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The battle over UNCTAD

Developing countries stave off
threat to UN agency's mandate



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Editor's Note

FOR all its limitations, the United Nations has been an important vehicle for the realisation of the long-cherished goal of developing countries of a more equitable international order. Beginning from the 1950s when the process of decolonisation began to pick up and, more significantly, in the following two decades when the process accelerated, the developing countries moved to give voice to this demand through the emerging Non-Aligned Movement.

However, when they sought to give flesh to this demand, it was to the UN General Assembly that these countries turned. Unlike the UN Security Council, which was the domain of the Big Powers with the power of veto, the General Assembly was a democratic forum which recognised not only the principle of one nation, one vote, but also the equal worth of every vote. As the developing countries, by their numbers, constituted the majority, they could overcome the rich countries' opposition to their attempts to reorganise the world order.

The drive to realise a new international order took a number of forms. In addition to the broad programmes for the restructuring of economic relations between the rich and poor countries (such as the 1974 Declaration and Programme of Action on the establishment of a New International Economic Order) which they successfully pushed through the General Assembly, the developing countries also moved to set up specific institutions to meet their development needs to facilitate the emergence of such an order. The most important of these institutions was UNCTAD (United Nations Conference on Trade and Development), which was established in 1964 as a permanent organ of the General Assembly.

From the beginning, Western countries displayed great hostility towards the project to restructure the international economic order and did everything to subvert it. The weakened state of the Third World in the 1980s, resulting from the debt crisis and depressed commodity prices which economically paralysed many developing countries, provided the opportunity for the West to roll back the reforms envisaged by the project. The pauperised Third World nations were in no position to challenge Western hegemony, and the audacious move to establish a New International Economic Order passed into history.

UNCTAD however survived as one of the few legacies of this golden era. Nevertheless its survival has always been at risk as the West has used every opportune occasion to challenge its *raison d'être*. This challenge was perhaps most pronounced from the late 1980s when neoliberal economic ideology which recognises the primacy of the market began to gain ascendancy. In the view of its proponents (which included most policy planners in Western countries and international financial institutions such as the International Monetary Fund (IMF) and the World Bank), the underlying ideological assumption informing UNCTAD's policies and programmes was that the operations of the global free market worked against the interests of developing countries.

Possibly UNCTAD's most precarious moment was when so-called UN reforms were undertaken at the behest

of the Western powers towards the start of the new millennium. Arguments were then advanced for the abolition of UNCTAD on the grounds that it was redundant as it was duplicating the work of the World Trade Organisation (WTO). Fortunately, UNCTAD was spared the axe, thanks to strong resistance by developing countries.

But this has not stopped attempts to emasculate it. Over the years UNCTAD has suffered a reduction of its resources and staff. The UN body meets at ministerial level every four years and this has quite often provided the opportunity for Western countries to whittle down its mandate. The 13th such session (UNCTAD XIII), held in Doha in April, was one more occasion for such an exercise. An attempt was made to exclude from UNCTAD's mandate any policy analysis on macroeconomic issues, particularly finance.

From its very inception, UNCTAD has been the UN system's focal point for the integrated treatment of all trade and related development problems. This of necessity has included issues of finance as any attempt to discuss trade or development without finance is as intelligent as discussing *Othello* without the Moor. Hence, over the years, UNCTAD has discussed and dealt with issues related to the international financial system. It is also necessary to recall that UNCTAD was established at a time when the Bretton Woods system, which had provided global financial stability in the post-war period, was disintegrating. It was thus clear from the beginning that the problems of trade in commodities for developing countries could not be discussed in isolation from the problems facing the international financial system.

What was perverse about the attempt to eliminate finance from its mandate is that this is one area of research and analysis where UNCTAD has particularly distinguished itself. For example, it not only provided a sound analysis of the 2008-10 Great Recession, but had also sounded the warning of its impending outbreak. This was in stark contrast to the failure of both the IMF and the World Bank to anticipate the crisis.

Fortunately, thanks to the vigorous resistance mounted by developing countries and international civil society, this latest attempt to erode UNCTAD's mandate was defeated. But one must expect that this battle will be renewed in the not-too-distant future.

The battle over UNCTAD's mandate is the subject of our cover story for this issue. In addition to articles which provide some historical background explaining UNCTAD's importance to developing countries, we also report on a statement signed by some 50 former officials of UNCTAD underscoring its crucial role in the UN system. We also highlight the united stand taken by the developing countries to oppose the move to curtail UNCTAD's mandate, as well as the disquiet expressed by civil society organisations on the issue. In addition, we carry reports on the final outcome at UNCTAD XIII and the reactions to it.

— The Editors

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The thirteenth session of the United Nations Conference on Trade and Development (UNCTAD XIII) was held in Doha in April. At UNCTAD XIII, developing countries successfully fought off developed-country attempts to whittle down UNCTAD's mandate.

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A life in extremis

Geologist-explorer documents China's rivers

Yang Yong is a renowned explorer and the director of the Hengduan Mountain Research Society, whose mission is to promote the conservation and sustainable development of a large mountain range in southwest China known for its biodiversity (including the Giant Panda) and the three major rivers that cut through the range: the Yangtze, Salween (Nu) and Mekong rivers. The group has been instrumental in increasing understanding of the biomes of western China and the impacts that development projects could have on these fragile ecosystems. Yang Yong has spoken out in the media and to the government about the seismic risks of building dams on the largely free-flowing Salween/Nu River, which is located on a number of active faultlines. Here is his personal narrative about the intersection between his life's work and love of rivers.

SINCE I was a child, I have had a passion for discovering nature's secrets and nurtured it through exploring atlases and whatever information I could get my hands on. I went to college to study geology, where every analysis and action was performed with the goal of uncovering these secrets. No words can describe the happiness I felt from one discovery to the next, and I felt that I had finally satisfied my intellectual curiosity.

Soon after, I joined a Yangtze River rafting trip, which was some 20 years ago. At that time, I wanted to apply my training in geology to the examination of the river's geology and geomorphology, as well as to analyse its vegetation, ecological conditions, and water quality. I wished to combine this professional endeavour with my lifelong desire to personally travel along the mighty Yangtze. It was on this trip that I found myself forging an unexpectedly close relationship with the river. In 1991, I gave up my work in a large state-owned enterprise – abandoning the opportunities to earn a living abroad – and launched a new career in the study and research of the Yangtze River. Over the years, I have travelled almost all of the rivers of the Qinghai-Tibetan Plateau. I developed a profound understanding and a strong bond with the rivers, which has since filled my life with value and meaning.



The writer, pictured here in the wilds of Tibet.

Perilous voyages

The recent unprecedented level of development along western China's rivers large and small signifies disaster for the country's ecological lifelines. This has repeatedly stirred me to action. I have raised my own funds and formulated my own research topics to embark on research expeditions along the rivers. My voyages abound with risks and hardships, and are frequently accompanied by the threat of death. Through these dangers, I have found joy in discovery, bitterness in my plights, struggle between life and death, and the solemnity of hopelessness. But I ultimately find comfort in

the fact that I have tasted all the extremes of life.

When I investigated the Jinsha River on foot, I found that historical records had indicated several occasions where mega-landslides had obstructed the river's flow. I summited to the top of where the land had begun crumbling – going from 700 metres above sea level to more than 3,200 metres. In addition to obtaining first-hand information on the development of these landslides, I was astounded by the sight of millions of cubic metres of rock perilously clinging to the hill. I realised that mining activities had heavily impacted the stability of the land, posing a serious

threat to the valley's villages below. I reported my warning to the relevant geology and mining administration agencies. Later, when I travelled to the Yalong, Salween (Nu) and Brahmaputra rivers, I made a similar prediction.

On one trip in 1991, a companion and I embarked along the Yalong River on foot. That day we climbed through an active landslide area at 4,000 metres. In the evening we got lost in a heavy fog. Wearing thin clothes while at a high elevation and under heavy rain, we had to lie close to stay warm. Our bodies did not stop trembling, our teeth did not stop chattering, and we felt like death was imminent. I imagined people finding two intertwined corpses the next day. Several days later, consecutive days of heavy rain caused a river to surge, and its turbulent flow blocked our path. In the midst of our predicament, a few people from across the banks spotted us. They quickly carried over wood and rope – jeopardising their lives in the rapid waters – to construct a makeshift bridge and bring us to safety. We later discovered that they were employees from the Yalong River Timber and Water Transportation Bureau who were stranded for several days because of the continuous downpour.

In 2006, I began conducting an independent four-year assessment of the South-North Water Transfer



The mighty Yangtze River has always held a deep fascination for the writer.

Project, a major water diversion project to bring water from the Yangtze to the Yellow River region. Our field work lasted for more than 500 days. Volunteers and I travelled together to western China's major river systems, covering over 10,000 kilometres by vehicle and foot. We traversed snow-capped mountains, glaciers, wetlands, the Gobi desert, grasslands, forests, and glacial rivers. Our expedition felt like those undertaken by 19th-century explorers.

Unlike previous voyages along the Yangtze or Yalong rivers, this series of river surveys posed more chal-

lenges because of the variations in geography and terrain. There was no backup support, and many of our destinations have rarely, if ever, been explored or investigated. We followed each river from its source to the planned section for water diversion. The expedition was exhaustively detailed as we aimed to reach the glacial source of 10 rivers, as well as five major deserts, and the borders of entire basins. Our equipment was both modern and primitive: domestically manufactured off-road jeeps, advanced photography equipment and GPS, military coats, canvas shoes, Tibetan-style tents, and some brand-name outdoor products funded by friends.

After completing our journey, we returned with an abundance of data and have since endeavoured to use what we've found to expand our knowledge about China's major rivers and contribute to the grassroots environmental movement. I have always advocated in our expeditions that we both respect and fear nature, and reflect on the course of human development, its impacts on nature, and our future as a species. I am grateful to everyone who has helped us along the way. ♦



The writer conducted a series of river surveys under an independent assessment of the South-North Water Transfer Project, a major water diversion scheme to bring water from the Yangtze to the Yellow River region. Picture shows a canal in Hebei province that is part of the Project.

This article is reproduced from World Rivers Review (March 2012), a publication of International Rivers.

Rating lords

Criticism of rating agencies has become more pronounced in the course of the global financial crisis and the current euro crisis. Typically, such criticism concerns the agencies' power in North America and Europe. Since ratings channel international flows of capital, however, they also have a bearing on developing countries.

RATING agencies assess the creditworthiness of debtors. They check whether debtors are willing and able to meet obligations. In this context, debtors are not only private-sector companies, but national governments too. The agencies issue their judgments in the form of ratings. The higher the ratings, the more attractive a country or company is to investors. Accordingly, the conditions for borrowing money become more favourable. When the situation of a debtor changes, so do the ratings. Downgrades make new loans more expensive and harder to get.

Rating agencies rate innovative financial products too. Their failure to do so accurately was one of the causes of the global financial crisis. Three private companies dominate the world ratings market: Standard & Poor's, Moody's and Fitch. Together, they account for a market share of about 90%.

Disadvantaged developing countries

So far, many developing countries and companies based there have never been rated. Therefore, their access to the global financial market remains limited. Foreign direct investment normally bypasses them. One reason why countries have not been rated is high costs. In the rating business, those who want to issue bonds have to cover the rating expenses ('issuer pays').

To improve matters, the United Nations Development Programme

**Karl-Heinz Bächstädt,
Markus Henn and
Franziska Richter**



Moody's headquarters in New York. Moody's is one of the three rating agencies that dominate the world market.

(UNDP) started its 'Rating Initiative' in cooperation with Standard & Poor's in 2003. UNDP and the US State Department sponsored 16 ratings, including seven for sub-Saharan countries. Nonetheless, with regard to developing countries, the rating agencies still lack staff and expertise. They do not do the kind of complex analysis needed. Instead, they rely only on a limited amount of data relating to GDP, debt and growth.

Generally speaking, ratings for developing countries tend to be lower because the agencies take too much account of the geographical region. A country's rating is lower if its region is economically weak – regardless of the country's performance. Making matters worse, a country's rating is, in most cases, the highest possible rating for all companies based there ('sovereign ceiling'). Accordingly, strong companies from developing countries tend to have unjustifiably

low ratings. More ratings, in themselves, will therefore not do to improve developing countries' access to financial markets.

Indeed, powerful rating agencies are prone to thwart development for two reasons:

- Typically, they favour free-market policies and object to government interventions in an economy. Under permanent threat of being downgraded, governments are thus likely to adopt short-term, investor-friendly strategies, for instance, by keeping their debt levels low. The downside is that such a stance often

hampers long-term development.

- Rating agencies tend to see as risks some developments that are actually healthy from a political perspective – consider, for instance, democracy movements in Arab countries. In the worst case, agencies can contribute to the failure of new governance institutions by downgrading a nation in a time of political transition.

Due to their crucial role in the global financial system and their influence on capital flow, the big three rating agencies command extraordinary power. This should not be so. The agencies have no democratic legitimacy whatsoever.

Compounding problems

Ratings, moreover, play an important part in bringing about financial crisis. They tend to be procyclical. Agencies normally overestimate the

performance of countries and companies during upswings and, in recessions, tend to adjust their judgments too late and too radically. One reason for such failures is that they only take into account a narrow range of macroeconomic data, including economic growth and inflation. This practice makes them blind to probable market instabilities.

Since developing countries' economies tend to be vulnerable, the rating agencies' influence tends to be particularly relevant. In boom times, favourable ratings invite a massive inflow of 'hot money', further fueling the bonanza. When agencies downgrade the same country at a later point, portfolio investors flee, aggravating economic troubles.

Institutional investors such as insurance companies and pension funds respond to downgrades particularly fast, because regulation forces them to hold only financial products with good ratings. The dangers of this practice have become evident again and again, for instance in the Mexican crisis of 1994/95 and the Asian crisis of 1997/98.

In spite of well-argued criticism of the rating agencies, however, their influence has grown in recent years. The Basel guidelines (Basel II) on how much equity banks must hold are of special relevance in this context. They spell out that banks must hold a certain level of equity for every financial product they own in order to cover risks. How much money they must reserve for this purpose depends on the ratings. The lower the ratings are, the less operations the bank can run.

In theory, the Basel guidelines are just recommendations, but for all practical purposes, emerging markets and developing countries are under great pressure to comply. The reason is that transnational investors insist on global standards and rules.

For good reason, however, many governments approach Basel II with caution. Because they normally lack strong authorities to regulate the financial sector and do not have domestic rating agencies, they cannot implement Basel II readily.

Moreover, Basel II may hurt

them. That is the case, for instance, when a country is downgraded and, consequently, all or most of its bonds are downgraded too. As a result, the domestic banks which typically hold the bulk of such papers suddenly need more equity. In the end, the country's access to the global financial market worsens at the very time that its domestic banks have to reduce operations. This is a sure recipe for compounding recessions. Making matters worse, domestic private-sector companies are downgraded too, due to the sovereign ceiling.

Some countries – Brazil, for instance – do not rely on ratings for regulating bank equity. Basel II affects them nonetheless, to the extent that multinational banks are active in their markets. Multinational financial institutions, after all, operate according to the rating-based regulations of where their headquarters are, the European Union (EU) for instance. Financial crises can be triggered by wrong or misleading ratings and transcend national borders fast.

New agencies

In many developing countries and emerging markets, new rating agencies have been – or are being – established. Their business models vary a great deal. The South Africa-based company Global Credit Rating, for example, specialises in the African market, where it carries out some 60% of ratings today. The company was initially a branch office of the agency Duff & Phelps, a company later acquired by Fitch. Today, European development banks are among Global Credit Rating's shareholders, spearheaded by the German KfW Banking Group.

In India, CARE Ratings (Credit Analysis & Research) was started in 1993. At the time, several banks, including from the public sector, were involved. Today, two government-run banks and the Reserve Bank of India, the central bank, are the biggest shareholders. India's financial sector regulators, the central bank and other government agencies rely on CARE Ratings, including for the implementation

of Basel II.

Today, some rating agencies specialise in microfinance, a sector that has recently experienced serious problems. The best-known agency of this kind is the non-governmental Microfinance Information Exchange (MIX). It was started in 2003 and is based in Washington DC. Agencies of its kind, however, mostly assess financial data such as debt recovery rates or loan volume. Their priorities are not fighting poverty and sustainability, which are what microfinance institutions focus on. MIX is therefore unlikely to contribute much to improving microfinance institutions' developmental effectiveness.

Taxing competently

Ultimately, rating agencies' influence is limited to governments and companies that rely on credit. States that fund their actions with loans instead of taxes are subject to the judgment of banks, capital markets and rating agencies. In view of recent financial turmoil, developing countries are well advised to think twice before opting for credit. In most cases, smart tax policies matter more, especially if they prevent tax evasion.

The EU is currently reviewing its legislation on rating agencies and, in the process, should consider agencies' impact on developing countries. Governments and financial institutions have to become less dependent on rating agencies. Regulators must pay more attention to the needs of developing countries. Ratings must take into account many more issues. International agreements like Basel II must grant adequate policy space to developing countries. Finally, ratings have to take account of sustainability issues, including social and environmental dimensions. ♦

Karl-Heinz Bächstädt is a management consultant and a certified rating adviser and works for the German company Rating & Risk Consulting GmbH. Markus Henn is a political scientist and a policy officer with WEED (World Economy, Environment and Development), a non-governmental German think-tank. Franziska Richter is a student of political economy and associated with WEED. This article is reproduced from D+C (Development and Cooperation, May 2012).

Spare a thought for the ‘homeless rich’

From Manhattan to Monaco, the world’s wealthiest people are disconnecting into a class of stateless transients.

BACK in 1863, a short story took the American reading public by storm. Edward Everett Hale’s ‘The Man Without a Country’ told the tale of a poor treasonous soul sentenced to spend the rest of his life endlessly sailing the world in perpetual exile, as a prisoner aboard Navy warships.

Today’s awesomely affluent are just as transient – by choice.

Take Facebook co-founder Eduardo Saverin. This billionaire renounced his US citizenship in 2011, a move perfectly timed to potentially save him hundreds of millions in taxes when Facebook goes public.

Saverin has plenty of company. The number of Americans who formally renounced their US citizenship soared to 1,780 last year from 235 in 2008.

The spark for this surge? US tax officials have been clamping down on overseas tax evasion. This bit of unpleasantness has some wealthy Americans, such as the Brazilian-born Saverin, cutting their ties to dear old Uncle Sam. They simply pay a \$450 paperwork fee and an ‘exit tax’ on unrealised capital gains, if they hold assets worth over \$2 million or have paid over \$151,000 to the Internal Revenue Service in any recent year.

But the affluent who’ve formally renounced their citizenship comprise just a tiny share of what the *Financial Times* has labelled the ‘stateless super rich’. These uber-wealthy folks shy from the notoriety of citizenship spurned. They just live their lives as if they have no nation to call their own.

The most famous member of this stateless-by-choice community may be Nicolas Berggruen, a 52-year-old ‘homeless billionaire’ worth over \$2.3 billion who has spent the last decade hopping the world from one five-star hotel to another.

But few of the stateless super rich

Sam Pizzigati



Billionaire Facebook co-founder Eduardo Saverin (pic) renounced his US citizenship in 2011, a move perfectly timed to potentially save him hundreds of millions in taxes.

settle for hotel suites. Most of the vagabonding wealthy own personal residences. Lots of them. Typically, the *Financial Times* reported in April, a stateless super-rich household will have one or two properties in their ‘country of principal residence’, another in London, New York, or some other ‘global city’, a ‘holiday home’ in a warm climate, and maybe another pad somewhere snowy.

Among the super rich, this perpetual-motion existence has become almost *de rigueur*, notes Jeremy Davidson, a London realtor who handles properties that run at least £10 million, the equivalent of over \$16 million.

‘The more money you have,’ explains Davidson, ‘the more rootless you become because everything is possible.’

That rootlessness is keeping the price of luxury real estate soaring. So far this year, in Manhattan alone, four luxury co-op apartments have sold for over \$30 million each, notes *Crain’s New York Business*.

Just how many potential stateless super rich are currently roaming the world? Late last year, the Singapore-based Wealth-X consulting firm put the overall global number of people worth at least \$500 million at about 4,650. These super rich together hold an estimated \$6.25 trillion in assets.

That’s more than enough, note urban planners, to create havoc in the hotspots where the stateless super rich most often gather. Their gentrification on steroids supersedes prices for local products and services – and prices out local residents in the process.

The massive mansions and apartments belonging to these homeless billionaires can also exacerbate local housing shortages and constitute an assault on any healthy sense of urban community. The super rich, as they flit about, leave their properties unoccupied most of the year. The resulting emptiness, notes Columbia University sociologist Saskia Sassen, sucks the neighbourhood vitality out of great urban centres.

The super rich don’t notice. Or care. They have no interest in putting down roots. During their brief seasonal sojourns, they live in isolation from the greater community around them. They venture out into local public life only long enough to corrupt it with trinkets for local politicians who promise to keep tax rates toothless.

The stateless protagonist in the classic short story Edward Everett Hale penned nearly 150 years ago desperately yearns to rejoin the society he so treasonously spurned. Today’s stateless super rich don’t figure to display any similar yearning. They’re having too grand a time. At our expense. ♦

Sam Pizzigati edits Too Much, the online weekly on excess and inequality published by the Washington-based Institute for Policy Studies. This article is distributed via OtherWords (OtherWords.org).

South wins battle for new UNCTAD mandate

After a bruising negotiating session at a week-long ministerial conference in late April, the developing countries won a battle to give UN development body UNCTAD a renewed and broad mandate for its future work, including on the global economic crisis.

Martin Khor

A FRESH mandate has been given to the United Nations Conference on Trade and Development (UNCTAD) to continue the scope of its present activities as well as to take on some new issues in the next four years.

This was the main result of UNCTAD's ministerial conference (known as UNCTAD XIII) that was held in Doha, Qatar on 21-26 April. It came after a huge battle between developing and developed countries that went on for several months, first in Geneva (where the UN organisation is located) and then in Doha.

At times it seemed as if the developed countries would succeed in blocking the UN's premier development think-tank from continuing its work in some key areas, especially on the global economic crisis, financial issues, macroeconomic policy and debt.

But this onslaught was eventually successfully resisted by the developing countries, which stayed united under the Group of 77 (G77) and China as well as the groupings of Africa, Asia and Latin America and Caribbean and the least developed countries.

The adoption by consensus of the Doha Accord was hailed as a success by all parties at the end of the conference. It was a triumph of multilateral cooperation at a time when there have been many failures, said one developed-country grouping at the close of the meeting.

This is indeed true. The World Trade Organisation (WTO)'s trade round, initiated in 2001 also in Doha, has been unable to conclude due to an unbridgeable North-South divide.



The UNCTAD XIII conference in Doha (*pic*) gave UNCTAD a fresh mandate to continue the scope of its present activities and to take on some new issues in the next four years.

The UN Framework Convention on Climate Change negotiations face severe strains, with each recent annual conference becoming a nail-biting event as to whether there would be a bust-up or a temporary patch-up agreement in the last hours.

The preparations for this year's other big event, the UN Sustainable Development Conference to be held in June in Rio de Janeiro, are also facing serious challenges, with many areas of disagreement and only a few more days left to negotiate.

It is becoming evident that we are now in a new era of great difficulties in international relations, where principles and issues that for a long time were accepted as being part of (or even the bedrock of) North-South cooperation have now become issues of serious contention.

At the heart of this sea change is the concern of many developed countries that they are losing ground to several developing countries in eco-

nomic performance and global influence, and that to check this trend the old contours of international cooperation have to be redrawn.

Thus, the North seems to be rethinking whether to continue (and if so, then how to continue differently) the practice of developing countries being provided with development assistance and trade preferences, or with the flexibility to take on lesser obligations in trade or environment agreements in recognition of their lower economic levels.

Thus, for example, there are attempts to remove or drastically redefine the principle of 'common but differentiated responsibilities' in environmental agreements especially in the climate area. Similarly there is an attempt to downgrade or redefine the extent to which developing countries get special and differential treatment in trade agreements, with the developed countries not so interested anymore in the WTO where this prin-

UNCTAD

ciple is alive, and instead wanting to negotiate bilateral and regional agreements where the reciprocity principle prevails and both sides have to make similar commitments.

The UNCTAD conference, held once in four years in order to decide on UNCTAD's specific work until the next conference, almost became a victim of this larger global geopolitical change.

Since the last conference in Accra in 2008, the UNCTAD secretariat has continued to do outstanding work on the global economy, providing incisive analysis of the causes of the financial crisis and the inadequate policy responses by developed countries, and offering proposals for solutions that are more systemic (and more workable) than the orthodox.

In recent weeks, many pointed out that UNCTAD has over the years been ahead of the curve, providing analyses and proposing solutions vastly different from those put forward by the International Monetary Fund (IMF) and World Bank, and often proven right.

The developed countries, especially the JUSSCANNZ grouping (that includes the US, Japan, Canada, Australia and Switzerland) and sometimes supported by the European Union, sought to remove or dilute the mandate of UNCTAD to work on finance and macroeconomic issues, arguing that it should stick to only trade-related issues.

Developing countries argued that UNCTAD has through the years enjoyed a broad mandate to address a broad range of issues covering not only trade and development but also finance, technology and sustainable development.

They and a growing group of non-governmental organisations (NGOs) and scholars, including over 50 former senior UNCTAD staff, argued that UNCTAD's work on global financial and economic issues has not only proven valuable but is even more important now that the world is in a crisis.

'The credibility of the orthodox theories and of the IMF and World Bank is now low because their pre-



The UNCTAD secretariat has provided incisive analysis of the causes of the global financial crisis and the inadequate policy responses by developed countries.

scriptions led to the crisis, and the developed countries are seeking to silence UNCTAD because its analyses and proposed reforms have gained ground,' said a senior developing-country ambassador in the corridors of UNCTAD XIII.

On 13 April, the G77 and China made a strong statement in Geneva that it could no longer make any concessions and that at a minimum the Doha conference should reaffirm that UNCTAD continue the work agreed to at the Accra conference in 2008, and take on any additional work that the Doha conference may agree on.

Since the developed countries were not willing to give UNCTAD any new work, the battle in Doha was really about whether or not to reaffirm the Accra Accord of 2008, which would allow UNCTAD to continue its present work.

After often-heated negotiations, which lasted till 5 a.m. on the last night, the G77 and China and its regional groupings finally succeeded in convincing the developed countries to reaffirm the Accra Accord, to not place new conditions on UNCTAD's future work, and to continue to work on the financial crisis.

The JUSSCANNZ group had opened another front to narrow UNCTAD's work by proposing that

UNCTAD stick to its 'core' mandate and not 'duplicate' the work of other international organisations. By this it meant that UNCTAD should only work on trade issues, and leave finance and technology to the IMF, World Bank and others.

The G77 and China succeeded both in having the Accra Accord reaffirmed as well as in maintaining UNCTAD's broad mandate.

In the Doha Accord adopted on 26 April, paragraph 16 reaffirms the Accra Accord, which it says remains valid and relevant, while paragraph 17 states that UNCTAD remains the focal point for the UN for an integrated treatment of trade and development and interrelated issues of finance, technology, investment and sustainable development, while enhancing synergies and complementarities with other UN and other international organisations.

In closing speeches, the G77 and China said what was achieved at UNCTAD XIII had been very significant, and UNCTAD now has a clear roadmap for its work for the next four years.

The European Union welcomed the Doha mandate, which it said gave UNCTAD a very solid mandate for the next four years.

The JUSSCANNZ group said UNCTAD XIII had a positive conclusion, and this was a success for multilateral cooperation.

The NGOs, which played a significant role in UNCTAD XIII, said they were concerned that some countries tried to circumscribe the work of UNCTAD on the financial crisis, but they (the NGOs) interpreted the outcome to mean that UNCTAD can address the root causes of the crisis in order to help avoid future crises.

Thus ended UNCTAD XIII, in which international development cooperation was put to a severe test, and the developing countries came out successfully in defending the mandate and work of the UN's most important development organisation. ♦

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UNCTAD: The South stands up to the North

The battle over UNCTAD's mandate revealed a fundamental difference between the South and the North on state policy and development, says *Vijay Prashad*.



A meeting of UNCTAD's Trade and Development Board in progress. The developing countries had pushed for the creation of UNCTAD to advocate for their development interests.

ON the eve of the 13th UN Conference on Trade and Development (UNCTAD XIII) at Doha, Qatar, UNCTAD Secretary-General Dr Supachai Panitchpakdi drew a picture of the relationship between finance and development. 'Finance should not be the master of development,' he said. 'Whether it be slave of development is something else, but finance should serve development.' Inside this small gesture (to invert the relationship between finance and development) lies an enormous controversy.

From the negotiating bloc that represents the Global North (Group B) came a major push-back against the idea that UNCTAD or any other global agency should or could regulate finance. In the negotiations toward a consensus document for UNCTAD XIII, the North put up as many obstacles as possible. Its seasoned negotiators fought to remove all reference to the financial crisis from the document, and to insist that UNCTAD deal only with its core mandate. They expanded the draft text from 24,000 words to 30,000 words with issues having to do with the

World Bank's favourite idea, 'good governance'. Each paragraph had to be minutely scrutinised by the North's negotiators, slowing down the process.

On 19 March, the Swiss Ambassador to UNCTAD Luzius Wasescha pointed out that at the rate of progress (3 hours per paragraph) it would take 487.5 negotiation days to get through the draft. This was the strategy of what he called 'creating chaos'. The US statement on 19 March was as cutting: 'The [UNCTAD] Secretariat should not pursue issues outside UNCTAD's mandate – such as the reform of global financial systems. Not only does this particular issue stray far beyond UNCTAD's mandate and its expertise, it also faces strong opposition by many members,' namely the United States.

The North's position rankled former staff members of UNCTAD who released a statement on 11 April entitled 'Silencing the message or the messenger....or both?' The signatories once held senior UNCTAD posts, including that of Secretary-General (Rubens Ricupero). 'When I arrived

at UNCTAD in 1995,' Ricupero told the Inter Press Service news agency, 'there was already a conspiracy afoot by the "usual suspects", the rich countries – not to change the mandate as they want to now, but to simply suppress the organisation that they have never accepted since its inception.'

Two days later, the negotiating bloc of the South (the G77 and China) released a very strong statement. Pisanu Chanvitan, the Thai head of the bloc, noted that the North had 'regressed to behaviour perhaps more appropriate for the founding days of UNCTAD, when countries of the North felt they could dictate and marginalise developing countries from informed decision-making'. The North's behaviour, Chanvitan noted, 'seems to indicate a desire for the dawn of a new neo-colonialism'.

UNCTAD's birth and paralysis

UNCTAD, based in Geneva, was formed in 1964 through the efforts of the newly created Non-Aligned Movement (NAM). Confident new states no longer wanted to be second-class citizens to the Atlantic world (the United States and Europe) which dominated the international economic institutions, such as the International Monetary Fund, the World Bank and the General Agreement on Tariffs and Trade. Unable to make space for themselves in these venues, the new states of Africa, Asia and Latin America pushed for the creation of UNCTAD.

It was always a feisty organisation, advocating for the interests of what would later be called the Global South against the Global North. The 77 countries of the South formed their Group of 77 to work within the UN

institutions, including UNCTAD and the General Assembly. They were the pressure group of the South (there are now over 130 countries in the G77). UNCTAD was both a forum for negotiation between South and North, and a research unit with a sophistication that was as yet not possible in the ministries of the individual states. The high point of UNCTAD was in 1974, when the UN General Assembly voted in a resolution for a New International Economic Order (NIEO).

To counter the NIEO, the states of the Global North formed the G7 in 1974. It was set up to undermine the power of the South. The debt crisis of the 1980s sapped the South of its power, and left it prone for the agenda of the North. Sustained attack on UNCTAD by the Atlantic powers since the 1980s pushed it into a corner, and made it largely irrelevant as the Atlantic world took its business into forums such as the World Trade Organisation (WTO), where it was able to rule the day.

After a contentious election that pitted New Zealand's Mike Moore against Thailand's Supachai Panitchpakdi, the WTO hierarchy decided to split the third term of the WTO head between the two. Moore ran the WTO between 1999 and 2002, following from an Italian and, before him, an Irish Director-General. After Moore came Dr Supachai, who was Director-General from 2002 to 2005.

During Dr Supachai's tenure at the WTO, the Doha Development Round of trade talks floundered at a Cancún meeting in 2003. Agricultural subsidies in the North scuttled the discussion (the US had a \$180 billion Farm Bill to subsidise US agro-business, and the Europeans refused to reform their Common Agricultural Policy). The recalcitrance of the North, as one person put it, 'made a mockery of the idea that the Doha round was to be a development round'. The US refused to budge on cotton subsidies, which condemned Africa's Cotton Four (Benin, Burkina Faso, Chad and Mali) to acute economic crisis. 'We are used to hardship, disease and famine,' said a member of the Cotton Four. 'Now the



Heiner Flassbeck, director of UNCTAD's Division on Globalisation and Development Strategies: 'The highlight of [UNCTAD XIII] was the fiercely contested negotiation of the Doha Mandate.'

WTO is against us as well.' Dr Supachai's attempt at consensus failed. It would mark the rest of his tenure at the WTO.

By the time Dr Supachai moved from the WTO to UNCTAD in 2005, the Doha Development Round had been on life-support, and multilateral negotiations elsewhere, including on the crucial issue of climate change, had been set aside in favour of a North-driven agenda. The US administration of George W Bush had an adverse relationship to multilateralism, having brushed off the Kyoto Protocol on climate change and the Rome Statute on the International Criminal Court. An aggressive use of the UN Security Council on Iraq had embittered the relationship between South and North. Under Dr Supachai, UNCTAD held its 12th conference at Accra, Ghana in 2008. Little was expected of this conference, and indeed not much was delivered. The most novel approach was UNCTAD's entry into the climate debate. Paragraph 100 of the Accra Accord indicated that UNCTAD should consider climate change in its work on development-related trade and investment policies.

Buried in the Accra Accord was an indication of the philosophical difference between the South and the North on state policy and development. The North preferred the 'mar-

ket' as the conductor of social affairs, while UNCTAD indicated that 'developing countries should pursue development strategies that are compatible with their specific conditions within the framework of an enabling State'. This 'enabling State' was to deploy 'its administrative and political means for the task of economic development, efficiently focusing human and financial resources'.

The opportunity of the financial crisis

The financial crisis struck after UNCTAD XII. As the delegates left Accra and went off to digest their compromises, the toxic banking sector reared its head. UNCTAD had warned about toxic finance for about a generation, but few paid heed to its Cassandra-like persistence. In 2009, the North made at least two important concessions to the South in exchange for Indian and Chinese financial contributions to the IMF and other multilateral agencies: first, that the G8 would be wound up in favour of the G20, and second, that the international financial architecture would be reformed. As confidence returned to the North, however, it has reneged on both these promises.

UNCTAD's *Trade and Development Report 2011* produced a carefully argued analysis of the power and influence of finance capital. In Chapter 5, on commodity markets, UNCTAD argues that the commodity boom cannot be explained by rising demand from the BRICS states (Brazil, Russia, India, China and South Africa). Instead, the culprit can be found amongst the index investors, the speculators whose commodity trades are motivated by 'factors totally unrelated to commodity market fundamentals'. What explains the rise in commodity prices, including food and oil, is 'the greater presence of financial investors, who consider commodity futures as an alternative to financial assets in their portfolio management decisions. While these market participants have no interest in the physical commodity, and do not trade on the basis of fundamental supply

and demand relationships, they may hold – individually or as a group – very large positions in commodity markets, and can thereby exert considerable influence on the functioning of these markets.’ There could be no development agenda without a serious consideration of financial reform.

At Doha

Once in Doha, the Global North went at UNCTAD from many directions. It tried to use the question of internal reform of the organisation as a threat against the staff. Complaints about duplication in the UN system go back to the 1960s, when the US tried at that time to prevent UNCTAD from being born. The North suggested that UNCTAD’s budget could be trimmed so that it might return to work on its mandate and not take up issues already dealt with in other UN organisations. Here the Global North neglected to note that the ‘other’ UN organisations, such as the International Monetary Fund and the World Bank, are closely aligned to the US and Europe and are not beholden to the South.

Such a push-back against UNCTAD has not been seen since at least the 1970s. Unfortunately for the Global North, the main countries of the South gathered together to defend UNCTAD. The most important outcome of Doha was not the final document, but the emergence of the South as a potent force.

The negotiations on the final document went on till the last day, holding up the closing ceremony as the text had to be translated. The final document, ‘The Doha Mandate’, is optimistically named. Coming out of such a contentious process, with the North smarting, the Doha Mandate was nonetheless quite an achievement. All the sections that the North attempted to strike down (on hunger and food security) made their way into the final document. The North wanted to walk away from one particular paragraph that was in the final docu-



IMF headquarters in Washington. The North suggested that UNCTAD should not duplicate the work of other organisations like the IMF.

ment of the 2008 UNCTAD XII:

‘Developing countries should pursue development strategies that are compatible with their specific conditions within the framework of an enabling State, which is a State that deploys its administrative and political means for the task of economic development, efficiently focusing human and financial resources. Such a State should also provide for the positive interaction between the public and private sectors’ (paragraph 115, Accra Accord).

Part of the fight at Doha was over the ratification of the Accra Accord and, centrally, whether this philosophical attitude to the ‘enabling State’ should be accepted. Along the grain of the dominant neoliberal thinking, the North wanted to substitute this interventionist idea with a more *laissez-faire* notion of the State. The North’s draft suggested that rather than an ‘enabling State’, UNCTAD should be tasked with the promotion of ‘an effective State, working with private, non-profit and other stakeholders’ to ‘help forge a coherent development strategy and provide the right enabling environment for productive economic activity’. The debate between the ‘effective’ State and the ‘enabling’ State fractured along North-South lines. The final text was a compromise, with neither side able to fully get its way:

‘Each country has the primary responsibility for its own economic and social development, and national development efforts need to be sup-

ported by an enabling international economic environment. The State, having an important role to play, working with private, non-profit and other stakeholders, can help forge a coherent development strategy and provide an enabling environment for productive economic activity’ (paragraph 12, Doha Mandate).

Fragments from each draft entered the paragraph, with the argument unsettled. Given the poor negotiating position of the G77 and China, the main negotiating

arm of the South, this is however quite a feat. As Norman Girvan, former board member of the South Centre and former Secretary-General of the Association of Caribbean States, told me, ‘In the context of the sustained efforts of the North in the run-up to the Conference to emasculate UNCTAD’s mandate, and taking into account the formidable political and economic resources at their disposal to divide the South, I share the view of those who judge it to be a victory for the South. It only goes to show that maintaining a firm, united position by the South is the only way to win even modest gains in global forums. Division is fatal.’

The G77 was able to stave off the strongarm tactics of the North and leave intact UNCTAD’s original mandate, including its ability to conduct research that would ‘enable’ a better understanding of the financial crisis and provide policy tools for States to intervene toward people-centred development and not finance-centred globalisation.

‘The highlight of the Conference,’ Heiner Flassbeck, director of UNCTAD’s Division on Globalisation and Development Strategies, told me, ‘was the fiercely contested negotiation of the Doha Mandate. Regardless of the specifics of the text as adopted, for me the process that created it was more significant.’ The specifics were not so central because the real debate was not on practical policy matters. It was on the broader principle of how to understand the in-

ternational framework for economic policy and what UNCTAD should be permitted to do to make that framework amenable to genuine people-centred development. 'The attempt that was mounted to exclude UNCTAD from working on global macroeconomic, financial and monetary issues was not new,' Flassbeck said, 'but its advocates came out much more aggressive than ever before. I cannot but conclude that UNCTAD's work, and here mainly the work of my division, has been perceived as professionally strong, but too critical to be allowed in the international chorus of Washington Consensus-like voices.'

The North's cavil about UNCTAD's duplication of the work of the WTO or the IMF was specious. Unlike the WTO and the IMF, sections within UNCTAD, such as Flassbeck's division, produce high-level empirical work that is grounded in a theoretical framework unwilling to cheerlead for neoliberal policy making and for finance-driven globalisation. The North had a political objection to UNCTAD and not a bureaucratic one.

During the debt crisis of the 1980s, a weakened Global South saw UNCTAD's secretariat partly sequestered to the interests of the Global North. From 1974, the UN Centre for Transnational Corporations (UNCTC) had been hard at work building up a database on transnational corporations and setting up a Code of Conduct for such firms. By 1992, the UNCTC was brought into UNCTAD where its mandate was radically transformed. Instead of being a watchdog of transnational firms, the UNCTC directed its resources toward helping transnational firms enter the South. It was in this period that vast sections of UNCTAD became invested in channelling foreign direct investment (FDI) into the South. At Doha, many of the seminars were precisely on this theme, providing technical and political support for transnational firms and for FDI into the countries of the South. Some of this work is done by the International Trade Centre, a joint project of the WTO and UNCTAD. By

the 1990s and into the 2000s, UNCTAD's core positions were whittled down, as it absorbed the general neoliberal orientation. It was no surprise when Dr Supachai left the directorship of the WTO in 2005 to head UNCTAD.

While the Doha Mandate strengthens Flassbeck's Division on Globalisation and Development Strategies, it does not weaken the general thrust of this other side of UNCTAD. Flassbeck tells me that the difficult negotiations at Doha might be seen by 'responsible people in UNCTAD as an opportunity for renewing UNCTAD and indeed for revitalising the G77, which has rediscovered the value of UNCTAD as a source of second opinion on global economic issues, or a "think-tank for developing countries", as one delegate put it in the closing ceremony.'

If Flassbeck is correct, then the larger countries of the South, namely India and China as well as Brazil and South Africa, might bring this new political will to bear on other aspects of the North's policy agenda and on a rehabilitation of the critical work on transnational corporations and FDI. None of these states have demonstrated an appetite to challenge the neoliberal policy agenda of the North. What they have done, however, is to resist the North's attempt to shape the trade environment more fundamentally to the advantage of transnational firms than to the farmers and miners of raw materials and primary commodities in the South.

On to the G20

After Doha the next major event to pick up these themes will be the meeting of the G20 major economies in Los Cabos, Mexico on 18-19 June. The leaked agenda for that meeting was drafted by Pascal Lamy, the head of the WTO, and Angel Gurría, the head of the North-dominated Organisation for Economic Co-operation and Development (OECD). This agenda seeks to provide a 'new trade narrative'. This new narrative will try to strengthen 'global supply chains and value addition' while 'moving away

from the "give and take" setting in which trade discussions happen'. In other words, the G20 meeting is to create a paradigm that avoids negotiations ('give and take') and to establish a climate that benefits smooth global value chains – which would benefit the transnational firms.

A preview of the debate took place at Doha, where Costa Rica's Minister of Trade Anabel Gonzalez Campabadal argued that her country's success in the microchip sector was predicated on easy entry into the supply chains. The WTO's Lamy concurred, saying that these value chains reduce the price of the 'entry ticket' for countries like Costa Rica to enter international trade networks. It is perhaps important to mention that Minister Gonzalez worked at the WTO as the Director of the Agriculture and Commodities Division before assuming her government post. The South African Minister of Trade Rob Davies entered the discussion to point out that these value chains have a tendency to perpetuate the old divides, with the South producing primary goods and consuming finished goods. The WTO ambassadors from Brazil and India agreed with Davies. They prefer to see manufacturing within the South as a driver of development, the core position established by UNCTAD.

UNCTAD XIII was memorable for a revitalised G77 and for the growing confidence from Brazil, India, China and South Africa to stand up for a Southern consensus. It will be seen if this awakening remains at Los Cabos and into next year, when the WTO will seek a new head after Lamy leaves office. Having failed to unite behind a candidate from the South for the IMF, for the World Bank and (seemingly) for the International Labour Organisation (whose election is on 28 May), it will be notable to see if the momentum of Doha propels the South to select their candidate for the WTO. ♦

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Victory at UNCTAD XIII – a civil society perspective

In the following account of the intense conference negotiations, *Deborah James* explains why civil society organisations mobilised so furiously to prevent the whittling down of UNCTAD's mandate.

Deborah James

AFTER a week of intense negotiations, civil society groups welcomed a rare victory in the final declaration of the UNCTAD XIII conference in Doha, Qatar.

The final declaration provides support – approved by the developing and developed countries alike – for a strong mandate for UNCTAD's vital work on financial and related crises. Amazingly, this was the most contentious aspect of the text. Developed countries originally even opposed the inclusion of language recognising the existence of the global financial and economic crisis. A red line for the US was on language mandating UNCTAD to work on the 'root causes' of the crisis – probably because of the implied culpability, since the US was the epicentre of the financial crisis of 2008-09.

The key contested paragraph calls for UNCTAD to 'continue, as a contribution to the work of the UN, research and analysis on the prospects of, and impact on, developing countries in matters of trade and development, in light of the global economic and financial crisis'. While this mandate could have been broader, negotiators in the G77 group of over 100 developing countries – together with civil society support – were able to push back and wouldn't back down.

Why would such seemingly innocuous language be so controversial? This is because UNCTAD has been the source of some of the most accurate and comprehensive analyses of the causes and impacts of the global financial crisis and recession. And it has been proposing solutions that



Some of the participants at the UNCTAD XIII Civil Society Forum. Civil society organisations played an important part in shaping the outcome at Doha.

are anathema to those who wish to maintain 'business as usual' in global economic and finance policies in the aftermath of the crisis.

In fact, in a private meeting between US civil society and Robert Gerber, the deputy head of the US delegation, he told us that he thought that analysing 'the global economic crisis' itself was outside of UNCTAD's mandate, which was to focus on trade and development. I'm not sure how to make an argument that these things are not related, but I guess when you're the United States at the United Nations, you don't have to have a logical argument.

He also said the language in the text that was most important to the United States was on UNCTAD's efficiency, effectiveness, transparency and accountability; we're looking forward to seeing the US push hard for similar issues regarding the International Monetary Fund (IMF) and US aid in Haiti, among other places.

Alternative perspective

Why is this fight so important? Of the four institutions that set the rules of the global economy, the IMF, the World Bank, the G20, and the Organisation for Economic Cooperation and Development (OECD), the first three are dominated by rich-country governments and the fourth is exclusively their provenance. Only the G20 is now attempting to balance decision-making power with developing countries, but only with certain 'emerging markets'.

Even more importantly, all have been active in maintaining the dominant narrative in favour of deregulation of the private sector, and a weakened role for public oversight by the state, that helped bring about the global economic crisis. These institutions have mostly maintained this agenda, even in its aftermath.

On the other hand, UNCTAD is the only multilateral economic agency

in which countries are associated in groups with supposedly similar power. And more importantly, it offered a narrative that is an alternative to the bailouts-for-banks and austerity-for-the-people policies. In the report prepared in advance of this latest quadrennial conference, it posited that ‘finance-led globalisation’ had been at the root of the crisis, and that given that its impacts have been, and continue to be, felt worldwide, a new model of ‘development-led globalisation’ must be implemented.

This perspective evidently didn’t sit well with many rich countries. According to one delegate, when an official of the JUSSCANNZ grouping (comprising Japan, the US, Switzerland, Canada, Australia, Norway, and New Zealand – the non-EU bloc of developed countries) was asked directly at one point during the negotiations why he did not want this language included, the representative responded gruffly, ‘We don’t want any competition in intellectual thinking!’

Thus the developed countries organised to water down the text, fighting hard against any mention of the crisis in the policy language, and against any mandate for UNCTAD to work on macroeconomic policies. They also fought against the affirmation of the Accra Accord (in paragraph 16), the mandate from the last UNCTAD conference. This mandate includes work on macroeconomic policies and other key issues that developed countries want to keep within the exclusive provenance of the IMF, the WB, the G20, and the OECD.

Mobilisation

How did we get to the point where such basic language was even on the table? It was rumoured that the G77, a group of more than 100 developing countries, had been in a bit of disarray in the earlier, Geneva-based phase of the negotiations. Since the BRICS (Brazil, Russia, India, China and South Africa) joined the G20, and have also developed their own fora, it seems that they were not as active in strengthening the negotiating position of the G77.



Trade ministers from the BRICS countries (Brazil, Russia, India, China and South Africa) posing for a group photograph at their March meeting in New Delhi. On the eve of UNCTAD XIII, the BRICS trade ministers issued a statement strongly affirming UNCTAD’s important role.

But things started to change as word leaked out about the weakness of the draft text, and groups started to mobilise. The former staff of UNCTAD were so concerned about the earlier drafts that they alerted the public through a letter pointing out the spuriousness of the OECD countries’ objections and highlighting the importance of UNCTAD’s role:

‘This is neither a cost-saving measure nor an attempt to “eliminate duplication” as some would claim. ... [W]e all fervently believe in the value of maintaining an independent research capability that serves to focus intergovernmental debates on how the workings of the global economy affect developing countries.’

Then, just before the conference, the BRICS met on the sidelines of the G20 trade ministers’ meeting. Realising that a lot was at stake, they issued a statement strongly affirming UNCTAD’s important role. Even more importantly, Brazil, India, China, and South Africa lent key negotiating skill and weight to the G77 in the heat of the negotiations. Thus, credit definitely is due to them for maintaining their strong alliance with the larger developing-country grouping.

Civil society also raised the alarm through a letter to negotiators – demanding that they strengthen

UNCTAD’s role in global governance – that eventually gained the support of nearly 200 international and national organisations from 47 countries.

Civil society role

Civil society also played an important role during the conference. The International Trade Union Confederation, Public Citizen, the Tax Justice Network, ActionAid International, the Our World Is Not For Sale network and other groups convened side events on issues of investment, financial regulation, the WTO, debt, tax policy, food security, and the social protection floor – offering incisive analysis on key issues under negotiation within the conference theme of inclusive and sustainable development.

The Third World Network, the Center for Economic and Policy Research, Jubilee South, the Arab NGO Network on Development, and other groups together held several press conferences and issued almost daily press releases, as well as mobilised constituencies to contact political officials at home, putting pressure on the negotiators throughout.

Lobbying was also a key strategy. Jubilee USA and other allies successfully lobbied the US to improve lan-

guage on debt sustainability, and several European groups were able to mitigate the EU's position through appealing to the Norwegian and Finnish governments. And the civil society groups carefully analysed the text (after receiving leaked copies each day), and sent regular updates to negotiators of the exact paragraphs that were a priority for civil society, with suggestions of improved language. Many G77 negotiators commented that the support they received from civil society was key to the outcome.

The civil society organisations also put pressure directly on the JUSSCANNZ and EU. In a heated meeting, representatives from Ghana, the Philippines, Argentina, Malaysia, Australia, and the US shared analysis and frustration with the Ambassador from the US, and key delegates from the EU and Canada, and the lead JUSSCANNZ negotiator, the Swiss Ambassador to the WTO and the UN, Luzius Wasescha. The latter chided us that he 'felt like he was on trial'. After the positions these negotiators had taken at UNCTAD, and the implications of their policies for developing countries, we did not feel sorry for making a negotiator feel uncomfortable for a few minutes.

Heated debate

Negotiators spent days in heated debate. But the pivotal moment came when what began as acrimonious negotiations suddenly came close to a consensus that the G77 and UNCTAD's Secretary-General, Dr Supachai Panitchpakdi, are celebrating as an important success.

On the third day of negotiations 'upstairs' where the tough issues were being handled, Ambassador Wasescha made a surprising announcement. He said the JUSSCANNZ and the EU were prepared to accept the main controversial paragraphs 16 and 17, if the G77 would give up the paragraphs supporting Cuba and Palestine.

Delegates were outraged. It is common knowledge that countries utilise leverage in negotiations, and horse-trading is the norm. But rarely



UNCTAD has posited that 'finance-led globalisation' was at the root of the world economic crisis.

in diplomatic group negotiations is such tit-for-tat so explicitly expressed.

Fortunately, Mr Wasescha evidently was missing some key information.

Next, the Palestinian negotiator took the floor. 'I would like to inform you that a few minutes ago, the Israeli representative and I came to agreement on the text on Palestine. After futile meetings with the Europeans and the JUSSCANNZ in Geneva for months, we have come to agreement on language in fifteen minutes. So you cannot use this issue to obtain something else you want,' he said. Shortly after, the Cuban negotiator made a similar announcement that an agreement had been reached between his delegation and the United States.

According to sources, the Swiss negotiator looked crushed. It seemed that key leverage had been taken away, and the plan so carefully built over the months of negotiations crumbled. It was a victory for the G77 and China.

More tough negotiations – until 5 a.m. the last night – were needed to ensure decent language on the main areas of trade and development, and the interrelated issues in the areas of finance, technology, investment and sustainable development, including intellectual property, commodities

regulation, North-South and South-South cooperation, food security, and industrial policy.

Thus today we celebrate that the Accra Accord, and UNCTAD's mandate to work on the issues raised by global economic and financial crises, were affirmed.

The language is still not what it should be. But that reflects the crisis of multilateralism in which we live, where the governments of rich countries feel little commitment to ensuring shared prosperity, and the neoliberal paradigm still dominates the most powerful international institutions.

The Civil Society Declaration, which was presented to the delegates during the first plenary meeting, provides a much more comprehensive and accurate representation of the current dynamics in the global economy.

Moving forward, it will be essential for civil society to continue to monitor the implementation of the mandate to prevent backsliding (about which we are already hearing rumours), and to take the struggle over these same issues to the G20 meeting this summer in Mexico. ♦

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Doha outcome document lays out areas of future work

The following is an analysis of the final document that was adopted at the conclusion of UNCTAD XIII in Doha.

UNCTAD XIII concluded on 26 April with the adoption of an outcome document by consensus, after all-night sessions in two groups that finished at 5.00 in the morning.

A draft of 26 April 5 a.m., titled 'President's suggested distilled negotiating text for UNCTAD XIII', was brought to the table at lunchtime for final cleaning up and confirmation by a meeting of regional coordinators and leading negotiators chaired by the President of the Committee of the Whole, Ambassador Mothae Maruping of Lesotho.

The text was then put before the Committee of the Whole, which was made up of all UNCTAD member states, and adopted, thus providing UNCTAD XIII with an agreed outcome. Having such an outcome by consensus was itself seen as a success, as it had not been clear that it could be achieved, given the often acrimonious negotiations during the preparatory process.

On 24 April, the Group of 77 and China had proposed that the two most important paragraphs (16 and 17) that address UNCTAD's overall mandate be discussed first, rather than wait for the end of the negotiations. This proposal was agreed to, and agreement was reached on the two paragraphs on 24 April evening, following which there was a conducive atmosphere for more collaborative negotiations on all the other issues.

The adopted text has five main sections, in line with the overall theme of UNCTAD XIII (development-centred globalisation) and the four sub-themes (enabling economic environment; trade and development; persistent and emerging development chal-



Among other issues, the Doha outcome document spells out UNCTAD's mandate on strengthening cooperation for trade.

lenges; and investment, trade and entrepreneurship).

Each section contains a part on policy analysis and a part on the role of UNCTAD. The 'role of UNCTAD' text is seen as providing the mandate of work, while the 'policy analysis' provides the context for the work.

In the section on policy analysis on the main theme, development-centred globalisation, the document recognises the financial crisis and that the global economic recovery remains fragile. It also has paragraphs on food security, energy, climate, environment, financing, industrialisation and social protection.

On the role of UNCTAD, paragraph 16 reaffirms the Accra Accord, which it says remains valid and relevant, while paragraph 17 states that UNCTAD remains the focal point for the UN for an integrated treatment of trade and development and interrelated issues of finance, technology, investment and sustainable development.

These two paragraphs are seen to provide a broad mandate for UNCTAD to continue its present work on all the issues agreed to at UNCTAD XII in Accra in 2008, plus

any additional issues contained in the present Doha outcome document.

The role of UNCTAD is elaborated in paragraphs on being a forum for development dialogue; discussions on the green economy; trade and development; issues of interest to least developed countries (LDCs), landlocked developing countries and small island states and vulnerable small economies and middle-income countries.

On sub-theme 1 on enhancing the enabling economic environment, the document recognises efforts to improve the global economy to prevent financial and economic shocks and promote development.

It has paragraphs on the trading system, the Doha Development Agenda, refraining from unilateral measures, non-tariff barriers, commodities, debt sustainability and debt crisis prevention and management, restructuring public debt, fiscal policies, regulation of financial markets, and responsible lending and borrowing.

The role of UNCTAD is elaborated in the areas of social protection floors, regional cooperation organisations, debt issues, non-tariff barriers and measures, commodity dependence, technical assistance on trade matters, and programme for Palestine.

On sub-theme 2 on strengthening cooperation for trade, the document analyses global trade, development aid, aid for trade, regional integration, regional cooperation, South-South cooperation and the Millennium Development Goals.

The role of UNCTAD is elaborated in respect of research on North-South and South-South cooperation,

promoting South-South cooperation, regional trade, addressing opportunities and challenges of South-South cooperation, aid for trade, official development assistance, public-private partnerships and support to LDCs.

On sub-theme 3 on development challenges related to trade and development and interrelated issues, the document has policy analysis on the world economy, accession to the WTO, services, infrastructure, agriculture, land-locked countries and small island states, regional trade agreements, competition policy, empowering women, science and technology, information technology, environment and natural disasters.

The role of UNCTAD is elaborated in relation to assistance for WTO accession, protectionism, services, financial services for small and medium-sized enterprises (SMEs) and individuals, migration, remittances, agriculture, organic farming, food security, trade facilitation, small island states, vulnerable economies, economies in transition, competition and consumer protection, gender, employment, science and technology, trade and environment, insurance and catastrophic risk.

On sub-theme 4 on promoting investment and trade, the policy analysis covers trade, foreign direct investment (FDI), building productive capacity, industrial policies, diversification of commodity-dependent countries, technology and balance of the intellectual property rights (IPRs) system, including on traditional knowledge and genetic resources in line with the World Intellectual Property Organisation development agenda, and middle-income countries.

The role of UNCTAD covers work on investment policy, FDI and other capital flows, technology transfer, productive capacities of LDCs, trade capacity building, trade and economic diversification, continued work on IPRs, international investment agreements, SMEs and entrepreneurship. — *TWN* ◆

This article is reproduced from the South-North Development Monitor (SUNS, No. 7359, 27 April 2012), which is published by the Third World Network.

Bilateral and Regional Free Trade Agreements Some Critical Elements and Development Implications

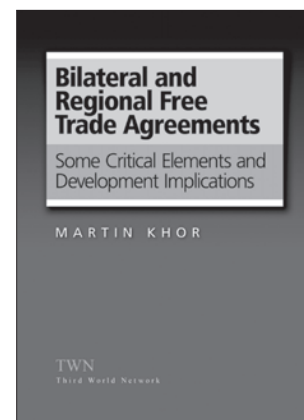
By *Martin Khor*

BILATERAL and regional free trade agreements (FTAs) between developed and developing countries are proliferating. They usually contain tariff-reduction commitments and disciplines deeper than at the World Trade Organisation and also contain rules that are not in the WTO.

This book argues that the comprehensive and strict obligations these FTAs impose will seriously constrain the developing-country party's policy-making capacity to pursue national socioeconomic and development goals. As a result of this erosion of policy space and the drastic market-opening demanded by FTAs, no less than the country's development prospects would be undermined.

This book examines the development implications of FTAs for signatory developing countries in each of the major areas typically covered by these agreements, including trade in goods, trade in services, investment, government procurement, competition policy and intellectual property rights. In light of the very real risks posed, developing countries should assess the costs and benefits of an FTA before deciding whether to enter into or conclude negotiations.

The book uses the typical FTA that the United States adopts with developing countries as the main basis of its analysis. FTAs adopted by other developed countries share many of the same features.



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Outcome an important success, says UNCTAD Secretary-General

In thanking the UNCTAD XIII participants in his closing remarks, UNCTAD chief Dr Supachai Panitchpakdi commented that the determination and perseverance that had been displayed in their engagement were a reflection of the belief that a truly important issue was at stake.

THE UNCTAD XIII outcome document represents a significant achievement and an important success which is much more than just a minimum outcome, said UNCTAD Secretary-General Dr Supachai Panitchpakdi on the closing day of the UNCTAD conference.

Supachai was speaking at the closing plenary of the Committee of the Whole, comprising all member states, which had been tasked with negotiating the outcome document. He spoke just after the Committee's President, Ambassador Mothae Maruping of Lesotho, had gavelled the adoption of the Doha outcome document.

Supachai congratulated the President for midwifing the new baby, in reference to the document. He said that like all new babies, it is rather awkward. On first look, it appears to be very much a child of our times: conflicted, complicated, at times deeply uncertain. But it has very good genes; a rough but broad profile; 194 committed parents; and, therefore, enormous potential.

He added: 'I believe that this outcome document represents a significant achievement. Considering the distance that had to be closed in just five days, reaching any agreed outcome was a formidable challenge, and producing any consensually agreed document would have been an important success. But I do not think you have produced just the minimum feasible outcome. You have done more. Much more, in my opinion.'

First, said Supachai, there has been deep debate on UNCTAD's mandate, the relevance of its post-Accra scope of work, the risks of trying to do much, the risks of not doing



UNCTAD Secretary-General Dr Supachai Panitchpakdi: 'I do not think you have produced just the minimum feasible outcome. You have done more. Much more, in my opinion.'

enough, the urgent necessity of doing whatever is done very well – well enough, ultimately, to change the world.

Said Supachai: 'Like many of you, I have also reflected on UNCTAD's original mandate from the General Assembly: "To serve as the focal point of the United Nations system for the integrated treatment of trade and development and interrelated issues of finance, technology, investment and sustainable development"', as the outcome says in paragraph 17.'

'These are capacious words, or maybe audacious words. To embrace them is to take on a major responsibility. And you have embraced them – perhaps with far greater awareness than your predecessors did. This is fundamental.'

'The words of UNCTAD's mandate really can be understood to include almost any aspect of international economic relations. So it is wise and necessary that we come together every four years to debate and reflect,

to push and push back, topic by topic, asking: What does this mandate mean today, given the changes that have taken place and that are foreseeable in the coming 48 months; how have our understandings of trade, of development, and of the interrelated aspects of finance, technology, investment, and sustainable development evolved? What does it mean to pursue an integrated treatment? What have we done well? How do we know we have done well? How much is too much? How much is necessary to be done, must be done?'

Scope of work

Supachai said that at Accra, there was a lot of discussion about UNCTAD's scope of work, and even before the financial crisis turned the world upside-down, there was a lot of concern that maybe it was trying to do too much. These same concerns pressed with far greater urgency during the preparation for UNCTAD XIII and then at Doha, as UNCTAD had been challenged by circumstances to become engaged in new or expanded institutions, such as the G20, where it had been called to provide substantive inputs on macroeconomic issues and had played a leading role in discussion of investment policy in relation to development.

Added Supachai: 'As countries look more and more to the United Nations to take a more active role in global economic policy coordination and governance, we have been called to lead major new UN system coordinating efforts on trade and development and productive capacities, on climate finance, on responsible lending and borrowing, on commodity

price volatility, on the trade and investment implications of sustainable development and of green economy.

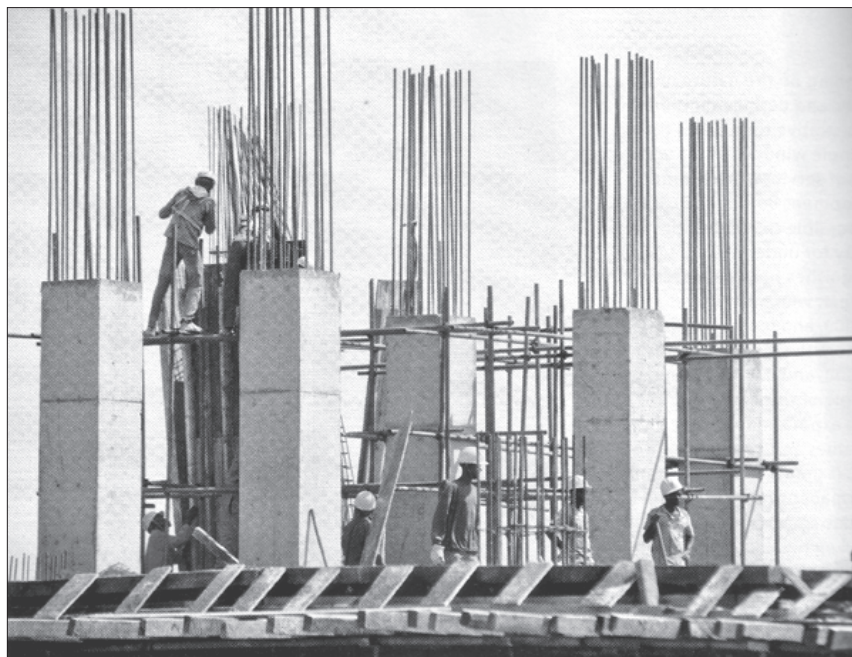
‘At the same time, we have been beefing up and are constantly being urged to do more work on South-South trade and investment, on mainstreaming gender perspectives in development, to give just three examples. Countries say to us, in effect, “UNCTAD, you have been talking up industrial policy for decades, when everyone else said they were a very bad idea. Now that even the World Bank is reconsidering its views on industrial policy, can you walk the walk and show us how to do it?”’

‘Developing countries are also asking us to help them formulate more effective strategies for regional financial and monetary cooperation, on making national banking systems more effect[ive] as drivers of development, on developing effective approaches for fostering enterprise development, especially for employment generating SMEs. They are asking us to convene inter-regional discussions on regional trade agreements and development corridors – and in so doing to provide the appropriate analytical and data support.

‘And don’t forget, we are the focal point for the UN system on all trade issues in their relation to development; on science, technology and innovation in relation to development; and on commodities, which remain fundamentally important to a large majority of developing countries, es-



UNCTAD is the focal point for the UN system on commodities, ‘which remain fundamentally important to a large majority of developing countries’. Picture shows sacks of coffee bound for export from a coffee mill in Kenya.



A construction site in Rwanda, one of the world’s least developed countries. ‘UNCTAD’s research and analysis... still drives international discussion of the special challenges of the LDCs....’

pecially, but not only, the LDCs. And speaking of the LDCs, I think everyone will agree that it is UNCTAD’s research and analysis that still drives international discussion of the special challenges of the LDCs and the most effective strategies for addressing those challenges.

‘If UNCTAD focused only on any one of these issues, it still would be hard to see how our roughly 400 people could really perform the task. So to me, it really is fair to ask, how are we going to do all of this work well? Why is UNCTAD involved in this or that issue? Why can’t we just leave it to others? What is UNCTAD’s comparative advantage?’

‘We should also be asking: How can we build relationships and partnerships that leverage our global perspective, our accumulated experience, and our intellectual capital? How do we reconcile our hard-earned and our fiercely defended reputation for independence with honest accounting for performance and impact?’

‘Yes, our debates have been motivated by interests.

We are here as representatives of nation-states, not as disinterested scholars. Yes, you have often been passionate in your exchanges, and, yes, things have been said that might have been better left unsaid.

‘And yet you have all agreed to preserve and build upon UNCTAD’s ambitious scope of work. That you have engaged so determinedly and that you have persevered so doggedly suggests that you believe something truly important was at stake. These are indications of seriousness of purpose.’

Supachai thanked everyone for their effort to make UNCTAD a stronger institution, and especially thanked the President of the Committee of the Whole, Ambassador Maruping, whose ‘wise and tolerant ways have been truly inspirational’.

The Secretary-General said that ‘today marks an end to the anticipation, and a beginning to the real work. The text you have produced is merely the beginning of the next chapter in UNCTAD’s history, a chapter that all of us will need to write together.’ –

TWN

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Doha outcome a very significant achievement, says G77

For the developing-country Group of 77 – which was established at UNCTAD's first session in 1964 – the outcome of the Doha conference was of vital importance. With its expanded current membership of over 130 states from its initial 77, its goal of promoting the collective economic interests of the South is inextricably bound up with a strong mandate for UNCTAD.

WHAT was achieved at UNCTAD XIII has been very significant, said the G77 and China at the closing plenary of the Committee of the Whole at the UNCTAD conference on 26 April.

The European Union welcomed the Doha mandate, which it said gave UNCTAD a very solid mandate for the next four years. The JUSSCANNZ group said UNCTAD XIII had a positive conclusion and all had shown their commitment.

The non-governmental organisations (NGOs), in a statement, said they were concerned that some countries tried to circumscribe the work of UNCTAD on the financial crisis, but the NGOs interpreted the outcome to mean that UNCTAD can address the root causes of the crisis in order to avoid future crises.

Reaffirming the Accra Accord

'For the G77 and China, the most important issue has been reaffirming and building upon the Accra Accord,' said Ambassador Pisanu Chanvitan of Thailand, who coordinated the group's preparatory committee for UNCTAD XIII.

The group was thus very pleased that the Doha outcome document contains this point, he said. 'UNCTAD now has a clear roadmap for its work in the next four years.'

The G77 and China coordinator



Speaking for the G77 and China, Ambassador Pisanu Chanvitan of Thailand (pic) said 'UNCTAD now has a clear roadmap for its work in the next four years'.

also said that the Doha outcome reiterated the role of UNCTAD as the UN focal point for the integrated treatment of trade and development, and inter-related issues in the areas of finance, technology, investment and sustainable development.

This need for an integrated approach is even more valid and relevant in the world today which is facing various problems and crises, including the crises in finance and the environment, which has effects on trade and overall development, he said.

'Therefore, we consider it important for UNCTAD to play an even more important role through its three pillars [viz., research and analysis, consensus-building and technical co-operation] in providing a holistic and interrelated approach to addressing global issues and problems in the years to come. We in Doha have contributed to making this possible by reiterating the role of UNCTAD as the focal point for this.'

Ambassador Chanvitan thanked

all the G77's partners for their understanding and their cooperation in successfully negotiating these two most important issues (referring to paragraphs 16 and 17) in the outcome document and all the other issues as well.

He added: 'The G77 and China believes that although the negotiations were quite tough at times, the shared understanding that we arrived at has laid the goodwill and foundation for our mutual cooperation.'

We definitely look forward to a renewed and higher spirit of cooperation in the various meetings and fora in UNCTAD in the years ahead.'

The European Union (with a European Commission representative speaking) said that the EU welcomed the results of the conference and the Doha mandate. 'The Doha mandate gives UNCTAD a very solid mandate, it is balanced and ambitious,' he said. He added that all the member states can feel comfortable working with this mandate in the next four years.

He said that the EU showed its commitment to UNCTAD during the process. Its three pillars are highly important and very much appreciated. The EU always wanted an outcome in Doha and UNCTAD can do its work within its mandate.

He added that the results in Doha show that very important work is given for UNCTAD in the next four years. UNCTAD should remain the focal point for trade and development and other related issues. The EU



'For the G77 and China, the most important issue [at Doha] has been reaffirming and building upon the Accra Accord.' Picture shows the UNCTAD XII conference in 2008 which adopted the Accra Accord.

wants to see UNCTAD deliver results and enhance synergies and complementarities with other organisations.

He said that in these difficult times all organisations are urged to work with available resources. 'We want to strengthen UNCTAD and its impact. Its work is fundamental not only for developing countries but for us all. The EU is satisfied with the outcome and the outcome reflects all members' interest.'

The JUSSCANNZ group (which includes the US, Japan, Canada, Switzerland, Norway, Australia and New Zealand), represented by the Swiss ambassador based in Geneva, said there was a positive conclusion. All showed commitment, no one gave up and difficulties were overcome.

He said that the results of this conference, which JUSSCANNZ welcomed, were of utmost significance because, firstly, the multilateral community had registered a success, secondly, the programme of work to focus on activities had been specified, and thirdly, there were valuable side-events that gave UNCTAD a profile. He added that the outcome gave a four-year direction to UNCTAD and everyone benefits when UNCTAD does good work.

Zimbabwe, speaking on behalf of the African group, praised the Chairman for remaining calm and focused



Ambassador Mothae Maruping (pic), the President of the Committee of the Whole at UNCTAD XIII, expressed his gratitude to all who had made it possible for the Doha outcome document to be agreed to.

when the road to Doha was strewn with challenges.

Iran, for the Asian group, said the outcome showed commitment by all to the global agenda. It was pleased that the text reaffirmed the Accra Accord and paved the way to strengthen UNCTAD.

El Salvador, for GRULAC (the Latin America and Caribbean group), said it was recognised in the conference that UNCTAD has a key role to play regarding the financial crisis.

Nepal, for the LDC group, said the balanced document reinforced its

conviction that the multilateral approach is the best and that UNCTAD is more relevant than ever.

China said that there had been doubts as to whether an outcome document could be produced, but the partnership of all parties led to a success.

Support for UNCTAD

The NGOs, represented by Nathan Irumba of SEATINI (Southern and Eastern African Trade Information and Negotiations Institute), said that the NGO community had expressed its concerns at attempts by some countries to circumscribe the work of UNCTAD especially on the financial crisis as they were not keen for UNCTAD to do work on this.

However, the final outcome gives support to UNCTAD to work on the crisis and its impacts. Civil society will hold UNCTAD and its members accountable to this mandate. It was crucial that the Accra Accord was reaffirmed. Civil society was amazed that this became a point of debate but it was happy that the conference ended with this affirmation.

Civil society wants UNCTAD to address the root causes of the crisis, and even though this point that was proposed was not mentioned in the outcome document, 'we interpret that UNCTAD will address the root causes, as there is a need to avoid more crises'.

'In future, don't circumscribe the work of UNCTAD and take on the interpretation that we have given here,' concluded the NGO statement.

Ambassador M Maruping, the President of the Committee of the Whole who was much praised by all speakers, expressed his gratitude to the Friends of the Chair (ambassadors he had appointed to assist him), the Group Liaison Unit of UNCTAD, the secretariat staff, and all member states that had all made it possible for the outcome document to be agreed to. — *TWN* ◆

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G77/China calls for reaffirmation of Accra Accord

During the run-up to UNCTAD XIII, in resisting the moves by the North to weaken UNCTAD, the G77 and China charged the industrialised countries with desiring to see the 'dawn of a new neo-colonialism'.

Kanaga Raja

THE Group of 77 and China has called for a reaffirmation of the UNCTAD XII Accra Accord, saying that the Group had exercised utmost flexibility and had made incredible compromises but that it would not re-sile on the Accra Accord being reaffirmed.

The Group made clear that despite the tactics of the industrialised-country group, UNCTAD XIII would end with an outcome document (implying that if needed, the group would take it to a vote if no consensus was possible).

The call came in a statement delivered on 13 April by the G77 and China Chair, Ambassador Pisanu Chanvitan of Thailand, to the Preparatory Committee of UNCTAD XIII which was negotiating the draft outcome document for the Doha conference.

Amongst others, the G77 and China statement highlighted the impasse in the negotiations due to the positions of developed countries which, in essence, were seeking to weaken UNCTAD.

The statement stressed the G77 and China's willingness and flexibility in order to achieve a consensual outcome document for UNCTAD XIII, and sought the reaffirmation of the Accra Accord and then building upon it through the 'distilled' text produced by the President of the Preparatory Committee.

In its statement, the G77 and China said: 'While we have always held firmly to our principles, the Group of 77 and China has tried to be as flexible as possible on how we have articulated them in our various negotiations in UNCTAD. Throughout our preparations for the Conference, we have felt that perhaps our constructiveness was viewed as weakness, and our accommodation viewed as capitulation.'

lation.'

As a result, said Ambassador Chanvitan, 'some of our partners regressed to behaviour perhaps more appropriate for the founding days of UNCTAD, when countries of the North felt they could dictate and marginalise developing countries from informed decision-making. I have to be blunt and single out the handling of the JIU [Joint Inspection Unit] issue by one coordinator as reminiscent of the darkest days of the North-South divide.'

'It is therefore of no comfort that we have seen strong opposition from our partners for one of the central themes running through the work and engagement of our Group: that the global economic and financial crisis marks once and for all the end of the bad old days, and perhaps the dawn of an international regime of global economic governance based on the highest principles and ideals of the United Nations, including sovereignty, equality, and mutual respect. Instead, we see behaviour that seems to indicate a desire for the dawn of a new neo-colonialism. We cannot, we will not, accept this,' said the G77 and China statement.

The Group said it firmly believes that UNCTAD XIII can be a contribution to a new beginning. 'We firmly believe that the theme of development-centred globalisation presents an opportunity to articulate a vision of development based on equality, based on a differentiated approach to development, and based on equal respect for all. We still believe this is possible.'

Unfortunately, the Group stressed, 'despite being the benefici-

aries and the demandeurs, we feel increasingly marginalised by our partners especially when they seem to deny us our own priorities. Perhaps this is partly our own fault. Perhaps, in our desire for consensus, we have accommodated too much and this good faith was misunderstood, and abused. Perhaps this should end now.'

'Allow me to close by making one thing clear. Our development partners may have mistakenly thought that the question that confronts us today is whether or not we will have an outcome document. Mr President, let me assure our partners that there WILL be an outcome document. The question is whether our partners will be able to recapture the positive spirit with which we embarked on this endeavour, and hence lead us to the consensus document we all want,' said Ambassador Chanvitan.

The Group expressed hope that 'our partners will resume engaging in a positive spirit and the outcome will be a good consensus we can all be proud of. On the other hand, let us also be comforted by the reality that at least one group will have an outcome document it will be happy with.'

'The Accra Accord must be reaffirmed and then we build upon it. The Group has exercised utmost flexibility and has made incredible compromises – sacrificing issues which are very important to the growth and development of us developing countries. And at this juncture, the minimum the Group can live with is the distilled text by the President and his Friends of the Chair,' the G77 and China concluded. ♦

Kanaga Raja is the Editor of the South-North Development Monitor (SUNS), from which this article is reproduced (SUNS No. 7351, 17 April 2012).

Civil society says 'no' to moves to weaken UNCTAD's mandate

Civil society organisations added their voice to the opposition against the attempts to curtail UNCTAD's work.

CIVIL society organisations (CSOs) attending the Civil Society Forum of UNCTAD XIII expressed their concern over attempts by the developed countries to weaken UNCTAD's broad mandate and hobble its secretariat's ability to provide analytical and advisory work on finance and related issues.

The UNCTAD XIII Civil Society Forum opened on 17 April in Doha against the background of worrying developments within the official negotiating process arising from threats to UNCTAD's mandate from major powers and their opposition to the discussion and consideration of key issues of interest to developing countries.

In a press release issued in Doha, the CSOs said that UNCTAD was established to offer analysis and advice to countries on development issues related to trade, finance, technology and interrelated issues. UNCTAD XII in Accra had produced agreement on a broad mandate for the organisation.

'The importance of UNCTAD's work has been highlighted by the global financial and economic crisis and its continuing catastrophic effects on peoples and economies. Over the years while the Bretton Woods twins [i.e., the IMF and World Bank] led the cheerleading for unbridled liberalisation and deregulation of markets and finances which produced the crisis, UNCTAD's analysis has consistently pointed out the dangers of these policies. The economic turmoil provoked by the crisis makes UNCTAD's mandate and work even more relevant.'

The CSOs in Doha were concerned that the JUSSCKANZ group of countries (Japan, the United States, Switzerland, Canada, South Korea, Australia, New Zealand) and the EU were so opposed to UNCTAD's vital analytical and advisory work on finance and responses to the crisis that

they were refusing to even reaffirm UNCTAD's mandate as agreed in Accra.

The CSOs called for a reaffirmation of the Accra Accord by UNCTAD XIII. They demanded that UNCTAD's crucial research and analytical work, especially on the global financial crisis and other development challenges including those arising from globalisation, be maintained.

'UNCTAD,' the CSO press release said, 'serves as an important countervailing forum where the interests of developing countries can be paramount when trade, development and interrelated issues are being discussed. This value and its proven track record is why the attack on UNCTAD's mandate has to be resisted.'

The JUSSCKANZ and the EU attack on UNCTAD's mandate is directly linked to their refusal to acknowledge the historical fact that the global financial and economic crisis originated from the global North as a result of policies advanced by a narrow section of the elite in those countries.

'The crisis has caused and continues to cause extensive suffering in developing and developed countries, pushing countries such as Greece to the brink of collapse and threatening the very survival of the euro bloc,' the press release said.

The CSOs expressed their 'unequivocal opposition to the attempt by JUSSCKANZ and the EU to destroy a vital institution of global governance'.

The Group of 77 and China had



Panelists at a session during the UNCTAD XIII Civil Society Forum. Civil society groups attending the Forum expressed concern over attempts by the developed countries to weaken UNCTAD's broad mandate.

shown renewed solidarity and strength in opposing the developed-country demands in the negotiations.

And in a recent statement, more than 50 eminent former UNCTAD staffers (including a former Secretary-General) noted that developed countries had decided that 'if you cannot kill the message, at least kill the messenger' (i.e., UNCTAD)!

The CSOs contrasted the interest the major powers have shown in strengthening the IMF and World Bank (and in using bodies of questionable accountability such as the G20 to block truly multilateral responses to the crisis of neoliberalism) with their negative attitude to UNCTAD.

They noted that the IMF and World Bank continue to peddle policies which caused and have been discredited by the crisis.

In the view of the CSOs, 'it is the policies that engendered the ongoing crisis and widespread human suffering that need to be urgently changed and not organisations such as UNCTAD that have been working towards alternatives.' – TWN ♦

This article is reproduced from the South-North Development Monitor (SUNS, No. 7353, 19 April 2012), which is published by the Third World Network.

Former UNCTAD officials warn against moves to silence organisation's voice

Some 50 former officials of UNCTAD (including a former Secretary-General and two former Deputy Secretaries-General) expressed their concern over the moves to stifle the organisation.

Kanaga Raja

A GROUP of former senior officials of UNCTAD has warned of efforts by major developed countries to trim the organisation's mandate and deny it the right to continue to analyse global macroeconomic issues from a development perspective.

This warning, issued on the eve of UNCTAD XIII, came in an 11 April statement. The some 50 signatories included one former Secretary-General (Rubens Ricupero) and two former Deputy Secretaries-General (Carlos Fortin and Jan Pronk) of UNCTAD.

One of the signatories, John Burley, said at a media briefing at the Swiss Press Club in Geneva that an attempt would be made at UNCTAD XIII 'to change UNCTAD's mandate by denying the organisation the right to continue – and I emphasise to continue – to analyse and report on global macroeconomic issues, including the role of global finance in development'.

He stressed that UNCTAD has always looked at these issues in the context of interdependence, meaning the relationship among the various flows of trade, finance and technology and how that relationship affects development.

'This aspect of UNCTAD's work has never been popular with the developed countries,' he further said, pointing out that ever since the first conference of UNCTAD almost 50 years ago, 'they have always preferred UNCTAD not to address these subjects.'

But in the end, Burley added, all countries have accepted that a full understanding of the development process requires inclusion of this aspect of macroeconomic analysis. 'And what is now at stake is a continuation of that acceptance, in other words in plain English, part of UNCTAD is to stop what it has been doing.'

Burley underscored that this is not simply about an UNCTAD report on a particular issue. This issue goes beyond discussions in UNCTAD and there are profound issues of principle involved, he said, adding that this is why a group of former UNCTAD staff members had decided to speak out.

Elaborating on these principles, Burley said that the first is the need for a plurality of views in the international system on these exceptionally important issues.

'At a time when in effect no one and no organisation has yet found the right policy to lead the world out of the present crisis, it seems to us folly to silence a view that differs from the prevailing orthodoxy.'

In contrast to the World Bank, where the process of selecting a new president has at last been opened up, Burley said, 'it is somewhat ironic that developed countries should want to shut down a dissenting view in UNCTAD.'

According to Burley, the second principle is that of freedom of speech in UNCTAD. 'In order for UNCTAD to do its job properly, it must be allowed to have an independent voice on how global macroeconomic and financial issues affect development, and if not, the fundamental purpose

of the organisation is threatened.'

'We are angry because we feel that the two principles ... namely, the need for a plurality of views in the international system and the need to preserve UNCTAD's freedom of speech, are being threatened. This is not good for UNCTAD nor for the United Nations, and therefore it is not good for the international community,' Burley concluded.

Also speaking at the media briefing, Yilmaz Akyuz, a former chief economist at UNCTAD and now chief economist at the South Centre, said that the UNCTAD secretariat has always strived to observe a number of principles in its research and policy analysis. These include intellectual independence, integrity, competence and scientific modesty, he said. In return, the secretariat has also expected from governments a recognition that in scientific inquiry there can be no monopoly of truth, and an openness to seeing results contradicting their positions and engaging in constructive dialogue over policy options.

However, said Akyuz, since the collapse of the Berlin Wall, the major OECD (Organisation for Economic Cooperation and Development) countries 'have become increasingly intolerant to diversity of views and indeed wanted the Washington Consensus to become a global consensus. They have seldom engaged in constructive dialogue in UNCTAD over policy options and ignored UNCTAD research findings even when they are proven right.'

Akyuz said that UNCTAD has always taken interest in areas of national and international policy with

significant effect on development and developing countries. 'It has done so by taking a broad perspective, focusing on interdependence of issues, and in several areas, UNCTAD has been well ahead of the curve in anticipating problems and proposing feasible solutions.'

Providing some examples, Akyuz said that UNCTAD was the first organisation in the 1980s to argue for the need for debt relief in Latin America, several years before it became part of the official wisdom to the Brady Plan.

It was the first one to argue in the early 1990s for the need for the relief of debt of poor countries to the Bretton Woods institutions, something which was taboo at the time but which later came to be accepted by the mainstream in the HIPC (Heavily Indebted Poor Countries) initiative.

According to Akyuz, UNCTAD was also the first to argue for orderly workout mechanisms for sovereign debt, more than a decade before it came to be put on the agenda of the IMF.

'Again UNCTAD has been well ahead of the curve in predicting and analysing financial crises in emerging economies and recognising the need for reform of the international financial architecture and to manage international capital flows,' said Akyuz.

For many years, UNCTAD has been warning that instabilities and misalignments of the exchange rate non-system could become very disruptive for world trade and tried to draw attention to the lack of coherence between trading and monetary systems in respect of multilateral disciplines, he added.

'Now the major OECD governments are trying to silence the secretariat once and for all, at a time when we need a broad-based, participatory debate on the governance of international finance ... This will not do any good to anybody,' he said.

'Experience teaches us that progress tends to be slow and mistakes become too frequent and costly when dominant powers have little tolerance for diversity. And it is no won-

der that yesterday's unyielding advocates of the Washington Consensus are now talking about "capitalism in crisis",' he added.

Asked to elaborate on the areas where the major OECD governments are trying to stymie UNCTAD's work, Akyuz said that these areas include finance, governance of international finance, the exchange rate in the international monetary system, and the form of the international financial architecture.

He said that his understanding was that 'they don't want to see the word "finance" in the agreed text defining the mandate of UNCTAD'. His impression was that they want to keep the issues regarding finance that they take up in the IMF and the G20 out of the UN system, and not just UNCTAD.

Burley said that UNCTAD's work on macroeconomic analysis and finance has never been a popular feature of UNCTAD as far as developed countries are concerned.

'They take the view that such work should be undertaken by other organisations, specifically, the World Bank and the IMF, and to some extent OECD, and they don't see this as part of the fundamental purposes of UNCTAD as an organisation,' he said, adding that this 'is not a new issue. It's been with us for many, many years.'

In their statement, the former UNCTAD staff members said that since its establishment almost 50 years ago at the instance of developing countries, UNCTAD has always been a thorn in the flesh of economic orthodoxy. Its analyses of global macroeconomic issues from a development perspective have regularly provided an alternative view to that offered by the World Bank and the IMF controlled by the West.

'Now efforts are afoot to silence that voice. It might be understandable if this analysis was being eliminated because it duplicated the work and views of other international organisations, but the opposite is the case – a few countries want to suppress any dissent with the prevailing orthodoxy.'

No multilateral institution is perfect, but UNCTAD's track record of analysis and warnings on global trends and problems certainly stands up to those of other organisations. As otherwise unfavourable commentators have occasionally admitted, UNCTAD was ahead of the curve in its warnings of how global finance was trumping the real economy, both nationally and internationally, the statement noted.

It forecast the Mexican tequila crisis of 1994/5. It warned of the East Asian crisis of 1997 and the Argentinian crisis of 2001. It has consistently sounded the alarm on the dangers of excessive deregulation of financial markets. It has stressed the perils of rapid, non-reciprocal trade liberalisation by developing countries. UNCTAD economists have not had to suffer the psychology of denial so prevalent in other organisations.

'So why is the UNCTAD message so unwelcome? The fact that UNCTAD has no formal responsibility for the global management of the international economy and none of its own funds to dispense means that its analysis is free of vested interests. No organisation correctly foresaw the current crisis, and no organisation has a magic wand to deal with present difficulties. But it is unquestionable that the crisis originated in and is widespread among the countries that now wish to stifle debate about global economic policies, despite their own manifest failings in this area.'

Because of the crisis, the statement said, 'we do now have a better explanation of the inter-relationships between the real economy and the world of finance. Those explanations are now a good deal closer to what UNCTAD has been saying for nigh on three decades about the dangers of finance-driven globalisation. And it is precisely in its analysis of interdependence that UNCTAD brings added value to an understanding of how the functioning of the global economy impacts on the majority of the world's population who live in developing countries. Given the current pressure on the organisation and its secretariat, that contribution could now be gone for good.'

Noting that UNCTAD was about to have its next quadrennial conference (UNCTAD XIII), the former UNCTAD staff members said that UNCTAD conferences are a shadow of their past, being now simply a time to agree on secretariat work programme priorities for the next four years. 'But that is precisely what is at stake.'

They stressed that developing countries in Geneva, again, are struggling to resist the strong pressure piled on them by OECD countries and to defend the organisation to which they had been 'umbilically' tied. They are not fully succeeding, in spite of the BRICS (Brazil, Russia, India, China and South Africa) pledge of support manifested at its recent summit. So, the developed countries in Geneva have seized the occasion to stifle UNCTAD's capacity to think outside the box.

According to the statement, this is neither a cost-saving measure nor an attempt to 'eliminate duplication', as some would claim. 'The budget for UNCTAD's research work is peanuts and disparate views on economic policy are needed today more than ever as the world clamours for new economic thinking as a sustainable way out of the current crisis. No, it is rather – if you cannot kill the message, at least kill the messenger.'

'Individually, we may not necessarily have agreed with what UNCTAD was saying on specific issues. We have no vested interest in this matter except that we all fervently believe in the value of maintaining an independent research capability that serves to focus intergovernmental debates on how the workings of the global economy affect developing countries,' the signatories to the statement said.

'At a time when pluralism is finally being meaningfully discussed in the election of the President of the World Bank, it is ironic that OECD countries are endeavouring to stifle freedom of speech within another multilateral organisation. If those who were proud to work for UNCTAD do not speak out now, who will?' ♦

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The Rwenzori Experience

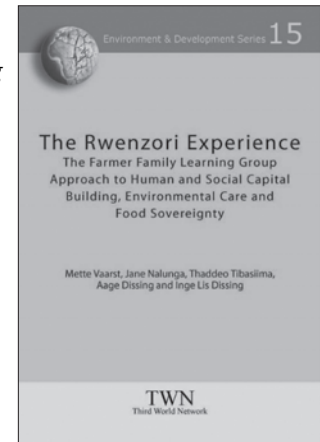
The Farmer Family Learning Group Approach to Human and Social Capital Building, Environmental Care and Food Sovereignty

Mette Vaarst, Jane Nalunga, Thaddeo Tibasiima, Aage Dissing and Inge Lis Dissing

This booklet is a portrait of a unique participatory learning project involving farming communities in the Rwenzori region of Western Uganda. The project brought rural households together in 'Farmer Family Learning Groups' (FFLGs) with the aim of enhancing community food security.

Guided by a facilitator, the families in each group supported one another in their farming activities, working together, sharing knowledge and learning from each other's experiences. Through such collaboration and the use of organic and agro-ecological farming methods, the FFLGs have brought about increased yields and improved livelihoods for member families. In cooperating on the farm, members also came to enjoy closer relationships off it, within and among their families as well as in the broader local community.

This booklet, written by the coordinators of the FFLG project, looks at the guiding principles behind the



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project, how it has worked in practice, the successes achieved and challenges faced. As the authors explain, the Rwenzori Experience is one which highlights the value of a collaborative approach to food security and sustainable development. It is an 'approach which is owned by everybody who uses it, and cannot be patented'.

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And why not George Bush?

If the conviction by a UN-backed special court of Charles Taylor, Liberia's former president, and the imposition of a 50-year sentence was intended to convey the message that no one, not even a head of state, is immune from prosecution for crimes against humanity, it is vitiated by the fact that Western leaders like George W Bush who have committed such crimes have gone scot-free.

T Rajamoorthy

THE conviction on 26 April of Liberia's former president Charles Taylor for war crimes and crimes against humanity was hailed by the Western media as a historic milestone in the institutionalisation of an international order based on the rule of law. In reporting this, the media sought to highlight the clear and unambiguous message that the UN-backed Special Court for Sierra Leone was sending out with its judgement: no one, not even a head of state, is immune from prosecution for crimes against humanity.

It is necessary to clarify here that, while Taylor was Liberia's head of state at the material time, the crimes in respect of which he was convicted related to the war in neighbouring Sierra Leone. To be more precise, he was convicted of 'aiding and abetting' in the commission of numerous crimes of murder, rape, attacking civilians and deploying child soldiers in the civil war in the neighbouring West African state. He provided support for the Revolutionary United Front (RUF), an armed militia which committed unspeakable atrocities against the civilian population. He became notorious for the trade in 'blood diamonds'; he urged the RUF to gain control over Sierra Leone's diamond mines and in exchange for the diamonds, he furnished the rebels with arms which he imported and smuggled.

The trial may well have served to demonstrate the principle that the law is no respecter of persons, but unfortunately there was a fly in the ointment in the accused's plea of miti-



Former Liberian president Charles Taylor at his trial on 26 April, when he was convicted of war crimes by a UN-backed special court. Apart from a few exceptions, only leaders from the Third World, mainly from Africa, have been indicted for war crimes.

gation. While fully concurring with the judge's view that no person, no matter how powerful, is above the law, Taylor, in his statement made before the sentence was to be pronounced, went on to raise an uncomfortable question:

'President George W Bush not too long ago ordered torture and admitted to doing so. Torture is a crime against humanity. The United States has refused to prosecute him. Is he above the law? Where is the fairness?'

Relationship with the US

Taylor's motive for raising this inconvenient truth is anything but a concern for justice. It can only be ex-

plained by the nature of his relationship with the US. Though born in Liberia, he graduated in the US and became the chairman of the influential Union of Liberian Associations in the Americas. In 1980 when he returned home, he became an official of the country's government but fled to the US when he was charged with embezzlement. In the US he was arrested and imprisoned, pending extradition, in a high-security prison in Plymouth, from which he mysteriously escaped and made his way home. He soon initiated the Liberian civil war and, in 1997, became the country's head of state.

Taylor's escape from the Plymouth prison in 1985 was always something of a mystery, as for over a century no inmate had ever succeeded in breaching its security. The mystery has been somewhat cleared up with the revelation that he had been working for US spy agencies since the 1980s – a fact that surfaced from a recent *Boston Globe* news report. This confirms Taylor's claim made at his war crimes trial that US intelligence agencies engineered his escape from the US prison.

For US intelligence agencies to have engineered such an escape testifies to the importance the US attached to Taylor's political and intelligence work at this time – a period when the Soviet Union was still active in Africa in support of radical national liberation movements. On his part, he must have been very conscious of his importance and must have expected the US to always shield him from the consequences of his crimes. Hence his bitterness with the US when he discovered (like so many others before him) that the US will not hesitate to dump its loyal servants when it no



The Kuala Lumpur War Crimes Tribunal in session. The tribunal recently found George W Bush, Dick Cheney, Donald Rumsfeld and their key legal advisers guilty of war crimes.

longer has use for them. Taylor's reference to Bush's culpability for war crimes in his statement in court was his way of hitting back.

Taylor's bitterness is even more explicable when account is taken of the real character of the tribunal before which he was being tried. Though it was dubbed a 'UN-backed special court', the US has had a disproportionate role in its making. As Chris Mahony explained in an article in *TheAtlantic.com*:

'Unlike the tribunals for Rwanda or the former Yugoslavia, the Special Court depended on voluntary financial contributions, of which the US government was the primary funder. Unsurprisingly, the US government has helped lead the court's design and proposed its original prosecutor that selected cases for prosecution: former US Defense Department lawyer David Crane.'¹

In other words, it was the US that finally determined in 2006 that Charles Taylor should be prosecuted. By this time, he had apparently outlived his usefulness as the Cold War was over, and had become, as a result of his trade in 'blood diamonds' and the consequent political instability he was causing in the African continent, a liability to the US. For Taylor, this must have been a bitter pill to swallow and probably explains why he

chose to embarrass the US with the reference to Bush in his speech.

Double standards

However, while it is not difficult to impugn Taylor's motives, that in no way invalidates his accusation of double standards. It is apparent that only leaders from the Third World (mainly from Africa) have been indicted for war crimes. The only exception has been a number of leaders from the former Yugoslavia, the most notable being the late Slobodan Milosevic and General Ratko Mladic, whose trial is still continuing. But the prosecution of a few leaders from the Balkan nations in no way eliminates the stigma of Western bias that pervades the operation of these courts. Although a number of the former Yugoslav states may now have gained acceptance as European Union members or applied for EU membership, the truth is that the European identity of the Balkans has always been suspect. As David A Norris noted in his book *In the Wake of the Balkan Myth*:

'... the Balkans may be regarded geographically as European territory, but it has been written out as a part of European culture. It is the empty side of European consciousness of itself, determined by lack and ambiguity. And yet, it functions to reinforce the

West as "self-confidently 'progressive', 'modern' and 'rational'". The West is a full signifier, replete with positive meaning which has created and requires its cultural Other, the Balkans.'²

Norris goes on to illustrate one consequence of this perversion of cultural identities:

'During the Yugoslav civil wars Slovenia and Croatia made huge propaganda ploys to present themselves as not Balkan but truly European by history, by their affiliation to the Catholic rather than Orthodox church, by being an essentially pluralist society with the same democratic traditions as elsewhere in Central Europe. They presented the Serbs, on the other hand, as semi-Asiatic, inclined towards despotic forms of government, and excluded from European traditions since "'Europe' does not include the Orthodox church, 'byzantine' culture or the Balkans". This is actually another domino effect throughout Eastern Europe since the fall of the Berlin Wall when each state in turn has tried to shift the frontier of where Eastern Europe begins to their border, leaving themselves associated with the West, and their neighbours still outside in the cold of non-European identity.'³

The case of George W Bush

The point is that many Western leaders have committed unspeakable crimes no less horrendous than those committed by those so far indicted by the International Criminal Court (ICC) or in UN-backed special courts. Yet despite this, calls for their prosecution by human rights organisations have been ignored. The case of George W Bush is just one example. Both Amnesty International and Human Rights Watch have made repeated demands since 2010 for his prosecution but to no avail. In fact in 2010, one Professor Francis A Boyle of the College of Law at the University of Illinois even filed a complaint with the ICC against Bush and at least five of his senior officials for allegedly committing international crimes. But again this did not elicit any re-



Detainees at the US military facility in Guantanamo. The treatment of the Guantanamo detainees was deemed by the Kuala Lumpur War Crimes Tribunal to constitute torture under international law.

sponse.

But despite these failed efforts, the attempts to bring Bush to justice have not abated. The latest of these attempts was the historic verdict recently reached by Malaysia's Kuala Lumpur War Crimes Tribunal that the treatment of detainees held by the US military in Bagram, Guantanamo and Abu Ghraib constitutes torture as understood and accepted by international law.

The tribunal heard harrowing accounts of torture from victims from Iraq and Afghanistan who had languished at these gulags. Among those who testified before this five-man panel of judges headed by a former

Malaysian Federal Court judge was Moazzam Begg, an ex-Guantanamo detainee from the UK, and Jameelah Abbas Hameedi, an Iraqi woman who was tortured in the infamous Abu Ghraib facility.

‘Conscious participation’

In his closing submission, Gurdial Singh Nijar, who led the prosecution team, said that the prosecution had proved beyond reasonable doubt the commission by the accused of war crimes on charges ‘which are similar to those for which the Nazi war criminals were convicted at the Nuremberg trials: “conscious

participation in a nation-wide governmentally-organised system of cruelty and injustice, in violation of the laws of war and humanity, and perpetrated in the name of law ...”’.

At the end of the week-long hearing, the tribunal unanimously delivered guilty verdicts against Bush, Dick Cheney, Donald Rumsfeld and their key legal advisers. They were all convicted of war crimes for their authorisation of torture in direct violation of the Geneva Conventions 1949, the Convention Against Torture 1984, the Universal Declaration of Human Rights, the United Nations Charter, and the US Constitution itself.

While the Kuala Lumpur War Crimes Tribunal has no powers to enforce its verdict as it is a court of conscience rather than a UN-backed tribunal, the evidence deposed before it and the legal arguments adduced in support of the guilty verdict cannot be ignored. In any case, the Kuala Lumpur War Crimes Commission has submitted the tribunal's finding of conviction and a record of these proceedings to the Chief Prosecutor of the International Criminal Court, as well as the United Nations and the Security Council.

Clearly we have not heard the last of the campaign to have ex-president Bush prosecuted for war crimes and crimes against humanity. ◆

T Rajamoorthy, a member of the Malaysian Bar, is Editor of Third World Resurgence.

Endnotes

1. Chris Mahony, ‘Victor’s justice: What’s wrong with warlord Charles Taylor’s conviction’, *TheAtlantic.com*, 30 April 2012, <http://www.theatlantic.com/international/archive/2012/04/victors-justice-whats-wrong-with-warlord-charles-taylors-conviction/256522/>
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Threat of war hovers over the two Sudans

After 40 years of civil war between north and south Sudan, the Republic of South Sudan finally emerged in 2011 as Africa's latest sovereign state. But this did not herald peace as three explosive issues – borders, oil and citizenship – remained unresolved. Ongoing talks to resolve these issues were nearly scuttled in April when South Sudanese forces took control of the northern town of Heglig. By May, when this article was written, the threat of a full-scale war was real. Since then, tensions have eased with the withdrawal of the South Sudan troops from Heglig and the evacuation of Khartoum's forces from Abyei, one of the disputed border areas. Despite the resumption of negotiations, as *Amanda Ufheil-Somers* explains, so long as the root causes of the conflict still remain, the prospect of renewed war still looms.

AFTER weeks of escalating border violence and heated rhetoric, war has returned to the Sudans. The 2005 Comprehensive Peace Agreement (CPA) formally ended 40 years of civil war between north and south Sudan, and paved the way for the creation of the Republic of South Sudan, Africa's newest independent state. But the CPA was comprehensive in name only: It left details of border demarcation, economic cooperation and political reform unspecified and without mechanisms for enforcement.

During the six years of shared government between north and south mandated by the CPA, little progress was made toward settling these issues; instead of encouraging cooperation, the arrangement functioned further to bifurcate political power in the hands of the agreement's official partners, the National Congress Party (NCP) in the north and the Sudan People's Liberation Movement (SPLM) in the south. The SPLM came to dominate a sovereign government following southerners' vote to secede from the Khartoum-centred state in January 2011. Post-secession negotiations hosted in Addis Ababa have only inched along while both governments – as well as their various allied militias – have tried to use force to alter the facts on the ground.

Clashes along the border have increased steadily since the secession vote, though the tensions rose



Sudanese forces on patrol near an oil pipeline in Heglig following the withdrawal of the southern Sudan People's Liberation Army, which had taken control of Heglig and its surrounding oil fields for 10 days in April. Since the SPLA's withdrawal, the UN Security Council has endorsed a peace plan proposed by the African Union.

particularly sharply when South Sudan shut down its oil industry in January. This decision followed a bitter disagreement over the fees for transporting southern oil to market at Port Sudan in the north. The conflict came to a head on 10 April when the southern Sudan People's Liberation Army (SPLA) took control of the northern town of Heglig and its surrounding oil fields, which supply roughly half of the north's oil output. After 10 days of fighting and international condemnation, the SPLA withdrew and called for arbitration to settle the outstanding border dispute. The death toll has not been confirmed – both forces claim

to have killed hundreds and sustained losses in the dozens – but reports and photographs from Heglig show unrecovered bodies of both Sudanese army and SPLA forces strewn along the roads and damaged oil fields.¹ In addition to scores of deaths, thousands have been displaced along the shared borders, especially in South Kordofan.

Since the SPLA's withdrawal from Heglig, the African Union has proposed a three-month roadmap for resolving the quarrels over borders, oil and citizenship for the more than 300,000 southerners living in the north whom Khartoum has threatened to deport before the end of May. The

plan requires an immediate ceasefire, the withdrawal of troops from contested areas and the creation of a joint border monitoring group, an end to the two states' support of rebel groups, the 'cessation of hostile propaganda and inflammatory statements in the media' and a commitment to protect resident citizens of the other country. The United States has thrown its weight behind the AU plan and successfully lobbied the UN Security Council to endorse it as of 2 May. Even Russia and China – usually allies of Khartoum – supported the plan, objecting only to the threat of additional sanctions to enforce the timeline. (Their protestations were unsuccessful in taking sanctions off the table.) Yet even with the added stick of sanctions and the ceasefire element, the AU plan simply revives the essence of the Addis Ababa meetings that had been in progress for several months until the confrontation in Heglig derailed talks.

Like the previous incarnation, these talks are unlikely to bring about a durable peace. The problem lies not in the details of the agreements, but with the framework of negotiations. Since secession, international attention has shifted to brokering interstate deals on economic issues rather than intra-state problems of democracy and pluralism. Both regimes are politically fragile: Omar al-Bashir's National Congress Party is not a unitary political force, and faces opposition from hardline Islamists, more moderate secular parties and members of the northern branch of the SPLM. Over the months of April and May, a number of prominent dissidents from this opposition have been detained and imprisoned in Khartoum. For its part, the SPLM in South Sudan is rife with intra-party rivalries and has had its stranglehold on power challenged by nascent opposition groups as the country begins the process of writing its constitution.

Violence along the borders should be understood not only as a result of greed over oil rents, but also as a concerted strategy for consolidating the power of the ruling parties. The simultaneous talk of belligerent



Soldiers from South Sudan's Sudan People's Liberation Army. The ruling Sudan People's Liberation Movement in South Sudan is rife with intra-party rivalries and has had its stranglehold on power challenged by nascent opposition groups.

resolve and openness to resumed negotiations suggests a recognition that neither regime can survive for long without resolving key cross-border issues.

Militarisation, not participation

The military confrontation in Heglig followed over a year of proxy battles and small-scale raids all along the disputed border. According to the CPA, three areas along the boundary – Abyei, South Kordofan and Blue Nile – were supposed to vote in 'popular consultations' organised by the joint NCP-SPLM government and conducted alongside the southern referendum to decide whether to join a separate southern state. None of these votes occurred. Khartoum has postponed indefinitely the referendums in South Kordofan and Blue Nile because of ongoing conflicts with armed rebel movements. The question of Abyei, one of the sticking points of the peace process since 2002, remains open. Khartoum has deferred resolution of the question of who is eligible to vote on the matter: Sudan wants Misseriya herders who live in Abyei part of the year (and are more closely aligned with the northern state) to have a say, while South Sudan insists that only permanent residents (mostly

Dinka, who have familial and political ties to the south) should qualify.

At stake is 4,000 square miles of fertile and water-rich land, as well as the remaining oil underneath it. Though oil production has declined sharply since 2006, the loss of 70% of its oil reserves after secession means that smaller-scale operations in the north represent a larger share of Sudan's total output.

The potential blow to Khartoum of Abyei's departure was softened somewhat in July 2009 when the Permanent Court of Arbitration in The Hague defined Abyei's boundaries such that several oil fields – including Heglig – lay outside the territory.² At the time, both the NCP and SPLM representatives accepted the decision. Yet as the deadline for the referendum came and went, both Sudanese army and SPLA troops took up posts in the area. Clashes between Misseriya militias and local police and attacks on villages north of Abyei town in February and March 2011 killed over 150 people.³ That May, Sudanese military attacks on Abyei town displaced 110,000, most of whom went to stay with family or in refugee camps in the soon-to-be-independent South Sudan. Abyei town has since been repopulated with Misseriya herders and the United Nations Interim Security Force for Abyei (UNISFA), a

spinoff of the decommissioned UN Mission in Sudan, which established a base in June to protect civilians and try to broker peace. Its civilian employees, however, have been prevented from taking up their posts because Khartoum refuses to grant visas.

Shortly after the invasion of Abyei, Khartoum expanded its battle against insurgents in South Kordofan and Blue Nile through indiscriminate attacks on civilians and targeted violence against members of dissident groups. The Nuba Mountains, some 250 miles north of Abyei town, have been bombarded nearly every day for almost a year. The death toll has remained relatively low, as many people have taken refuge in mountain caves. Yet the untended fields and the near-complete embargo on international food and medical aid threaten to cause a famine. Around 100,000 people have fled to refugee camps in South Sudan. Blue Nile has also been subject to a bombing campaign since September. An April briefing from Human Rights Watch cites witnesses to looting, mass arrests and arbitrary executions. The Sudanese government has charged over 130 people with crimes against the state (observers estimate there are many more being held without charge) but refuses to release their names or any evidence to lawyers.⁴ Human Rights Watch estimates that the conflict has forced 200,000 people from their homes, half of whom have crossed the border into South Sudan or Ethiopia.

Nuba militias have fought the central government on and off for decades, on their own and in alliance with the SPLA during the second civil war (1985-2005). Members of the SPLA from South Kordofan and Blue Nile are still active as the armed wing of SPLM-North, led by the former governor of Blue Nile, Malik Agar, who was ousted in September 2011 when the NCP appointed a military governor. In November 2011, the SPLM-North joined three rebel groups in Darfur – the Justice and Equality Movement and two factions of the Sudan Liberation Movement – to form the Sudan Revolutionary Front,

also under Agar's leadership. The coalition's stated goal is the abolition of the ruling junta by both military and political means. Khartoum has accused the southern government of providing supplies and shelter to the rebel groups, which the SPLM has denied. Yet Justice and Equality Movement militiamen were seen patrolling Heglig alongside the SPLA in April and the Small Arms Survey, a Swiss think-tank that monitors armed conflict and weapons trafficking, claims that both governments have supported cross-border rebel groups.

Sudan has also conducted airstrikes in South Sudan and Abyei since November, when two bombs fell near the Yida refugee camp in Unity state, where many Nuba have fled. Two towns in Upper Nile state were attacked the first week of March 2012. In early April, airstrikes ordered by Khartoum hit Um Khureit in Abyei and a bridge between Unity and Warrap states, killing five people and injuring several more. Sudanese planes also bombed Abiemnom, Mayom and Bentiu, killing at least 18 people. Since the SPLA's withdrawal from Heglig on 20 April bombings have continued to hit towns in Unity state. Sudanese military officials denied involvement in these attacks.

'Sudanese spring'

The SPLM has made multiple claims about its capture of Heglig. The first was that Heglig was the operating base for Sudanese army attacks on the south. A second justification was the relatively new claim that Heglig is part of Unity state. Though the 2009 ruling on Abyei's borders was accepted by both parties, Juba now interprets the court's decision narrowly: Heglig is outside of Abyei but south of the 1956 border that formed the basis of the CPA negotiations. (The maps included with the court's ruling do show Heglig and the surrounding area as part of South Kordofan, but the court did not technically rule on

the city's status except in relation to Abyei's boundaries.) Government officials and much of the southern media often refer to the area by its Dinka name, Panthou. Juba has also used the incident to refocus attention on the continuing occupation of Abyei by the Sudanese military. But despite South Sudan's longstanding claim to Abyei, the security of the region and its inhabitants has been sacrificed before for larger SPLM goals. Pre-referendum violence between Misseriya militias and local police, for example, was kept quiet by SPLM leaders in



Refugees from Abyei fleeing an attack grieve over a family member killed in the strike. The disputed border region of Abyei is one of the major sticking points in the peace process between the Sudans.

order to ensure the January 2011 vote was not cancelled.⁵

Similarly, the SPLM's decision to shut down oil production in January has disproportionately affected southerners. The embargo certainly hampers Sudan's economy, but the greater blow falls on the south, where oil revenues provide 98% of the government's budget (the other 2% comes from international aid). In February, South Sudan announced it would export 35,000 barrels per day – one-tenth of normal daily output – by truck to ports in Kenya and Djibouti while pipelines are designed and constructed. No such shipments have occurred to date and agreement over eastbound pipelines will not be secured until the summer of 2012. In the meantime, the state is importing fuel to meet domestic needs and the cabinet has voted to garnish minister salaries and impose austerity measures to help finance the war. According to documents obtained by the *Sudan Tribune*, World Bank officials

warn that, even with drastic cuts to state spending, the south's economy will likely collapse by the end of 2013.⁶

Though oil plays an important role in the antagonism between the two states, the crisis of government on both sides of the border is one of politics, not of resources – oil is a means rather than an end. The use of oil as a bargaining chip, however, has forced both governments into corners in the larger negotiation process. The loss of oil revenue for both states has stressed already-weak economies and emboldened opposition groups.

Both the NCP and the SPLM have tried to shore up political support by reframing these economic woes as patriotic resolve rather than a failure of diplomacy. (Bashir has gone so far as to make the untenable – and disingenuous – claim in April that Sudan would never again transport southern oil.) War talk has boosted domestic support even more – appeals to territorial integrity have played well among both northerners and southerners following two decades of civil war. In the south, the most prominent opposition parties withdrew from the constitutional drafting committee in March, citing procedural violations by the SPLM members. These groups vocally supported the SPLA's incursion into Heglig as either a necessary defensive measure or a justified claim on South Sudanese territory. In the north, the NCP slammed centrist critics who support negotiations by touting pro-government street demonstrations following the recapture of Heglig as a 'Sudanese spring'.

Misunderstanding the CPA's legacy

While the acceptance by both governments of the UN Security Council resolution in early May might go some way toward reducing border violence, the negotiations to which north and south must return do little to address the root causes of the conflict. It is now commonplace for diplomats and analysts to cite the ongoing violence as a failure of the CPA

to achieve negotiated settlements on borders, revenues and citizenship. The more serious flaw of the CPA, however, was to trade political emancipation of the southern states for systemic reform of Sudan's political institutions.

The junta of which Bashir is head relies on exploiting inter-communal tensions and mobilising official and paramilitary violence to maintain its grip on power. South Sudan's fledgling national identity is based primarily on geography and a history of systematic oppression; internal politics still fragment mainly along ethnic lines and according to frequently shifting relationships among regional power brokers. The SPLM-dominated government does not control the means of violence and continues to be challenged by armed groups in Unity, Upper Nile and Jonglei states. These political problems are largely outside the framework of the AU negotiations, except insofar as Khartoum is urged to move forward with the 'popular consultations' in South Kordofan and Blue Nile and to allow the SPLM-North to operate as a political party.

Less sophisticated observers assign the bulk of the blame to the racism and genocidal intent of the northern government. Bashir's racist rhetoric should not be ignored. Neither should it be taken as the sole explanatory framework for what is happening along the border. The social hierarchy in Sudan has long been dominated by the Nile Valley merchant elite, and relations among competing interests from other regions are often refracted through ideas of racial difference and inferiority (a system that was strengthened and institutionalised by the racist social policies of British colonialism), as well as through violence. But to focus on this aspect of the conflict is to miss the much larger picture.

The south's secession and subsequent oil embargo, the ongoing uprisings in Darfur, South Kordofan and Blue Nile, the student protests in Khartoum, demonstrations against the Nile damming project in the far north, as well as the conservative Islamist

political challenge – these tremors are rattling the foundation of the NCP's power. In the face of such threats, jingoism returns easy political rewards. (Nor does the north have a monopoly on this dirty game: SPLM figures have blamed northern merchants in the south for the rise in oil prices and expelled northern oil workers from the country, and *jallaba*, the term for Arabs involved in kidnapping and trafficking southerners for the slave trade, is a common epithet in the south.)⁷

Some activists see this weakness as an opening for military engagement, either by South Sudan or by a US-led coalition. But war only increases Bashir's hold on power and facilitates the regime's crackdown on internal dissent, in addition to endangering millions of civilian lives. The failure to see an alternative path between continued war and negotiations that do not require Bashir or southern president Salva Kiir to pluralise and decentralise government, end the arrest and intimidation of journalists and dissidents, and meaningfully enfranchise marginalised groups ensures that any action is likely to provide only a temporary peace. ♦

Amanda Ufheil-Somers is assistant editor of Middle East Report, which is published by the Middle East Research and Information Project (MERIP). The above first appeared as a Middle East Report Online article on the MERIP website (www.merip.org).

Endnotes

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Deadly destruction: The controversy over drone warfare

A new book on drones which looks at their proliferation and their impact as a war weapon on civilians reignites the controversy over this new type of warfare.



The Predator drone is the most common type of unmanned aircraft.

Johanna Treblin

GRASSHOPPERS and other insects might become the next generation of drones, if researchers with the Israeli research centre Technion who are studying the movements of these insects succeed. Ultimately, they hope to be able to remotely control where the insects fly.

Since their introduction more than a half-century ago, drones have dramatically increased in complexity, as the Israeli research would suggest. But they also remain as controversial as they are fascinating, as a new book by Medea Benjamin launched in New York in early May, *Drone Warfare: Killing by Remote Control*, demonstrates.

The book is the result of in-depth research on drones, their proliferation and their impact on civilians. It also presents an overview of the controversy surrounding, opposition to and

activism against this technology.

Benjamin is an activist in and leader of the peace movement and the struggle for human rights and social justice.

‘From spy planes into killer drones’

Today, 50 countries have acquired regular drones, or unmanned aerial vehicles, for either military or civilian use, or for research purposes, says Benjamin. The US Army introduced drones during World War II and the Korean War, but it was not until the Vietnam War that drones were used to gather intelligence.

During the Balkan wars in the 1990s, the Predator drone – the most common type of unmanned aircraft – was equipped with its own satellite communications system, which was used to gather information on refugee flows and Serbian air defences.

During the NATO Kosovo cam-

paign in 1999, however, drones were equipped with missiles, ‘transforming them from spy planes into killer drones’, Benjamin writes.

Drones currently serve a wide range of purposes, and the title of one chapter in Benjamin’s book aptly reflects the proliferation of drone technology: ‘Here a drone, there a drone, everywhere a drone’.

The US police use drones to track drug smugglers and to monitor the US-Mexican border, while German police sent out an unmanned vehicle the size of a child’s toy airplane during an anti-nuclear march in 2010. US ‘killer drones’, however, have been in use since 2002, primarily in Afghanistan, and since 2004 they have been used in Pakistan. They are also used in Yemen.

In Pakistan, there have been 321 drone strikes since then (as of 2 May 2012), only 52 of which occurred under the administration of former president George W Bush. An astonishing

269 have been carried out under the Barack Obama administration, who took office in 2009. While the United States has claimed that 175 Al Qaeda suspects are hiding in Pakistan, drone strikes there have killed more than 3,000 people, mostly civilians.

These numbers were presented during the book's launch by Shazad Akbar, a Pakistani lawyer, activist and head of the Foundation for Fundamental Rights, which has conducted research in Pakistan and is trying to obtain compensation from the United States for the families of the unintended victims of drone strikes. In his talk, Akbar made clear that high-technology precision arms are not always as precise as they're proclaimed to be. He brought up several examples of whole families that had been blown up by US drones.

The 'collateral damage' – military speech for unintended killings – is only one of many objections to drones listed by Benjamin and Akbar. Another area of concern is the bypassing of legal and judicial instruments, where instead of arresting suspects and bringing them to court, the United States simply kills them.

Akbar told the story of a man called Tarik, an Al Qaeda suspect who was killed by a drone in Pakistan's capital city of Islamabad. 'Tarik was only one mile away from the US embassy. He could have been arrested and even be tortured in Guantanamo, at least that would have saved his life,' Akbar pointed out somewhat sarcastically.

'This is just racist,' Benjamin said, adding that the US government thought it was legitimate to kill non-US citizens in order to save the lives of its own people.

Whether drones are necessary for national security is a hotly contested idea, with opponents arguing that drones actually increase the danger for the United States in several ways, one of which is by turning people against the country.

In her book, Benjamin also deals with the issue of the legality of unmanned aerial vehicles. According to Benjamin, former president George W Bush deemed it a legal tool in the



Peace activist Medea Benjamin's (right) new book, *Drone Warfare: Killing by Remote Control*, presents an overview of the controversy surrounding drone technology.



A 6-year-old Pakistani girl injured in a drone strike. US drone attacks in Pakistan have killed more than 3,000 people, mostly civilians.

nation's war on terror. Under President Obama, the US drone programme, overseen by the Central Intelligence Agency (CIA), has been stepped up significantly.

'It breaks my heart to see how we have let Barack Obama get away with operating beyond the confines of international law,' Benjamin said during the book launch.

Only recently did John Brennan, the US official in charge of counterterrorism, formally admit that

the United States engages in attacks using armed drones. According to Brennan, who spoke on 30 April at the Woodrow Wilson International Centre for Scholars in Washington, the drone programme is 'legal', 'ethical' and 'wise'.

He added that the United States was respecting national sovereignty and international law, but he refused to apologise for civilian killings resulting from attacks by this deadly weapon. – IPS

Historic hunger strikes: Lightning in the skies of Palestine

Hundreds of Palestinian prisoners held without trial initiated a mass hunger strike in April in protest against Israel's policy of 'administrative detention'. Some of the prisoners came perilously close to death after refusing food for over a month, but the hunger strike received very little coverage in the mainstream Western media.

Although the strike was called off after Israel relented somewhat, *Richard Falk*, writing while it was still in progress, attempts to capture what he calls 'a Gandhian moment in the Palestinian struggle'.

THERE is ongoing militant expression of Palestinian resistance to the abuses of Israel's 45 years of occupation and de facto annexation of the West Bank and East Jerusalem and five-year blockade of Gaza, taking the form of a series of hunger strikes. Recourse to this desperate tactic of courageous self-sacrifice is an extreme form of non-violence and should, whenever and wherever it occurs, be given close attention. Palestinians have protested by hunger strikes in the past but failed to inspire the imagination of the wider Palestinian community or shake the confidence of Israeli officialdom. Despite the averted gaze of the West, especially in North America, there are some signs that this time the hunger strikes have crossed a historic threshold of no return.

Adnan's and Shalabi's struggles

These strikes started with the individual exploit of a single person, Khader Adnan, at the end of 2011. Dragged from his home in the village of Arraba near Jenin during a night raid by dozens of Israeli soldiers, humiliated and roughed up in the presence of his two- and four-year-old daughters, carried away shackled and blindfolded, roughly interrogated, and then made subject to an administrative decree for the eighth time in his young life, Adnan's inner conscience must have screamed 'Enough!' and he embarked on an open-ended hunger



A Palestinian man stands chained to a cage during a demonstration to show solidarity with Palestinian prisoners on hunger strike in Israeli jails. The hunger strikers 'are writing a new chapter in the storyline of resistance *sumud*'.

strike. He continued it for 66 days, and agreed to take food again only after the Israeli authorities relented somewhat, including a pledge not to subject Adnan to a further period of administrative detention unless further incriminating evidence came to the surface. Upon release, Adnan, to depersonalise his ordeal, insisted on visiting the families of other Palestinians currently under administrative detention before returning to his own home.

(Administrative detention allows Israeli forces to detain Palestinians for indefinitely renewable terms of up to six months each without charge or trial, and without any show of incriminating evidence.)

Adnan has spoken out with firm gentleness and invited persons of conscience everywhere to join in the struggle to induce Israel to abandon administrative detention, and the ac-

companying violations of Palestinian human rights. His open letter to the people of the world is reproduced below (see box) to convey the tone and substance of his struggle.

Following Adnan, and inspired by him, was Hana Shalabi, a young Palestinian woman subject to a similar abusive arrest, accompanied by humiliations associated with her dress and sexual identity. Shalabi was from the village of Burqin also near Jenin, and had been released a few months earlier in October 2011 as part of the prisoner exchange that was negotiated to obtain the release of the sole Israeli captive, Gilad Shalit. She had seldom strayed from her family home prior to the re-arrest on 16 February 2012, and her life was described as follows by her devoted sister, Zahra: 'The four months between October and February were trouble-free days, bursting

with dreams and ambitions. Hana loved to socialise and meet with people. She was busy with getting her papers in order to register for university, with her eyes set on enrolling at the American University in Jenin. She wanted to get her driver's licence, and later buy a car. She went on a shopping spree, buying new carpets and curtains for her bedroom...and she dreamed of getting married and of finding the perfect man to spend the rest of her life with.' It is little wonder that when arrested in the middle of the night she reacted in the manner described by Zahra: 'She was panicking, and kept repeating over and over again that she was not going with the soldiers because she didn't do anything.'

As with Adnan, Shalabi was released after she was in critical condition, but in a vindictive manner, being sent to live in Gaza for three years, thereby separated from her family and village, which were her places of refuge, love, and nurturing. She also made it clear that her experience of resistance was not meant for herself alone, but was intended to contribute to the struggle against prison abuse and the practice of administrative detention, but even more generally as engagement in the struggle for Palestinian rights, so long denied.

'The battle of empty stomachs'

The example set by Adnan and Shalabi inspired others subject to similar treatment at the hands of the Israelis. Several Palestinians detained under administrative detention decrees commenced hunger strikes at the end of February, and as many as 1,650 others, and possibly more, initiated a massive hunger strike on Palestinian Prisoner's Day, 17 April, that is continuing, and has been named 'the battle of empty stomachs'. The main battlefield is the mind of the oppressor, whether to give in and seem weak or remain firm and invite escalating censure, as well as Palestinian militancy, should any of those now in grave condition die.

The latest news suggests that

Khader Adnan's Open Letter to the Free People of the World

In the name of Allah, Most Compassionate, Most Merciful,
Praise be to Allah, and peace and blessings be upon the Messenger of Allah.

Dear free people of the world. Dear oppressed and disenfranchised around the globe. Dear friends of our people, who stood with me with a stern belief in freedom and dignity for my people and our prisoners languishing in the Occupation's prisons.

Dear free women and men, young and elderly, ordinary people as well as intellectual elites everywhere – I address you today with an outpouring of hope and pain for every Palestinian that suffers from the occupation of his land, for each of us that has been killed, wounded or imprisoned by the state of terror, that denies anything beautiful in our lives, even the smile of our children and families. I am addressing you in my first letter following my release – praying it will not be the last – after Allah granted me freedom, pride and dignity. I was an 'administrative detainee' in the jail of occupation for four months, out of which I have spent 66 days on hunger strike.

I was driven to declare an open-ended hunger strike by the daily harassment and violation of my people's rights by the Israeli Zionist occupation. The last straw for me were the ongoing arrests, the brutal nighttime raid on my house, my violent detention, during which I was taken to the 'Mavo Dotan' settlement on our land occupied 1967, and the beatings and humiliation I was treated to during arrest interrogation. The way I was treated during the interrogation at the Jalameh detention centre, using the worst and lowest verbal insults in the dictionary. After questioning, I was sentenced to imprisonment under administrative detention with no charges, which proves my and others' arrests serve only to maintain a quota of prisoners, to harass us, to restrict our freedom and to under-

mine our determination, pride and dignity.

I write today to thank all those who stood tall in support of my people, with our prisoners, with Hana al-Shalabi and with myself. I call on you to stand for justice, pride and dignity in the face of occupation. The assault on the freedom and dignity of the Palestinian people is an assault on free people of the world by a criminal occupation that threatens the security, freedom and dignity of all, no matter where.

Please, continue in exposing this occupation, boycotting and isolating it internationally. Expose its true face, the one that was clearly exposed in the attack of an Israeli officer on our Danish cohort. Unlike that attack, the murder of our people is a crime that goes by unspoken of and slips away from the lens of the camera. Our prisoners are dying in silence. Hundreds of defenders of freedom are on hunger strike inside the prisons, including the eight knights, Bilal Diab and Thaer Hlahleh, who are now on their 61st day of hunger strike, Hassan Safadi, Omar Abu Shalal, Mahmoud Sarsak, Mahmoud Sarsal, Mohammad Taj, Jaafar Azzedine (who was arrested solely for standing in solidarity with myself) and Ahmad haj Ali. Their lives now are in great danger.

We are all responsible and we will all lose if anything happens to them.

Let us take immediate action to pressure the Occupation into releasing them immediately, or their children could never forgive us.

Let all those free and revolutionary join hands against the Occupation's oppression, and take to the streets – in front of the Occupation's prisons, in front of its embassies and all other institutions backing it around the world.

With deep appreciation,
Khader Adnan
30 April 2012

Bilal Diab and Thaer Hlahleh, continuing their hunger strike that started on 28 February, are clinging to life by a thread. In early May they were both finally transferred to civilian hos-

pitals. Hlahleh, after the 70th day without food, announced that he was no longer willing even to drink any water or accept further medication.

As might be expected, the voices

of concern from the international community have been muted and belated. The International Committee of the Red Cross has finally expressed in public its concern for the lives of these strikers. The United Nations envoy to the Middle East, Robert Serry, never someone outspoken, acknowledged in a brief and perfunctory statement on 3 May that he was 'deeply troubled' by the danger to these hunger strikers, as if such a sentiment was somehow sufficient in the face of the outrages being inflicted.

More persuasively, several human rights NGOs, including Physicians for Human Rights – Israel, have been reminding Israel of its obligation to allow family visits, which prison authorities have repeatedly denied, despite it being an accepted tenet of medical ethics that is affirmed in Israel's Patient's Rights Law.

On 7 May Israel's High Court of Justice denied urgent petitions for release from administrative detention filed on behalf of Diab and Halahleh. The Court, in a classic example of the twisted way judges choose to serve the state rather than the cause of justice, declared: 'Hunger strikes cannot serve as an element in a decision on the very validity of administrative detention, since that would be confusing the issue.' Would it be so confusing to say that without some demonstration of evidence of criminality, rejecting such a petition amounts to imposing a death sentence without even the pretensions of a show trial that relies on coerced confessions? Israel's highest judicial body leaves no doubt about its priorities by invoking anti-terrorism as a blanket justification, saying that Israel 'should not have to apologise for securing its own safety'.

On a wider canvas, the hunger strikes are clearly having some effect on Israeli prison policy, although it is not clearly discernible as yet. The Israeli Public Security Minister, Yitzhak Aharonovitch, convened a meeting in which he voiced the opinion that Israeli reliance on administrative detention was excessive, and should be reduced. There is also some discussion with officials of the Israeli Prison Service and a committee representing

some of the 17 April prisoners on a series of demands relating to prison conditions.

The following demands have been articulated by the 17 April hunger strikers, under the banner of 'The Prisoners Revolution':

1. Ending the Israeli administrative detention and solitary confinement, in which Palestinians were imprisoned for more than 10 consecutive years, in solitary cells that lack basic human necessities of life.

2. Allowing family visits to those from the Gaza Strip due to political decisions and unjust laws, such as the so-called 'law of Shalit'.

3. Improving the livelihood of prisoners inside Israeli jails and allowing basic needs such as proper health treatment, education and TV channels and newspapers.

4. Putting an end to the humiliation policy carried out by the Israeli Prison Service against Palestinian prisoners and their families, through humiliating naked inspection, group punishment, and night raids.

Terrorists?

Having followed these hunger strikes for several months, I am convinced that these individuals subject to administrative detention are ordinary persons living a normal life, although chafing under the daily rigours and indignities of prolonged occupation. Israeli commentary tends to divert humanitarian concerns by branding these individuals as 'terrorists', taking note of their alleged affiliation with Islamic Jihad. Adnan, who is obviously preoccupied with his loving family, a baker by profession, working in his village, does not seem a particularly political person beyond the unavoidable political response to a structure of domination that is violent, cruel, and abusive. The language of his open letter is one that exhibits moral intensity, and seeks support for the Palestinian struggle for a sustainable peace with justice. It has none of the violent imagery or murderous declarations found in Al Qaeda's characteristic calls for holy warfare against the infidels.

I was impressed by Hana Shalabi's sister's response when asked about the alleged connection with Islamic Jihad. Zahra responded to the question with a smile, saying, 'She's not really Islamic Jihad. She doesn't belong to any faction. When Israel imprisons you, their security forces ask which political faction you belong to. Hana chose Islamic Jihad on a whim.' Even if it was more than a whim, for a religious person to identify with Islamic Jihad it does not at all imply a commitment to or support for terrorist tactics of resistance. Zahra asks rhetorically, 'Does she have missiles or rockets? Where is the threat to Israel? ... Why can't we visit her? She has done nothing.' And finally, 'I would never place my enemy in my sister's position...I would not wish this on anyone.'

Israel has, by vague allegations of links to terrorist activities, tried its best to dehumanise these hunger strikers, or to dismiss such actions as the foolish or vain bravado of persons ready to renounce their lives by their own free will. But their acts and words if heeded with empathy, their show of spiritual stamina and sense of mission, convey an altogether different message, one that exhibits the finest qualities that human beings can ever hope to achieve. Those of us who watch such heroic dramas unfold should at least do our best to honour these hunger strikers and not avert our eyes, and do our utmost to act in solidarity with their struggles in whatever way we can.

We cannot now know whether these hunger strikes will spark Palestinian resistance in new and creative ways. What we can already say with confidence is that these hunger strikers are writing a new chapter in the storyline of *resistance sumud*, and their steadfastness is for me a Gandhian moment in the Palestinian struggle. ♦

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In Brazil, women take the lead in organic urban farming

Women in Brazil's shantytowns (*favelas*) are pioneering organic urban farming and, in the process, acquiring a measure of economic independence.

Fabiana Frayssinet

WOMEN in one of the poorest neighbourhoods of the city of Nova Iguaçu, 40 km north of Rio de Janeiro, no longer have to spend money on vegetables, because they have learned to grow their own, as organic urban gardening takes off in Brazil.

The land here is not fertile, like it is in the hilly region of the state of Rio de Janeiro that supplies the city's markets. And the climate is sometimes too hot for vegetables to grow without stress or pests.

But in the poor neighbourhood of Parque Genesiano da Luz in Nova Iguaçu, local women can now proudly say they eat what they themselves have grown. The women sell the rest of what they produce – 70% – through the Univerde cooperative they set up, which comprises 22 families who put 5% of what they earn back in, to run the cooperative.

Production is carried out on an individual basis, but everything else, including the sales of produce, is done collectively.

'It's wonderful to see what you grow in the garden, bring everything home fresh, and give your children such healthy food,' Joyce da Silva, one of the members of the cooperative, told Inter Press Service (IPS). 'So much so that when the low-production season arrives, we don't even buy outside, because now we know that conventional products have a lot of poison. And I don't want to eat that anymore.'

The gardens, which are each about 1,000 square metres in size, are located on what once were empty lots. Below them lie pipelines of the state oil company, Petrobras, which financed the project when it got under



Rosinéia Soares, a resident of the neighbourhood of Parque Genesiano da Luz, displays the aubergines growing in her garden. The women of the community can now proudly say they eat what they themselves have grown.

way in 2007.

When the financing dried up, many of the more than 50 families taking part at the time dropped out, due to a lack of resources.

But a group of women decided to continue, against all odds: they didn't have funds, tools, or transportation to haul seeds and seedlings or take their products to the street markets to sell them. But they were determined not to give up the independence they had achieved.

'Before getting involved in the cooperative, I only looked after my home,' da Silva said. 'But afterwards, I gained economic independence. Another kind of independence is the health I achieved for my family. And also the improved living conditions. Things at home improved in general.'

The Urban Agriculture Programme, which now provides the women with technical assistance, was created in 1999, and was expanded

into peri-urban areas in 2011 by AS-PTA, a non-governmental organisation that promotes urban family gardening and agroecology.

This programme is aimed at boosting the incomes of families in peri-urban areas – poor neighbourhoods on the outskirts of the cities of Rio de Janeiro, Queimados and Mage, where it benefits a total of 650 people. The urban farmers do not use chemicals. Both the fertilisers and pesticides they use are homemade and non-toxic.

The majority of the food consumed in the city comes from far away, which means prices are driven up by transport costs, Marcio Mattos de Mendonça, the coordinator of the Urban Agriculture Programme, told IPS.

'The people who live in these communities need food from nearby areas,' he said. 'Fresh vegetables are often left off the menu, and unhealthy kinds of food are given priority.'

Farming in the city

In line with the global demographic trend, Brazil's population of more than 192 million is increasingly urban. In 2000, 81% of Brazilians lived in urban areas, and 10 years later the proportion rose to over 84%, according to the 2010 census.

But the growing urbanisation has not snuffed out the vocation for farming passed down through the generations, Mendonça said. In many poor urban areas like the *favelas* or shantytowns lining the hills of Rio de Janeiro, people have kept alive the custom of growing vegetables and medicinal herbs, and raising small animals like pigs, goats or barnyard fowl.

Aldeni Fausto, who always grew

vegetables in her yard, inherited that practice which has been kept alive by migrants from rural areas and which she is now successfully reproducing within the city limits.

‘Living in nature is what I like the most,’ she said. ‘The pleasure of planting, harvesting and feeding ourselves, reviving our family’s roots and traditions and teaching them to our children; that is so important, so we don’t forget our history.’

Fausto, the president of the Univerde cooperative, said the distancing of rural migrants from their land led to ‘an increase in diseases, an imbalance in nature, and financial problems, because these people have nothing to eat and no interest in producing food’. But ‘if people planted a little bit in every corner, they wouldn’t suffer from a lack of food,’ she said.

Da Silva looks at it from another angle. ‘I never imagined producing food in the middle of the city. This area didn’t even have a market. And sometimes we couldn’t even afford to go somewhere else to buy things,’ she said.

Healthy diet

The visit to the cooperative was one of the field trips organised by



An urban garden in a *favela* in Sao Paulo. In many poor urban areas in Brazil, people have kept alive the custom of growing vegetables and medicinal herbs.

World Nutrition Rio 2012, an international nutrition congress organised in Rio de Janeiro on 27-30 April by the World Public Health Nutrition Association and the Brazilian Association of Collective Health.

Among other issues, the congress discussed healthy eating habits, the planet’s resources, and the need to recognise and support traditional food systems – three core concepts that underlie the activities of the Univerde cooperative.

Da Silva said her family had various health-related problems linked to eating habits that she now understands were harmful.

Her daughter, for example, had anaemia. ‘Even though she is dark-skinned like I am, she looked sort of yellowish and was very weak. But with this food, she is now in good

health, her skin shines, and her lips and gums are nice and red; this was the best thing about it, for me,’ da Silva said.

Fausto also noticed improvements in her family’s quality of life. ‘Although I don’t look like it, I used to be fat. I have seen changes in my body, in my health, in my children’s diet. My mind now is more at ease, and I have found an equilibrium,’ she said, pointing out that she is now free of obesity-related health

problems like back pain and hypertension.

But the route these women chose is not an easy one. Without strong support, like the funding they received at first, the sustainability of the cooperative is always an issue of concern.

Of the more than 50 plots of land available for urban farming in Nova Iguaçu, only 22 are currently in use, said one of the visitors from the congress, Angelica Siqueira, a student in her final year of coursework for a degree in nutrition at the alternative economy centre of the Federal University of Rio Grande do Sul.

‘There is still a prejudice that the countryside is poor,’ Siqueira told IPS. Her team is attempting to apply urban and peri-urban farming techniques in poor neighbourhoods in her state, in southern Brazil, through the Technological Incubator of Popular Cooperatives.

The hope of the cooperative members is that now they have official certification, they will be able to sell their produce to the federal government’s school meals programme, which stimulates purchases by public schools of food produced by family farmers.

‘Before, we didn’t even know how to run a company, and now we administer our own cooperative,’ said Fausto, a true convert to urban gardening. ‘It’s therapy. One little plant gives you back gratitude and love.’ – IPS



A father and daughter at the garden of their house in a Sao Paulo *favela*. ‘If people planted a little bit in every corner, they wouldn’t suffer from a lack of food.’

'War on drugs' leaves Latin American women's lives in ruins

The war on drugs in Latin America is exacerbating the femicide in the region, say women's groups and activists.

'VIOLENCE associated with the "war on drugs" and organised crime, which includes government corruption in some countries, has specific consequences for women in Latin America,' says Chilean lawyer Patsili Toledo, a member of 'Antígona', a research group of the Autonomous University of Barcelona and a specialist in the subject of femicide in the continent.

For the very first time, feminist organisations are demanding that Latin American governments undertake a review of their current anti-drug policies. Hundreds of organisations from different countries in the region are raising their voices to warn of the impact of the 'war on drugs' on the lives of women, especially increases in the incidence of femicide.

As in war, the cruel rape of women is often symbolic: it creates cohesion within the armed groups, reaffirms 'masculinity' and is a way of attacking 'the enemy's morale'. But the 'domestic' violence is getting worse too: while there are women around the world who are threatened by their partners, the risk increases substantially when men have easy access to weapons and are less likely to be brought to justice, as in Mexico and Guatemala, where the impunity rate exceeds 95%.

Another aspect of the relationship between drug trafficking and women is that many of them end up in prison for drug offences. Federal prisons in Argentina reflect this phenomenon: most women inmates are accused of drug trafficking on a small scale, like mules.

According to Toledo, this war has shown to be harmful for women: homicides of women have increased in Central America and Mexico; in countries like Honduras, the increase is four times higher than the rate for men. Many of these cases also involve

Vanessa Rivera de la Fuente



A commemoration of victims of femicide in Ciudad Juarez, Mexico. Homicides of women have increased in Mexico and Central America.

sexual aggression, torture and mutilation. 'In El Salvador, the rate of homicides where the victim is a woman is the highest in the region: 13.9 per 100,000 women. In Guatemala, the rate is 9.80 per 100,000 and in some Mexican states like Chihuahua, Baja California and Guerrero, the rate tripled between 2005 and 2009, reaching 11.1 per 100,000. In contrast, rates in countries like Chile and Argentina do not exceed 1.4 per 100,000 and most of them occurred in the context of domestic abuse,' stated Toledo.

The call for a drug policy review is made by the Feminist Regional Network for Human Rights and Gender Justice, which comprises organisations from six Latin American countries: ELA Latin American Team for Justice and Gender (Argentina), Corporación Humanas (Chile, Colombia and Ecuador), Equis: Justice for Women (Mexico) and Demus: Bureau for the Defence of the Rights of Women (Peru). Recognised activists like Anna Carcedo (Costa Rica), Marcela Lagarde (Mexico) and Socorro Ramirez (Colombia) have also joined the initiative.

Ahead of the intergovernmental Summit of the Americas held on 14-

15 April in the Colombian city of Cartagena, NGOs from across the region added their voices to this call. 'Violence against women, deeply rooted in sexism and structural discrimination against women, increases in the current context of armed violence in the region, directly related to drug trafficking. Therefore, the severity of this situation requires an urgent review of current drug policy in order to reduce violence and corruption that feeds extreme forms of violence against women,' says a statement signed by the organisations.

Patsili Toledo stressed the need to end the war on drugs in its current form, because so far, it's just profiting the traffickers, money launderers and countries that sell arms: 'The massive use of weapons feeds violence and undermines the judicial system; the impunity and lack of control make murdering easier and cheaper.'

She added that while violence against women exists in peacetime, it intensifies in times of war. The 'war on drugs' requires global changes in drug control policies that, unfortunately, no law against femicide approved in recent years in the region has mentioned. 'Ending the war will not eradicate the femicides in Central America and Mexico,' said Toledo, but it could at least bring them down to the rates seen in other countries that are lucky to be located further from the main trafficking routes. — *WNN-Women News Network* (womennewsnetwork.net) ◆

Women News Network culture columnist and Latin American social critic Vanessa Rivera de la Fuente is a feminist, and a Muslim woman, living in Buenos Aires, Argentina. Born in Chile, Rivera is also an enthusiastic speaker on issues of gender and empowerment who has led volunteer programmes for rural communities in the Peruvian highlands. Through her human rights work she believes strongly in the power of words to change the world.

Pompous prevaricators of power

For over 200 years, corporations and vested interests have resisted every move by the American people for better and fairer lives by employing a familiar litany of lies, says *Ralph Nader*.

A FRIEND who works in Congress and actually reads the Congressional Record suggested that a collection of excerpted falsehoods by Republicans on the floor of the House of Representatives and Senate would make compelling evidence for the truth of economist Albert Hirschman's book, *The Rhetoric of Reaction* (1991).

Professor Hirschman, a very original political economist, found throughout American history the following three propositions were commonly used to counter social justice efforts:

The Perversity Thesis states government action only serves to exacerbate the problem being addressed;

The Futility Thesis holds that attempts at social policy will simply fail to solve the problem;

The Jeopardy Thesis argues that the cost of the proposed change or reform is too high and will lead to disaster.

The only people who know more about this sequential rhetoric than Mr Hirschman are corporate lawyers and their corporate clients' publicists. For over 200 years they and their corporations have opposed virtually every advance for better and fairer lives of the American people using propaganda which fits into Hirschman's frameworks. Whether it was the abolition of slavery, child labour, and the 70-hour week, or women's right to vote, trade union rights, the progressive income tax, unemployment compensation, social security and, of course, the various regulatory standards protecting consumers, worker safety and the environment, the arguments against them have been pretty much the same.

As the fascinating 'Cry Wolf Project' staff observed: 'We've heard these all before. Perversity: if you raise the minimum wage, you'll increase unemployment. Futility: to-



James Dimon (pic), CEO of JPMorgan Chase bank, has been spouting cataclysmic claims about the Dodd-Frank financial sector reforms in the US.

bacco warning labels won't stop people from smoking. And Jeopardy: it's a "job killer".'

The 'Cry Wolf Project' presents verbatim quotations from the corporate bosses from years past and then lets their words speak for themselves. Here is a sample:

Henry Ford II, in 1966, on long-overdue safety standards such as laminated windshields, dual-braking systems, collapsible steering wheels and seat belts: 'Many of the temporary standards are unreasonable, arbitrary and technically unfeasible... If we can't meet them when they are published we'll have to close down.' To his credit, 10 years later on national television, Mr Ford recognised that due to federal regulations, cars were safer, more efficient and less polluting.

His fiery vice-president, Lee Iacocca, said in 1970 that the Clean Air Act 'could prevent continued production of automobiles... and is a threat to the entire American economy

and to every person in America'. Mr Iacocca did recant his opposition to air bags as head of Chrysler in a full-page ad headlined, 'Who Says You Can't Teach an Old Dog New Tricks?'.

Other corporate barons were more intransigent. Reacting to a law that established the federal minimum wage and ended child labour, a spokesman for the manufacturing industry in 1938 unleashed this volley: 'The Fair Labour Standards Act constitutes a step in the direction of communism, bolshevism, fascism and Nazism.'

Social Security received a broadside from the Chairman of the Board of Chase National Bank. In 1936, top-brass banker Winthrop W Aldrich called it a 'grave menace to the future security of the country as a whole and to the security of the very people it is designed to protect'.

His down-the-line executive successor, the haughty James Dimon, has been spouting cataclysmic claims about the Dodd-Frank reforms that are modestly designed to avoid another multi-trillion-dollar Wall Street bailout by Washington. Haughty, that is, until recently when Mr Dimon, CEO of JPMorgan Chase & Co., revealed at least a \$2 billion gambling bet that his company lost in the high-flying business of complex derivatives trading linked to corporate debt.

What a cruel irony. Mr Dimon's bank and half a dozen other giant banks are now corporate welfare kings deemed 'too big to fail' (as well as too big to be taxed fairly). Unfortunately, social security recipients and other taxpayers are still the ones who will pay for any future bailouts. This is what America has been reduced to by the multinational casino capitalists who long ago abandoned any allegiance or patriotism toward the country that bred them into present-day

giants.

Outlandish assertions are not restricted to members of Congress or the corporate world. Ronald Reagan was a jovial genius at nutty declarations. As when he told reporters that submarine-launched nuclear missiles can be recalled or that approximately 80% of our air pollution stems from vegetation. So prolific was the former Hollywood actor that Mark Green collected Reagan's pronouncements in a classic 173-page paperback titled *Reagan's Reign of Error* (1987).

With the velocity of modern communications, media and the Internet, who can keep up with the separation of facts and truth from lies, propaganda and what is now called 'magical thinking'? Far more people have become rich and famous for telling lies and falsehoods than people who have a habit of telling the truth and reciting facts. The former get promoted, host radio shows, get large advances on books and get elected to office.

In 2002, the ultra-corporatist Senator Saxby Chambliss defeated incumbent Georgia Senator Max Cleland, whose legs were amputated as a result of injuries he suffered in the Vietnam War, with ads showing a photo of Cleland along with photos of Saddam Hussein and Osama bin Laden, by way of questioning Cleland's patriotism. Fellow Republican, Senator John McCain, called Saxby's ads in 2002 'worse than disgraceful, reprehensible'. In 2008, Saxby was re-elected.

The forces of accountability for what public personages exclaim have to come from a more demanding citizenry. People have to punish these charlatans, who think they can distract, degrade or fool the public. Don't buy their garbage or let the prevaricators garner your votes.

A handy question people can always ask is 'What's your evidence?'. That starts an entirely new dialogue, doesn't it? ♦

Ralph Nader is a consumer advocate, lawyer and author. His most recent book – and first novel – is Only the Super-Rich Can Save Us. His most recent work of non-fiction is The Seventeen Traditions. This article is reproduced from CommonDreams.org.

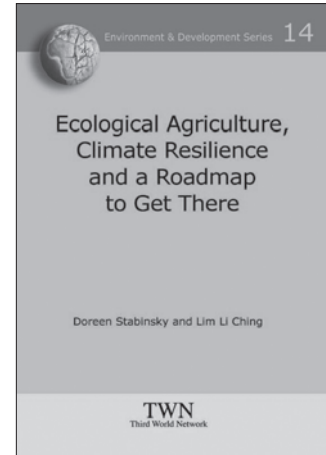
Ecological Agriculture, Climate Resilience and a Roadmap to Get There

Doreen Stabinsky and Lim Li Ching

THE phenomenon of climate change poses a serious threat to agricultural production and, therefore, to the lives and livelihoods of the hundreds of millions who are dependent on agriculture. Adaptation to the increased variability in weather patterns requires the adoption of ecological farming practices which are climate-resilient as well as productive.

This paper looks at how ecological agriculture, by building healthy soils, cultivating biological diversity and improving water harvesting and management, can strengthen farmers' capacity to adapt to climate change. Accordingly, the authors call for a reorientation of policy, funding and research priorities from the dominant industrial agriculture model to ecological agriculture. At the same time, recourse to carbon markets to finance adaptation efforts through trade in soil carbon credits is rejected as an unsustainable, wrong-headed approach to meeting the climate challenge.

Instead, facing the vagaries of climate



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change demands a concerted effort by governments, multilateral agencies, researchers and farmers to support the transition to ecological agriculture. Towards this end, this paper outlines a roadmap of measures for promoting truly climate-resilient farming systems.

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The Burmese poet *Nu Yin* (1916-2006) published her first poem as a 20-year-old and continued writing until her death at the age of 90. The younger sister of another great poet Min Thu Wun, she won several National Literary Awards for poetry and children's literature.

Two strings of beads

Nu Yin

With skill, with care
 striving to be fair, her two cheeks
 she tinges rose, serene, smiling
 her arching brows she touches black,
 serene, content
 her forehead fringe she dabs with scent
 her scarlet lips she decorates
 with lipstick both to make them fair
 her glossy black sweet-smelling hair
 she knots on top and trails it down
 and in that hair
 all fragrant kinds of flowers she binds:
 thus anointed and thus adorned
 striving, scheming to be more fair
 around her neck she hangs a string
 of splendid pearls and is serene—
 such is the way of young girls.

Meditating
 meanwhile on the momentary
 chance conjunction which is the self
 considering
 and finding peace in this doctrine
 the old lady lowers her head
 and lifts off one hundred and eight
 beads on a string
 which ceaselessly she tells within—
 she is filled with quiet joy.