops and Climate Change**

The same practices that have devastated women farmers and their communities worldwide have contributed to environmental destruction that impacts us all.

Export agriculture is a major contributor to global warming because it requires huge inputs of petroleum: it takes 100 gallons of oil to grow just one acre of US corn. It also requires a massive global transportation infrastructure, including ports, railways, fuel pipelines, and superhighways, often built at the expense of local people and ecosystems. In many places, 40 percent of truck traffic is from hauling food over long distances. Today, food that could be grown locally is shipped, trucked, or flown half way around the planet.

**Trade rules have so distorted agricultural markets that almost anywhere you go, food from the other side of the world costs less than food grown locally. So people in Kenya buy Dutch butter, while those in the Big Apple buy apples from Chile. In the US, the average bite of food travels 1,300 miles from farm to fork. The system is so wasteful that many countries import the very same foods that they export. For example, last year the US exported-and imported-900,000 tons of beef.**

### **Asserting the Right to Food**

The good news is that our global food systems may be on the verge of a great transition. Although agribusiness has unprecedented control over the world's farmers and food supply, the realities of

climate change, resource depletion, and the human suffering caused by industrialized farming have led more people to start thinking about the links between food, the environment, and social justice. Around the world, demands for food sovereignty-peoples' right to control their own food systems-is at an all-time high. Even in the US, where much of the population thinks of farming as a quaint and remote activity, more and more people are realizing that if you eat, you're involved in agriculture.

The theme of this year's World Food Day is the right to food. Securing this basic human right for all people, including future generations, will require fundamental changes in the way we use the Earth's natural resources to grow and distribute food. As we face rising temperatures and declining supplies of cheap energy, change will come of necessity. It's up to us-working in partnership with small-scale farmers around the world-to demand a change for the better.

### **End WTO! Time for Food Sovereignty Now!**

By: La Via Campesina

The struggles of peasants, small farmers, indigenous people, landless and agricultural farm workers have shown to the world the strength of the people's resistance against the neoliberal policies imposed by the WTO. The sacrifice of Mr. Lee Kyun Hae in Cancun on September 10th, 2003 during the Ministerial Meeting of WTO became a symbol how "WTO kills Farmers". Again in December 2005, during the Sixth Ministerial Meeting of the WTO in Hong Kong, thousands of small farmers, peasants, landless, farm workers and indigenous peoples jumped into the water and demonstrated in the streets to show their opposition to neoliberal policies. The peoples' struggle grew bigger when peasants, migrants, trade unions, women, fisher folks, and artists came together to oppose the WTO.

Today, even though the WTO is in a deep crisis, the negotiators continue to ignore people's protests that were heard in Seattle in 1996, Cancun in 2003, Hong Kong in 2005 and in Geneva in 2006. They keep trying to extend the control and the power of transnational companies (TNCs) through trade negotiators.

People's resistance has given "spirit" to many developing countries to oppose the excessive demands by developed countries. One of the main people's demand is to be allowed to protect the domestic market against dumping. The US and the EU are pushing for free trade but they are also supporting their agriculture. The farm bill in the US is trying to maintain the domestic subsidies which will become a big constraint in the negotiation.

Since the beginning of the WTO, agriculture is at the centre of the tensions and conflicts within the institution.

After 12 years of the World Trade Organization, it is clear that the promises of development never materialised. Its policies have instead further impoverished people and lead to the loss of land, access and control of fishing grounds and other natural resources, jobs and livelihoods. The WTO is an instrument of neo-liberal globalization and inherently anti-development. Trade should not be at the expense of our right to food, agriculture, fisheries, public services, natural resources and livelihoods.

Social movements united for Food sovereignty!

La Via Campesina with organisations of fisher folks, women, environmentalist and others movements gathered for the Nyeleni Forum in Mali in February 2007. Together, they declared that Food Sovereignty was the right of people to healthy and culturally appropriate food produced through ecologically sound and sustainable methods, and their right to define their own food and agriculture systems. Food sovereignty puts those who produce, distribute and consume food at the heart of food systems and policies rather than the demands of markets and corporations. It defends the interests and inclusion of the next generation. It offers a strategy to resist and dismantle the current corporate trade and food regime, and directions for food, farming, pastoral and fisheries systems determined by local producers. Food sovereignty priorities local and national economies and markets and empowers peasant and family farmer-driven agriculture, artisanal - fishing, pastoralist-led grazing, and food production, distribution and consumption based on environmental, social and economic sustainability. Food sovereignty promotes transparent trade that guarantees just income to all peoples and the rights of consumers to control their food and nutrition. It ensures that the rights to use and manage our lands, territories, waters, seeds, livestock and biodiversity are in the hands of those of us who produce food. Food sovereignty implies new social relations free of oppression and inequality between men and women, peoples, racial groups, social classes and generations.

Its time for Food Sovereignty Now!

In commemoration of sacrifice of Mr. Lee Kyun Hae in 2003 and the struggle of peasants and small farmers against the WTO, La Via Campesina call all its members and allies :

To continue the struggle to make sure the WTO reach a complete end and to start to implement Food Sovereignty at local, national, regional and national level. To struggle against the other agreements promoting the same policies as the WTO. Neoliberal policies are indeed entering now through other doors, such as Free Trade Agreements and Economic Partnership Agreements. We will continue our struggle against those agreements as we have done in Asia, Latin America, Africa and Europe. We also call all the movements of the world to join the Global Day of Action on the 26<sup>th</sup> of January.

## Retail Sector: Big Impact in a Small Format

By Thomas Ripsam, Alonso Martinez, and Carlos Navarro

*(Large retailers are beginning to see the beauty of a tinier world.)*

J.B. Beaumont, a convenience store operator in the U.K.'s East Midlands, saw less-than-stellar sales in its six stores — and recognized an opportunity. Changing demographics in the region, such as smaller families and more single-head households, were creating a valuable segment for a retailer that could provide a broad array of products in a format suited to these groups.

To cater to their needs, Beaumont began offering both takeout meals and meals that a family can prepare at home with minimum effort. It added cold beverages that can be consumed immediately; traditional grocery items, such as condiments, in smaller packages; and single-serving sundries such as aspirin. In short, it moved into the middle ground between, say, a fish-and-chips shop that can provide a meal but not much else and a grocery store that can meet all of a shopper's needs but might also eat up an hour of her time. Beaumont's new format did so well that it attracted the attention of giant J. Sainsbury PLC, which acquired the smaller retailer in November 2004.

The popularity of small format retail stores isn't limited to Europe's mature and affluent markets. The same trend is gaining traction in Latin America, where convenience store retailer Oxxo, for instance, has established around 4,000 stores in Mexico and is adding 300 to 400 stores there per year. The stores operate as franchises, usually owned by locals who are familiar with the micromarket in which the store is located and can customize service to the neighborhood's needs. Stores in neighborhoods where residents return home late at night remain open 24 hours; other stores deliver to nearby areas with high numbers of elderly or affluent residents. Oxxo is building on the region's traditional changarrros, or mom-and-pop stores, by personalizing its service for its customers.

After years of hype about "big box" retailing, we see an increasing number of small format success stories, ranging from convenience stores, such as Beaumont in the U.K. and Oxxo in Mexico, to discounters, such as Germany's Aldi and EKI Descuento in Argentina, which sell basic staples and key grocery items in a cost-effective neighborhood format. The interest in small formats may soon extend to the United States, as well, where big retailers including Wal-Mart and Publix already are experimenting with the idea.

However, the trend isn't limited to purveyors of food items. Regardless of whether the smaller stores are selling groceries, electronics, clothing, or home goods, there are three major reasons that retailers should consider how small formats could work in their markets. One is that the consumer experience in

massive retail establishments is becoming increasingly unattractive. The amount of time it takes to negotiate the seemingly endless aisles is a drawback to harried shoppers — and it's made worse when they hit the checkout and run into dozens of other people in a hurry. The size of the store also takes away from personalized service and doesn't allow for a product assortment tailored to a particular demographic niche.

Lower-income shoppers, in particular, find that they are not comfortable in large stores because service is less personal and the broad assortment of products drives home how little they can afford. Furthermore, getting to large stores, which are often located far from city centers, is difficult for this group of shoppers, who have to spend money to get there and may even lose hourly wages if it's truly out of the way. Going farther to a bigger store is only a good value, in terms of the total cost of purchase, if the big store offers substantially lower prices — and even then, the resulting savings are usually not enough to offset the cost of public transportation.

Essentially, consumers will still patronize those large establishments, but many of them want to complement that shopping with frequent stops at more conveniently located establishments.

A second reason for rising interest in small formats is that economics and technology have shifted the value proposition. Smaller stores are no longer necessarily saddled with higher prices or lesser quality. Savvy operators of chains of smaller stores are able to achieve efficiencies of scale in procuring their merchandise and are then able to distribute those goods to specific stores through distribution channels that have been much improved by computerization and supply chain logistics.

Last, small formats offer retailers a more intimate relationship with customers and employees and therefore allow for genuine innovation in store design and even business model design. At Oxxo, for example, store operators are not just employees; as franchisees, they receive a share of the store's profits. However, Oxxo frequently makes all of the necessary capital investments to ensure consistency across the chain, such as purchasing standard shelving, microwaves, and refrigerated displays. Oxxo's store displays, layouts, and product assortment — with modern fixtures, lighting, and high standards of cleanliness — are much more appealing than those of traditional Mexican mom-and-pop stores. Oxxo's parent company also drives intensive promotional and bundled offerings by, for example, offering Marlboro cigarettes with a free lighter or a bottle of Coke bundled with a discounted

Powerade. The business model is novel — and effective. Interestingly, the small format trend is widening in both Europe and Latin America, which have entirely different demographics and income levels. In Europe's affluent economies, consumers are looking for convenience items, including meals, to suit the busy lifestyles of single heads of households. Retailing in Latin America, by contrast, is focused much more on low-income and larger families. Part of the explanation for why smaller formats are working in Latin America is that items such as dry pasta, cooking oils, milk, bath soap, and laundry detergent can be acquired in precisely the right quantities for daily use. The stores are, in effect, the customers' pantries.

The big question is whether the U.S. market is ready for a shift toward smaller formats. In grocery, for instance, industry analyst Planet Retail and Booz Allen Hamilton have found that large format stores capture 80 percent of retail sales in the United States, a number significantly higher than in the vast majority of other markets in the developed world.

European retailers, such as U.K.-based grocer Tesco Corporation and German discounter Aldi, may be the first to test the U.S. market for its receptivity to smaller formats. Tesco, for example, plans to enter the U.S. market with 100 convenience-type stores of roughly

10,000 square feet under the Fresh & Easy Neighborhood Market brand. Those stores are slated to be opened in 2007 in Arizona, Nevada, and California.

We believe that for U.S. retailers like Wal-Mart, Home Depot, and Lowe's to catch up with their international competitors, find the next spurt of growth, and escape the market saturation they are now suffering, they will also have to consider smaller formats as key channels in their overall retailing models. Wal-Mart is considering stores as small as 20,000 square feet, about one-tenth the size of its Supercenters, and other large retailers are rumored to be doing the same.

All the big box retailers need a more balanced approach to reach their customers and will benefit in important ways from what they learn about shopper preferences in smaller format contexts. Manufacturers of consumer packaged goods (CPG), too, can cash in on this opportunity, by working with their retail partners to mine the personalized data available and creating new products accordingly. The major players in the CPG industry are already reasonably sophisticated in how they adapt their product mixes from one geography to another and from one demographic mix to others, but using small stores to get close to their customers could foster a new wave of innovation in retail formats and in the products and business systems on which they rely.

### **Growing Retail Sector in India**

India has topped AT Kearney's annual Global Retail Development Index (GRDI) for the third consecutive year, maintaining its position as the most attractive market for retail investment.

The Indian retail market, which is the fifth largest retail destination globally, according to industry estimates is estimated to grow from US\$ 330 billion in 2007 to US\$ 427 billion by 2010 and US\$ 637 billion by 2015. Simultaneously, organised retail which presently accounts for 4 per cent of the total market is likely to increase its share to 22 per cent by 2010.

India has one of the largest number of retail outlets in the world. Of the 12 million retail outlets present in the country, nearly 5 million sell food and related products. However, organised retail accounts for only 4 per cent of the total market, offering huge growth potential in this segment.

#### **Retail space**

Driven by changing lifestyles, strong income growth and favourable demographic patterns, Indian retail is expanding at a rapid pace. Mall space, from a meagre one million square feet in 2002, is expected to touch 40 million square feet by end-2007 and an estimated 60 million square feet by end-2008, says Jones Lang LaSalle's third annual Retailer Sentiment Survey-Asia.

Similarly, another report by Images Retail estimates the number of operational malls to more than double to over 412 with 205 million square feet by 2010 and further 715 malls by 2015 on the back of major retail developments even in tier II and tier III cities in India.

Reliance Retail is going ahead with plans worth an investment of US\$ 3.77 billion for setting up 205 stores. Spencer's is also planning to set up 500 more stores by June 2008 with an investment of nearly US\$ 125.89 million.

Hypercity is planning to set up 250 Expresscity stores in the convenience store format across the country in the next five years.

DLF plans to invest US\$ 4.02 billion over four years to develop about 20 large shopping malls across the country.

Israeli mall developer Plaza Center NV plans to invest US\$ 1.25 billion over the next five-seven years to set up 50 malls in India.

## Surviving The Century

By Chris Goodall

A decade ago many involved in climate issues hoped it was a problem that the world would find relatively easy to conquer; the causes would be identified and mechanisms devised to reduce carbon emissions. With proper direction from a mixture of careful subsidies for low-carbon technologies and increased pollution taxes, the free market would eventually rein in our burgeoning greenhouse-gas emissions. But it hasn't turned out this way. Hopes of a strong and coordinated international approach have all but disappeared as most countries will fail to meet even the limited demands for emissions reductions imposed by the Kyoto Protocol.

Herbert Girardet's new book *Surviving the Century: Facing Climate Chaos and Other Global Challenges* brings together an eclectic mix of the initial optimists, from campaigning US journalist Ross Gelbspan to the German renewable energy pioneer Hermann Scheer. Containing a restrained but deeply felt passion, this book combines wisdom with an intense idealism about how mankind can make the radical changes necessary to deal with the issues that threaten our very existence.

At root, the authors argue, climate change is not a technical or scientific problem. The main impediment to tackling global warming is that many of the powerful institutions of the world, whether it be the World Trade Organization, BP or the investment banks that control the world's allocation of capital are resistant to radically changing the way we operate the world economy. The poor, whose share of world income is certainly not growing, are unable to successfully demand that policies be developed to protect them from climate change or from other environmental or economic disasters.

Large companies, the theory goes, are threatened by actions to reduce emissions. The oil and gas industry will suffer if the world moves to renewable energy. Monsanto's profits will fall if we switch from industrial agriculture back to low-input farming methods. The Brazilian government will lose elections if it resists attempts to turn more of the rainforest into soy farms and cattle ranches. Freely operating markets, the book says, do not solve difficult problems. Markets concentrate power, rather than dispersing it, with the result that the success of global capitalism over the last twenty years has produced an elite of immense power and wealth. Aggressive action on climate change threatens this power, and is being resisted at

every turn. The core thesis of the book, highlighted by Frances Moore Lappé's analysis of the intertwining of democracy with free market economics, is that many of the world's most intractable problems are only solvable if we reduce the power of the global elite, whose influence is holding back any attempt to restructure the world's economic system.

But, rather than being merely a diatribe against the institutions of corrupted global capitalism, this is a far more nuanced and hopeful work. Most of the discussion is given over to proposals for substantial actions to remedy the world's bias towards using fossil fuels. Michael Braungart looks at how industrial processes can be re-engineered with fairness and ecological awareness. He points out that the most productive and efficient economies, judged in the conventional sense, are often the most wasteful and destructive. Herbert Girardet extols the virtues of the first city to be built with environmental issues firmly in mind. It is nevertheless worth pointing out that the

world's first eco-city, in Dongtan, East Asia still has an ecological footprint larger than can be sustained, and is but one of a huge number of new urban centres rising across China.

Of the eight excellent essays in this book, I think the one that should most attract our attention is Paul Bunyan's work on the Amazon rainforest. Even those who know little about global warming are becoming dimly aware of the role of this enormous area on the world's climate. International treaties, including Kyoto, have failed to recognize the importance of tropical forests both as carbon sinks and as stabilizers of our weather systems. The maintenance of the forest depends on high rainfall, which largely comes from the evapotranspiration of rainfall elsewhere in the forest. Deforestation may cause diminished rainfall and eventual disruption of the Hadley cell circulation, changing the world's climate system in potentially catastrophic ways. And deforestation is, to reprise the core theme of this book, carried out "by just a handful of Brazilians" eager to use the land for soy and cattle. This elite, and other similar groups across the world, hold the world's fate in their hands.

But the reader cannot take much comfort from this book: the chances of its sensible recommendations being adopted by those in authority are low. Progress at weaning the world off its reliance on fossil fuels will continue to be blocked by those who benefit from the persistent under-pricing of carbon.

*Book Review: Surviving the Century: Facing Climate Chaos and Other Global Challenges Edited by Herbert Girardt Earthscan: 2007 208 pp. £ 17.99*

## It's Not About The Carbon

By Jim Miles

While there are still many people debating whether or not global warming is occurring, or if it is caused by human factors or just another of 'nature's' natural cycles (after all, are not humans a part of nature?), the most educated voices are now saying: Yes it is human caused...and it's all too late.

Not necessarily too late to try and do something about it, but too late to think we can stop it. At best, the recently emerged view is that global warming, no matter what we do, will increase for some decades before it is even slowed down, let alone stopped; at best that means the varying societal interests need to actually do something about the process rather than throw out political homilies and platitudes that mean little.

Two recent conservative magazines have produced articles that quite boldly say it is too late, we cannot stop it. The National Geographic Magazine, which at times prides itself on its non-advocacy of positions by presenting balanced reports, quite plainly says, "No matter what we do now, that warming will increase some – there's a lag time before the heat fully plays out in the atmosphere. That is, we can't stop global warming." More impressively in my mind is a similar article in Foreign Policy (FP) magazine that says essentially the same thing, but in even stronger language: "But the mounting scientific evidence, coupled along with economic and political realities, increasingly suggests that humanity's opportunity to prevent, stop, or reverse the long-term impacts of climate change has slipped away."

Too late folks, the game is over! But perhaps not as the articles indicate the solutions, as per the Geographic, "in every case...will demand difficult changes," and from FP, "Riding out the consequences of a warming world will be difficult, and we need to prepare now."

Even more dramatically, if one can look at the significance of the information, Britain's Stern Review on the economics of climate change indicates, "Ultimately, stabilization – at whatever level – requires that annual emissions be brought down to more than 80% below current levels." 80%? That figure is well beyond any political or environmental target that has made it through public discourse. British Columbia, Canada, is talking about a 33% reduction in emissions by 2010 without having any significant plans in place to do so, and while the national government had initially heavily endorsed Kyoto, it has not produced even minimal results from their statements on that accord. The United States never even bothered to sign on to Kyoto, recognizing at least intuitively the political

uselessness of trying to change their own behaviour. *The answer from the Stern Review is based on economics:*

Action on climate change will also create significant business opportunities, as new markets are created in low-carbon energy technologies and other low-carbon goods and services. These markets could grow to be worth hundreds of billions of dollars each year, and employment in these sectors will expand accordingly.

The Stern Review continues with its economic analysis and at least identifies the reality of the current global economic structure between rich and poor:

**All countries will be affected. The most vulnerable – the poorest countries and populations – will suffer earliest and most, even though they have contributed least to the causes of climate change. The costs of extreme weather, including floods, droughts and storms, are already rising, including for rich countries.**

Adaptation to climate change – that is, taking steps to build resilience and minimize costs – is essential. It is no longer possible to prevent the climate change that will take place over the next two to three decades, but it is still possible to protect our societies and economies from its impacts to some extent.

Can we really grasp the significance of all this? Is it possible to really do something about it all? And are economic answers the right way to go? My quick answers are no, maybe, and definitely not.

### **FP provides a pessimistic economic view**

Given the scale and complexity of modern economies and the time required for new technologies to displace older ones, only a stunning technological breakthrough will allow for reductions in emissions that are sufficiently deep to stop climate change.

*The Stern Review is quite optimistic, unrealistically so in my estimation:*

Tackling climate change is the pro-growth strategy for the longer term, and it can be done in a way that does not cap the aspirations for growth of rich or poor countries.

*The Geographic is much more cautious and much more closer to the truth, whether intended or not:*

Many of the paths to stabilization run straight through our daily lives, and in every case they will demand difficult changes.

### **Daily Significance**

I doubt very much that the average person can truly

comprehend the significance of this information. In the west we live surrounded by global riches, wealth beyond the carrying capacity of our own lands and, sometimes, most people's imaginations. Food and energy supplies are imported daily from thousands of miles away. The transportation of food and its initial production are energy intensive, and energy supplies are coming increasingly under the gun, a situation I will come back to later. **Yet because of our riches we can afford the food and the energy. We can afford to use more energy – and this is the big point missed by all three commentaries on climate and economics – for our consumptive lifestyle, for the purchase of many unnecessary, unneeded products that both consume energy in their use and consume energy for their production, for our leisure travel, for our status and emotional comfort. We live in a society designed for the ultimate consumer, the automobile and its related economic activities from the millions of units produced annually to satisfy our status, greed, and need for speed and power, to the malls where they transport us to consume even more of our environment.** The propaganda of consumption (some call it advertising) builds on the rationale of greed and on the largely unsubstantiated need for 'growth' which in turn is almost purely defined in economic terms but not social terms, on the right to deserve all these riches, and to flaunt them to the rest of the world as our right and heritage and religious justness. Ultimately, we can afford to survive the worst effects of global warming...or so we think...or so we ignore.

The rest of the world struggles with lack of food, poor water and sanitation, disease, lack of basic education and medical services. Their economies struggle with equality more so than ours do, aggravated by the disasters of 'structural adjustments' and other accomplishments of the western based global financial rulers of the Washington Consensus, the World Bank, the IMF, WTO, OECD and other organizations related in kind and mind. The daily significance of life for an increasing number of global citizens is to try and put even one square meal on the table, to survive another day waiting for medical attention they may never see, to live without aspiration for sons and daughters to do more than continue in a similar vein, to get an education that will permit them to make a healthier more stable global social climate.

**The rest of the world suffers, essentially, from our grab for resources and riches, a grab that is protected by the 'hidden fist' of the military, by the covert actions of the CIA and other agencies operating clandestinely at their will. People live**

**in areas suffering from authoritarian rule because the west, mostly the United States but also including its European partners, could not tolerate any form of successful social democracy that did not bend to the will of the more enlightened economies and philosophies of neoliberalism and 'free' markets.** These are not people that are too much concerned with the global environment. How can they be when their own environments are poisoned by industrial wastes, controlled by transnational corporations that care little for the environment as a living space or as a working space, when their indigenous crops are replaced by global corporations and large scale factory farming, when they themselves are reduced to poverty wages removed from the land that once supported them. Ultimately, they will be the ones to suffer the most from global warming as they can afford nothing or little beyond their next meal.

I realize that this is an overstated dichotomy, as there are gradations of economic and social susceptibility between the two, and not just in separate countries but within countries and regions as well, but the point I am obviously making is that the developed countries control of the global riches, through the force of military might and economically subversive tactics makes it so that the rest of the world, and the poor everywhere, will suffer significantly more from the still as yet fully unexpected and unanticipated impacts as advanced global warming comes upon us. Most of us living in the west remain wilfully or ignorantly removed from thinking about the consequences of our lives as we see the good life perhaps diminished but not gone. The others are too busy struggling for daily survival to even be aware of the situation or at best have the leisure to contemplate what it means. At either end of the spectrum and all along its continuum, not many can grasp the significance of what is yet to come if these predictions are correct.

#### **It's not just the carbon**

**The effects of global warming should be generally well known in a superficial intellectual level: the loss of species, the invasion of species into new areas, bigger and stronger storms, more heat and more moisture, rising sea levels, changes in agricultural production, habitat loss, loss of the ice caps and the surprising theory of a European ice age caused by the stopping of the 'Atlantic conveyor' heat exchange system, and other nuances along the same lines as the preceding. In our comfortable richness we pay only lip service to these while doing 'green' activities such as recycling, or cycling to work once in a while to assuage our environmental**

**consciousness into thinking it has done something positive, or perhaps some have attended environmental protest to save a forest or pond, only to drive home to their relative comfort in neighbourhoods where forests and ponds have long since disappeared.**

Governments talk at great lengths about carbon and what to do with it. Cars need to go 'green', carbon taxes can be applied, carbon credits can be traded, and new carbon emissions goals are set but go unsupported with legislation and action. Research for more climate resistant crops is encouraged, hoping to sustain the previous centuries green revolution in agriculture. Transit is obviously one of the better ways to reduce carbon, but cities continually plan with major road expansions whose increased traffic will greatly offset the smaller gains made by a weaker rapid transit infrastructure. The government always turns to the people, urging everyone to reduce energy use by shutting off light bulbs and computers to help clean up the air. Neon lights are touted as being part of the answer without recognition of the energy required to make them and then to dispose of them safely and guard against chemical pollution from their retired carcasses. Nuclear energy is becoming green again, as it does not add to global warming, only to the radioactive pollution and contamination of large sectors of the world while at the same time encouraging the nuclear industry and all that it encompasses within our increasingly militaristic society. Modern technologies of solar power, wind power, and tidal power are encouraged but are far from eliminating our reliance on carbon derived fuels. **As always, the mantra of growth keeps raising its ubiquitous head, keeping governments trapped in their own circular arguments of not wanting to damage the economy and therefore not applying standards as stringently as would be necessary to prevent carbon increases.**

All those suggestions to slow or halt the rise in carbon pollution sound impressive and good, but as indicated at the beginning it is all too little, too late, except for the Stern Review that sees a bright light with all the money to be made from the new technologies. Unfortunately, leaving carbon cleanup to the profit makers will probably be just as damaging to the ecology and the economy (except for the very few on high) as the actions of the IMF, WTO et al have been to the ecology and climate of the developing and undeveloped countries of the world with their attempts to eliminate poverty and create democracy. Corporate trading of carbon credits or carbon 'debts' will only ensure more profits to the already wealthy but will not help the polar bears keep the ice they need to survive on, nor the indigenous populations of

the Andes keep the glaciers that provide the majority of their water.

Even with all the positive actions compounded, we will not stop global warming. The actuality of doing everything in our power to stop carbon emissions is limited by the reality of societies' momentum towards growth and consumption, and it is this point where the argument turns – it is not about the carbon. Carbon is simply the scapegoat, the 'evil other' that threatens us, the by-product for our societal destruction of the environment. We are all looking for the solutions in the wrong area. Certainly halting carbon emissions is the overall goal, but diplomatic and economic attempts to change anything significantly will not succeed within our current economic lifestyle.

### **Blame the consumers – we're all guilty**

In one recent review, I was criticized for blaming the consumer, making the consumer the victim of global warming in the manner that the empires of the world blame the people being occupied as being the aggressor and the fault for all their problems. It is a ridiculous comparison: an occupying army labels itself the 'victim' of the occupied peoples aggression through ideological rhetoric and control of the media; the so-called 'aggressors' have no recourse to significant media and must suffer the deadly effects of occupation in silent fear – or in open rebellion. To label consumers as 'victims' in this comparison is bizarre as they have immensely more freedom to complain and agitate for their wishes and desires within a safe society.

Are we 'victims' of anything? Well, one could claim to be a victim of our societies brainwashing by way of all the corporate advertising/propaganda that is so omnipresent as to be a constant background radiation, mostly unrecognized, to our lives. We could be 'victims' of corporate and government collusion to keep our consumptive economy growing because they cannot visualize anything less than the perpetuation of their own power. But compared to staring down the barrel of a machine gun, or listening to the whine of incoming munitions, or watching approaching helicopters with their made in America missiles, to have a consumer labelled a victim is senseless.

Theoretically we are all educated to have free choice and free speech and we only make ourselves victims if, when we come to the realization that we are destroying our environment and our lives, we do nothing about it except apply some superficial activities to ease the guilt of our lifestyle. We are capable of making choices, individually and collectively, using our intelligence, social conscience and freedoms (admittedly increasingly limited under the rubric of the 'war on terror') to change our personal direction

and our government's direction. It is our lifestyle that is to blame, and even if we somehow manage to arrest climate change at a new static level we are still consuming way too much of our environment to be able to reverse the overall affect of global warming and its co-protagonists, pollution, resource exhaustion, and war.

*Certainly, let's reduce our carbon emissions, but also let's return to the Geographic statement that bears repeating:*

Many of the paths to stabilization run straight through our daily lives, and in every case they will demand difficult changes.

I find this a rather powerful statement within its simplicity for all that it implies. "Our daily lives" will have "difficult changes" not just asked of them, but "demanded" of them and one way or the other, the climate itself will "impose" these changes on us.

### **Bring home the military**

Our economy, our huge consumptive economy, our "daily lives" are based on the control and extraction of wealth from the undeveloped or developing countries. Quite naturally, at least at the peoples' level, at the indigenous level, they somehow do not see our enlightened benevolence and spiritual beneficence that supposedly accompanies this extraction. Our control of these resources then comes back to the 'hidden fist', again a rather powerful phrase aided by the simplicity of its visual image. Routinely over the course of Twentieth Century history, that fist has both been hidden and revealed. When hidden, it sometimes is caught out as in the Iran-Contra 'scandal', but generally it is free to undermine democratic governments, destroy indigenous democracy movements, and generally support corporate initiatives be it for control of land for banana production, for control of mineral resources, for control of oil resources, or more technically for control of genetic materials of indigenous species as well as the human genome.

When visible it is obvious to the eye, but concealed behind the rhetoric of democracy, freedom, liberal free markets, with the over-riding justification being the racist and bigoted 'war on terror'. But it is only concealed to the home town crowd, those imbued with the rhetoric of justification that argues constantly of good intentions, superior civilization (the white man's burden), and with the patriotic hubris of America first, best, and always. It is time to engage in the viewpoint of the 'other': the indigenous peoples of the world who continue to suffer under the subjugation of corporate and militarily supported minority governments; the Islamic followers who are

now universally condemned in spite of rhetoric about freedom and equality, subject to racist barriers promoted under the 'war on terror'; and all other faiths and peoples whose beliefs and values do not adhere to the corporate free market perspective of the world.

As much as they are thought to be the ones that will suffer most from future global warming, we have much to regain from them, the most important being our sense of balance in regards to our own self-importance in the world. In short, we must change ourselves - our way of thinking and our way of acting.

### **Solutions – 'growth' or minimalism**

There are two main routes that we can follow as global warming increases. First, we do little or nothing as we are currently doing – or little or nothing as is envisioned by our brilliant far-sighted leaders – let nature beat the crap out of everyone and then continue to run the same militarized corporate economy for our own strategic security and the rest be damned. It would not be a pretty world. Or secondly, we can change our thinking, and more importantly change our actions, our lifestyle, and the kind of society we support, an all-encompassing change that brings the recognition that we can no longer continue consuming the planet as we are, that we do not need all the 'stuff' that advertising creates a 'need' for, that we do by necessity need to live a more minimalist lifestyle. Unfortunately, in countries with minimal or no social safety net, such as the U.S., the impact of decisions to change lifestyles and change government operations will be felt most strongly by the working poor and the shrinking middle class. It still might not be pretty, but it would set exemplars for future generations to avoid the same trap that we are currently in.

We need to end the militarist conquest of the other peoples of the world in order to free them from being regarded as the 'evil' other, that the 'other' has the same hopes, wishes, and desires as we do for a peaceful existence, food on the table, a happy family life, a shelter to live in, and work that makes a meaningful contribution to our families and society; and free them from having their resources extracted and pollution and waste and poor health be their inheritance, that their resources are for their own use and benefit, and for fair trade with countries that wish to purchase them.

We need to change our economic views, such that in a finite world with an increasing population, the distribution of goods and services trends towards equality. We need to realize that the individualistic free-for-all of 'free' trade does not and will not promote equality and democracy, that the majority of successful

societies and countries have succeeded by not following the free trade maxims, but by having strong social supports in education, health, working conditions and workers rights, the rights of women and children, and protection for the environment. It seems bizarre that we still need to call for that kind of world.

Growth should no longer be the mantra, nor should the slightly improved version 'sustainable growth' be allowed to fool us any longer. This needs to be done at many levels, within our personal lives at home, within the broader framework of local communities, at federal political levels where leadership change is a necessity if anything effective is to be done, and finally at the international level where a reconditioned UN could be effective to bring about more global equality, coordinated with the shutting down of military alliances (NATO, SEATO et al) and other organizations that are extensions of the corporate military western mindset.

The specifics come down to personal actions, actions taken at home to consume much less in material goods and in luxury services, to shop locally for food and entertainment. The American economy, and those tied into it, are already in significant trouble with the massive accumulated debt of "an unvisualizable, indeed unimaginable, \$37 trillion, which is nearly four times Uncle Sam's GDP [italics added]" [4] It is also inconceivable that such a debt supported economy, faced with growing international competition, will be able to survive much longer. Instead of supporting the economic debt by spending beyond personal

means, we need a return to the idea of saving and buying locally, an idea that supported the growth of the 'Asian tigers' before they allowed themselves to open up to global speculative markets. Either way, economic meltdown, or atmospheric meltdown, the economies and our lifestyles are endangered.

Will our economy suffer? Of course it will, especially in the GDP measurement of things under the growth mantra. But another personal change towards taking actions to promote and participate in socially/globally responsible governments will alleviate much of that discomfort. And besides, if the scientists and environmentalists are correct in their conclusions as presented at the beginning of this article, we will become very uncomfortable anyway. Nature "will demand difficult changes."

### **Conclusion**

It is now recognized that global warming is happening, that it is happening faster than expected, that in order to reduce carbon output we need to make changes to our usage of carbon consuming compounds. I have argued here that carbon is not the cause, it is simply the scapegoat. The real cause, the real culprit is you and I, those of us within the huge consumptive and unsustainable free market economy that obsessively quests for growth in a finite world. The changes that need to be made need to occur at all levels of society, from personal actions broadening out to civic, federal and international actions that create a radically less consumptive world with significantly more freedom and societal health for all humanity.

### **UN: Private Military Recruiting Booming**

*By Alexander G. Higgins*

GENEVA - The use of private security guards like those involved in the shooting deaths of Iraqi civilians is part of a growing new form of mercenary activity - the recruitment of people around the globe to perform military jobs in other nations, a U.N. report says.

Independent human rights experts who wrote the report, which was obtained by The Associated Press, say the reported killing of civilians in Iraq by guards recruited by the security firm Blackwater USA underscores the risks of using such contractors.

The U.N. Security Council and General Assembly have opposed the use of mercenaries, but the hiring of foreign soldiers by one country for use in another is barred only for the 30 nations that ratified a 1989 treaty against the practice. The U.S. and Iraq are among the many states that didn't sign.

A five-member U.N. panel has been studying the use of contractor guards for two years, said Jose Luis Gomez del Prado, the Spanish expert who heads panel.

"The trend toward outsourcing and privatizing various military functions by a number of member states in the past 10 years has resulted in the mushrooming of private military and security companies," the report says.

A "tremendous increase" in the number of such companies, including those working for the U.S. State and Defense departments, has occurred because of the wars in Afghanistan and Iraq, the report said.

Officials at the U.S. Mission to the U.N. offices in Geneva declined to comment on the report.

## IMF Growth Forecast Not as Good as it Looks

By Nick Beams

The International Monetary Fund has forecast a growth rate of 4.8 percent for the world economy in 2008 in its latest World Economic Outlook, a slowdown from the growth rate of 5.2 percent for this year.

While the expected rate is 0.4 percent lower than the estimate of last July, it appears to indicate a still healthy expansion. Upon closer examination, however, a different picture begins to emerge.

The expansion in the world economy over the next year is heavily dependent on just three regions: China, Russia and India. The IMF calculates that these three economies alone accounted for one-half of global growth in the past year, with expansion also taking place in other so-called emerging market economies.

It is a different story in the major economies. In the United States, the projected growth rate is 1.9 percent for 2008, the same rate as in 2007 and a markdown of almost one percentage point compared to the IMF's previous forecast.

The IMF has also downgraded growth in the euro area and Japan to 2.1 percent and 1.7 percent respectively. IMF economic counsellor Simon Johnson told a press conference that "tighter credit conditions and slower export growth" were the main factors likely to dampen growth in the euro area, while for Japan the main factors were weaker export markets and "some softness in domestic spending."

The IMF's forecasts are based on the assumption that the effects of the credit crunch are being overcome and that "market liquidity is gradually restored in the coming months." But that may not be the case. As Johnson acknowledged: "The primary risks to the outlook are on the downside." Prolonged disruptions in financial markets and a possible weakening of asset prices and confidence could have a more severe impact on economic activity than anticipated.

Two days after these remarks, Wall Street seemed to confirm these warnings when the market fell more than 366 points, a decline of 2.6 percent, to finish the worst week since the end of July.

There could be worse to come. One of the factors that sent the market down was a warning from the giant equipment manufacturer Caterpillar that the US economy was "near to, or even in, recession."

And the financial crisis that erupted in July and August has by no means run its course, as Johnson acknowledged. "We still do not know precisely how the losses from the US subprime mortgage market will be distributed nor whether credit conditions will tighten further as expectations of losses affect bank behaviour," he said.

Johnson compared the unexpected development of the credit crisis to the movement of a forest fire. "Like a forest that has not seen a fire in many years, a benign financial environment, including low volatility and unusually narrow risk spreads, had built up a sizeable underbrush of risky loans, relaxed lending standards and high leverage in certain areas. When problems ignited in the US subprime mortgage market, the fire jumped in somewhat surprising ways to other areas."

There were three important "firebreaks" that should have limited the crisis but which did not hold.

One was the impact on other parts of credit markets, such as "jumbo mortgages" that usually involve less risky borrowers. The second jump was to the banks as revelations about the extent of their exposure to subprime mortgages shook confidence.

The third jump was to commercial paper markets where the market for asset-backed debt dried up leading to a run on the UK bank, Northern Rock, which was not involved in the US subprime market.

These "secondary fires", Johnson continued, were "still being addressed through liquidity operations by major central banks". While their actions had stabilised markets, the smoke had still not cleared.

The role of the central banks in lowering interest rates to combat the crisis drew a pointed question from one of the journalists present.

"To take your analogy," he asked Johnson, "isn't just pumping lots of cheap money into financial markets a bit like sending an arsonist back into the forest with a box of matches, and, in a couple of years time, aren't we going to be facing an even bigger forest fire?"

While defending the actions of the central banks in the short-term, Johnson conceded that his questioner was right in the longer term and had raised "legitimate concerns for the future."

The Financial Times also offered some criticisms. World Economic Optimism would make a decent "alternative title" for the WEO report, it commented in an editorial last Wednesday. "The Fund's analysts expect 2008 to be another year of strong growth for the world economy—at least on the surface. Look a little deeper, however, and their outlook for next year is much less pleasant."

The Financial Times noted that the IMF's forecasts were calculated at purchasing power parity, which gives additional weight to countries such as China and India where market exchange rates do not reflect what the renminbi and the rupee can actually buy on the domestic market. If market rates were used, the 2008 growth rate came down to 3.3 percent.

It pointed out that "market exchange rates are what matter to rich countries, and some businesses will feel pain. Growth of 1.9 percent in the US—well below trend and likely to mean rising unemployment and falling profits—will feel even worse."

The IMF forecast, it concluded, was "as good as any other" but unlike the predictions earlier in the year "the risks to an optimistic outlook have become apparent."

## **China Sees Jobless Growth in Manufacturing**

*By: Jayati Ghosh*

China is increasingly seen as the manufacturing powerhouse of the developing world, to which manufacturing jobs from the North are increasingly being transferred. It is true that there has been a significant shift in the location of manufacturing production towards East Asia, and specially China, in the last two decades. But Chinese employment trends indicate something different. Firstly, the share of the secondary sector in total employment has changed very little, increasing only from 21 per cent in 1985 to less than 24 per cent in 2005, even though the share of this sector in GDP has doubled to nearly half in the same period.

Much of this is because the pattern of growth has been — as elsewhere in the world — much less labour-absorbing than in the past. This is more surprising for China than for any other developing country, because China has become synonymous internationally with rapid economic growth based on the export of relatively more labour-intensive commodities.

The extraordinary thing is that, despite this, manufacturing employment in China peaked in 1995, when it was still less than 100 million workers. Thereafter, total manufacturing employment has actually fallen! There has been a slight recovery in recent years, but at around 85 million it is still below the levels of the mid-1990s.

The reason for this apparently surprising result is that China is now becoming more like other countries of the developing world that have gone in for export-oriented manufacturing production along with trade liberalisation. Other "successful" exporting countries of East and Southeast Asia, as well as Latin America, have seen domestic production eroded by import competition which has adversely affected employment-intensive small producers in particular. The loss of employment in import-competing units has in most cases not been enough to offset the increase in employment in export-oriented activities. This has typically meant a net decline in manufacturing employment even in the most dynamic exporting countries. In the case of China, the process of trade liberalisation has been more belated and was certainly more limited until the early years of this decade, and comparable trade liberalisation has occurred only after the accession to the WTO, which has exposed many more domestic producers to the same tough external competition. This is why the process of net manufacturing employment loss which began even in many dynamic exporters in the early 1990s, began somewhat later in China, in the late 1990s. As a result,

the rapid expansion of export-oriented manufacturing in recent years has still not been enough to compensate for the loss of jobs in manufacturing production that has been threatened or eliminated by import competition.

To this must be added the effects of the ongoing "reform" of state-owned enterprises in China, which has involved substantial reduction of the work force in these. The loss of manufacturing employment has been most sharply felt in the state sector. The share of state owned enterprises in urban employment has fallen from more than 70 per cent in the early 1980s to less than 30 per cent in this decade. Indeed, in 2005, the share of private units was more than that of state enterprises for the first time.

The problem of unemployment is deeper than is revealed by official statistics, which show relatively low open unemployment (between 4-6 per cent) but do not capture a significant proportion of jobless rural migrants. Further, official data do not include the number of laid off workers from state-owned enterprises and urban collectives. The share of state owned enterprises and collectives in total employment has come down quite sharply.

While a high level of employment was sustained in the past by the state's policy of keeping surplus workers in both SOEs and agricultural collectives, this policy was abandoned in the mid-1990s in the move towards a market economy. In a more competitive atmosphere, the SOEs and collectives have also had to restructure their operations and adopt more capital-intensive technologies. When the number of laid-off workers, most of whom are from these units, is included in the official unemployment figures, the actual rate is much higher at around 12.5 per cent of the working population in 2000. This in any case does not include most of the migrants from the rural sectors, many of whom are underemployed.

However, the growth in China has been accompanied by rising real wages, especially in the past five years, and this has clearly benefited the workers in the organised sector, whose real wages have almost doubled over the past decade. (Of course, this does leave out the increasing proportion of unorganised workers, most particularly the rural migrants who operate in the most oppressive labour market conditions in urban China, with long hours of work for typically less than legal minimum wages.)

Reliance on this growing pool of unorganised workers may help to explain the ability of the Chinese economy to base its accumulation strategy so dramatically on high and rising investment rates. Technological changes have

improved labour productivity, but only a relatively smaller proportion of these income gains have been retained by workers. Indeed, as in India, the macro evidence suggests a shift in the distribution of income away from direct producers and workers to surplus-receivers.

The apparent disjunction between economic growth and employment generation in China is something that has been experienced by a number of other export-oriented developing countries already. Indeed, China was earlier something of an outlier in that it showed continuously expanding manufacturing employment despite greater trade openness. Under an open economic regime, the responsiveness of employment growth to the growth in output typically declines.

So in China as in other developing countries like India, the point is to ensure that jobs are continuously created in the economy in other activities. A critical requirement for this is public expenditure, especially (but obviously not exclusively) in the social sectors. This is typically much more employment generating than several other economic activities, and therefore also has substantial multiplier effects. There is therefore a strong case for evolving a growth strategy that allows and encourages labour productivity increases overall while significantly expanding expenditure — and therefore income and employment opportunities — in social sectors that positively affect the conditions of life of most citizens.

### **Environmental Refugees**

The Geneva Convention recognises asylum rights to all individuals fleeing their countries due to ‘a well-founded fear of persecution because of race, religion, nationality, membership in a particular social group or political opinion’. However, no rights are recognised to the millions of people being displaced due to natural disasters, development processes such as the construction of dams, deforestation or any of the vast consequences of climate change.

At current rates, the number of people forced to leave their homes due to environmental degradation reaches 10 million per year, while it is feared that increasing environmental pressures due to climate change will lead to as many as 200 million forced migrants by the end of the century. As with all refugees, the burden of environmental refugees is borne disproportionately by the poorest sectors of the international community, mainly Sub-Saharan Africa, the Indian subcontinent, China and Central America.

The growing numbers of individuals whose lives are put to risk due to environmental strain are increasingly viewed in the context of security by the research community followed by international bodies and governments. The link between environmental degradation and conflict is continuously being stressed, while the consequences of increased environmental burden to the countries receiving those refugees are abundant in international literature. In comparison, studies addressing the plight of these people and measures for their protection are very limited. Professor Norman Myers, a leading figure in environmental security issues states that the only solution to the growing crisis is to ‘export the wherewithal for sustainable development for communities at risk – or import growing numbers of environmental refugees’. Governments of the developed world, however, have chosen to address the issue by further tightening border security. It is argued that people fleeing their countries in the face of environmental degradation do so to escape poverty and are viewed as ‘volunteer migrants’ who move to the developed world in the hope of abusing the asylum system. Environmental refugees throughout the world have no rights to protection, whether their homeland is consumed by rising sea levels (as in the case of Tuvalu, an island of the Pacific Ocean) or whether they are forcibly displaced by ‘development’ work (as in the case of the two million people being forced from their homes to make way for the construction of the three Gorges dam).

The vast majority of environmental refugees are created by the effects of climate change, and rising sea levels and expanding desertification will see millions more displaced individuals in the near future. The developed world is and has been almost entirely responsible for green gas emissions, that are the primary cause of climate change. However, it is the developing world that suffers the greatest consequences of climate change, while not having benefited from the technology that induced it. The time has come to address the ecological debt of the developed North to the rest of the international community. It is also the time to revisit the Geneva Convention and redefine the concept of refugees in order to recognise rights to asylum to those that will increasingly need it in the future: environmental refugees.

## Social Unrest and 10% Growth

By Ashish Kothari

*In 2005, there were 84,000 public protests in China. Indian economists and planners who are keen to emulate the Chinese economic model would do well to heed this, since the unrest in China, as in India in recent years, is fuelled by the inequities resulting from the race to double-digit growth*

Singur, Nandigram and China have some interesting links. One is obvious: they are all under communist regimes. More important, however, is a not so obvious connection: they are all symbolic of the growing violence that governments are inflicting on their own people, and the growing public unrest in response.

Indian economists and planners, who admire China's 'economic miracle' and want India to emulate it, would do well to heed some startling statistics. In 2005 (figures are not yet available for 2006), there were 84,000 incidents of public protest in China; 230 a day, one every six minutes. This was a 10-fold rise over incidents in 1993 (about 8,700). Also noticeable is the trend towards larger and larger protests, with more recent ones involving thousands and sometimes tens of thousands of people. Many observers of Chinese affairs believe that, astonishing as it is, even the figure of 84,000 is probably a gross underestimate, given that media censorship would have blocked reportage of many others.

**Why should India's development planners worry about social unrest in China? Because the forces causing the unrest are much the same as those being unleashed in India in the race to achieve a double-digit figure of economic growth. Albert Keidel, formerly senior economist at the World Bank's Beijing office, has linked the protests to displacement and dislocation caused by China's economic model. In the 1990s, worker lay-offs caused by economic reforms affected 50 million workers. In the last few years, the biggest cause of unrest has become the takeover of farmlands and forcible evictions for urban growth, industries, shopping malls and infrastructure projects.**

In December 2005, villagers of Dongzhou village, Guangdong province, protested the setting up of a power plant. In January 2006, thousands of protesters clashed with police over inadequate compensation for farmland acquired for industrial use in Panlong village, Sanjiao township, Guangdong province. In April 2005, 20,000 peasants from several villages in Zhejiang province, who had been complaining for four years of industrial pollution that had ruined their agricultural livelihood, clashed with police. The factories were eventually shut down and protest leaders were arrested. Still earlier in 2004, about 90,000 villagers protested impending displacement by a hydro-electric

dam in western China, and the authorities had to impose martial law to quell the agitations. Most protests have been peaceful, but some have resorted to violence. In August 2005, unemployed residents of Daye, Hubei province, attacked government offices and destroyed cars after police used dogs to break up a demonstration over an official plan to annex Daye to a larger city, Huangshi.

In Guangzhou, according to the police, forcible evictions constituted nearly one-fourth of protest activities in the city in 2003-04.

Sounds familiar? It should. Everyday in newspapers, one reads of such protests in India. The unrest in West Bengal, at Singur (against a proposed automobile plant of the Tatas) and Nandigram (against a proposed Special Economic Zone for a chemical complex), are the latest to hit the headlines. But they have been preceded by dozens more in only the last two years. Since January 2006, adivasis facing eviction by a proposed Tata steel plant in Kalinganagar, Orissa, have blocked the road under the banner of the Visthapan Virodhi Janmanch. Their farmer counterparts in Keonjhar have protested the proposed Arcelor Mittal steel plant. Thirty thousand farmers protested against a Reliance Special Economic Zone (SEZ) outside the Commissioner's office in Navi Mumbai in September 2006. Villagers slated to be displaced by three SEZs around Pune rallied on October 6, 2006. In Sonapat district, Haryana, the Bharatiya Kisan Union has led protests by 12 villages against the government's plan to set up the Rajiv Gandhi Education City on prime agricultural land. Adivasi and peasant movements in Jharkhand led to a mass protest in November 2005 against the industrialisation policy of the state. Thousands of fisherfolk on Orissa's coasts have protested the proposed handing over of vast areas for the Dhamra and Posco ports, expansion of the Gopalpur port, and offshore oil drilling by Reliance and ONGC. Their counterparts in Tamil Nadu have physically tried to stop work on the controversial Sethu Samudran project in the Gulf of Mannar. On December 18, 2006, 15,000 adivasis and dalits rallied in Harda, Madhya Pradesh, against the state government's proposals to hand over huge tracts of lands to private companies. In Manipur, indigenous peoples' organisations have held several protest demonstrations against plans to build big hydro-electric dams that will take away

forests and cultivated lands. These are but a handful of examples amongst hundreds in the last few years. There are no consolidated figures of public protests in India, so it is difficult to say whether we are winning this race against China or not. But if not already, we will soon. The Indian State's blind pursuit of the figure 10 has given birth to programmes like the SEZ, and to the opening up of even sensitive tribal areas for mining, industries, and tourism complexes. SEZs are particularly brazen, with the government virtually treating them like 'foreign territory', granting them a range of exemptions from Indian laws. With about 400 on the anvil, SEZs are taking up enormous chunks of rural land (farms, pastures, other common lands), with the worst affected being marginal farmers. In many places, farmers are not taking this lying down; they are protesting, vehemently and sometimes violently. Interestingly, many of the protests reported from China are from their SEZs or similar areas given preferential treatment...and it is from them that we have taken the cue for this new form of internal colonialism.

**Several analysts have linked China's unrest to the growing inequities generated by the current economic growth model. By 2005, the country's Gini coefficient, a measure of income inequality, had reached between 0.45 and 0.53 (from about 0.34 in 1999), one of the highest in Asia (a measure of 1 is total inequity, in which one person owns all the wealth). Such inequities are reported to be on the rise in India since the process of globalisation began, with a visibly growing gap between a tiny minority who are shooting into the lists of the global rich, and the vast majority who remain impoverished. In 2005, the Gini coefficient for India was calculated at between 0.37 and 0.42, depending on which source one took. These inequities are manifested in the increasingly conspicuous luxurious lifestyles of the elite, and are obvious sources of resentment and anger. It is a matter of shame that 15 years after the 'economic reforms' catapulted us into the globalised economy, India as a superpower ranks only 126th (out of 177 countries) on the UNDP's Human Development Index. Even amongst 102 developing countries, it ranks only 55th. Most indicators of human welfare are abysmal, with countries having much slower economic growth rates doing much better. Public health expenditure at 1.2% of GDP and public expenditure on education at 3.3% are amongst the world's lowest. Sanitation and water access have shown marked improvement, but nearly 70% of the population still does not have improved**

sanitation. 47% of children below 5 are underweight, 30% of the population is below the officially defined poverty line. Even as we celebrate the entry of some Indians into the world's billionaires list, 80% of the population earns less than Rs 90 a day. India's shining growth rate is concentrating benefits in a tiny section of its population...why would the massive numbers of people left out in the cold not protest?

**An interesting aspect of China's economic growth is the heavy concentration of industries and infrastructure along its coast. Not surprising, given its export orientation. Again, the parallel with India is striking. Very many of the approximately 250 SEZs so far approved are close to the coast. The Indian government is actively considering diluting the Coastal Regulation Zone (CRZ) notification, which had to some extent kept destructive development away from many sensitive coastal stretches. The proposed changes, based on the recommendations of a committee headed by M S Swaminathan, would considerably weaken environmental regulations.**

Large-scale commercial development would inevitably threaten fragile ecosystems and millions of fisherfolk and coastal farmers, as already witnessed for instance in the SEZ being set up on the Kutch coast in Gujarat. Fisherpeople across India have already led a series of mass protests against the takeover of their waters and lands, a movement that will only intensify with the proposed changes in the CRZ notification and with more SEZs being approved. Large-scale social destabilisation of India's coasts can surely not be a recipe for a secure future.

Public unrest is bound to grow elsewhere too. Across much of India, there has in the past been a spirit of tolerance, indifference, or sheer helplessness to a range of injustices. This has subdued the potential for protest. But as people get pushed further against the wall, as civil society actors facilitate greater social mobilisation, and as communities increasingly find their voice, this will change. As has happened in China, where dissent has long been suppressed. Open expressions of anger and resentment will only increase, and undoubtedly some will be violent.

What is most worrying is the response of the Indian State. Will it react in the same way as the Chinese government? President Hu Jintao and Premier Wen Jiabao have noted the significance of the protests, and even acknowledged that they have to do with some failures of the State. But their dominant response till recently has been to clamp down on what they call "mass incidents". Several provincial

governments have dealt with protesters harshly. The Dongzhou agitation was subdued by police opening fire and killing between 3 and 20 farmers (depending on which source one believes). Three hundred hired thugs were sent in to beat up farmers camping in protest on land taken over for a power plant in Dingzhou (Hebei province). A video shot by a brave farmer shows men armed with pipes, knives and guns brutally attacking the villagers. In October 2004, armed police opened fire on 10,000 farmers facing relocation because of a new dam in Ya'an, Sichuan, killing at least one protester; in retaliation, the crowd killed two policemen. Dozens of protestors and supporters of movements have simply disappeared in various parts of the country.

**Democracy in India makes it much harder for the government to clamp down on dissent. Nevertheless, if trends continue, we too will head the same way. On March 14, 2007, at least 14 people were killed by police firing indiscriminately at a public protest against the proposed SEZ at Nandigram in West Bengal. In January 2006, 13 adivasis (and two policemen) were killed in Kalinganagar in clashes over the construction of a boundary wall for Tata's proposed steel plant. Farmers protesting the seizure of their land for a SEZ in Mann, Maharashtra, faced police bullets on March 9, 2006. On March 27, 2006, fisherfolk at Dibbapalem village of Visakhapatnam district, Andhra Pradesh, were fired upon because they had raised their voice against evictions for the proposed Gangavaram Port and five-lane road. At least one fishworker was killed, several injured. In Kinnaur, Himachal Pradesh, over a dozen tribal people were injured in police firing at the construction site of the Karcham-Wantoo hydro-electric dam which threatens to displace them. Section 144 or other prohibitory orders have been commonly used by district administrations to quell agitations, even when peaceful; well-known are the ones in adivasi districts of Orissa and Singur in West Bengal. There are increasing signs of the government losing patience, and using strong-arm tactics. Is this what Chidambaram implied, knowingly or unknowingly, when he said "dissent will be brushed aside"?**

In China, the government has also imposed press censorship. Editors of all newspapers have been told not to report protests, and journalists covering such events have been imprisoned, harassed, or stripped of their jobs. This too may not happen immediately in

India, for our press is still fiercely independent. But strangely, there is already some self-censorship creeping in, with several prominent dailies blanking out incidents of public protest unless the presence of celebrities makes them difficult to ignore.

One final worry is the reaction of the elite and upper middle classes. Being direct beneficiaries of the 10% economic growth model, and being in any case brought up to look at the poor with disdain, the increasing social unrest will only add to their bias. Protestors will be labeled irresponsible and anti-national, and as always, the victims will be blamed for the crime. Many of us will also blame vested political interests for the unrest, and undoubtedly a number of the agitations are fueled (or exploited) by such forces. But it would be a mistake to dismiss the increasing social unrest in this manner. Across the country, people are indeed being marginalised, evicted, dispossessed of the little they have, and very many of the movements have arisen spontaneously against this injustice, or at most been facilitated by civil society organisations which have a community base. To ignore them, or treat them as "politically motivated", will not make the unrest go away.

If economic development is not drastically re-oriented to cater first to the needs of those who still live off the land, forests and water, or toil in our factories and construction sites (indeed those who feed all of us and keep the country running through toil and labour) we face a future of increasing injustice and unrest. And undoubtedly, more violence. The State can choose to deal with this with strong-arm measures, or it can choose to bring in the economic, institutional and environmental changes in policy that would provide security to such people. Belatedly in China, the government is contemplating measures such as better management of land use, strengthening the legal system, protecting farmers' land, raising rural incomes, increasing social spending on healthcare and education, and abolishing the national tax on farmers. These are necessary steps towards a comprehensive reassessment of the 10% economic growth model, which India would do well to heed. Piecemeal measures announced by the central government in response to growing protest, such as reducing the amount of land to be given to SEZs, or improving rehabilitation measures, are not going to make the crisis go away.

The choice is clear, and it has to be made soon if we are not to slip into a state of affairs so riddled with unrest that the government is tempted to repeat what Indira Gandhi once did: impose a state of internal emergency.

## Nobel Hypocrisy

*By: Stephen Lendman*

Alfred Nobel was a wealthy nineteenth century Swedish-born chemist, engineer, inventor of dynamite, armaments manufacturer and war profiteer who remade his image late in life by establishing the awarding of prizes in his name that includes the one for peace. This most noted award was inspired by his one-time secretary and peace activist, Bertha von Suttner, who was nominated four times and became the first of only 12 women to be honored.

Since it was established in 1901, the Peace Prize was awarded to 95 individuals and 20 organizations. Some recipients were worthy like Martin Luther King, Jane Addams and Albert Schweitzer but too many were not including this year's honoree. Al Gore joins a long list of past "ignoble" recipients like warrior presidents Theodore Roosevelt and Woodrow Wilson and supporter of rogue regimes Jimmy Carter. He's also among the likes of genocidists Henry Kissinger and three former Israeli prime ministers - Menachem Begin, Shimon Peres and Yitzhak Rabin - along with former UN Secretary-General Kofi Annan who never met a US-led war he didn't love and support. So much for promoting peace and what this award is supposed to signify. More on this below.

Almost anyone can be nominated for the prize and look who were but didn't get it - Adolph Hitler, Benito Mussolini, Joseph Stalin and more recently George W. Bush, Tony Blair and Rush Limbaugh laughably. In contrast, one of the most notable symbols of non-violence in the 20th century, Mahatma Gandhi, was nominated four times but never won. More recently, anti-war activist Kathy Kelly, co-founder of Voices in the Wilderness, now known as Voices for Creative Nonviolence, got three nominations but was passed over each time for less deserving candidates. Her "reward" instead was to be sentenced in 2004 to three months in federal prison for crossing the line into Fort Benning, Georgia in protest against the School of the Americas, now known as the Western Hemisphere Institute for Security Cooperation that's commonly called "the school of assassins."

### **Peace Prize Awards to War Criminals**

Henry Kissinger was likely the most noted war criminal ever to win the Nobel Prize (in 1973 with Vietnam's Le Duc Tho who declined his award saying there was no peace in his country). The sheer scope of his crimes is breathtaking:

- three to four million Southeast Asian deaths in the Vietnam war;
- the bloody overthrow of a democratic government

- in Chile and support for Latin American dictators;
- backed Suharto's takeover of West Papua and his invasion of East Timor killing hundreds of thousands;
- supported the Khmer Rouge early on and its reign of terror rise to power;
- backed Pakistan's "delicacy and tact" in overthrowing Bangladesh's democratically elected government causing a half million deaths, and much more around the world as National Security Advisor and Secretary of State for Richard Nixon and Gerald Ford.

Former UN Secretary-General Kofi Annan and the world body he represented won their award in 2001 "for their work for a better organized and more peaceful world." It wasn't for what Annan did in his various UN roles. Early on, he had a position in the Secretariat's services department in New York. He then got subordinate responsibility for the Middle East and Africa in the "special political affairs" department. There his support for Washington's call for troops to be sent to Somalia in the early 1990s helped put him in charge of all peacekeeping operations in February, 1993. In that role, he prevented measures from being taken to stop the impending Rwanda slaughter he was warned about in advance that caused around 800,000 deaths on his watch. He also kept the Security Council uninformed of what was coming.

At the behest of then UN Ambassador Madeleine Albright and without consulting Secretary-General Boutros-Boutros-Ghali, Annan sided with the Clinton administration's authorization of NATO to illegally bomb Serb positions in Bosnia in 1995. It got him the Secretary-General's job in January, 1997 in which one observer noted he "courted the wrath of the developing world by rejecting anticolonialism in favor of moral principles cherished in the West."

Kofi Annan's Nobel award is a testimony to hypocrisy for a man whose ten years as Secretary-General failed to fulfill the mandate he was sworn to uphold: "to save succeeding generations from the scourge of war; to reaffirm faith in fundamental human rights; to establish conditions (promoting) justice....equal rights of men and women (in all nations and respect for) international law (and) social progress....to ensure....armed force shall not be used."

*During his ten year tenure in the top UN job, Annan:*

- supported Iraqi economic sanctions that caused around 1.5 million deaths including over one million children under age five;

- backed the Bush administration's illegal 2003 Iraq invasion and occupation that's now taken an additional 1.2 million or more lives;
- supported the illegal Afghanistan war and occupation;
- remained mute on the possibility of a wider war with Iran even if it includes first strike nuclear weapons;
- made no efforts to work for peace in the Middle East including in Occupied Palestine nor did he denounce Israel's 2006 war of aggression against Lebanon;
- remained loyal to the West and ignored the plight of his own people throughout the African continent including the immiseration of South African blacks post-apartheid;
- allowed thuggish paramilitary Blue Helmets to occupy Haiti, Bosnia, Kosovo, the Democratic Republic of the Congo, Ethiopia, Eritrea, Liberia, Ivory Coast and Sudan. More on UN peacekeeping below.

Kofi Annan's sole achievement was his uncompromising complicity with the Clinton and Bush administrations' worst crimes of war and against humanity. His loyalty earned him the Nobel award that signified nothing to do with peace he disdained. UN Peacekeeping Forces got the Nobel award in 1988 for missions the UN defines as "a way to help countries torn by conflict create conditions for sustainable peace." Blue Helmets supposedly are sent to conflict and post-conflict areas to perform multiple services that include as top priority restoring order, maintaining peace and security and providing for the needs of people during transitional periods until local governments can take over on their own.

Most often, Blue Helmets end up creating more conflict than resolution and function mainly as unwanted paramilitary enforcers or occupiers. At other times, they become counterproductive or ineffective and end up doing more harm than good. Since 1948, over five dozen peacekeeping operations have been undertaken. Most were dismal failures including the first ever UNTSO mission during Israel's so-called "War of Independence." The operation is still ongoing after nearly 50 years, peace was never achieved, Blue Helmets are there but play no active role, and the world community is silent in the face of Israeli crimes of war and against humanity.

The same condition is true in Haiti where for the first time in UN history MINUSTAH peacekeepers were deployed to enforce a coup d'etat against a democratically-elected president. They disdain peace and stability and function instead as paramilitary

occupiers indiscriminately terrorizing and killing unarmed civilians in service to Western capital.

Three former Israeli prime ministers also got Nobel Peace Prizes - Menachem Begin in 1978 and Yitzhak Rabin and Shimon Peres in 1994. All three men committed crimes of war and against humanity as did all other Israeli prime ministers since David Ben-Gurion took office May 14, 1948 after the new State of Israel declared its independence as an exclusive Jewish state. Nonetheless, the Nobel Committee awarded them its highest honor for furthering the cause of peace they disdained by using their position to inflict on the Palestinian people what Edward Said once said was Israel's "refined viciousness." Menachem Begin was a particularly virulent racist and Arab hater calling Palestinians "two-legged beasts" and saying Jews were the "Master Race" and "divine gods on this planet."

Then there's the current Nobel Peace Prize honoree, Al Gore. CounterPunchers Alex Cockburn and Jeff St. Clair wrote the book on him in 2000 titled "Al Gore: A User's Manual." It's a critical account of a "man whom his parents raised from birth to be president of the United States" and who always put politics over principle. He built his credentials for the high office around pro-business, pro-war, anti-union and phony environmental advocacy as no friend of the earth then so who can believe he's one now.

His 1992 book "Earth in the Balance" was more theater than advocacy. In it, he assessed the forces of planetary destruction that included air and water pollution, soil erosion, deforestation, overpopulation, ozone depletion and global warming. He highlighted the impact of auto emissions and need to phase out the internal combustion engine but made no effort in office to do it.

Then as vice-president he used his "green credentials" to sell the pro-business, anti-worker, anti-environmental NAFTA to the environmental movement. He also supported clear-cutting logging practices including in old-growth areas. He ignored an assessment that this practice risked the extinction of hundreds of species. He backed a 1995 spending bill "salvage logging rider" that opened millions of National Forest lands to logging and exempted sales of the harvest from environmental laws and judicial review for two years. He and Clinton further allowed South Florida's sugar barons to devastate thousands of Everglades acres and gave away consumer Delaney Clause protection that kept carcinogens out of our food supply.

Throughout his political life, Gore supported Big Oil and was tied to Occidental Petroleum Company and

its "ruthless tycoon" chief, Armand Hammer. In return for supporting company interests, he got political favors and patronage from Hammer and his successor, Ray Irani who was a major DNC contributor and got to sleep in the Lincoln bedroom as a bonus reward. He's also been a shill for the nuclear industry that won't solve or even alleviate global warming and the threat it poses according to nuclear expert Helen Caldicott. Commercial reactors discharge huge amounts of greenhouse gases along with hundreds of thousands of curies of deadly radioactive gases and other radioactive elements besides being sitting ducks for retaliatory terror attacks experts believe will eventually happen.

Earlier in the House (1977 - 1985) and Senate (1985 - 1993) and as vice-president Gore also shilled for the Pentagon and defense contractors. He "played midwife to the MX missile," opposed efforts to cut defense spending, and backed the Reagan administration's Grenada invasion and Central American wars. He partnered with Clinton's Balkan wars in the 1990s that destroyed Yugoslavia so NATO could expand into Central and Eastern Europe for its markets, resources and cheap, exploitable labor. In Kosovo, he collaborated with Kosovo Liberation Army (KLA) paramilitary thugs against Serbia and ignored their connection to organized crime. He earlier traded his vote for the Gulf war for prime time coverage of his speech.

He then backed ousting Saddam by coup or any other means and supported the most comprehensive genocidal sanctions ever imposed on a country that killed a likely 1.5 million or more Iraqis including over one million children under age five.

Cockburn and St. Clair fill in more blanks about a political opportunist who supported Big Tobacco, "exploited his sister's death and son's (near-fatal) accident for....political advantage; became a soul brother of Newt Gingrich; race-baited Jesse Jackson; pushed Clinton into destroying the New Deal; plotted to stop Democrats from recapturing Congress in

1996" so "his rival Dick Gephard" wouldn't become Speaker; "leached campaign cash from nearly every corporate lobbyist" in town, and, as already covered, lied about being a friend of the earth by disdaining environmentalism through his actions.

Does this man deserve a Nobel Peace Prize (let alone to be president) along with the Intergovernmental Panel on Climate Change (IPCC) "for their efforts to build up and disseminate greater knowledge about man-made climate change, and to lay the foundations for the measures that are needed to counteract such change." The Nobel Committee ignored Gore's environmental record and went on to say "for a long time (he's) been one of the world's leading environmental politicians (through) his strong commitment, reflected in political activity, (that) strengthened the struggle against climate change." Contrary to his easily accessed public record, not his posturing, The Nobel Committee blindly added "He is probably the single individual who has done most to create greater worldwide understanding of the measures that need to be adopted."

In point of fact, throughout his political life, Gore's actions betrayed the public's trust and still do. He and his wife live in two large energy-consuming homes: a 10,000 square foot, eight bedroom one in Nashville and a 4000 square foot one in Arlington, VA. The Gores also own a third home in Carthage, TN. In both Washington and Nashville, utility companies offer a wind energy green alternative to customers for a small per kilowatt hour premium. Gore can easily afford it, but public records show no evidence he's does it in either residence. Alex Cockburn gets the last word on a man who shills for privilege, has plenty for himself, and like George Bush disdains the public interest: "Al Gore distills in his single person the disrepair of liberalism in America today, and almost every unalluring feature of the Democratic Party" that's mostly indistinguishable from the other side of the aisle in a city where the criminal class is bipartisan.



### **The Americas**

#### **California workers strike Waste Management**

Some 450 drivers, welders and mechanics went on strike October 19, against Waste Management sites in Long Beach, Compton and Sun Valley, California, affecting the area's 225,000 inhabitants. Members of Teamsters Local 396 have repeatedly rejected agreements reached by the company and union negotiators. They voted down the most recent proposal by a 247-115 margin.

Company spokeswoman Kit Cole complained to the Daily News, "Frankly, I think it's shocking and it's disappointing that the workers chose to strike when their leadership was recommending ratifying this deal with Waste Management."

One worker told the Los Angeles Times, "All we want is for the company to share the wealth." Another worker complained the long hours prevent him from spending time with his family. A third said, "It's not about the money, it's about the insult," charging management ridicules and belittles workers.

Waste Management is the largest corporation involved in trash collection and recycling in North America. Starting in the 1960s, Waste Management began acquiring garbage collection services, transfer stations, landfill disposal sites, recycling operations and power plants.

### **Europe**

#### **BBC staff prepare to strike over job cuts**

Unions representing BBC workers have warned that a strike is inevitable within weeks if the director general, Mark Thompson, presses ahead with plans to lay off 2,000 employees—almost a tenth of the workforce.

The move is part of a £2 billion budget cut, following the government's decision to sanction a much reduced licence fee settlement.

BBC journalists and production staff gathered outside Broadcasting House in London on October 17 to lobby BBC Trust members as they arrived for a meeting to finalise plans to plug the funding shortfall.

The cuts by BBC management have also drawn criticism from senior broadcasters such as John Humphrys and Jeremy Paxman for their decision to reduce news and current affairs.

Thompson is expected to appeal to the BBC Trust, which replaced the board of governors, to stand firm in the face of sustained strike action.

According to the Telegraph, a senior broadcaster, who declined to be named, predicted a furious response from even the most moderate employees to the compulsory redundancies among the 23,000

workforce. "There will be a strike. That is definite," he said. "Some big programmes will go off the air... Management have a big fight on their hands."

A senior BBC journalist said, "It's going to be a bloodbath and strike action is certain. People who have been at the BBC for years are going to lose their jobs, which will really stir up the militant feeling pervading the organisation."

The biggest cuts planned over the next six years are in the 3,000-strong news gathering operation when radio, television and online operations are integrated for the first time. Several hundred jobs will also go in the BBC's factual division, responsible for programmes such as "Planet Earth."

Hundreds more staff will be redeployed and an embargo is to be imposed on recruitment, unless sanctioned by the highest authority.

#### **Turkey: 26,000 telecommunication workers go on strike**

On October 16, about 26,000 workers at Turkish telecommunication company Turk Telekom went on an indefinite strike after collective bargaining negotiations collapsed. Union representatives (Union of Post Office Telegraph, Telephone, Radio and Television Workers and Employees of Turkey—Haber-Is) have been in discussions with the company since May 29. This is the first strike in the history of the company.

In 2005, Oger Telecom bought a 55 percent stake in the company for \$6.55 billion, with the rest still remaining with the state. Oger Telecom is a subsidiary of Saudi Oger, a Saudi Arabian conglomerate controlled by relatives of Rafiq Hariri, the late Lebanese prime minister.

During negotiations, management refused to discuss what the union described as "basic and indispensable demands" regarding workers' employment conditions. Union president Ali Akcan said Telekom administration refused to accept their proposals, stating that wage talks collapsed because of this.

As soon as the strike kicked off Paul Doany, CEO of Turk Telekom, declared in a press release, "No employee should expect an increase above the inflation rate."

There are 23 articles of the collective agreement subject to disagreement and four of them are regarding wages.

Soon after the privatisation of Turk Telekom, Haber-Is lost nearly one third of its members and the percentage of non-unionised workers within the company has been steadily increasing since.

Turk Telekom is a very profitable company and last

