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CAN WE END POVERTY 2015

A LOOK AT THE MILLENNIUM DEVELOPMENT GOALS
PROGRESS, PITFALLS AND PROSPECTS

Sovereign Debt Crisis · Texaco Oil Spill in Ecuador · Cochabamba and Ecosocialism · Defining Poverty · South Africa and the FIFA World Cup · Film Review: Robin Hood

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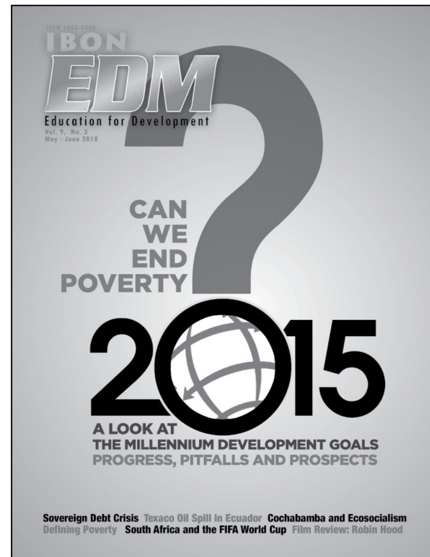

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The MDG Promise: Sweeping Neoliberal Dirt Under The Rug

With five years left before 2015, world leaders are meeting in New York this September to take stock of the progress and gaps in achieving the Millennium Development Goals. But, however laudable, the MDG effort is poised for failure—above all, for skirting the structural issues at the root of global poverty.

Bono, Microsoft Chairman Bill Gates, Queen Rania of Jordan, former British Prime Minister Gordon Brown, former Nigerian President Yar' Adua, and UN Secretary-General Ban Ki-moon pose behind an MDG banner at the 2008 World Economic Forum.
© World Economic Forum swiss-image.ch/ Photo by Andy Mettler

In September 2000, leaders of 189 countries that were assembled for the United Nations (UN) Millennium Summit in New York signed on to the Millennium Declaration. In it, member-states reaffirm their commitment to realizing the goals agreed upon in various UN summits and conferences over the 1990s. Commitments were made in the areas of the environment, human rights, peace, and strengthening the UN. The best-known commitments, though, are those for development and poverty reduction, which contained goals explicitly setting 2015 as the deadline year.

From these commitments were derived set of goals called the Millennium Development Goals (MDGs), which were presented by UN Secretary-General Kofi Annan before the UN General Assembly in September 2001.[1] In its latest form, the MDGs consist of eight goals that break down into 21 quantifiable targets and 60 indicators. The eight goals are: 1) Eradicate extreme poverty and hunger; 2) Achieve universal primary education; 3) Promote gender equality and empower women; 4) Reduce child mortality; 5) Improve maternal health; 6) Combat HIV/AIDS, malaria, and other diseases; 7) Ensure environmental sustainability, and; 8) Develop a global partnership for development. Although widely accepted and endorsed, these targets are non-binding.

Patchy progress

A report of the UN Secretary-General released in February 2010 describes the progress in achieving the MDGs as "a mixed picture of shortfalls and successes."[2] Progress is uneven across regions and countries, with a few doing better than many others. Results are not homogenous across the MDG board as well.

For instance, progress in meeting the MDGs' most famous target—halving the proportion of people living in extreme income poverty, defined as $1.25 per day by the World Bank—is much more modest than is usually claimed. In 2005, there were still about 1.4 billion people living below $1.25 per day, down from 1.8 billion in 1990. Without China, where most of the reduction occurred, the number actually increased by 36 million; and by 80 million from 1981 if the rapidly growing economies of Brazil, India, and Russia, too, were excluded.[3] Poverty incidence remains above 50% in Sub-Saharan Africa, where the population of the extremely poor swelled by as much as a third between 1990 and 2005.

The figures for other dimensions of poverty are also not encouraging. The world's hungry population is on the rise. In 2009, 1.02 billion people were in hunger, up from 842 million in 1990-1992. 129 million children were underweight, and 195 million under the age of five were stunted. Meanwhile, in 2008, an estimated 633 million workers—or about a fifth of the world's working population—were earning less than $1.25 per person per day for their families. And the share of the poorest of the world's income is falling. In 1990, the ratio of the per capita income in the richest 20 countries to that in the poorest 20 was $42 to one dollar; in 2005, it was $59 to one dollar.[4]

What are we doing wrong?

The question staring governments and the UN in the face is why, despite the popular awareness, high-level commitment, and celebrity enthusiasm generated around the MDGs, the world is still far behind in achieving them.

The reason is, in practice, the MDGs are embedded within the broader context of the neoliberal restructuring of the global economy (trade and investment liberalization, privatization, deregulation) which has actually worsened many human development indicators in most regions. Unbridled market liberalization has weakened many governments' capacity to ensure the progressive realization of human rights, and has undermined even the most modest development goals that are the MDGs.

As Charles Gore of the UN Conference on Trade and Development (UNCTAD) acknowledged, "the MDGs have...been embedded within a particular approach to national policy which assumes that global integration, through the Washington Consensus policy package, together with good governance and more social spending, will lead to substantial poverty reduction and improved human development. But these policies have not been able to generate sufficient productive employment opportunities and livelihoods in poor countries, and they have been unable to build up those countries' productive base and thus allow them to become less dependent on aid."

The goal of strengthening global partnership for development is particularly important because it provides enabling or disabling conditions for meeting the other MDGs and advancing human development more generally. This is especially true for least developed countries with severely limited domestic resources (most of all in so-called fragile or failed states).

However, the same goal remains hobbled by the post-Washington consensus prescriptions that perpetuate the neoliberal framework championed by the World Bank and the IMF. Thus, while the Millennium Declaration resolves "…to create an environment—at the national and global levels alike—which is conducive to development and to the elimination of poverty," it immediately follows this resolution with the statement that "We are committed to an open, equitable, rule-based, predictable and non-discriminatory multilateral trading and financial system."[5]

This has meant the imposition of free-market rules on developing countries and the forced dismantling of mechanisms to support domestic capital accumulation and marginal economic sectors and consumers as these are considered protectionist and discriminatory against foreign monopoly corporations.

In practice, the MDGs are embedded within the broader context of the neoliberal restructuring of the global economy (trade and investment liberalization, privatization, deregulation) which has actually worsened many human development indicators in most regions.

Neoliberalism with a human face

Yet another flaw in the MDG approach is its reduction of the goal and process of development to meeting specific, absolute, and measurable aspects of poverty. To Charles Gore, the ascendancy of the MDG approach as the lynchpin of the current international development consensus involves the ditching of the notion of development as a comprehensive process that entails evolution and structural transformation, in favor of development conceived as a collection of quantifiable performance standards.[6] Similarly, to Ashwani Saith, the MDGs confine tackling poverty to a simple equation: "external assistance + technological fixes + good local governance = poverty reduction."[7]

The straitjacketed conception of development at the heart of the MDGs allows aspects so central to its achievement to be ignored. These include power relations, people's rights, policy frameworks, and economic structures. Fixation with fulfilling targets distracts people from hard issues such as unequal North-South relations, unfair trade, debt and aid conditionalities, unfettered capital, the conduct of transnational corporations (TNCs), and widening inequalities—problems that obtain from the prevailing neoliberal consensus. In the same vein, preoccupation with making "doable" projects that deliver recognizable results (like distributing mosquito nets) make such solutions as redistribution, universalizing access to social services, regulating TNCs, and democratizing global economic governance seem like unimportant asides. The MDG approach, as it were, sweeps all these matters under the rug, earning itself descriptions like "Washington Consensus with a human face," or "neoliberalism's deodorant."[8]

Dysfunctional development outcomes

It is not difficult to imagine countries scoring quick successes in meeting narrowly-defined development targets and indicators through ad-hoc measures. Conditional cash transfers in some Latin American countries are hailed for helping reduce rates of inequality and improving enrolment rates among children, absent redistributive reforms. The distribution of mosquito bed nets has made some improvements to reducing child mortality in Africa even as real improvements in the delivery of health services wait in the backburner.

These achievements are certainly noteworthy. But short of structural transformation and departing from conservative macroeconomic policy frameworks, it is hard to think how these quick wins might be sustained over the long term. Charles Gore, for instance, raises the issue of positive outcomes achieved through patchwork actions becoming dysfunctional, as when "more and more children go through school but public expenditure cannot sufficiently increase to hire extra teachers so the quality fails," or when "they go through school but then cannot find jobs or productive livelihoods."[9] One can also think of specific development targets being reached at the expense of others—like lifting people out of income poverty, which, under the prevailing corporate-led globalization model, can only be achieved at great cost to labor rights, women's rights, and the environment. Indeed, the eruption of economic, climate, and food crises in recent years suggests that without comprehensively addressing the power imbalances and wrongheaded policy choices at the root of poverty and underdevelopment, quick successes are bound to be eroded no sooner than they are won.

Looking forward

No doubt, the MDGs deserve some degree of praise. They have been useful in sparking public awareness on poverty and other key development concerns, and generating consensus around the goal of addressing them. Against the backdrop of a planet with one billion people living in extreme poverty and one billion in hunger, one cannot but approve of the MDGs. To Saith, the MDGs have taken on the status of mother's milk: "who on earth could be against it; not even multinationals… pushing canned powdered milk."[10] But the MDGs' strength—their simplicity and broad appeal—also make for their main weakness—their obfuscation of the hard structural and policy issues at the core of poverty and underdevelopment.

As the MDG deadline draws closer, it is high time that we start discussing a post-2015 international development agenda that goes deeper and beyond the MDGs. This new agenda should focus on development based on pursuing the realization of human rights, self-determination, people's sovereignty over productive resources, democratic participation, equity, ecological sustainability, and social justice. This means moving away from neoliberal policy doctrines, and addressing structural imbalances in the way of their achievement, such as economic and political inequalities.

NOTES

[1] The development goals in the Millennium Declaration are based on an earlier goal-setting effort: the IMF- and World Bank-endorsed International Development Goals (IDGs) of the OECD-DAC. In the months following the Millennium Summit, a small group of specialists from the UN, OECD, IMF, and World Bank worked to merge the Declaration's development goals with the IDGs. According to David Hulme of the University of Manchester, the UN managed to get the Bretton Woods institutions' support for its MDG effort by accepting IFI-overseen Poverty Reduction Strategy Papers (PRSPs) as the main mechanism for developing country governments to reach their anti-poverty goals. David Hulme, "The Millennium Development Goals (MDGs): A Short History of the World's Biggest Promise," *Brooks World Poverty Institute Working Papers* (2009): 38-39.

[2] UN General Assembly, 64th session, *Keeping the promise: a forward-looking review to promote an agreed agenda to achieve the Millennium Development Goals by 2015: Report of the Secretary-General* (A/62/665), 12 February 2010 (Masthead).

[3] UN Department of Economic and Social Affairs, *Report on the World Social Situation 2010: Rethinking Poverty* (New York: United Nations, 2009) (ST/ESA/324) (Sales No. E.09.IV.10), 15.

[4] International Monetary Fund, World Economic Outlook Database, http://www.imf.org/external/pubs/ft/weo/2010/01/weodata/index.aspx; accessed 30 May 2010. Simple average of the per capita GDP (PPP) of the top and bottom 20 countries ranked by per capita GDP (PPP) in the years 1990 and 2005. Data not available for some countries in 1990.

[5] UN General Assembly, 55th session, *Resolution adopted by the General Assembly, United Nations Millennium Declaration* (A/RES/55/2), 18 September 2000 (Masthead), 4.

[6] Charles Gore, "The Global Development Cycle, MDGs and the Future of Poverty Reduction," http://www.eadi.org/fileadmin/MDG_2015_Publications/Gore_PAPER.pdf, 3.

[7] Ashwani Saith, "From Universal Values to Millennium Development Goals: Lost in Translation," *Development and Change* 37, no. 6 (2006): 1189.

[8] Charles Gore in the EADI/DSA/IDS/ActionAid/DFID High Level Policy Forum "After 2015: Promoting Pro-Poor Policy after the MDGs"; Antonio Tujan, Jr., "The Millennium Development Goals: Reducing poverty or deodorizing neoliberal globalization?"(Presentation at the IGNIS-Conference "Whose Governance? Obstacles to the MDGs" at Mastemyr, Oslo, 21 September 2004) http://www.rorg.no/Artikler/717.html.

[9] Gore, 8.

[10] Saith: 1179.

Written with reports from **Ava Danlog**, IBON/Reality of Aid country outreach officer for Asia-Pacific.

Case Study: MDGs in the Philippines

Like other Third World countries, the Philippines is off track in more than 40% of the 21 indicators, including poverty, hunger, infant mortality, and maternal health. Based on the monitoring of the National Statistical Coordinating Board (NSCB), at the rate things are going, the Philippines is bound to fail in meeting the goals by 2015.

There are seeming improvements in many of the indicators for Goals 3, 4 and 8. For Goal 3, which seeks to eliminate gender disparity in primary and secondary education preferably by 2005 and to all levels of education no later than 2015, the Philippines has already met the target of leveling the ratio of girls to boys in primary, secondary and tertiary education and the ratio of literate males to females aged 15-24. According to the NSCB, the government is also getting closer to eliminating disparity in the share of the sexes in wage employment. The catch is, the Philippines, in fact, has already achieved those even before the goals were set in 2000.

The government is also happy to report that it has made improvements implementing Goal 4 or reducing child mortality. It has gained success in curbing under-5 mortality rate from 80 deaths in 1,000 live births in 1990 to only 31 in 2006. It is also nearing the target of 19% in reducing infant deaths, improving from 57% in 1990 to 24.9% in 2008.

In achieving Goal 6 of curbing HIV/AIDS, malaria and other diseases, the data vary. Contraceptive use particularly condom as a way to prevent contracting HIV/AIDS is far from achieving the target. Also, death rates associated with tuberculosis even worsened from 31.3% in 1992 to 33% in 2003. However, death rates associated with malaria has decreased from 1.3% in 1992 to 0.3 in 2003.

However, as a whole, the chance of meeting the targets by 2015 is nil. For example in Goal 1, the poverty incidence among the population at the national level decreased only slightly from 33% in 2000 to 32.9% in 2006. This figure is based on a very low national poverty threshold that reflects a change in methodology (i.e. removing items heavily consumed by low and middle-income families from the set of entitlements) at only PhP15,057 per head per year. But even this very negligible improvement masks the regional disparity and hides the worsening poverty in the regions. For example, in the Autonomous Region in Muslim Mindanao and Region IV-B, 61.8% and 52.7% of the population respectively, are below the poverty line while in the National Capital Region the poverty incidence is 10.4 percent.

Widespread hunger in the Philippines is reflected in over 60% of Filipinos having difficulty buying food and around 9.3 million households failing to meet the 100% dietary energy requirement. Three million children aged 0-5 years are underweight while three million more children aged 6-10 years old are malnourished.

The backwardness of the country's education system is also reflective in the apparent failure of achieving the targets in Goal 2. Of the four indicators under the target of full primary schooling for all children of appropriate age, the country is still far from achieving the indicators. It has made improvements in the cohort survival rate, from 69.7% in 1990 to 75.3% in 2007. Primary completion rate also increased from 64.2% in 1990 to 73.1% in 2007, but this is still far from the target.

Goal 5 speaks of improving maternal health but the maternal mortality remains high while the proportion of births attended by skilled health personnel remains low. For example in 2006, there were 162 mothers who died out of 100,000 live births while only 72.9% of mothers giving birth in 2007 were given attention by skilled health personnel.

The NSCB preferred to withhold giving an evaluation of the achievements in Goal 7 or ensuring environmental sustainability. A very important indicator of this goal is the forest cover of the country as a proportion of its land area. The Forest Management Bureau even gave a suspicious figure on the said indicator which saw an immediate increase from 23.8% in 2003 to 52.8% in 2004. The FAO however reports that forest cover is only 22.94% of total land area which excludes plantation forests used for commercial purposes.

The above is an extract from a forthcoming issue of IBON Foundation's *Facts and Figures Special Release* on the Millennium Development Goals, written by **Glenis Balangue.**

A Development Agenda for 2015 and Beyond

As we approach 2015, immediate policy steps need to be taken to hurdle the challenges of the global economic crisis. At the same time, discussion about a post-2015 international development agenda that goes deeper and beyond the MDGs is in order.

By Paul Quintos

Photo from classcaster.org

Some serious challenges stand in the way of achieving the development targets embodied in the Millennium Development Goals. The global financial and economic crisis that erupted in 2008 is the worst to afflict the world since the Great Depression of the 1930s. This is exacerbated by the food crisis and climate change, whose impacts fall disproportionately on poor and vulnerable communities in underdeveloped countries. This convergence of crises clearly indicates a need for fundamental rethinking in the development paradigm that governments and global institutions have been pursuing up to now.

But the response of official institutions to these systemic crises has been severely inadequate and even aggravating. For instance, the main response to the global financial and economic crisis has been to bailout failing private financial institutions whose destabilizing activities have precipitated the crisis in the first place. Meanwhile, increased lending by international financial institutions (IFIs) to developing countries experiencing budget and debt strains remain attached to draconian neoliberal policy prescriptions such as cuts in public services, social security and public pensions, as well as regressive tax reforms. They only worsen the adverse impacts of the downturn on developing countries and their poor working majorities.

Even the G8's pledge to mobilize $20 billion in three years for agriculture is no assurance that the global food crisis will be staunched. There is little reason at present to expect that new funds will address what the UN's Special Rapporteur on the Right to Food, Olivier de Schutter, acknowledges as "the structural causes of hunger and malnutrition, or more broadly, underdevelopment: an inequitable multilateral trading system, an international division of labor that locks countries into the production of raw commodities and does not allow them to climb the development ladder"—deep imbalances that, by Schutter's own admission, more money cannot simply solve.

Meanwhile, despite human induced climate change reaching an alarming stage, there is little political commitment among governments particularly of the largest economies to make deep emissions reductions. Even farther from reach is the commitment to restructure the global economy along more sustainable and equitable patterns of energy and resource use. They remain wedded to the model of development anchored on profit-driven expansion, accumulation and rising commodity consumption regardless of environmental limits. And the solutions on the table such as emission trading and geo-engineering remain embedded in this framework and do not address the basic unsustainability inherent in the global economy.

Concrete policy reforms should serve as first steps towards more far-reaching changes that fundamentally reshape the global economy and global governace post-2015.

In the interim, concrete policy steps can be taken to get the development effort back on track. These should address the continuing impacts of the global economic crisis and respond to the urgent needs of the people.

Among them are policies that redirect the economy towards creating decent jobs for all and ensuring universal access to essential services. This means greater reliance on public employment and public expenditures on labor-intensive services like education, health, water, housing, public infrastructure and green investments. This also entails expansion of public ownership or public control over critical sectors that cannot be left to the market such as finance, (renewable) energy, mass transportation, etc., along with redistributive measures such as agrarian reform. These measures require greater domestic resource mobilization through progressive tax reforms, controls on capital flows, plugging tax leakages and illicit financial flows, reallocating military budgets and introducing new sources of finance such as a financial transactions tax (FTT).

New sources of finance also need to be explored for financing development in the South as well as global public goods including the MDGs and climate change mitigation and adaptation measures. An FTT should be adopted immediately as it can raise from under $10 billion to $1 trillion annually, depending on the rates and coverage of the tax, and part of the proceeds be used for international development. At the same time, the FTT can discourage speculative financial trading and reduce financial volatility.

A global tax on multinational corporations should also be explored along with the establishment of internationally coordinated mechanisms for fighting tax evasion and tax havens. A temporary moratorium on all external debt service payments of developing countries should also be adopted immediately. This would easily free up additional resources for the world's most indebted countries and would represent an effective way freeing up extra funds for critical social investment, while ensuring that no additional debt would be incurred. This should be accompanied by the establishment of a fair and transparent mechanism for sovereign debt arbitration to facilitate the orderly, predictable and rapid restructuring of unsustainable sovereign debt, taking into account the interests of creditor and debtor nations; and linking repayment conditions to economic, social and cultural rights, as well as environmental conditions.

These proposed reforms should go hand-in-hand with meaningful changes in multilateral institutions including the international financial institutions—both in terms of orientation and governance. These institutions must pursue policies that promote the interests of people and the planet instead of profits. At the same time, global governance structures must become more inclusive and more representative of, and accountable to, the needs, interests and views of all countries, not just the wealthy and powerful states.

These reforms should serve as first steps towards more far-reaching changes that fundamentally reshape the global economy and global governance post-2015. Conversation about what should constitute the post-MDG international development agenda is already taking place, and agreement is emerging around three interrelated and positively reinforcing ideas, namely:

1) leaving behind the straitjackets of neoliberal economics, and anchoring the post-MDG development effort on sound, diverse, and locally-oriented development strategies that actually deliver sustained productivity growth, expanding employment opportunities, and better living standards, all within safe ecological limits;

2) putting the achievement of equity, human rights, and social justice at the heart of the development effort, which would require transforming unequal power relations between countries, classes, and genders, and other forms of social and political organization that reproduce conditions of poverty, control, and exclusion, and;

3) emphasizing the agency of citizens, communities and marginalized groups in constructing their own paths to development by giving more space for locally-defined goals and locally-led strategies that better reflect people's aspirations, practices and knowledge, and allow for greater democratic participation.

Concretely, this new agenda can be the subject of a new, legally-binding global convention that operationalizes the Right to Development. This could spell out shared but differentiated responsibilities and obligations among developed and developing countries as well as global institutions such as the UN and the IFIs, with quantitative and qualitative indicators, time-bound targets, and mechanisms to ensure democratic ownership of the development process and accountability of all development actors.

In terms of international development cooperation, there is a need to place greater emphasis on mandatory and redistributive mechanisms for mobilizing financial resources for development such as financial transactions taxes, carbon taxes, climate debt payments, and so on. This should be accompanied by changes in the global governance of aid and international development cooperation that tilts the weight of ownership and control to the side of developing countries rather than donors.

A central feature of this new architecture should be a multilateral and multi-stakeholder forum at the international level that can help enhance harmonization in development cooperation policies in line with human rights obligations and internationally agreed development goals while respecting democratic and local ownership of the development process. This should also enhance policy coherence in order to ensure that the broad range of development-related policies implemented by donors and program countries—in foreign investment, trade, migration, industry, agriculture, energy, environment and so on—are mutually supportive and development effective in the sense that they contribute to and not undermine human rights, equity, justice and ecological sustainability.

Paul Quintos is a policy officer with IBON International.

Photo from flickr.com/photos/kk

Cochabamba

A Great Boost for Ecosocialism

Photo from flickr.com/photos/cityprojectca

As a result of the meeting in Bolivia, ecosocialism is now presented with a historical opportunity to bloom into a world-wide social movement.

By Roger Rashi

I attended the alternative Climate Conference in the Bolivian city of Cochabamba as part of an eight-person Quebec activist delegation. I came back convinced that we witnessed a turning point in the global Climate Justice movement.

Up to now it has been very difficult to link environmental demands to social justice issues. The mainstream ecological movement, spurred by many NGO's, has generally avoided linking these issues under the spurious notion that a "realistic" approach of working with governments and the UN would yield significant results.

But as the spectacular failure of the UN-sponsored Copenhagen Conference of last December has clearly demonstrated, nearly 20 years of government summit-hopping and no less than 15 international conferences have yielded absolutely nothing in terms of binding international agreements. The Kyoto Accord lies in tatters and greenhouse gas emissions are rising dangerously, threatening the world with major ecological catastrophes by the end of this century.

Into this void stepped Evo Morales, the Indigenous left-wing president of Bolivia, who called an international forum of social movement entitled "The World People's Conference on Climate Change and the Rights of Mother Earth."

The result was nothing short of spectacular. The organizers hoped for 15,000 participants, but some 35,151 people, including 9,252 from outside Bolivia, actually showed up at the four day event.

Even more remarkable than the startling turnout was the social composition of the participants. Thousands of rank-and-file activists from Bolivia and Latin America's social movements – community activists, poor peasants, indigenous people—lent the proceedings a militant, combative stance that was reflected in the 17 working groups and the final declaration of the conference. "The Peoples Agreement", as the document is formally known, clearly pinpoints the capitalist model of development and imperialism as the structural causes of the climate crisis.

"The corporations and governments of the so-called "developed" countries, in complicity with a segment of the scientific community, have led us to discuss climate change as a problem limited to the rise in temperature without questioning the cause, which is the capitalist system…

"Capitalism requires a powerful military industry for its processes of accumulation and imposition of control over territories and natural resources, suppressing the resistance of the peoples. It is an imperialist system of colonization of the planet. Humanity confronts a great dilemma: to continue on the path of capitalism, depredation, and death, or to choose the path of harmony with nature and respect for life." [1]

The concept of Mother Earth is not just a slogan. It means a new way of producing, a new way of relating with nature and with one another. This relationship is one of equality and not domination, a relationship of dialogue, of giving and receiving. It is not merely a philosophy or folklore. It is a new ethics, a new way of developing technologies and modes of production.

Far from limiting itself to ringing declarations devoid of practical content, the Cochabamba conference put forward elements of a short-term plan of action that can be summed up as follows:

• At the upcoming Conference on Climate Change to be held in Mexico at the end of 2010, opponents should reject the illegitimate Copenhagen Accord and strive to amend the Kyoto Protocol by setting ambitious binding targets for reducing developed countries' greenhouse gas emissions (50% of the 1990 level to be achieved by 2020).

• Forge a "Global People's Movement" that can coordinate joint worldwide actions such as a campaign for a global referendum or popular consultation on Climate Change.

• Oppose false market solutions, such as carbon trading and the so-called offset mechanisms that mask the failure of industrialized countries to actually reduce greenhouse gas emissions.

• Demand the creation of an International Climate Justice Tribunal that will have the legal capacity to judge and penalize states and industries that pollute and provoke climate change.

System change, not climate change

An interesting insight into the meaning given by the Bolivians leadership to the notion of "Mother Earth" (Pachamama) was provided by Alvaro Garcia Linera, the Vice President of Bolivia.

During a widely attended panel discussion examining the structural causes of climate change, this former guerilla leader and Marxist sociologist, generally seen as the theoretician of the new regime, stated that:

"the concept of Mother Earth is not just a slogan. It means a new way of producing, a new way of relating with nature and with one another. This relationship is one of equality and not domination, a relationship of dialogue, of giving and receiving. It is not merely a philosophy or folklore. It is a new ethics, a new way of developing technologies and modes of production."

Recalling Rosa Luxemburg's famous slogan, "socialism or barbarism," Linera added that today we could say, "Mother Earth or barbarism."

At the colourful six-hour long closing ceremony cum popular fiesta held in Cochabamba's soccer stadium, all the speakers underscored the demand for "system change, not climate change" which ran like a red thread through the forum's proceedings.

In a fiery address to the assembled crowd Venezuelan President Hugo Chavez called for massive dissemination of the outcomes of Cochabamba as a tool for popular education and mobilization in the fight against climate change. Recalling an article that Albert Einstein wrote stating that the future of mankind could only be secured through socialism, Chavez added "If the hegemony of capitalism continues on this planet, human life will one day come to an end."

In his closing speech Morales urged social movements to take the lead in bringing about popular revolutions to safeguard the earth and ensure human rights. "Capitalism is the number one enemy of mankind. It merchandises everything, it seeks continual expansion. The system needs to be changed."

The conference was not devoid of contradictions, confusion or controversy, [2] but it was nonetheless an uplifting and enthusing event. Until Cochabamba, ecosocialism was mostly an intellectual current among left-wing activists. It now presented with a historical opportunity to bloom into a world-wide social movement.

As the old sixties slogan goes "seize the time, seize the hour!"

Montreal, Wednesday April 28th 2010

NOTES

[1] See "Peoples Agreement, World People's Conference on Climate Change and the Rights of Mother Earth, April 22nd, Cochabamba, Bolivia"

[2] Mesa 18, a workshop led by Bolivian grass-root activists was denied participation in the conference. These activists engaged in a two-week blockade of a Japanese owned mine in the San Cristobal region are critical of what they deem to be the government's lax attitude towards mining multi-nationals. The workshop, held at the gate of the official conference, garnered substantial press coverage and sympathy from many conference goers.

Roger Rashi is a social and political activist living in Montreal. He is a founding member of Québec solidaire, and a member of Québec Solidaire's Working Commission on the Environment. This article was published in **Creative-i.info** (http://www.creative-i.info/2010/04/30/roger-rashi-cochabamba-eyewitness-a-great-boost-for-ecosocialism/).

Whose identity is served by this mega-event—South Africa, or Fifa's?

World Cup 2010

FIFA's Gordion Knot

By Khadija Sharife

© 2007 FIFA TM

South Africa's 2010 World Cup 'feel good' factor is addictive. At taxi ranks, street bazaars and tea-rooms, South African citizens everywhere are filled with elation - and pride. Just sixteen years ago, within living memory, non-white South Africans were deprived of basic human rights by the brutal apartheid regime.

From stadiums – completed in advance to fulfill Fifa's (International Federation of Association Football) insistence on a six month 'buffer zone', to airports and other infrastructure, South Africa has fulfilled Fifa's requirements to the tee.

The LOC [Local Organising Committee - ed] has also paced expenditure concerning the FIFA-approved budget of US$423 million (about R3 billion), having used just 32 per cent by mid-April.

Yet all is not well.

Just eight weeks to the Cup, South Africa held more than 355,000 unsold tickets. Due to Fifa's preference of marketing tickets online, just under 40,000 were purchased in Africa 21 days prior to the event – a situation caused by Africa's overall lack of telecommunications infrastructure. Meanwhile, in South Africa, the initial problem, that of a nation too poor to purchase tickets was mitigated when the government subsidised tickets.

'We know our fans are poor,' stated the LOC

Chief Executive Officer (CEO) Danny Jordaan. 'So we have decided to accommodate them.'

Unfortunately, subsidisation eroded the government's main revenue stream from the event. Group tickets selling for US$20 and final match tickets for US$150, were described as the cheapest tickets in World Cup history. A further 120,000 were earmarked for free distribution, mindful of the average monthly income (US$250) – for those that have employment in the formal sector.

Contrast this to Germany's successful 2006 World Cup, injecting 1.5 per cent growth to the economy.

'Germany's Organizing Committe budgeted for the sum of US$659 million. The Organizing Committee made a profit of US$237.5 million, partly due to the near-capacity sales of match tickets that resulted in US$31.1 million in additional and unexpected income,' revealed Dr. Udesh Pillay, editor of Development and Dreams.

Nor is tourism, the secondary source of revenue, estimated to pump 0.4–0.7 per cent growth into the economy, providing previously assumed gains.

According to Jordaan, tourism forecasts initially pegged at half a million in 2003 has now been reduced in estimate to maximum 350,000, with Fifa's hospitality (hotel and ticket) agent, Switzerland-based Match AG, dumping 450,000 pre-booked rooms, one third of the total, on the market. Allegations against Match – securing the tender by Fifa, without a bidding process, reveal the company's exploitation, marking up services by 30 per cent. As one tour operator informed a local newspaper, 'US$30,000 (R224,000) licensing fee to Match as well as a 20 per cent surcharge, plus 10 per cent on each ticket it bought for resale.'

Match AG is primarily controlled by Byron PLC, the 'official accommodation provider for six previous world cups'.

Related company Match Hospitality, exclusively managing hospitality packages, counts Blatter's

Former South African president Nelson Mandela with the World Cup trophy. Photo from 2010safwc.com.

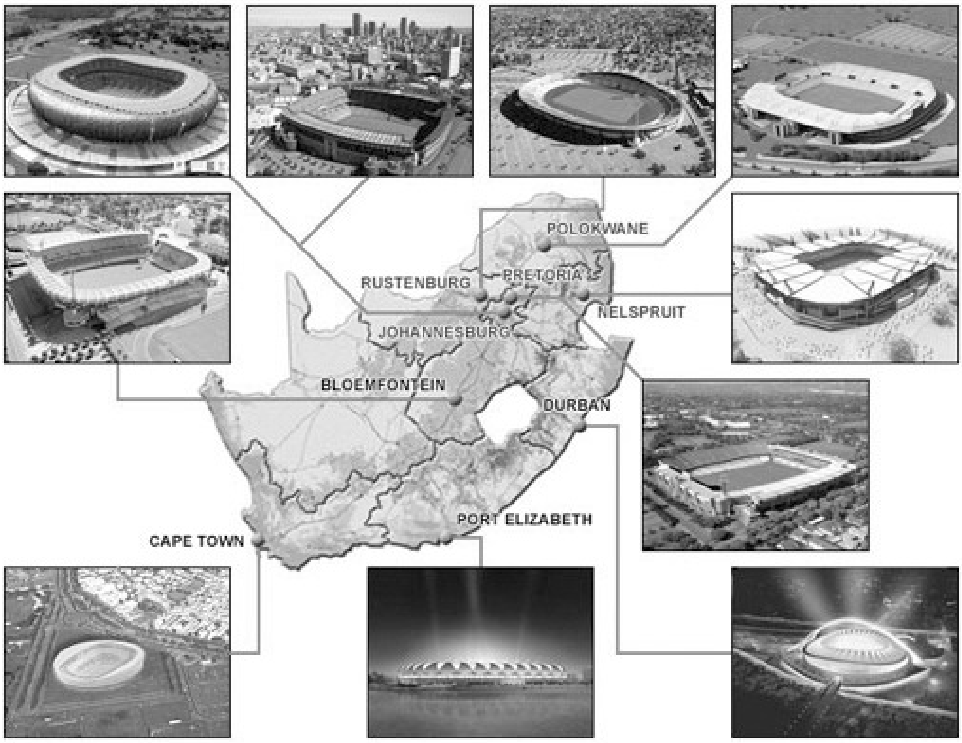
nephew Philippe, as one of its shareholders via Infront Sports and Media corporation.

Though SA's Cup is similar in financial structuring, 60 per cent of Germany's Cup (including 12 stadiums) was financed through private clubs and other private sources, shifting a considerable portion of deferred taxes off the shoulders of citizens.

'Let's be clear,' stated Fifa General Secretary Jerome Valcke, 'The World Cup in South Africa has no financial problems for Fifa,' referring to the already guaranteed US$3.3 billion generated in pre-Cup activities, chiefly commercial i.e.: Television and marketing, rights.

Fifa allegedly retains 94 per cent of total profits, with the entities main costs limited to travel and award money for participating teams. This mounted to US$811 million for Germany's 2006 Cup, with Fifa receiving US$2.19 billion in profits.

Revenue streams of host countries, subject to FIFA's 'franchising' – whether developing or developed, reveal a financial gordion knot: not only are organising committees locked out of commercial rights, but the main benefits of hosting the Cup are largely intangible and assumed



South Africa spent over US$ 1.5 billion to build five new stadiums and renovate five old ones for the World Cup. Image from eSeats.com.

– that is, benefits projected from tourism, construction (financed by host-countries) and the perceived future enhancement of launching host countries on the global map.

What price did South Africa pay to host the World Cup?

According to Pillay, estimated expenditure for new stadiums totalled US$1,346.9 billion: Cape Town at US$366 million with a capacity of 68,000, Durban, US$334.2 million (70,000 seater), Mbombela, US$105 million (45,000 seater), Polokwane, US$92 million (45,000) and Nelson Mandela Bay, US$154 million (48,000). Upgraded stadiums including Manguang, Joburg's Ellis Park and Soccer City, as well as Rustenburg and Pretoria, received a further US$294.8 million.

And stadium-investment is well above the US$105 million (R818 million) initially earmarked for stadium infrastructure, an increase of 750 per cent.

Revenue streams of host countries, subject to FIFA's 'franchising', reveal a financial gordion knot: not only are organising committees locked out of commercial rights, but the main benefits of hosting the Cup are largely intangible and assumed – that is, benefits projected from tourism, construction (financed by host-countries) and the perceived future enhancement of launching host countries on the global map.

Cape Town's Athlone Stadium, the preferred choice of the province to host matches, was marginalised when then-Fifa representative Valcke, revealed that the Fifa did not approve. Gert Bam, director of sports and recreation, stated the province's unanimous choice to site the matches in poverty-ridden Athlone would 'turn the city around, it (would) impact on this tale of two cities...'

But this was not to happen.

According to Fifa 'A billion television viewers don't want to see shacks and poverty on this scale.'

Karen Schoonbee and Stefaans Brummer, co-authors of 'Player and Referee: Conflicting interests and 2010 Fifa World Cup', documented how the LOC 'Fifa's agent' bypassed the 'opportunity to leverage development of an underdeveloped area', in favor of building the R4.5 billion stadium, hosting eight semi-final matches. Revamping existing stadiums to fulfill 'state-of-the-art' requirements in Athlone would have cost R1.1 billion.

'That thing is going to be a white elephant because Newlands rugby is not going to move there and soccer unfortunately is never going to attract games where that stadium is going to be full,' stated former head of recreation and sport, Rod Solomons.

Meanwhile, Durban's Moses Mabhida Stadium, scheduled for seven matches and built at a cost of R3.1 billion, and is pegged as one of Africa's only stadiums capable of hosting most Olympic requirements within one facility. The stadium - soon to be downgraded to 56,000 seating capacity, was constructed a stones throw away from Kings Park Stadium, host to the Sharks rugby team, with a seating capacity of 50,000. The Sharks rugby has indicated that it will not consider shifting base, rendering stadium sustainability a headache for both the Cape and Durban municipalities. To generate forced viability, Durban City Manager, Mike Sutcliffe – who recently admitted the City would struggle to finance the operating costs of the stadium in the long-term, stated that Kings Park would be torn down.

Yet Fifa's agenda was not simply limited to utilising 'world-class' stadiums, but also to have matches located in the best areas of South Africa.

Jordaan however claims that the US$4.5 billion of public funds (US$2.2 billion/stadiums and US$2.3 billion related infrastructure) invested in the event will 'trickle down' through job creation and development. Yet of the 22,000 Cup-related jobs made available to citizens, 70-80 per cent are subcontracted positions, offering wage rates of US$1-2 per hour, while construction companies reported pre-tax profits of 54–142 per cent.

Construction workers pose in front of the Soccer City Stadium in Johannesburg. Photo by the LOC from FIFA.com.

FIFA Local Organising Committe CEO Danny Jordaan claims that the US$4.5 billion of public funds (US$2.2 billion/stadiums and US$2.3 billion related infrastructure) invested in the event will 'trickle down' through job creation and development. Yet of the 22,000 Cup-related jobs made available to citizens, 70-80 per cent are subcontracted positions, offering wage rates of US$1-2 per hour, while construction companies reported pre-tax profits of 54–142 per cent.

The debt itself is compounded by the global economic recession eroding potential tourist revenue; five major currency crashes boding ill for debt, and negative perceptions of the country ranging from crime (leading to UK's marketing of 'Kevlar Vests' for tourists, despite the government financing a further 41,000 police officers and ramping up on security for the duration of the Cup), to The Economist's identification of South Africa as the 'riskiest' of 17 emerging economies.

Fifa's Cup erodes rather than aids SA's political economy. Vice President, Jack Warner effectively lied when he stated that the Fifa paid taxes in host countries. Fifa's 'tax-free bubble', following amendments categorising Fifa's activities as 'diplomatic' via the Revenues Law Amendment Act 20 of 2006, guaranteeing Fifa 17 provisions underpinning 'supportive financial environment', as well as free services ranging from safety and security, healthcare, transport, communications, intellectual

The US$ 250 million Nelson Mandela Bay Stadium in Port Elizabeth. Image from GMP Architekten.

property and marketing, control-zones for specific km, amounting to as yet unknown costs.

According to the Act: 'The Act creates a 'tax-free bubble' around FIFA-designated sites so that profits on consumable and semi-durable goods sold within these areas will not be subject to income tax; neither will VAT be applied.' The tax bubble extending 'diplomatic status' to Fifa, includes all Fifa-related vehicles and subsidiaries and associated entities.

This includes the stadiums, the Fifa-designated exclusion zones, training sites, public viewing venues known as 'fan parks', VIP areas, media centers – such as the International Broadcast Centres, and official tournament parking areas.

The entity refuses to provide accreditation to journalists who may question the financial gordion knot underpinning the event.

Fifa remains the 'owner' of events, and as such, holds the mandate to dictate most activities including suppliers – irrespective of inflated costs. Even tents, food and flowers are to subject to unrestricted imports. Match spokesperson Peter Csanadi recently came under fire for destroying practice fields while constructing German-made marquees – a justified purchase due to the 'lack of sufficient quality tents' made in South Africa.

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'The unaccountable structure they've installed is honed to deliver the game to the needs of global capitalism - with no checks or restraints. Just cheques,' said Andrew Jennings, investigative journalist and co-author of Player and Referee.

Fifa has already cashed in on the highest ever pre-Cup profits. And when the crowds have gone, and the excitable nature of the spectacle has died down, it is unlikely that the World Cup, designed, in the words of Jordaan to 'reintegrate South Africa into the global community', will benefit citizens beyond the notion of identity.

The question however is whose identity was served by the mega-event – South Africa or Fifa's?

Khadija Sharife is a journalist and visiting scholar at the Centre for Civil Society. This article was published by **Pambazuka News** (http://pambazuka.org/en/category/features/64932).

Tragic BP Gulf Spill Casts Light on Chevron Disaster in Ecuador

While BP is Largest Spill in U.S., Chevron's Ecuador Disaster is Largest in World Chevron Admits Dumping at Least 16 Billion Gallons of Toxic Waste into Rainforest

By Amazon Defense Coalition

Old Texaco oil barrels left on the side of the Aguarico RIver, near Lago Agrio, Ecuador. Photo: © 2005 Kayana Szymczak

As the nation remains riveted on the tragic BP spill unfolding in the Gulf of Mexico, Chevron still holds the record for creating the world's largest oil-related contamination and it happened deliberately in the populated Amazon rainforest in an even more sensitive ecosystem than the marshes of Louisiana.

Chevron's illegal oil-related dumping is at the root of a class action lawsuit in Ecuador where the oil giant now faces more than $27 billion in damages for poisoning an area the size of Rhode Island with 18.5 billion gallons of toxic "produced water," or more than 474 times the amount of contamination estimated to have been spilled in the Gulf of Mexico tragedy, according to calculations made by representatives of the plaintiffs.

Chevron's contamination has decimated the traditional lifestyles of five indigenous groups in the area, and one group has disappeared, according to the lawsuit. The pollution occurred when Texaco (now owned by Chevron) was the exclusive operator of a large oil concession in the rainforest from 1964 to 1990.

A 17-year trial against Chevron taking place in Ecuador's courts – moved there from U.S. federal court in 2002 at Chevron's request – is expected to end later this year. Chevron has declared the trial court is "biased" against it and has announced it will not pay any adverse judgment.

The plaintiffs in the trial are tens of thousands of rainforest residents, including the surviving members of indigenous groups called the Secoya, Cofan, Siona, Huarani, and Kichwa.

An unlined waste pit left by Texaco drilling operations in a forest clearing in the town of Sacha, Ecuador. Texaco reportedly left over 900 of these in the country.
Photo: © 2004 Lou Dematteis

These are the facts of Chevron's dumping in the Amazon and how it compares to the BP spill in the Gulf:

- In the 1970s, Chevron's predecessor company Texaco (bought by Chevron in 2001) perforated hundreds of oil wells across a 2,000 sq-mile swath of rainforest that was home to the indigenous groups. The area where Chevron operated is one of the most biodiverse in the world, containing almost 10% of the world's plant species.

- Instead of re-injecting toxic "produced water" (which contains high levels of salt, pure crude, and the carcinogen benzene) deep into the ground – the industry practice then recommended by the American Petroleum Institute – Chevron dumped 18 billion gallons of it into rivers and streams. These waters had been used thousands of years by the local population for its drinking water.

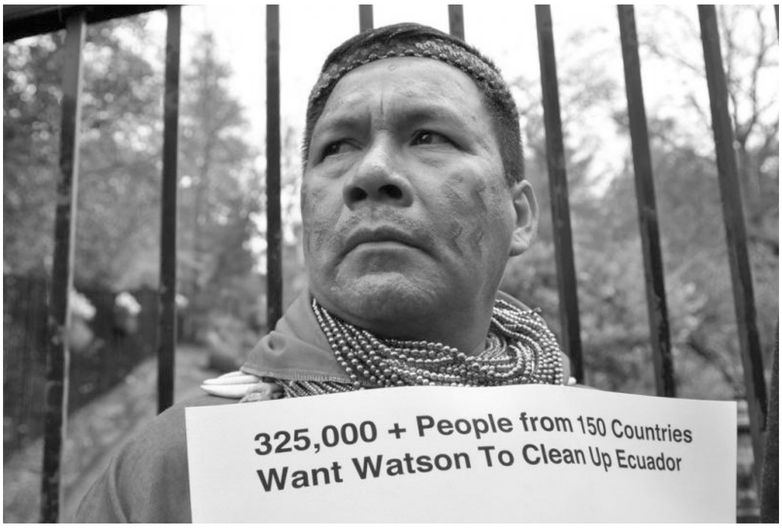
Chevron discharged at least 345 million gallons of pure crude oil directly into the rainforest ecosystem, including 17 million from ruptured pipelines. To put this in perspective, the U.S. government has estimated that between 18 and 39 million gallons have been spilled thus far in BP's disaster in the Gulf, and approximately 11 million gallons of pure crude was spilled during the Exxon Valdez disaster.

- The BP tragedy was an accident; Chevron's discharge in Ecuador was deliberate.

- Chevron, as reported by 60 Minutes last year, also built more than 900 unlined waste pits to permanently store toxic sludge – another violation of industry standards. It then built pipes to drain the sludge into nearby streams.

- Chevron also burned gas without controls, creating enormous air pollution and a "black rain" phenomenon in the rainforest.

These facts have been documented in numerous testimonies, in more than 200,000 pages of trial evidence, and in the book Amazon Crude written by law professor Judith Kimerling and published in 1991 just before Texaco fled the country in 1992, according to representatives of the plaintiffs.



Indigenous Ecuadorean leader Emergildo Criollo travels from Amazon rainforest to California to deliver 325,000+ letters urging Chevron's new CEO John Watson to clean up the oil giant's toxic legacy.
Photo: © Jonathan MacIntosh / Rainforest Action Network

Experts have concluded that the Chevron discharged at least 345 million gallons of pure crude oil directly into the rainforest ecosystem, including 17 million from ruptured pipelines. To put this in perspective, the U.S. government has estimated that between 18 and 39 million gallons have been spilled thus far in BP's disaster in the Gulf, and approximately 11 million gallons of pure crude was spilled during the Exxon Valdez disaster.

Just like BP in the Gulf spill, Chevron continually tries to obfuscate the facts and cover up its responsibility in Ecuador:

- In 1972, a Chevron executive issued a memo ordering that all documents in Ecuador documenting oil spills be destroyed.

- Chevron claims it was "released" from further clean-up responsibility based on a "release" signed with the Government of Ecuador. But Chevron's "remediation" was a fraud. Evidence presented at trial shows that the small number of pits "remediated" are still as contaminated as sites not touched.

- As a result of Chevron's fraudulent "remediation," two company lawyers and ten former Ecuadorian government officials are now under indictment in Ecuador for lying about the clean-up results.

- During the trial in Ecuador, lawyers for the plaintiffs have been subjected to death threats, a Nixon-style dirty tricks campaign to remove a judge, and the use of junk science by Chevron "experts."

- Chevron claims high cancer rates are caused not by exposure to toxins, but by the poor personal hygiene among the local population.

- Chevron also has tried to silence its Ecuador critics – pressuring media outlets to deny advertising about the company's human rights problems and even going as far to have five people arrested at its shareholder meeting last week.

For photos of this disaster, and a complete summary of the evidence, go to www.texacotoxico.com. For the latest developments, see www.chevrontoxico.com.

Amazon Defense Coalition is a group of Amazonian grassroots organizations and communities for the protection of peoples and environmental rights in the Ecuadorian Amazon. This article is a slightly modified version of the original published on 1 June 2010 at **TexacoToxico.org** (http://www.texacotoxico.org/eng/node/384). Photos are from **Amazon Watch** (amazonwatch.org) and **Chevron Toxico** (chevrontoxico.com).

Challenging the Bailout Economy

Image from blogs.euobserver.com

As Europe frantically shores up an unravelling economic system, popular protests are erupting against adjustments made to placate the finance markets. Austerity measures and bailouts may keep the banks happy, but what about the people?

By Anna White

The inherent instability of the current financial system, largely to blame for the recent credit crisis, has raised its ugly head once again. What began in October last year with Greece admitting to a budget deficit exceeding 12 percent of its gross domestic product (well beyond the EU's supposed limit of three percent) has burgeoned into a Europe-wide sovereign debt crisis threatening to split the monetary union apart.

When it became clear that the €110 billion bailout loan to Greece had not placated market fears that the crisis would spread to other weaker economies such as Spain and Portugal, EU leaders and the International Monetary Fund (IMF) constructed a €750 billion emergency fund to restore market confidence. The fund is not actually intended for use, but rather to protect eurozone countries from speculative attacks and to ensure that they can continue borrowing from the private sector.

While many commentators are quick to blame overblown government budgets for the current crisis, more measured assessments recognise that there are structural factors at play. Like most of the world, these governments had their excesses during boom years of easy credit, but they can hardly be blamed for the downturn that sent their national deficits skyrocketing. The fact that private banks, a number of which were implicated in the credit crisis, willingly lent vast sums to supposedly profligate and corrupt governments is hardly mentioned (for an exception, see C.P. Chandrasekhar). In what is becoming a familiar pattern, the burden of adjustment has fallen not on the financial sector, but on the Greek people and the taxpaying citizens of Europe.

The Greek bailout and the EU stability fund are merely temporary solutions to the underlying problem of privatised finance. Neither addresses the structural faults of a system in which the health of the real economy – the part concerned with actually producing goods and services – is entirely dependent on the conditions of an overblown financial sector whose only purpose seems to be fattening the pockets of speculators and bankers.

The Greek public are now facing austerity measures of eye-watering severity – pay and pension freezes, public spending cuts and tax increases – the effects of which will be ongoing declines in income and employment. The IMF has admitted that even if the program 'works', Greece's debt will rise from 115 percent of GDP today to 149 percent in 2013. In other words, the economy is likely to enter into an even deeper recession, with devastating impacts for the working and middle classes.

Why not just restructure Greece's debt and let the international money lenders swallow the losses? According to economist Jayati Ghosh, this is the most obvious solution. Austerity measures will not correct the existing imbalances but

Greek protesters during the May 20 general strike.
Photo by George Laoutaris flickr.com/photos/laoulaou

actually worsen them. The problem, she argues, is that "the power of finance – in politics, in media and in determining national and international economic policies – remains undiminished despite its recent excesses and failures."

Here lies the crux of the matter. The EU/IMF bailout is not intended to ensure that Greek workers will be able to pay the bills, but purely to restore confidence in the markets. Of course, the justification spouted by the IMF's managing director Dominique Strauss-Khan is that market confidence will "deliver the growth, jobs, and prosperity that the country needs for the future", but the underlying assumption is that a placated international finance sector is a precondition for this future prosperity. The same can be said of the new EU stability fund. Markets may be reassured that Spain and Portugal are safe from default for now, but they too must implement harsh austerity measures that will negatively affect incomes and employment.

The Greek bailout and the EU stability fund are merely temporary solutions to the underlying problem of privatised finance. Neither addresses the structural faults of a system in which the health of the real economy – the part concerned with actually producing goods and services – is entirely dependent on the conditions of an overblown financial sector whose only purpose seems to be fattening the pockets of speculators and bankers. Austerity measures and bailouts may keep the banks happy, but what about the people? Popular protests, which have already caused three deaths in Athens, are likely to spread as other governments across Europe cut spending.

Perhaps for once, governments should start listening to their citizens instead of the financial lobbyists, market gurus and policy technocrats. The process could yield some surprisingly common sense results. Rather than frantically shoring up an unravelling economic system that has proven inherently unstable, unsustainable and unjust, policy-makers would be forced to address a fundamental question: how can we build an economy that best serves the needs of the people whilst protecting the environment upon which we depend? With the inequality gap widening, unemployment rising and the world's ecosystems on the brink of collapse, one thing is for certain: throwing more money at the bailout economy is not the answer.

Photo from PSLweb.org

Anna White is the editorial assistant at Share The World's Resources. This article was published by **Share The World's Resources** (http://www.stwr.org/global-financial-crisis/europes-bailout-economy.html).

Eurozone Crisis is Self-Inflicted, with Help from Financial Markets

Frankfurt's Eurotower, which houses the European Central Bank. Photo: AFP

The current turmoil in financial markets around the world is another illustration of the damage that can be done by a bloated and politically powerful financial sector, combined with finance ministers and central bankers who identify with this sector and have their own right-wing policy agenda.

By Mark Weisbrot

Welcome to Europe, which has become the epicenter of the new global "financial crisis."

At first glance it's not obvious that there should be a crisis in Europe at all. Even if Greece were to default on its debt – and this would most likely be a rescheduling or a restructuring rather than a large-scale cancellation of the bulk of Greece's debt – this would involve a relatively small amount of money compared to the resources that the EU has available to bail out any affected banks. And Spain's debt is much smaller, relative to its economy, than that of Greece: it's about 60 percent of GDP, well below the EU average of 80 percent.

But "the markets" have decided that Spain is next in line for attack, and so the price of Credit Default Swaps – a type of insurance – on their debt shot up today. If this sentiment grows, Spain's interest rates will continue to rise, and then their debt burden really could become unsustainable.

To make it worse, "the markets" can't seem to decide what they want from these governments in order to love them again. Two weeks ago the Euro was plummeting because the financial markets wanted more blood: they wanted Greece, Spain, Portugal, and the other currently victimized countries of Europe (Italy and Ireland) to commit to more spending cuts and tax increases. Then they got what they wanted, and within a day or two, the Euro started crashing again because "the markets" discovered that these pro-cyclical policies would actually make things worse in the countries that adopted them, and reduce growth in the whole Eurozone.

Imagine how much worse the United States economy would be today if, instead of responding to our recession with fiscal stimulus, near zero interest rates and a doubling of the Fed's balance sheet – we had opted for budget cuts and tax increases.

Unfortunately the European authorities – especially the European Central Bank – are even worse than the markets. They are less ambivalent and more committed to punishing the weaker economies by having them cut spending even if it causes or deepens recession and mass unemployment (over 20 percent in Spain).

It will be recalled that the turmoil in financial markets took a big turn for the worse on May 6 when the European Central Bank announced that it was not going to engage in "quantitative easing" – creating money – in order to help ease the crisis. They reversed their decision, but only partially. And the agreement reached for the so-called "trillion dollar bailout" requires that any country borrowing the funds must agree to more austerity. This means that if a country like Spain does run into trouble due to increased borrowing costs, tapping the "bailout" funds will force them to accelerate a downward economic spiral. And where is the inflation that the ECB is worried about? The Eurozone is projected by the IMF to have 1 percent inflation for this year and 1.5 percent next year.

Imagine how much worse the United States economy would be today if, instead of responding to our recession with fiscal stimulus, near zero interest rates and a doubling of the Fed's balance sheet – we had opted for budget cuts and tax increases. That is what the European authorities are advocating for the weaker Eurozone economies.

The Greek population refuses to accept these conditions, and understandably so. The upper classes in Greece don't pay their taxes, and now the majority are being forced to pay the price for their cheating – a price greatly magnified by the irrational, pro-cyclical nature of the adjustment. Unrest is growing in Spain as well, with the largest unions talking about a general strike. There is a class dimension to all of this, with the EU authorities

and the bankers united in wanting to balance the books on the backs of the workers – and adopt "labor market reforms" that will weaken labor and redistribute income upward for generations to come. The EU authorities and financiers believe that real wages must fall quite sharply in these countries in order to make them internationally competitive – but the protestors are responding with a fiscal version of "No justice, no peace."

They might add: "No justice, no euro." From the beginning there have been serious economic questions about the viability and the desirability of the common currency – most importantly whether such a currency union was feasible among countries with greatly different productivity levels, no common fiscal policy, and a Central Bank committed only to maintaining very low inflation (without regard to employment). The populations now suffering under EU-imposed austerity must have a real and credible threat to get out – or they will end up with indefinite sacrifice for the reward of lower living standards.

Mark Weisbrot is co-director of the Center for Economic and Policy Research, in Washington, D.C. He received his Ph.D. in economics from the University of Michigan. He has written numerous research papers on economic policy, especially on Latin America and international economic policy. He is also co-author, with Dean Baker, of *Social Security: The Phony Crisis* (University of Chicago Press, 2000) and president of Just Foreign Policy. This article was published in **CEPR.net** (http://www.cepr.net/index.php?option=com_content&id=3331&view=article).The original work has been modified.

COMMENTARY

Defining poverty

What do exhortations of lifting people out of one-dollar-a-day poverty really mean?

By Jeremy Seabrook

A homeless French man with a shopping cart filled with other people's trash. Photo from ChavezSchools.org

There is a problem with most definitions of poverty, in that they do not do what they claim to. Thus, it is common for humanitarians to cite the fact that there are 1,000 million people in the world who "live on less than a dollar a day". This fact is cited as proof of the most unspeakable of deprivations; and audiences exposed to it duly register their shock and amazement.

But it doesn't necessarily mean what it says. A life with zero income does not have to be degrading, if people can provide all their own needs for themselves. On the other hand, an income of $25,000 may be called poverty when all needs must be bought in, and such a sum is insufficient for the purpose. In these descriptions, evocations of poverty, there are many elided questions, which lead to some tendentious misdiagnoses. For in an intensive market economy, poverty, like wealth, becomes limitless.

To recreate poverty in the image of the West — as a monetary sum, the absence of which means you are poor — is perhaps the most effective way of setting a whole world on the same developmental path, for it means that the norms of the market economy are being universalised. And once measures of wealth and poverty that depend on money have been accepted, the poor are condemned to an eternity of poverty, just as the rich are hooked in perpetuity upon the infinite growth of the agent of their enrichment.

In the market economy, people must learn how to be poor. So what those concerned social reformers are really saying, when they quote people living on less than a dollar a day, is that they are excluded from the market economy. The idea that this, of itself, is an index of poverty, is the profound untruth which lies beneath all money-dominated statistics and measures of poverty.

For another way of looking at the situation of those who have not yet entered the market economy (that seductive symbol of modernity, affluence and comfort!) is to say that they remain free, and independent of market-provided needs and commodities. So to declare a 40% reduction in the number of absolute poor, when you are really saying there has been such a reduction in the numbers living, surviving, existing comfortably outside of the market system, is to create unnecessary confusion.

Indian shoppers push a shopping cart along an aisle of TV sets. The rise of an urban middle class in India is held as a free-market miracle, and high consumption a way of life to aspire for.
Photo: © Bloomberg News

To recreate poverty in the image of the West — as a monetary sum, the absence of which means you are poor — is perhaps the most effective way of setting a whole world on the same developmental path, for it means that the norms of the market economy are being universalised. And once measures of wealth and poverty that depend on money have been accepted, the poor are condemned to an eternity of poverty, just as the rich are hooked in perpetuity upon the infinite growth of the agent of their enrichment.

And of course, this is the real scandal to the system to which no alternative has now been so widely declared. For all those still living outside the market economy give the lie to the totalising thrust of globalisation, the existence of a single world economy, the imperatives of conforming to one particular way of answering need.

There is a word for this. It is tyranny; and that is why it is called "freedom" by those who wish to see the whole world enfolded by its enclosing — and far from loving — embrace. This denial of alternatives involves a commitment to forms of intolerance and absolutism that all previous ideological tyrannies could only dream of.

And this struggle — to establish the uncontested dominance of the world market — has been the true locus of attack upon, not only the poor of the earth, but upon all those whose life-ways, whose answering of need, whose modest control over resources, whose independence in short, is such an affront and reproach to the impoverishing modes of enrichment which the market economy imposes upon the people. It has been a kind of low-intensity warfare. Its battle-cry has been "development". Its weaponry has been money, its foot-soldiers the high-consuming middle-class which has emerged in virtually every country in the world, a model and example to the rest.

At the same time, a distinctly more aggressive war has been carried on against those people who still occupy land — forests, coastal environments, subsistence farms, river banks — whose resources must be surrendered to the market — minerals, metals, timber, fish, water. In the name of "bringing them into the 20th century", they have been systematically dispossessed, ousted, violently removed from ancestral lands. In India, in the 50 years since Independence, 25 million people have been displaced for infrastructural or developmental projects.

The market, then, radically re-defines poverty. It replaces resource-poverty with money-poverty, which then becomes the only true expression of it. As long as human beings retain control over the resources they require to answer their own needs, they are not poor, and they pose an obstacle to the onward march of the market. (This is why in market-speak, "resources" now means money; because money is its supreme instrument of manipulation and control.)

So when the rich nations speak of "poverty-alleviation", they never mean the return of control over resources to the people; they mean a sum of money, or an "income-generating capacity"; which is to condemn more and more people all over the world to impoverishments and dispossessions which they are powerless to resist.

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The market offers instruction in being poor, in two ways. Firstly, it removes from individuals and groups of people the capacity to provide for their own needs and the needs of others, and it creates dependency. (In another interesting inversion of meaning, in market-speak, "to be of independent means" implies freedoms that are wholly defined as having access to money.)

Photo © Alles Schlumpf

Secondly, the market teaches us about what we do not have. Through self-reliance we learn what we need, and that is surprisingly little; through the market we learn what we might get. In that sense, the market serves the growing self-consciousness of an industrialised humanity, which must now understand that all the home-made and self-created, all the familiar artefacts and goods of traditional culture, all the homely values of the known and local are actually junk; and that everything that is produced elsewhere has superior value, which is proved by the monetary price attached to it.

In this way, inferiorisation, subordination and dependency are the principal gifts of the market to self-reliance. This less material legacy of the market goes hand in hand with the most violent expropriation of common resources, by privatisations which make unavailable traditional practices and goods, by liberalisations which permit the import of displacements for older necessities of life. Ridicule of homely self-provisioning is supported by brutal practical interventions to make sure that the lessons of the market are not misread.

In addition to this, each new thing that appears on the market locks up all previous ways of answering need, human effort, achievement and creative purpose. This lends the object a kind of vibrancy; all of which adds to the fascination which it then holds over those who can still remember when such purchased needs were answered in other ways, and equally, over those who can no longer remember, and are therefore, even more enthralled by, and dependent upon, the new thing that helps them to survive in a strange, alien, puzzling world over which they long ago forfeited even the vestiges of control.

The market offers instruction in being poor, in two ways. Firstly, it removes from individuals and groups of people the capacity to provide for their own needs and the needs of others, and it creates dependency.

Secondly, the market teaches us about what we do not have. The market serves the growing self-consciousness of an industrialised humanity, which must now understand that all the home-made and self-created, all the familiar artefacts and goods of traditional culture, all the homely values of the known and local are actually junk; and that everything that is produced elsewhere has superior value, which is proved by the monetary price attached to it.

All this amounts to a crash course (the only free thing left by a busy market system) in the meaning of being poor in the contemporary world. It effectively undermines definitions of poverty. No one now knows what would be needed in order to be no longer poor.

For only in pursuit of the very agent of our impoverishment — money — do hope, improvement, redress become visible; and the market economy sets all humanity in a sad circular dance, a chase of perpetual keeping up with an abstraction, the limitlessness of desire. For it is true that all human societies have recognised the infinity of human desire; and they have taught that wisdom lies in recognising the impossibility of pursuing it.

The world — or rather, the market, which is virtually the same thing — now teaches that infinity must be pursued. And then we marvel at the persistence of poverty, not only in those parts of the world still called "third", but in the very richest societies that have ever existed on earth! — Third World Network Features

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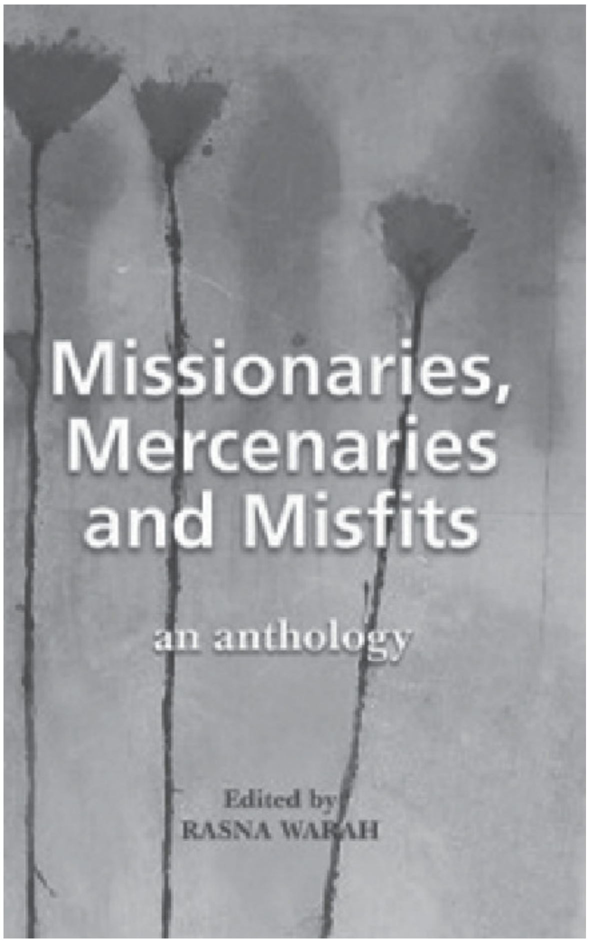


Development and Its Discontents

After decades of failing to address the root causes of poverty and inequality, the aid industry is bigger than ever. Is it time for some serious soul-searching on the value of 'development'?

By Anne White

Missionaries, Mercenaries and Misfits: An Anthology
Edited by Rasna Warah
Author House, 2008

Last year, former World Bank economist Dambisa Moyo made waves with the publication of her controversial book, 'Dead Aid: Why Aid is Not Working and How There is Another Way for Africa'. Over the past 60 years, she laments, at least US$1 trillion of development-related aid has flowed into Africa, yet the number of people living on less than a dollar a day has nearly doubled. She is not the first observer to contrast the size of the multi-billion dollar development industry and the blatant lack of progress on its stated goals. Over the past few decades, a number of development insiders – William Easterley, Robert Calderisi and the like – have condemned the impotence of the aid industry and offered their critique of its failings.

With the publication of her edited anthology, 'Missionaries, Mercenaries and Misfits', Kenyan newspaper columnist Rasna Warah adds her voice to this disillusioned set. It was whilst working as a UN bureaucrat herself that Warah first began to question not only the effectiveness of development assistance, but its entire philosophical basis. "Like most professionals in the development industry," she writes in her lucid introduction, "I had failed to see that my work and the structures within which I operated were self-serving."

Echoing the arguments of post-development provocateurs such as Susan George and Arturo Escobar, her conclusion is that 'development', in the form of donor-inspired policies that perpetuate the exploitative economic relations of the colonial era, is largely to blame for perpetuating poverty in Africa. What distinguishes this radical perspective from that of others frustrated with current aid practice is the belief that development cannot be 'fixed' – that change must instead be conceived in completely different terms.

While it is scepticism of the development paradigm that links this assortment of essays together, the book itself offers no sweeping theoretical justification for its position. Rather, it gives the reader a series of diverse, often quite personal glimpses into the contradictions and failings of the development industry in Africa. The contributors, who range from journalists and activists to leftist scholars, are for the most part either based in East Africa or have worked in Africa as developmentalists, providing a much needed local critique of a process driven largely by outsiders.

In a fascinating account of the Maasai's struggle for land rights, Kenyan writer Parelelo Kantai reveals modern 'development' taking the form of a US$100 million loan from the World Bank's private sector lending arm granted to a foreign owned company exploiting soda ash on traditional Maasai land. When the Maasai demonstrated against the renewal of the illegal leases upon which the loan agreement was based, the Kenyan government violently suppressed the movement. Kenyan independence, he argues, merely led to a "change of guard", with nationalist elites protecting a profitable post-colonial arrangement rather than addressing the legitimate grievances of one of the country's poorest ethnic groups.

While Kantai's account focuses on the complicity of African governments and the World Bank in replicating colonial power structures, Fahamu director Firoze Manji draws attention to how development NGOs have, wittingly or unwittingly, played an integral role in reproducing the unequal social relations of post-colonial Africa. The very existence of the 'development experts', he argues, is justified by a discourse framed not in the language of rights and social justice but in a "vocabulary of charity, technical expertise, neutrality, and a deep paternalism which was at its syntax."

Woman carrying child and straw basket. Mali. Photo: © Curt Carnemark / World Bank

For anyone actively interested in the plight of Africa's poor, the book has the potential to provoke some serious soul-searching on the value of 'development' - not only as an industry, but also as a paradigm for understanding the relationship between the rich and the poor.

This inherent inequality between 'developers' and 'developees' is at the heart of many of the narratives to be found in this anthology. Whether a UN bureaucrat on an inflated salary or an NGO volunteer "doing their bit" to help Africa, the very existence of this advantaged development set depends on and is justified by the gross inequality that exists between local and foreign elites and the majority poor.

By treating poverty as a 'problem' to be solved by technical expertise and outside assistance, the donor-driven development process ignores, and even contributes to, the very issues that are at the heart of Africa's 'underdevelopment': the erosion of African peoples' sovereignty by aid dependency; the perpetuation of post-colonial economic and social relations by corrupt elites; and the negative impact of the donor-prescribed neoliberal policies on African economies.

It is not only the big development players whose failings are scrutinised. Social justice activist Onyango Oloo targets the anti-globalisation antics of the 'activist elites' at the World Social Forum. Often seen as the antithesis of donor-driven and top-down development, he claims this "annual jamboree of navel-gazing, self-referencing civil society global trotters" merely hijacks the ideals, struggles and aspirations of real social movements. In a call echoed by many of the book's contributors, he challenges self-proclaimed champions of the poor and marginalised to get down from their high horses and do some serious introspecting on their activities. Author and scholar Issa G. Shivji extends this rebuke with his admonition of what he calls the "silences in NGO discourse". If African NGOs are to become true catalysts of change, he maintains they must not only re-examine their relationships with donors, but the entire philosophical and political premises that underpin their activities.

Presumably, the main target audience of the book are the very protagonists whose professional raison d'être is being questioned. For anyone actively interested in the plight of Africa's poor, it has the potential to provoke some serious soul-searching on the value of 'development' - not only as an industry, but also as a paradigm for understanding the relationship between the rich and the poor.

While this thought-provoking and often entertaining look at the failure of Africa's development machine tears apart the romantic illusions upon which the aid industry is based, it does not seek to offer any grand alternatives. There are a few scattered, and in some ways contradictory proposals for the way forward, but these act only to further illustrate the diversity of perspectives that challenge the status quo. Warah's anthology is not an introduction to a world beyond development, but rather a challenge to begin imagining one.

Rasna Warah's Missionaries, Mercenaries and Misfits: An Anthology is published by AuthorHouse.

Anna White is the editorial assistant at Share The World's Resources. This article was published by **Share The World's Resources** (http://www.stwr.org/aid-debt-development/development-and-its-discontents.html) on 26 April 2010.

Not my Robin Hood

Reviewers are linking Ridley Scott's blockbuster version of Robin Hood to a seemingly unlikely crowd: the Tea Party movement.

By Leela Yellesetty

Photo from aceshowbiz.com

Robin Hood, Universal Pictures, 2010
Directed by Ridley Scott
Starring Russell Crowe, Cate Blanchett

Robin Hood is arguably the most enduring legendary figure in Western history. Since his first appearance in medieval English ballads as early as the 12th century, Robin Hood has enjoyed nearly uninterrupted popularity for the last 600 years. Just in the 20th century, he's been featured in some 50 live-action films, 15 TV series and 15 cartoons.

The Robin Hood legend has undergone numerous incarnations over the years, often serving as a vehicle for contemporary social commentary. From his origins as a crude yeoman in early ballads, later renditions upgraded him to a humanitarian nobleman.

In the 19th century, Sir Walter Scott cast him as an English nationalist hero, while romantic poets like John Keats claimed him for the side of the French Revolution.

Photo from cinemaisdope.com

Errol Flynn's iconic portrayal in the 1938 The Adventures of Robin Hood contained overt references to the fight against fascism, and in the 1950s, the popular British TV series of the same name provided work to U.S. screenwriters who had been blacklisted under McCarthyism.

The British Guardian's Tom Dewe Mathews recently unearthed the story, quoting one of these writers, Ring Lardner Jr., who "explained that a TV show about an outlaw who takes from the rich to give to the poor provided him 'with plenty of opportunities to comment on issues and institutions in Eisenhower-era America.'"

So it's no surprise, as we face a world today of unprecedented inequality—in which the richest 1 percent own 40 percent of the wealth while the bottom 50 percent owns just 1 percent, according to a recent study—that Robin Hood should make a comeback.

This movie stands apart more for its gritty realism and carefully orchestrated re-enactments of medieval battle scenes than for any novel political message. Russell Crowe plays a decidedly more serious Robin Hood than previous incarnations.

Yet Ridley Scott's latest blockbuster version starring Russell Crowe has been associated with a seemingly unlikely crowd: the tea baggers.

"You may have heard that Robin Hood stole from the rich and gave to the poor, but that was just liberal media propaganda," writes New York Times reviewer A.O. Scott. "This Robin is no socialist bandit practicing freelance wealth redistribution, but rather a manly libertarian rebel striking out against high taxes and a big government scheme to trample the ancient liberties of property owners and provincial nobles. Don't tread on him!"

Fox News' Steven Crowder gleefully concurs that Robin Hood was fighting against "the medieval equivalent of the IRS." He adds, "Have leftists even read the story, or did they just opt to rent the Disney version instead?"

It's not clear what "story" Crowder is referring to, since there isn't one. Scott's film, which sets out to the tell the origin story of how Robin became the Hood, does take some welcome departures from what has become the standard version in the 20th century, as well as some confusing ones.

In the first place, Robin Hood returns to his humble roots as a commoner, and instead of a loyal fighter in the Crusades under Richard the Lionheart, he becomes a disillusioned conscript who delivers a scathing condemnation of the army's slaughter of innocent Muslim civilians.

Later, thanks to some historical improvisation, Robin Hood becomes central to the passage of the Magna Carta, the seminal document limiting the powers of the king and granting certain important rights such as habeas corpus.

The ensuing battle in which the northern barons unite with King John to defeat an invading French army requires an even further stretch of the historical imagination, suggesting a conception of nationality that did not yet exist. In fact, Richard the Lionheart himself barely spent time in what is now England and only spoke French, and when King John threatened to revoke the Magna Carta, northern barons invited the French to invade and replace him!

All in all, this movie stands apart more for its gritty realism and carefully orchestrated re-enactments of medieval battle scenes than for any novel political message. Russell Crowe plays a decidedly more serious Robin Hood than previous incarnations, while Cate Blanchett plays a refreshingly tough, feminist Maid Marian. The brief spells of light-heartedness come mainly from Mark Addy's delightfully irreverent Friar Tuck.

Some parts of the story can certainly be claimed by the tea party crowd—the Magna Carta as a metaphor for the Constitution, the northern barons as small businessmen, and the hatred of all things French—but it's hard to see them advocating stealing grain horded by the church in order to redistribute it to the peasants, which Robin Hood also does in the film.

Indeed, unlike the English barons who played a temporarily progressive role in supporting the Magna Carta, the tea baggers are a solidly reactionary force defending a rotten status quo.

To the extent that their anti-government rhetoric finds resonance today, it's because the government is furthering the trend of Robin Hood-in-reverse, rather than enacting progressive redistribution to benefit the poor. And it is exactly in this sense that Robin Hood remains a rebel to this day, resisting the greed of those in power.

In her excellent piece on the history of Robin Hood, Judy Cox concludes:

> Wherever people are oppressed and beaten down by tyrants, but without the means to fight back on their own behalf, they will dream of an avenging hero, one of the people, but with the freedom, courage, and ability to right their wrongs on their behalf. Robin's story has endured because he represents an unquenchable desire for a better society, a desire which down the centuries has adapted in form but not in content.

This article was published in **SocialistWorker.org** (http://socialistworker.org/2010/05/20/not-my-robin-hood) on 20 May 2010.

The Millennium Development Goals & World Poverty

1.02 billion
People living in hunger in 2009, up from 842 million in 1990-1992.

GOAL 1
Eradicate extreme poverty and hunger

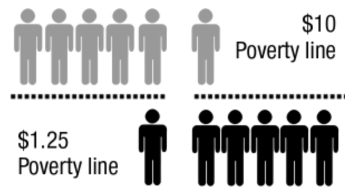
Targets
- Halve, between 1990 and 2015, the proportion of people whose income is less than $1 a day
- Achieve full and productive employment and decent work for all, including women and young people
- Halve, between 1990 and 2015, the proportion of people who suffer from hunger

GOAL 2
Achieve universal primary education

Target
- Ensure that, by 2015, children everywhere, boys and girls alike, will be able to complete a full course of primary schooling

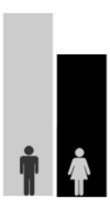
126 million
Children still involved in hazardous work

5.2 billion
People living below the average OECD poverty line of $10 per day, roughly 5 out of every 6 people in the planet



GOAL 3
Promote gender equality and empower women

Target
- Eliminate gender disparity in primary and secondary education, preferable by 2005, and in all levels of education no later than 2015.



The average pay gap between men and women, as percentage of male wages

22%

GOAL 4
Reduce child mortality

Target
- Reduce by two-thirds, between 1990 and 2015, the under-five mortality rate

6 in the developed world

74 Deaths of children under 5 years per 1,000 live births in the developing world

GOAL 5
Improve maternal health

Targets
- Reduce by three quarters, between 1990 and 2015, the maternal mortality ratio
- Achieve, by 2015, universal access to reproductive health

9 in the developed world

450 Maternal deaths per 100,000 live births in the developing world

GOAL 6
Combat HIV/AIDS, malaria and other diseases

Targets
- Have halted by 2015 and begun to reverse the spread of HIV/AIDS
- Achieve, by 2010, universal access to treatment for HIV/AIDS for all those who need it
- Have halted by 2015 and begun to reverse the incidence of malaria and other major diseases

GOAL 7
Ensure environmental sustainability

Targets
- Integrate the principles of sustainable development into country policies and programmes and reverse the loss of environmental resources
- Reduce biodiversity loss, achieving, by 2010, a significant reduction in the rate of loss
- Halve, by 2015, the proportion of people without sustainable access to safe drinking water and basic sanitation
- By 2020, to have achieved a significant improvement in the lives of at least 100 million slum dwellers

12.1 metric tons Per capita CO_2 emissions in developed countries

2.6 in developing countries

3.35
Number of planet Earths needed to sustain 6.5 billion people at consumption levels in High Income Countries

GOAL 8
Develop a global partnership for development

Targets
- Develop further an open, rule-based, predictable, non-discriminatory trading and financial system
- Address the special needs of the least developed countries
- Address the special needs of landlocked developing countries and small island developing States
- Deal comprehensively with the debt problems of developing countries through national and international measures in order to make debt sustainable in the long term
- In cooperation with pharmaceutical companies, provide access to affordable essential drugs in developing countries
- In cooperation with the private sector, make available the benefits of new technologies, especially information and communications

-12%
The extent of de-industrialization in Sub-Saharan Africa from 1970-79 to 2000-06 (measured as a decrease in the ratio of manufacturing value-added to GDP) following trade liberalization

References Charles Gore, "The Global Development Cycle, MDGs and the Future of Poverty Reduction" 2008; Global Footprint Network, *Ecological Footprint and Biocapacity 2006*; ITUC, *Gender (in)equality in the labour market* 2009; Mehdi Shafaeddin, "NAMA as a Tool for De-industrialization of Africa" 2009; PovCal.net; United Nations, *Millennium Development Report 2009* Annex; UN General Assembly, 64th session, *Keeping the promise: a forward-looking review to promote an agreed agenda to achieve the Millennium Development Goals by 2015: Report of the Secretary-General* 2010 **Photo credits** Anduze traveller / flickr.com; Filipine Moreira / flickr.com

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