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Whither the BRICS?

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Editor's Note

THE emergence onto the international scene of the political and economic bloc of nations known as BRICS (Brazil, Russia, India, China and South Africa) has generated much discussion among political analysts as to its role in the global arena. Can this bloc really make a difference in international affairs? Is it cohesive enough with sufficient common aims to endure, given the fact that the relationship between some of its individual members has been characterised by political rivalry?

Some of this skepticism can be traced to the odd, almost improbable origins of this group. The fact is that BRICS was the brainchild of a Wall Street economist – Jim O'Neill of Goldman Sachs – who, in a 2001 paper, projected that real GDP growth in large emerging market economies would soon exceed that of the G7 leading industrial nations. In singling out four of these emerging countries – Brazil, Russia, India and China – and coining the acronym 'BRICs' to designate them, he was making out a case for their inclusion in an expanded G7 grouping.

However, policymakers in these four countries who read the paper obviously had different ideas. Far from waiting to be invited into this cabal of rich nations (Russia is in any case already a member of the expanded G8), they decided to constitute themselves into a separate grouping.

Beginning in 2006 with a foreign ministers' meeting in New York, the grouping became more formalised with the first summit of heads of state in Russia in 2009. In 2010, 'BRICs' became 'BRICS' with the admission of South Africa as its fifth member.

Among Third World countries, there has been a sense of helplessness against Western pressure with the collapse of the Soviet bloc as a countervailing power in the 1980s. In the unipolar world that emerged, there was little room for developing countries to manoeuvre. In matters of economic development, they had little choice but to follow the prescriptions of the developed countries and the international institutions [such as the International Monetary Fund (IMF) and World Bank] under their control and influence. The rise of BRICS at a time of growing economic dynamism in some of the larger countries of the non-Western world has understandably given rise to hopes that the unfettered domination of the West may at last be coming to an end.

While it would be an exaggeration to speak of a global shift of power away from the West, it is nevertheless true that the BRICS countries have the potential to constitute an alternative economic and political bloc in world affairs. For many developing countries long under the thrall of the West, such a development would be most welcome.

In this regard, there is some basis for optimism. The fact that these countries chose to constitute themselves as a separate independent grouping, rather than invest their hope in being inducted into an expanded G7, reflects a desire to pursue an independent course in world affairs. They have made some significant economic moves beyond enhancing trade and cooperation among themselves. It is instructive that while in 2012 they pledged some $75 billion to the IMF bailout fund (subject to voting rights reforms), they have now shifted their focus beyond the orbit of the Bretton Woods institutions.

At this year's BRICS Summit, which was held in Durban, South Africa, in March, there were two decisions which were particularly noteworthy. The first was the decision to set up a new Development Bank 'for mobilising resources for infrastructure and sustainable development projects in BRICS and other emerging economies and developing countries'. While more information is needed before one can gauge the capacity of this institution to be a real alternative to both the IMF and the World Bank, it is clearly a bold step forward.

The second decision of note was the move to create a Contingent Reserve Arrangement (CRA) to provide a financial safety net for the BRICS countries against financial volatility. Such a fund outside the Bretton Woods institutions is clearly a step in the right direction as these countries will not have to turn to these institutions to meet short-term liquidity pressures.

Apart from these concrete measures, the Durban summit's Declaration and Action Plan set out some of the alternative developmental perspectives shared by the BRICS bloc. The call for reform of the international monetary system 'with a broad-based reserve currency system providing stability' is not new, but there were news reports that Russia had actually prepared a document for BRICS to work towards such a transition over the long run. However, nothing more emerged from the summit on this.

The summit also reaffirmed its support for the United Nations Conference on Trade and Development (UNCTAD)'s mandate as 'the focal point in the UN system dedicated to consider the interrelated issues of trade, investment, finance and technology from a development perspective'.

But while making clear the grouping's position on key economic issues, the Durban summit also provided a strong indication that BRICS has no intention of remaining silent on important political developments affecting the international community. Thus the Durban Declaration sets out the BRICS position on UN reform, the conflict in Syria, the Iranian nuclear issue, the Palestinian struggle for nationhood, and the crises in North Africa, Mali and the Central African Republic.

While all this is indeed promising, the fact remains that BRICS is still a work in progress. A clearer picture will emerge of how the bloc finally shapes up in the next few years.

Our cover story provides a variety of viewpoints on BRICS. While most contributors view its recent evolution positively, there is also concern over the overly market-oriented and corporate-led policies which appear to govern its relations with the South. Hopefully as BRICS matures, it will stake out a radically different path which will have a decisive impact on the polarity of the existing world order.

– The Editors

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The emergence of the BRICS bloc – which comprises Brazil, Russia, India, China and South Africa – has given rise to much discussion on its role in world affairs. The latest BRICS summit took place in Durban, South Africa, in March *(pic)*. **5**

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‘Uttarakhand floods a man-made disaster’

The devastating floods in the northern Indian state of Uttarakhand (which are still continuing as the rains persist) have already wreaked a heavy toll and the final casualty figure may run into the thousands. The real tragedy is that the disaster could have largely been averted.

Aarti Dhar

Geologists say the extent of the destruction wrought by the floods in Uttarakhand could have been far lesser if stricter regulations were in place and authorities were equipped to deal with the situation.

COULD the Uttarakhand tragedy have been avoided, or at least minimised?

There is no simple answer.

Environmentalists describe the death and damage as a man-made disaster while geologists say the extent of destruction could have been far lesser if stricter regulations were in place and authorities were equipped to deal with the situation.

Importantly, the events focus attention on the debate on the 18 December 2012 notification of the Ministry of Environment and Forests, which declares the entire watershed around the 135-km stretch between Gaumukh and Uttarakashi along Bhagirathi as an eco-sensitive zone under the Environment Protection Act, 1986, in practice banning all construction activities in this area, and how the Uttarakhand state government has been opposing it stoutly, arguing that such an order will adversely affect all development activities and economic progress of the region.

The notification, if implemented, would result in the closure of hydropower projects of 1,743 MW along the Bhagirathi and a ban on mining and construction, especially hotels and resorts, and land use conversion. Power projects and mining and construction activities are the main causes of preventable environmental degradation.

The Assembly passed a resolution, and Uttarakhand Chief Minister Vijay Bahuguna met Indian Prime Minister Manmohan Singh in May to urge him to cancel the notification.

‘Calculated risk’

The former Deputy Director-General of the Geological Survey of India, VK Raina, told *The Hindu* that while natural calamities such as cloud bursts and flash floods could not be prevented, deaths and damage could be contained if there were laws to regulate construction along rivers, and authorities were prepared to deal with the situation. ‘Construction in Uttarakhand is not planned. The owners have taken a calculated risk and paid for it.’

Had the India Meteorological Department alerted the state government, authorities should have been prepared to deal with the threat, or they would have stopped more people from going to these places. ‘There seems to be no accountability and no coordination,’ he said.

‘Such things will keep happening in future, and people living in ecologically sensitive areas also have needs which have to be fulfilled…, but there need to be enough restrictions on the activities, including the movement of pilgrims and tourists.’

Suggesting that the states along the Himalayan ranges reconsider their development models, Sunita Narain of the Centre for Science and Environment said that while there could not be a blanket ban on development activities in these fragile zones, given the needs of the people, ‘we need to look at ways of development without destroying natural resources’.

Terming the Uttarakhand tragedy a ‘man-made disaster’, Narain said development in the ecologically sensitive areas had to be different from the plains. ‘We cannot have roads on the Himalayas like the ones on the Alps. The Himalayas are young mountains,’ she said. Technology was available for this, and one need not depend on the Border Roads Organisation as it outsourced construction works.

Calling for conservation of ecological heritage, Gopal Krishna of Toxiclinks Alliance said no agency should be allowed to build permanent structures in ecologically fragile zones. ‘Development fundamentalism, combined with religious tourism, is eroding ecological heritage. In the aftermath of these disasters, if lessons are indeed learnt, all ongoing development projects must be reviewed, and their carrying capacity and cumulative impact on the Himalayan ecosystem should be assessed and the ecological integrity of the Himalayan watershed made non-negotiable.’

Studies conducted by the Chinese Academy of Sciences in Kunming and the University of Delhi on the impact of the dams planned in the Himalayan region predicted that ‘about 1,700 square kilometres of forests would be submerged or damaged by dams and related activities’. ‘Stage-managed and faulty environmental clearances in India and China contributed to the colossal crisis that is staring us in the face,’ Krishna said. ◆

This article is reproduced from Indian daily The Hindu *(21 June 2013).*

Depleted uranium contamination still blights Iraq

A decade may have elapsed since the US invasion of Iraq but the depleted uranium it left behind continues to take its toll.

TO mark the 10th anniversary of the 2003 invasion, a new report has highlighted continuing uncertainties over the impact and legacy of the use of 400 tonnes of depleted uranium (DU) weapons in Iraq. The report reveals the extent of DU's use in civilian areas for the first time.

'In a State of Uncertainty', published by Dutch peace organisation IKV Pax Christi, has sought to do what the US has so far refused to do – reveal how widely the weapons were used in Iraq, and in what circumstances. It also analyses the costs and technical burdens associated with DU use, arguing that a decade on, many contamination problems remain unresolved – leaving civilians at risk of chronic DU exposure.

States argue that the use of controversial DU munitions is justified against armoured vehicles, yet 'In a State of Uncertainty' documents their use against a wider range of targets in 2003, with attacks often taking place within civilian areas, leaving residents at risk from contamination. This resulted from both the US' use of DU in medium calibre ammunition for aircraft and armoured fighting vehicles, and the frequency of urban combat operations in 2003.

The report also finds that the Iraqi government has struggled with the cost and technical challenges posed by the legacy of contamination, a situation compounded by the US' refusal to release targeting data. The Iraqi government acknowledges that there are more than 300 sites with known contamination, based on the limited data available, with new sites regularly discovered. Clean-up of sites typically costs around $150,000, but varies considerably depending on the setting, extent and level of contamination.

A US soldier carrying an armour-piercing depleted uranium round during the first Gulf War in Iraq in 1991. Many contamination problems arising from the use of DU weapons in Iraq remain unresolved, leaving civilians at risk of chronic DU exposure.

'The 300 or so known sites may be the tip of the iceberg,' said a spokesperson for the International Coalition to Ban Uranium Weapons (ICBUW). 'While it is obviously difficult to extrapolate directly from other conflicts, in the Balkans, where 1/60th of the quantity of DU was used, we saw somewhat over 100 contaminated sites; we would therefore expect the total number of contaminated sites in Iraq to be far higher than the 300 identified by the Iraqi authorities.'

Health concerns

Reports collected by the International Committee of the Red Cross reveal that tribal leaders in southern Iraq highlighted DU contamination as a primary health concern, with fear of DU exposure widespread in Iraq. Iraqis commonly associate increased incidence rates of cancers, congenital birth malformations and other diseases with DU, resulting in significant levels of anxiety. Prompted by numerous media reports of a health crisis in Fallujah, linked by researchers to the toxic legacy of military activities, a major review of birth defect rates in six Iraqi provinces by the World Health Organisation and Iraqi Ministry of Health is to be published soon.

'In a State of Uncertainty' documents the enormous problem still posed by the poorly regulated storage and trade in military scrap metal. Deregulation of the scrap trade under the Coalition Provisional Authority resulted in casual scrap metal collectors being needlessly exposed to DU, and in the export of contaminated scrap to neighbouring countries. Scrap metal collectors continue to remain at risk of exposure, as do those who live near dozens of uncontrolled scrap sites. The Iraqi government has requested international assistance in analysing and managing contaminated military scrap.

'Because states are under no obligation to share targeting data, even when deploying toxic and radioactive munitions, it is unclear exactly how many locations may still be contaminated, or the extent of the risks that civilians face,' said the report's author Wim Zwijnenburg.

'DU's apparent use in built-up areas against a range of targets in 2003 increased these risks, running counter to efforts to increase protection for civilians during armed conflict and further undermining DU's legitimacy. This uncertainty means that fear of DU among Iraqi civilians is widespread yet effectively managing DU's legacy will require international assistance.'

A baby in Fallujah with severe birth defects. Iraqis commonly associate increased incidence rates of congenital birth malformations, cancers and other diseases with DU.

The United Nations General Assembly has twice called for greater transparency over DU weapons use, most recently in December 2012, where 155 states voted in favour. The US, the UK, France and Israel were the only four states which opposed the text, which also accepted the potential risks from DU use and called for a precautionary approach to their post-conflict management.

Throughout, it is clear that for states recovering from conflict, effectively managing DU contamination to standards even approaching those in the states that employ the weapons poses significant challenges. IKV Pax Christi argues that the implications for the wider acceptability of DU munitions are clear.

Basil D Soufi

The United Nations General Assembly ***(pic)*** **has twice called for greater transparency over DU weapons use.**

'Fear of DU among Iraqi civilians is widespread.'

'Even now, 10 years after the 2003 conflict, the true extent of the risks posed to civilians from DU in Iraq is unclear,' said an ICBUW spokesperson. 'As the US seems reluctant to share targeting data and any records of any clean-up work it may have undertaken during the 2003-05 period, it is unclear how this situation might be resolved. Greater transparency on usage would of course be extremely helpful in determining the extent of DU's use in civilian areas.' *– International Coalition to Ban Uranium Weapons (www.bandepleteduranium.org)* ◆

The report 'In a State of Uncertainty' can be downloaded from: www.ikvpaxchristi.nl/media/files/in-a-state-of-uncertainty.pdf

Understanding the BRICS

Despite its strange origins and some serious challenges confronting it, the bloc of countries that has emerged into the international arena under the acronym BRICS (Brazil, Russia, India, China, South Africa) has the potential for being a positive force in world affairs. *Jayati Ghosh* explains.

A ship docked at a container port in Qingdao in China, one of the five members of the BRICS grouping. Trade between BRICS countries soared after they became recognised as a combination.

STRANGE things happen in the world. Imagine a grouping of countries spread across the globe, which gets formed only for the simple reason that an analyst for an investment bank decides that these countries have some things in common, including future potential for growth, and then creates an acronym of their names! Bizarre but true.

The original categorisation of the BRIC countries (by Jim O'Neill of Goldman Sachs in an article in 2001) contained only Brazil, Russia, India and China. He described the countries with the most economic potential for growth in the first half of the 21st century, based on features like size of population and therefore potential market; demography (predominantly young populations with likely falling dependency ratios); recent growth rates; and embrace of globalisation. So China was to become the most important global exporter of manufactured goods (which indeed has already occurred); India the most significant exporter of services (which has not occurred as expected, although it remains important); and Russia and Brazil would dominate as exporters of raw materials.

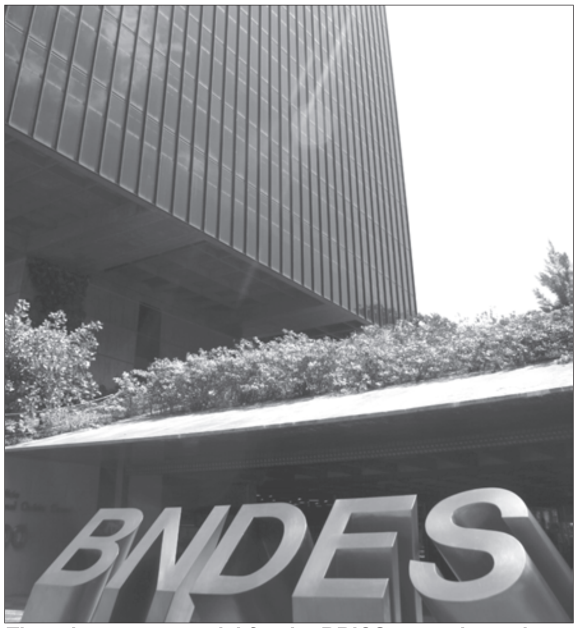
In a process that has since surprised many, this initial statement caught the imagination not only of the global financial community and the mainstream media, but even of policy makers in the countries themselves! Although geographically separated, economically and politically distinct, with different levels of development and with not such strong economic ties at that time, these countries began to see themselves as a group largely because of foreign investor and media perceptions.

The group had its first summit meeting in June 2009 in Yekaterinburg, Russia. In 2010 South Africa was included (at the instigation of China). The enlarged BRICS have since had summit meetings in Brasilia, Brazil, in 2010; Sanya, China, in 2011; New Delhi, India, in 2012; and Durban, South Africa, in 2013. The BRICS now cover 3 billion people, with a total estimated GDP of nearly $14 trillion and around $4 trillion of foreign exchange reserves. Each country is effectively a sub-regional leader. Of course, that does not mean there are no other potential candidates for inclusion. Indeed, several countries are often mentioned as possible members of an enlarged group on the basis of their actual and potential global economic significance: for example, South Korea and Mexico (both OECD members), Indonesia, Turkey, Argentina.

BRICS is one of several new initiatives of different countries in the world to break out of the Northern axis: G12 (G20-G8), IBSA, BASIC (BRICS minus 1) and so on. While the origin of the grouping may be odd, and the countries are indeed remarkably diverse, there are some commonalities that are important. Subsequently, in fact, these countries have since shown significant interest in meeting periodically, working together, and finding some synergies and new ways of cooperation.

So trade between BRICS countries soared after they became recognised as a combination (although of course this is a period when trade between developing and emerging markets in general has grown much faster than aggregate world trade). Investment links have been growing too, mainly through Chinese involvement in different countries and some interest shown by large Indian capital. And more recently there have been other moves that suggest an appetite for newer and further forms of close economic and political interaction and coordination. They have recently acted in concert in several international platforms, most recently pledging $75 billion to the International Monetary

Fund (conditional on IMF voting reform). Other economic initiatives include agreement to denominate bilateral trade in each other's currencies, and plans for a development bank. There have also been declarations in favour of a shared approach in foreign policy, particularly responses to US and European policies in the Middle East and elsewhere.



There is great potential for the BRICS countries to learn from one another, for example, in the area of development banking. Picture shows the Brazilian Development Bank (BNDES) building.

In fact there is great potential in these five countries not just combining to address global issues, but perhaps even more significantly, learning from one another. For example, India has much to learn from Brazil and China in the matter of development banking. From the early 1990s, India has set about destroying the potential of its own development banks, in both agriculture and industry – but there is still scope for their renewal and rejuvenation. And the example of Brazil, and in particular the Brazilian Development Bank (BNDES), in entering areas and promoting activities that would not occur purely through the incentives determined by the market, could provide some guidance about how this can occur even in a very open and largely market-driven economy.

Similarly, there are areas in which other BRICS countries could learn from India, while the description of the work of the South African Development Bank illuminated the strategy of creating financial structures and mechanisms to promote the 'green economy' through environmentally desirable activities and technologies. There are also immense possibilities for technology sharing and even co-ordinating technology development, in a world where intellectual property rights still largely controlled by Northern multinational companies have emerged as a major constraint on development. There is also great potential for 'Marshall Plan'-type capital flows from surplus to deficit countries (even those outside the BRICS) to enable them to withstand the impact of global recession – and a BRICS Bank could be a first step in that direction.

Common challenges

But it is not only comparing experiences of the recent past and learning from each other's approaches that may be important. Despite their many differences, the BRICS countries do face some common challenges, and the very urgency of these challenges points to the benefits of cooperation to develop new strategies. At least four such challenges deserve mention, as do some possibilities of combined action to confront them.

The first is the fact of the continuing global crisis and the near-certainty that the Northern economies (the US and Europe in particular) are unlikely to provide much positive stimulus to the global economy. For all the BRICS, these countries still dominate as export destinations and the domino effect of declining Northern markets must be accepted. So clearly, there is a need to diversify exports, a process that has already started but still needs to go a long way. Of course bilateral currency trade would encourage more trading activity between the BRICS, and this is desirable.

But the current state of the global economy suggests the need for greater ambition. In particular, the time is clearly ripe for some sort of 'Marshall Plan' for the developing world, and the BRICS countries (particularly China and Russia) are uniquely positioned to take this process forward. This would involve developing mechanisms to finance imports by countries with low incomes and low levels of development, simultaneously delivering markets to other developing countries and more development potential to the recipient countries.

The other challenges are more internal, but surprisingly common across the BRICS. The recent growth process has been substantially associated with increasing income and asset inequality (other than in Brazil, which once again provides some lessons for the others, but where Gini coefficients still remain among the highest in the world). It is now more evident that such inequality is socially and economically dysfunctional, and also that it gives rise to political tensions that can be even more damaging. So there must be measures to address this.

Inadequate productive employment generation has been a central feature of the past growth process, and is clearly linked with the growing inequality. Economic policies within BRICS countries must be concerned with this, and in particular with how to promote more opportunities for decent work.

Another major aspect of inequality has been the inequality in access to basic social services and utilities. The strategies of privatisation and reduced public spending in such areas in all the BRICS countries have not only reduced access for the poor but also created tremendous inequalities. It is increasingly necessary for innovative strategies to promote more universal provision of necessary services and utilities.

Finally, recent growth in all the BRICS countries has been associated with a construction and real estate boom, and it is interesting to note that this boom is also in the process of winding down in all five countries. This creates all sorts of difficulties, in terms of both the employment losses as well as the health of the financial sector, and it is particularly galling given the continued shortage of adequate mass housing. All of these countries will need effective strategies to deal with this challenge, even while they continue to promote affordable and better-quality mass housing, and so surely there are opportunities here for creative policy thinking that can be shared.

South-South relations

What of the relations of the BRICS with other countries of the Global South? Two issues are important here. The first is whether the BRICS or the G20 will ignore or substitute for the views of the G77 or larger bodies of developing countries whose voices are only too rarely heard in international policy discourse. This is a concern, and one that it is important for the BRICS themselves to address directly. The recent attempt by South Africa to include many other African nations as observers or participants in the latest BRICS Summit was in that sense welcome, but the nagging question is whether this was simply a cosmetic attempt at suggesting wider representation than actually existed.

The second issue is whether the BRICS countries' dealings with other countries of the South are following desirable patterns or simply replicating North-South interaction. It used to be believed that economic interaction between developing countries (South-South integration) would necessarily be more beneficial than North-South links. After all, North-South economic interaction mostly reproduced the global division of labour that emerged by the mid-20th century: the developing world specialises in primary commodities and labour-intensive (and therefore lower productivity) manufactured goods, while the North keeps the monopoly of high-value-added production. By contrast, trade and investment links between countries in the Global South were supposed to allow for more diversification because of their more similar stages of development, thus creating more synergies.

However, recent global economic patterns have led many to question these easy generalisations. The emergence of East Asian countries (especially China) as giant manufacturing hubs has been driven to a significant extent by North-South trade and investment. Even the interaction between developing countries has not always been along the predicted lines. Accusations of 'new colonialism' are now more common – especially in the hypocritical North, but also in the South. There are questions about whether groupings like the BRICS will feed into this, especially by controlling their own backyards and other weaker developing countries.

So there are fears that growing trade and investment links of the BRICS with poorer developing countries seek to exploit the natural resource base of these countries, siphoning them off in ways that are ecologically damaging, inherently unequal and of little benefit to the local people. There are concerns that cheaper exports from these semi-industrial countries undermine the competitiveness of local production in the poorer countries, thereby causing further shifts into primary commodity exporting and thereby stunting their development process. China is said to be dumping its products in economies across the world, and using the resulting foreign exchange surpluses to invest in and provide aid to authoritarian regimes that allow access to natural resources. Similarly Indian corporate investors are said to be engaged in large-scale land grabs in countries of North Africa and predatory behaviour elsewhere. Many recent South-South trade and investment agreements (and the resulting processes) have been similar in unfortunate ways to North-South ones, not just in terms of the protection they afford to corporate investors but even in guarding intellectual property rights!

As always, the reality is complex. Primary exporting countries are better off if there is increased competition among imperialists or traders, since that allows for better terms of such exports. Even China's relationship with poorer countries is not based on colonial-style control of political power, but more arm's-length. New manufacturing hubs with increasing import demand have allowed less developed countries indirect access to the developed-world market, while the fast growth of the BRICS has resulted in rapidly growing internal markets from which these countries stand to gain. This provides an important source of demand stimulus even as developed countries are increasingly mired in financial crisis and economic stagnation.

The basic point is that it is not economic interaction per se, but its nature, that has to be considered. Much of recent South-South interaction (including amongst the BRICS) has been corporate-led, which has determined the focus on trade and investment and the encouragement of particular patterns of trade and investment. To the extent that companies everywhere have similar interests (the pursuit of their own profits), it is not surprising that older North-South patterns are replicated.

But surely the focus should be to democratise the interaction itself, to work out the ways in which the patterns of trade and investment flows can be altered to emphasise the creation of decent employment. For this, a change of direction is required both within and outside the BRICS. The potential for positive change exists, but process needs to be more people-oriented, not profit-determined. Ultimately, sustainable economic diversification to higher-value-added and ecologically viable activities remains the key to growth and development not just in the BRICS countries but in other developing countries as well. This period of global flux actually provides a valuable opportunity to encourage and develop new ways of taking such strategies forward through cooperation. ◆

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COVER

The diffident emergence of the BRICS bloc

The BRICS bloc wants to translate its new economic gains into political power, particularly by asserting itself as a leader for a new development dialogue, says *Vijay Prashad*.

THE Fifth BRICS Summit ended in Durban, South Africa, with minimal fanfare. Brazil, Russia, India, China and South Africa, the BRICS states, did not launch any major initiative. Even the much-anticipated BRICS Development Bank (point 9 of the eThekwini Declaration of the summit) was announced in a muted way – 'We have agreed to establish the New Development Bank.' This seems the style of the BRICS: a sort of shy entrance onto the world stage with no major policy alternatives slashed out with a major PR campaign.

Over the course of its five summits, the latest being the one in Durban in March *(pic)*, the BRICS bloc has put some daylight between its view of the world and that of the Global North.

One of the reasons for this coyness is that the BRICS do not have a substantially new approach to world affairs, constrained as they are by the general adoption of neoliberal policies in their own countries and trapped as they are by a satanic cycle of low-cost production for the credit-fuelled enclaves of the Global North. The moist language of 'sustainable growth' and 'poverty alleviation' came alongside the same old bromides about the need to increase foreign direct investment, 'support growth and foster financial stability.' The good intentions of ending poverty are undermined by the mantra of Growth, given the emergent consensus view that the kind of growth strategies pursued in these states increase inequality rather than diminish poverty.

Despite its reticence, the BRICS agenda did mark a further shift in the relations of power on the global stage. Founded in 2009 out of the six-year preparatory work of the IBSA Dialogue (India-Brazil-South Africa), the BRICS bloc has over the course of its five summits put some daylight between its view of the world and that of the Global North. Incubating in the BRICS bloc is a new dispensation, although it remains firmly in place inside its chrysalis.

Putting daylight between South and North

The context for the emergence of the BRICS was the world credit crunch that began in 2007. A weakened North sought out the surplus-holding states of China and India to provide some of their liquidity to the International Monetary Fund (IMF) as a financial defibrillation for the United States and Europe. The North promised an expanded political role for the Southern giants through the G20 grouping of major economies, with an intimation that the G8 would be closed down in favour of this larger executive of planetary affairs.

But these promises came to naught, and the North began a policy of cheapening money, with central banks increasing global liquidity to bail out their struggling economies. These are strategies denied to the South during the Third World debt crisis in the 1980s and 1990s. The hypocrisy of the North is on the surface. There has been no 'structural adjustment' for the North; such policies remain obligatory only for the South. The policies in the North have, as the BRICS statement put it, produced 'negative spillover effects on other economies of the world,' with the liquidity in particular leading to 'increased volatility of capital flows, currencies and commodity prices, which may have negative growth effects on other economies, in particular developing countries.' The BRICS bloc indicates its dissatisfaction with the North's putative leadership over the planet's economy.

Exploring a new development initiative

The North-South Dialogue, the name for the development project of the 20th century, died an early death at the Cancún Summit of 1981. Ronald Reagan and Margaret Thatcher came to that summit to promote free-market nostrums against any kind of comprehensive development agenda. Such glitzy initiatives as Bono's 'Make Poverty History' and the smoke-and-mirrors Millennium Development Goals have been no substitute for a comprehensive agenda for development in light of what we know about the ills of an unfettered neoliberal growth agenda and the perils of environmental degradation. The North has no stomach for such a development dialogue, blocking it at the various climate meetings and at the United Nations Conference on Trade and Development (UNCTAD).

The BRICS bloc wants to translate its new economic gains into political power, particularly in terms of asserting itself as a leader for a new development dialogue. Indications of an alternative approach to the free-market fundamentalism of the North have been evident at the BRICS forums and in the 2013 eThekwini Declaration. For example, the BRICS bloc does not obsessively put the good of the private sector above that of the public, with an acknowledgement of the 'important role that State Owned Companies (SOCs) play in the economy.' It is of course no longer the case that the public sector works entirely for the people's good either, with SOCs sometimes the hobbyhorse of the rich elites. Nevertheless, the public sector is a crucial avenue for social development in sectors such as education, health care and job creation. The state, as well, is necessary as a bulwark against speculative traders in commodity and currency markets, where the vicissitudes of nature are often manipulated for short-term financial gain rather than as insurance for the producers.

A young man waving the Palestinian flag during a demonstration in the West Bank. The past two BRICS summits have seen the bloc voicing its views on grave international crises such as the Israel-Palestine dispute.

The BRICS bloc has created a $100 billion Contingency Reserve Arrangement to protect Southern states from short-term liquidity, a condition often used by the IMF to then demand that the cash-strapped countries adopt neoliberal policies ('conditionalities'). It is also the reason why the BRICS bloc has set up its Development Bank, although this was put on mute because the Indians and the Russians wanted more investigation of the Bank's potential impact.

Creation of its own institutions, the Contingency Reserve Arrangement and the BRICS Bank, is not a substitute for the BRICS states' own ambitions to take charge of the older institutions. Reform in the IMF has come to mean a greater voting share for the Southern states. Last year, in Doha, the North, led by the Swiss, attempted to scuttle the mandate of UNCTAD, pushing it to set aside its own views on financial sector reform. The BRICS in the Delhi Declaration (2012) and now in the eThekwini Declaration reaffirm the work of UNCTAD on the 'interrelated issues of trade, investment, finance and technology from a development perspective.' The crucial words here are 'interrelated' and 'finance', indications of the verdict of UNCTAD's *Trade and Development Report 2011* which pointed out that it is the speculative power of global finance that has not only created economic dustbowls in the North but also hindered any development project for the South.

Towards multi-polar regionalism

The most important indications from the BRICS summits of the past two years have been the emergence of these states into grave international crises. The BRICS bloc in Delhi and now in eThekwini waded into the Israel-Palestine dispute and the Syrian bloodbath, the radical manoeuvres against Iran by the North and its attempt to extricate itself from an Afghanistan that its wars have substantially destroyed, the silent interventions in Congo and the turbulent situation in Mali.

There is no clear-cut policy alternative in the seven paragraphs on the seven conflict zones taken up by the BRICS. But, reading between the lines, one can detect an emergent doctrine: towards multi-polar regionalism rather than a Northern-dominated world order. The regional bodies, the Arab League and the African Union for instance, have been substantially undermined and cynically utilised for agendas that do not benefit their own regions. There is a sentiment in the BRICS blocs to rejuvenate these regional bodies, although, as with the case of Afghanistan, there are hegemonic ambitions of the BRICS states themselves that make genuine, horizontal regionalism impossible to imagine in the short run.

The BRICS bloc has now arrived on the world stage. Mockery from the North Atlantic media reveals only its own parochialism. The BRICS states themselves have done little to promote their agenda. When the BRICS summit took place in Delhi, there was little attempt to reach out to the Indian public to introduce it to the process; a similar silence was resounding in South Africa. When the Non-Aligned Summit took place in Delhi in 1983, I recall billboards announcing the event, radio and television anchors covering the proceedings and newspapers giving the deliberations full coverage. It is almost as if such attention bespeaks an earlier, and to the current leadership, embarrassing, age of Third World solidarity.

It tells you something about the silently undemocratic sentiment of the new epoch that such major changes are afoot and there is little care to introduce the public to them. This is a mirror of the kind of political ecology inhabited by the BRICS: they are reticent and the North is contemptuous. But that reticence, as the BRICS agenda reveals, might not be a permanent condition. ◆

Vijay Prashad is the author of The Poorer Nations: A Possible History of the Global South, *out now from Verso Books.*

BRICS birth a new South-South revolution in Durban

The Durban summit will go down in history as a defining moment in the trajectory of South-South cooperation and marked the maturation of the BRICS grouping.

Manish Chand

IN the balmy coastal city of Durban which birthed the Gandhi revolution over a hundred years ago, the seeds of a new rejuvenated South-South movement have been sown, with the BRICS leaders launching a path-breaking Development Bank that seeks to uplift over three billion people in the developing and emerging world.

The two-day summit culminated with a unanimous decision by the leaders of Brazil, Russia, India, China and South Africa to set up a BRICS-led Development Bank that will finance development and infrastructure development not just in emerging economies, but also in the larger Global South.

In another important step to cement the intra-BRICS economic architecture, the leaders of the five emerging economies, which account for over a quarter of global GDP, also endorsed a $100-billion contingency reserve arrangement that will be deployed as a last resort in case of a serious crisis afflicting a BRICS country.

The flags of the BRICS member states flying in Durban. The Durban summit saw important steps taken in deepening intra-BRICS cooperation.

'We have decided to enter formal negotiations to establish a BRICS-led new development Bank based on our own considerable infrastructure needs, which amounts to around $4.5 trillion over the next five years, but also to cooperate with other emerging markets and developing countries in future,' said South African President Jacob Zuma, the host of the 5th BRICS summit.

'Our resolve extends further to also establish a BRICS Contingent Reserve Arrangement. We are working towards related initiatives in our economic deliberations to further strengthen our intra-BRICS cooperation,' he said.

The 5th BRICS summit has proved to be the most substantive one, with important headline-hogging outcomes that have the potential to create a new dialectics of development and geopolitics in the mutating international order.

Besides the bank and the contingency reserve arrangement, the summit also saw important steps in deepening the framework of intra-BRICS cooperation. These pivotal steps included the setting up of a 25-member BRICS Business Council and the BRICS Think Tanks Council that seeks to create new pathways of South-South economic cooperation.

For India, which took the lead in shaping the Development Bank, the fruition of the key ideas that flowed from the 2012 New Delhi summit was a moment of special pride and resonance.

'It gives me great satisfaction to note that one of the ideas that we first discussed at New Delhi, that of instituting a mechanism to recycle surplus savings into infrastructure investments in developing countries, has been given a concrete shape during the Durban Summit,' said Indian Prime Minister Manmohan Singh. 'Our Finance Ministers will now work to develop the details of this project,' he said.

The Indian prime minister underlined that the discussions at the Durban summit 'demonstrated the similarity of our perspectives on many global issues, such as the situation in West Asia and efforts to rekindle global economic growth'.

Talking to Indian journalists, India's Finance Minister P Chidambaram explained key features of the Development Bank. 'We [the finance ministers of the five countries] gave a big idea and that idea has now become a reality – that is the BRICS development bank,' he said soon after the conclusion of the plenary session on the second day of the two-day summit.

He added that the finance ministers and officials of the five countries have been given a 12-month timeframe to work out modalities like the capital of the proposed bank, its domicile and the governance structure.

'We should have a nearly complete document when the leaders meet again in Brazil next March,' he added.

Delineating contours of the contingency reserve arrangement, Chidambaram said the bulk of the money, that is $41 billion, will be pledged by China, $18 billion each will come from India, Brazil and Russia, while South Africa has agreed to $5 billion.

Russian President Vladimir Putin welcomed the decision to launch the Development Bank and made a robust pitch for accelerating multi-polarity in international relations.

Talks in Almaty in April on Iran's nuclear programme. The BRICS leaders in Durban voiced their opposition to threats of military action against Iran.

Syria and Iran

The Durban summit ended on a high note, with all the leaders of the emerging economies reaffirming their political will to take intra-BRICS cooperation to new heights and to transform the grouping into a powerful platform for a counter-narrative on key international issues.

This was reflected in the BRICS' strong position on Syria and the warning to the West against military adventurism in Iran.

'We express our deep concern with the deterioration of the security and humanitarian situation in Syria and condemn the increasing violations of human rights and of international humanitarian law as a result of continued violence,' said the eThekwini Declaration that was issued at the end of the first BRICS summit held on African soil.

'We believe that the Joint Communiqué of the Geneva Action Group provides a basis for resolution of the Syrian crisis and reaffirm our opposition to any further militarisation of the conflict,' the declaration said. 'In view of the deterioration of the humanitarian situation in Syria, we call upon all parties to allow and facilitate immediate, safe, full and unimpeded access to humanitarian organisations to all in need of assistance. We urge all parties to ensure the safety of humanitarian workers.'

Against the backdrop of the West-driven agenda of regime change in Syria, the BRICS leaders positioned the grouping as the voice of moderation and consensus-building.

'A Syrian-led political process leading to a transition can be achieved only through broad national dialogue that meets the legitimate aspirations of all sections of Syrian society and respect for Syrian independence, territorial integrity and sovereignty as expressed by the Geneva Joint Communiqué and appropriate UNSC [United Nations Security Council] resolutions,' said the declaration.

A grouping that started off as a forum focused on mitigating the global financial slowdown has emerged as a powerful pressure group in international politics that advocates multi-polarity in international relations.

'We support the efforts of the UN-League of Arab States Joint Special Representative,' said the declaration.

In a clear warning to the West, the BRICS leaders also voiced their opposition to threat of military action against Tehran, amid ominous noises emanating from the US and Israel that they will not tolerate a nuclear-armed Iran.

'We are concerned about threats of military action as well as unilateral sanctions. We note the recent talks held in Almaty and hope that all outstanding issues relating to Iran's nuclear programme will be resolved through discussions and diplomatic means,' said the declaration.

The sharp stand taken by the BRICS on the situation in Syria and the Iranian nuclear programme underlines the transformation of a grouping that started off as a forum focused on mitigating the global financial slowdown, but has emerged as a powerful pressure group in international politics that advocates multi-polarity in international relations and multilateralism in resolving global peace and security issues.

The Durban summit will go down in history as a defining moment in the trajectory of South-South cooperation and marked the maturation of a grouping that started off as a forum focused on global economic governance issues, but has widened its horizon to include an ambitious all-encompassing global agenda to rekindle development in the emerging world and reclaim the weight of the Global South in the international arena. ◆

Manish Chand is Editor-in-Chief of India Writes (www.indiawrites.org). This article is reproduced from the Russia & India Report website (indrus.in).

The first BRICS towards a South Bank?

A member of the South Commission (1987-90) reflects on the moves by the recent summit of the BRICS countries to establish a BRICS development bank – an idea that the Commission had promoted.

Devaki Jain

FOR those of us who participated in the South Commission and in the preparation of its report and recommendations, the announcement of the setting up of the BRICS bank, at the BRICS Summit in Durban, is a cause not only for celebration but also for reflection. Further, that its raison d'etre is to claim some autonomy from the traditional Bretton Woods institutions is heartening. This was in fact the reasoning behind the South Commission's recommendation in chapter four of its report, *The Challenge to the South*, which was released in 1990.

In *The Challenge to the South* the idea of a South Bank was also derived from the same analysis and towards the same purpose – a form of liberation as well as a form of sharing of wealth and opportunity within the South family. Therefore one could argue that it was more inclusive, as seen on p. 165 of the report: 'Finance has proved to be the critical missing link in the entire range of South-South activities. Schemes of cooperation whether in trade, production and investment, education or science and technology need adequate financial resources to be viable.'

'…We have selected several areas in which cooperation in financial matters or financing of cooperation in economic matters is greatly needed …In the longer run we envisage new institutions, notably a South Bank which would initially finance trade and ultimately provide development finance.'

In its 1990 report *(pic)*, the South Commission envisaged a 'South Bank which would initially finance trade and ultimately provide development finance'.

Lest we forget, the leader of the South Commission, Dr Julius Nyerere, could anticipate, as far back as in 1987, the dangers that lay in store for the countries in the Southern continents if they did not form their own economic clubs and mobilise their own resources to design their own political economy destiny. He would often refer to the EU as a model of self-strengthening, as well as the OECD secretariat in Paris, to argue that we need similar consolidation of our economies apart from regular key intelligence to enable us to keep going, as was provided by the OECD secretariat to the EU governments.

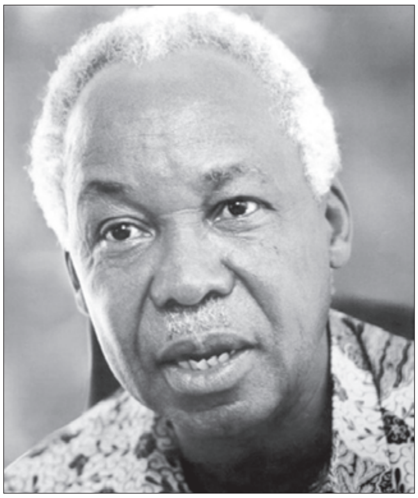
Nations such as the members of the BRICS group have woken up to the idea of bonding across our continents, after the economies of the North went into crises and really ran a tsunami over the Southern countries too, which had become more engaged with them than with each other. The meltdown of 2008 and the later financial crisis in the 'advanced' countries have woken up the BRICS.

It does not surprise me to read that South Africa had mobilised the nations of Africa and the many economic commissions within the continent to attend the BRICS Summit. For all its internal troubles and fractured states, the African continent aspires and seems to have succeeded in that aspiration to unite itself as a continent and not as a summation of individual nations. Whether we recall the famous appeal by a former President of South Africa, Thabo Mbeki, in his poetic speech – 'I am an African' – or the structural power of the African Union, Africa wants to put forward her continental identity.

As we have known over the several decades from being colonised states to being so-called liberated countries, the Western media reports on us to each other in the most negative terms. South Africa in Indian media is seen as a country where it is dangerous to walk in the streets, with crime everywhere and rape every three seconds, and crumbling with severe unemployment'. 'The Rainbow Nation is only a dream.' Similarly one can read South African newspapers depicting India as corrupt, full of violent rapes, suffering entrenched casteism, you name it.

When I visited South Africa in April after a break of 10 years and spent more than 10 days in three cities, I realised how much of the news we receive is misleading.

The Finance Minister is a confident leader and holds much strength, the parliament and its committees are functioning vigorously, and there are numerous inter-African meetings. The one I attended was convened by the



The head of the South Commission, the late Julius Nyerere (pic), had anticipated the dangers that lay in store for the countries of the South if they did not mobilise their own resources to design their own political economy destiny.

The establishment of the BRICS development bank could allow the grouping to claim some autonomy from the traditional Bretton Woods institutions like the World Bank. Picture shows World Bank headquarters in Washington.

inter-parliamentary union of Africa in a hall in Johannesburg meant for their meetings, which I believe take place four times a year.

The newspapers were so similar to India's newspapers, full of political and economic news, unlike many other countries' papers which basically are glossies. There are announcements of programmes and new laws by the premiers of various provinces, similar to our chief ministers of states. There is constant debate of the National Development Plan, columns with debating controversies. Where they beat us Indians, the most news-hungry people in the world in my opinion, was that just about every lamp-post in Johannesburg and Pretoria had a poster, a double foolscap-size rectangle stuck on flat matting, tied to the pole, giving the latest political news in bold capital letters as you drive past.

In preparation for the BRICS Summit there were campaigns and mobile exhibitions and arrangements to hold discussions not only all over South Africa but all over the continent on the meaning of BRICS and how to bring South Africa as a strong leader supported by the continent.

A decade or so ago, when my husband, the late LC Jain, presented his credentials to the then President Nelson Mandela, he entitled his acceptance speech 'Africa – the continent of hope'. The President loved the idea of the faith expressed in the speech, and wanted a copy of the argument on which LC Jain had built his speech!

We read every day about how the continent of Africa is the most endowed in all that the rest of the world wants, namely energy, natural resources, oil. This matches with our understanding or description of what colonisation was all about. So this continent of hope is also extremely vulnerable at this time, as she suffers from a lack of financial strength as well as stable governments, while the world wants to harvest her resources.

But Julius Nyerere, otherwise called Mwalimu, Teacher, was acutely aware of the vulnerability of the African continent and appealed to all the South countries, especially China and India, to be the leaders of real emancipation, namely economic emancipation – an extension of what Gandhiji called economic freedom for the more vulnerable countries. Thus while BRICS is the first brick in memory of Mwalimu Julius Nyerere, its vision needs to match the purpose he had in mind – to build an equitable and non-exploitative economic South. ◆

The BRICS Leaders-Africa Dialogue Forum held on the margins of the Durban summit. South Africa mobilised the nations of Africa and the many economic commissions within the continent to attend the summit.

Devaki Jain was a member of the South Commission (1987-90). This article was distributed through the SouthViews service (No. 58, 12 April 2013) of the South Centre.

Recommendations from the BRICS Academic Forum

The 5th BRICS Academic Forum, comprising experts and scholars from the research and academic institutions of India, China, Brazil, Russia and South Africa, met on 11-12 March 2013 in Durban before the BRICS summit. We publish below the statement released by these academics after the conclusion of their meeting.

The 5th BRICS Academic Forum was held in Durban on 11-12 March.

GIVEN that the BRICS have covered significant ground since the inception of the partnership five years ago, the Forum believes that they must build upon the progress made in the first five-year cycle of BRICS by consolidating the agreements reached and the achievements registered and by making further concrete proposals for realising the unfolding objectives of the BRICS partnership.

The theme for this year's Forum, 'BRICS and Africa: Partnership for Development, Integration and Industrialisation', represents the common aspirations of BRICS for cementing partnerships with one another and with emerging markets and developing countries including the African continent in order to strengthen progressive development trajectories, promote integration, and expedite industrialisation in developing countries.

A shared desire for peace, security, development, cooperation, respect for International Law and sovereignty continues to serve as the fundamental principle for BRICS members in pursuit of a more equitable and fair world. These principles hold particularly in dealings with African countries, the sovereignty of many of which has not been respected in the past, especially by colonial powers.

The Forum believes that BRICS must continue to create synergies for enhancing economic growth through greater engagement with one another as well as with the rest of the world, particularly the African continent.

The BRICS Think Tank workshop of 8 and 9 March 2013 saw the establishment of the BRICS Think Tanks Council (BTTC), which provides the platform for the exchange of ideas among researchers, academia and think tanks and the convening of the BRICS Academic Forum.

The BTTC agreed on a process for finalising the joint long-term vision document for BRICS on the basis of the Indian draft, with inputs from other BRICS countries, in pursuance of paragraph 17 of the Delhi Declaration.

The Forum discussed five themes, which generated the following recommendations:

1. BRICS and the Global Economy

BRICS should facilitate greater cooperation in the area of trade, especially in goods and services, towards strengthening partnerships for development and industrialisation. They should engage in further discussions on the feasibility of implementing preferential trade agreements among themselves. In addition, BRICS should strengthen financial and development cooperation through the establishment of the BRICS Development Bank, and create mechanisms to deal with volatility in global currency markets.

2. Reform of Institutions of Global Governance

Recognising the shared objective of progressive and democratic transformation of the institutions of global governance, BRICS should strive to enhance the voice and representation of emerging economies and developing countries in multilateral forums. BRICS should actively explore innovative and complementary partnerships for sustainable and equitable development. The delegations propose the creation of a BRICS parliamentary forum as a platform for intensifying political interaction.

BRICS should continue to collaborate to identify and utilise strategic opportunities to advance its objectives of reform of global multilateral institutions in order to make them more democratic, representative and accountable.

3. Cooperation on Africa

BRICS should recognise the diversity of values and experiences represented in the separate and intersecting histories of their own and African countries in the pursuit of mutually beneficial social and economic development on the African continent. This should include the pursuit of deeper cooperation with the African Union, taking into account Africa's priorities, especially integration.

4. Education, Research and Skills Development for Building Industrialising Economies

BRICS should intensify its support for collaboration amongst academics and scholars through a variety of institutions, networks and programmes that advances education, research and skills development. This includes valuing local languages and cultural practices and establishing the required support mechanisms to make this possible. BRICS should consider the establishment of an independent BRICS rating agency for educational institutions as well as a BRICS university. The Forum proposes the establishment of a data bank with primary data on the five countries, as well as a digital platform with detailed information on researchers and institutions dealing with BRICS issues. The delegations note Brazil's offer to host the digital platform and the data bank.

5. Peace and Security

BRICS should continue to promote the centrality of the United Nations (UN), based on the principles of equality, mutual trust, and cooperation. It should be more active in the peaceful resolution of conflict, dealing with issues of international terrorism, non-proliferation of weapons of mass destruction, and drug and human trafficking. Mutual security concerns, such as water, food, environment, health, and disaster preparedness, should continue to be a focus. BRICS should also promote the peaceful use of outer space. BRICS should utilise their relative strengths in post-conflict resolution and peace-making, peace-building and peace-keeping under the auspices of the UN. ◆

Russia's plan for the BRICS to dismantle the dollar system

Just before the BRICS Durban summit, the Russian government produced a document which purports to lay out a strategic goal for the BRICS to reform the world's financial system to make it 'fairer, more stable and more efficient'. *Valentin Mandrasescu,* who has had sight of the document, contends that it is actually a plan to dismantle the dollar system.

A Russian strategy document envisages reform of the world currency system in order to create a representative, stable and predictable system of world reserve currencies.

THE status of the US dollar as the world reserve currency gives the US a number of advantages over other countries. The world's most important commodities are priced and traded in dollars, even if most of these commodities are not produced in the US. The fact that the world's financial system is based on the dollar allows the Federal Reserve to export inflation to other countries, while the Federal Government runs a huge deficit with impunity.

So far, only China has been active in challenging the dollar supremacy. The internationalisation of the yuan is an official priority of Chinese leaders. Currency swap agreements with major trade partners like Brazil, France, or Australia are small but important steps in the Chinese strategy. Changing the world financial system is not an easy task and certainly a very challenging undertaking for China. Now, it seems that Beijing has found an ally in the Kremlin. And there appears to be a consensus between the BRICS countries: the urgent necessity to dismantle the dollar system.

A week before the recent BRICS summit in Durban, the Kremlin administration silently produced a document which describes the Russian strategy in the context of BRICS cooperation. The document makes for a fascinating read for anyone brave enough to plow through the dense Russian legalese. The strategy has been designed in the 'inner circle' of Vladimir Putin's team, so it is safe to assume that it represents the official view on the BRICS future.

In Russia, politics are Byzantine; the fact that the Kremlin decided not to hide the document or leak it to a chosen few journalists but publish it outright is a very strong signal, a very vocal angry signal directed at the US. A signal that the Western media chose to ignore.

In the recitals section of the document, the authors point out that 'there is a common desire of the BRICS partners to reform the outdated global financial and economic framework that doesn't take into account the growing economic weight of the emerging markets.' Moreover, the Russian strategists view the BRICS as a tool to reform the way the world is being governed. Then the document hammers home its message:

'Russia assumes that, given enough political will of the leadership of the BRICS countries to advance their cooperation, this alliance can become one of the key elements of a new system for global governance, primarily in the economic and financial domains.'

Move aside New World Order!

Sergei Glaziev *(pic)*, the Russian president's economy adviser, has repeatedly accused US Federal Reserve Chairman Ben Bernanke of starting 'a currency war' against the emerging markets.

The status of the US dollar as the world reserve currency gives the US a number of advantages over other countries.

The BRICS are coming to change the world.

The goals are clear. In the section titled 'Strategic goals', the first point on the BRICS' agenda is the reform of the world financial system in order to make it 'fairer, more stable, and more efficient'. In the later chapters, it is spelled clearly that this 'reform' is actually a dismantling of the dollar system.

It is worth noting that the place of this issue in the list of the BRICS' priorities speaks volumes about its importance. Judging by the order of priorities, depriving the dollar of its status as the world reserve currency is more important than 'preventing breaches of sovereignty' (a.k.a. the 'Syrian problem') or 'expanding economic cooperation'.

The language used in this document indicates that it has been written or strongly influenced by Sergei Glaziev, the president's economy adviser, who is known for masterminding the economic aspects of the Eurasian Union between Russia, Belarus, and Kazakhstan. Glaziev has repeatedly accused Fed Chairman Ben Bernanke of starting 'a currency war' against the emerging markets. He also believes that Bernanke's policy will ultimately lead to a military confrontation: 'the conservation logic of the current financial and political system leads to a further escalation of military and political tensions, including the start of a major war'.

A whole chapter of the strategy document is dedicated to step-by-step instructions on dismantling the existing global financial system. The list of measures includes:

• Reformation of the world currency system in order to create a representative, stable and predictable system of world reserve currencies;

• Reduction of the risks of destabilisation of currency and equity markets linked to massive cross-border flows of capital;

• Increasing the use of national currencies in the trade between BRICS countries;

• Increasing the level of cooperation between BRICS countries in order to promote their interest in the domain of world trade;

• Strengthening the BRICS Exchange Alliance;

• Creating independent rating agencies.

Since the Durban Summit, at least one of those measures has been implemented: RT reported that 'China's Dagong Global Credit Rating agency is to set up the joint venture with US-based Egan-Jones Ratings Co (EJR) and Russia's RusRating JSC to challenge the three major US ratings agencies.' As BRICS countries try to achieve the rest of their stated goals, it remains to be seen if the dollar system survives the joint onslaught of the biggest emerging economies. ◆

It has been reported that China's Dagong Global Credit Rating agency will set up a joint venture with US and Russian firms to challenge the three major US ratings agencies.

Valentin Mandrasescu is Editor of The Voice of Russia's 'Reality Check' website (english.ruvr.ru/reality_check_news/). This article is reproduced from the Testosterone Pit website (www.testosteronepit.com).

The BRICS must not be like an economic power of the past

The call by the BRICS countries for 'a more democratic and just multipolar world order' requires a profound shift in the world political economy, says *Mark LeVine*.

AS the partnership between Brazil, Russia, India, China and South Africa known as 'BRICS' completes its fifth year, policy-makers, international investors as well as commentators are increasingly wondering whether this grouping will become a 'second superpower' that will challenge the economic and political dominance of the United States, Europe (largely in the guise of the EU) and Japan in global affairs.

Until 1989, the second superpower was, of course, the Soviet Union. With the end of the Cold War and the rise of contemporary globalisation, the global peace and justice movement briefly claimed the title with the wave of international protests in advance of the 2003 invasion of Iraq. But its power and momentum quickly dissipated.

Already in 2001, on the heels of the September 11 attacks, however, prescient economists were looking towards China, India, Russia and Brazil as heralds of a tectonic shift in the global economy in which an increasing percentage of the world's GDP, and with it the production and circulation of the goods and services that comprise the world economy, were shifting away from the traditional postwar Euro-American and Japanese centres.

The Goldman Sachs report that popularised the term 'BRICs' (the capital 'S' was added later, when South Africa joined the original four members in 2010) is still worth reading, despite being a dozen years old, particularly for its frank calls to reorganise the global political economic architecture to give more power to the BRICs.

As report author Jim O'Neill explains, 'These estimates raise important issues about the transmission of global monetary, fiscal and other economic policies, as well as the need for general international economic and political cooperation (which events since September 11 have highlighted) on a truly global basis. Representation at global economic policy meetings might need to be significantly changed.'

But he also points out some caveats about using the notion of BRICS as anything more than a useful heuristic device: 'Clearly, the four countries under consideration are very different economically, socially and politically.' Nevertheless, O'Neill argued, incorporating them into a broader grouping of leading global economies would at the least help ensure greater sensitivity in the heart of the global system to overcome dangerous dynamics that are emerging within it.

Crisis at the core

There is also a big difference between the situation in which O'Neill was prognosticating and today: Whereas the global financial crisis of the late 1990s occurred largely 'outside the G7' countries that were then considered the heart of the global economic system, the crisis of the following decade was created and spread at the core of the system, in the process challenging the existing core-periphery model of the world system.

Indeed, it was the now 'old' economic powerhouses – the US, the EU, and Japan – that were at the heart of the current global financial crisis, while the five BRICS countries largely avoided direct impact from it. This is perhaps the biggest change in the global economy in the last decade: The old powers have become sources of instability while the emerging powers have become the legs upon which the system stands. The problem is that the system inevitably corrupts those closest to the centres of global power.

The core countries of the postwar era were, at least, internally democratic, which meant that capitalism's inherent colonial and mafia dynamics were restrained domestically as long as the balance of power between economic elites, organised labour and governments was maintained.

But with the emergence and growing dominance of post-Fordist, flexible accumulation, corporate-led consumer-driven globalisation (known by the shorthand 'neoliberalism') beginning in the late 1960s, the internal control mechanisms gradually atrophied, producing increasing corporate power and profits on the one hand, and inequality, disempowerment and often poverty on the other.

We could also ask why Turkey, Iran or Saudi Arabia, Mexico, Indonesia or South Korea doesn't deserve mention as part of a soon-to-be first order of world powers. Many of them score higher than China and India in measures such as per capita GDP and inequality and have economies that are every bit as advanced and diversified as the BRICS, if not more so. The original 'G6' morphed into 7, 8 then 13 and now 20 countries, including all the BRICS. Each of these countries features unique economic dynamics that are potential models for other developing countries.

Aside from the metaphorical impact of the word 'BRICS', with its likeness to the 'bricks' building a new global economic order (which was the motivation for coining the acronym in the first place), the reasons for focusing on these five countries are as much political as economic. China's unprecedented growth and its and India's immense populations give both unique weight in the global political economy. Russia's huge nuclear arsenal, large gas reserves and position as the primary successor state to the Soviet Union give it outsized weight as well.

But just as the idea of 'American exceptionalism' no longer holds much analytical or political weight, so too the dynamics and particular conditions that propelled the BRICS to their present position are analytically problematic.

There are also fundamental structural problems with the political economy of all the BRICS save, in some degree, Brazil. Of the five, only Brazil has a combination of a democratic political system and a diversified and relatively sustainable economy to follow the kind of trajectory that defined the postwar 'West'.

South Africa is democratic and boasts incredible natural resource wealth, but its economy is skewed and it ranks as the second most unequal country by income distribution. Russia is increasingly autocratic; its economy overly reliant on petroleum rents and driven by corruption (which reinforces the autocratic system and hampers diversification). China and India, whose combined population constitutes over one-third of humanity, have ranked as the most impressive success stories of the last generation, with China – as is well known – boasting one of the most rapid and intensive processes of economic development in history.

Yet if we assume that China and even India can maintain high levels of diversified growth, the environmental damage caused by such unrestrained growth could overwhelm – in some areas has already outpaced – the benefits. Put simply, the already fragile global ecosystem, which is fast approaching a tipping point vis-a-vis global warming, overfishing, and agricultural production, cannot support a global economic system that depends on fossil-fuel and population-generated economic growth. The success of such a system would be the very instrument of its demise.

To hedge against food scarcity, China (which already feeds roughly 21% of the world's population on only 9% of its arable land, and is predicted to lose tens of millions of farmers in the next generation) as well as the wealthy Gulf countries are buying up large tracts of the best agricultural land in Africa. But this process cannot continue because Africa's population itself will triple in the coming decades, according to a *Foreign Policy* forecast, while the world's population surpasses 10 billion.

Change of economic paradigm?

And this is one of the main challenges facing the BRICS as the bloc moves forward: As the five members have created an institutional framework to represent their collective (potential) interests, there is no indication that, rhetoric aside, most of the countries – more precisely, their economic and political elites – have any interest in fundamentally transforming the global system towards a new and more just, equitable and sustainable economic paradigm.

Barring such a strategy, does it really matter if in a few years China will surpass the US as the world's largest economy, or the BRICS and other emerging economic powers increase their share of global GDP, production or consumption?

African leaders might welcome competition from the BRICS for investment, aid, loans, trade and other relations. And all things being equal, greater foreign investment in Africa will bring more wealth to a continent that is already in the midst of a strong and much-needed period of growth.

But the BRICS must not approach the continent within the same paradigm as the West has long followed; otherwise, there is little reason to think that the new 'scramble for Africa' – as a 2011 Brookings Institution report calls it – will produce a different result for the majority of the continent's inhabitants than they've experienced under the present system, particularly if, as is presently the case, a large share of investment is in the exploitation of natural resources, which is one of the most inherently corrupt forms of investment imaginable.

Without a significant investment in the transformation of the production structures of African economies, for example, agricultural investment will focus on large corporate farms that have proved as deleterious to local economies and ecologies as they have in the United States. The aid and investment will likely benefit corporations and local elites.

It is from this perspective that the BRICS development bank must be assessed. While many hope the bank can be an alternative to the Western-dominated World Bank and International Monetary Fund (IMF), the BRICS must ensure that the underlying principles guiding development assistance and investment are fundamentally different from those of Western international financial institutions and their past record.

At the same time, it would be inaccurate to assume that the BRICS view Africa and invest in the continent in the same way. Indeed, while China's massive state-led investment has been labelled a 'new colonisation' by Global Trends, Brazil's much smaller-scale, private-led investment is focused less on extraction and more on working within existing markets.

According to *International Policy Digest*, the BRICS will no doubt be able to 'dictate new ways of funding and underwriting development in emerging economies in Africa'. Does this then mean that China, whose investments in Africa dwarf the other four countries, will seek to control and exploit strategic raw materials in a manner that is any different from that of the West? China must sympathise and work closely with African countries demanding that the means be less damaging to their interests.

A final issue about where the BRICS countries have the potential to act as a game changer lies in the renewed focus on diplomacy in solving violent disputes, such as the Syrian civil war. Here the opposition of China and Russia to Western arming of the Syrian opposition would seem to be a boon for diplomacy. But could it be that the Sino-Russian focus on diplomacy has much less to do with support for diplomacy per se than for helping ensure the survival of one of their primary allies in the Middle East?

According to a Policy Paper published by the Jean Monnet Multilateral Research Network on the Diplomatic System of the European Union, a comparison of UN voting by the BRICS countries in previous years reveals that there is little convergence between all five in their approaches to most relevant issues.

Furthermore, the two permanent UN Security Council members, China and Russia, did not support the attempts by Brazil and India to gain permanent status – precisely because doing so would only strengthen the hands of two major rivals globally.

Ultimately, while the BRICS countries might portray themselves in their first annual summit as calling for 'a more democratic and just multi-polar world order based on the rule of international law, equality, mutual respect, cooperation, coordination and collective decision-making of all states', the group remains at the core of many of the most important problems facing the world in the coming decades.

The sentiments expressed in this quote require a truly profound shift in the world political economy in order to have a chance of coming to pass.

At the level of people rather than corporations or governments, there must be something more inherent to the BRICS idea – which, after all, was coined by a Wall Street analyst to help wealthy investors decide where to put their money – to ensure it encourages a new global and more sustainable architecture for the international system. ◆

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BRICS as radical shift – or mere relocation of power?

The creation of an alternative bloc should not simply be a question of relocating the centres of power from North to South but about challenging the ideology that underpins the current world order, says *Fatima Shabodien*.

THE claim by the BRICS nations is that despite its 2001 origins in Goldman Sachs economist Jim O'Neill's prediction, the group represents a potentially radical shift in the prevailing global political economic framework in which a few rich Northern nations use their economic muscle to bully the world, especially poor Southern nations, into submission.

'It is cold comfort to the South African poor that they live in the country with the most developed infrastructure on the continent while struggling to access water, electricity, decent housing and quality education for children.'

The growing combined economic power of the five BRICS nations presents an alternative centre of power, they claim. Only time will tell if BRICS will bring about a radical restructuring of our prevailing inequitable globalised framework; or whether it will merely translate into a rearrangement of this framework in which the powers will now be located in new geographic sites without a substantial change in the ideologies and values that drive that system.

In relative terms, BRICS is still in its infancy and as citizens of the BRICS nations, at this stage we sit with more questions than answers. This is natural during these early days. As BRICS citizens we do however hold tremendous powers – especially in the India-Brazil-South Africa bloc (IBSA) where there is a much more vibrant tradition of citizen engagement – to help shape the BRICS agenda. If BRICS sets out to do what it says it wants to, it can potentially represent one of the single biggest developments of our era and we should take an active interest and be actively engaged in shaping its potential.

There is a growing consensus that poverty in its current form and scale is not an accident of history or circumstance. Nelson Mandela is often quoted arguing this position: 'Overcoming poverty is not a task of charity; it is an act of justice. Like Slavery and Apartheid, poverty is not natural. It is man-made and it can be overcome and eradicated by the actions of human beings.'

Poverty should thus be defined as an outcome of human rights violations, and in itself represents a gross violation of human rights of a significant proportion of the world's population, of which the majority are women and children in the South.

We understand that in our current context of globalisation and an increasingly interconnected and interdependent world, the decisions and actions of a small group of people in one corner of the world often can and do have far-reaching consequences on people on the other side of the earth. It is in this globalised world that sustainable solutions to our multiple developmental challenges can often no longer be realistically generated within the confines of our borders.

This is most devastatingly illustrated by the growing impacts of global warming which shows no respect for the borders drawn through our colonial histories, nor for any North-South or political divides. It is in this context that globalisation and political configurations matter profoundly in the lives of those living in poverty.

We know that for the last 35 years, the development discussion was largely governed by the Washington Consensus, a neoliberal economic approach that entailed: liberalisation at all costs, privatisation of natural resources, shrinking of the state and budget austerity measures with direct consequences on social services to the poor. We know that this so-called consensus has not worked for the poor as it reinforced and protected prevailing patterns of power and privilege while reproducing and deepening poverty, exclusion and inequality.

The combined policies of the Bretton Woods institutions have had particularly pernicious impact on the lives of poor women on the African continent. Our world is in dire need of alternatives. In our vision of another world without poverty and injustice, another globalised political framework has to be a non-negotiable.

Thankfully today there is (or should be) no more debate about the devastation that these policies have created in the South broadly, and on the African continent specifically. The creation of an alternative can therefore not only be about simply relocating the centres of power from the North to the South, but about fundamentally and radically challenging the ideology that underpins this historical dominance.

It is not enough for BRICS to say it wants to create an alternative to this framework. We need to start hearing what this alternative vision and commitments look like in real terms. In the South African context a relevant example of this would be the market-based approach to land reform.

Despite repeated acknowledgement of its failure to give effect to meaningful land reform, it remains the standing policy of government in which the magical invisible hand of the market is expected to effect land redistribution from white to black, rich to poor, men to women. Seventeen years into the post-apartheid era we know this not to be the case. Despite repeated political proclamations to the contrary, first by the then President Mbeki at the 2005 National Land Summit, and more recently by sitting President Zuma during the State of the Nation address, we have yet to see tangible changes in land reform policies or their implementation.

Developmental challenges

In addition to the shared classification as emerging economies and regional hegemons, the BRICS countries share a range of developmental challenges: poverty, unemployment, inequality.

While the BRICS formation came about as a result of a prediction of economic growth prospects, it is important not to get lost in an exclusive focus on macroeconomic factors. We know from our experience in South Africa that the growth rate is not a magic bullet. It is important, certainly part of the solution, but not the solution itself. It is possible for a country to continue growing alongside deepening inequality and growing crises in the oppression of women and in the provision of adequate education and healthcare.

These are also some of the challenges common to BRICS members: the devastation of gender-based violence, for example, is also, sadly, a shared feature of BRICS life. If BRICS is going to be a vehicle for an alternative global paradigm, let it also be a stage where we collectively craft radical solutions to ensure that what happened to Anene Booysen and Jyoti Singh also becomes part of the old paradigm we want to reject. Let these issues (usually defined as the 'soft issues') also get their prominent place on the BRICS agenda.

We have also heard the proposals for a BRICS Bank, of which the details still remain vague. Our most critical concern would be to caution against the BRICS Bank becoming an 'emerging economies' version of the World Bank. We know the policies and the ideology represented by the World Bank have not worked for us and have been largely inimical to the needs and aspirations of the poor, and of African women in particular.

We have also heard about its intended focus on infrastructure development, which should be a cause for concern to us all because that represents a vintage World Bank approach to development: build dams, harbours and roads regardless of their social, environmental or actual economic impact.

While we recognise the importance of developing the infrastructure of our continent, the example of South Africa is a case in point: that infrastructure without a defined redistributive mechanism does not do much for the poor. Yes, it may grow businesses, but how does it lift people out of poverty? It is cold comfort to the South African poor that they live in the country with the most developed infrastructure on the continent while struggling to access water, electricity, decent housing and quality education for children.

Lastly, while the regions represented by the BRICS nations did not choose their representatives, we need to see a mechanism put in place to ensure that the BRICS members develop a programme that goes beyond the interest of only the BRICS members. Herein we have to be protective of the interest of our continent representing the last vestige of untapped reserves in a resource-hungry world: African people, forests, water, land, mineral wealth, even the air we breathe, are now up for grabs!

We have to ask what is needed to ensure that South Africa best represents not only the business interest of SA, but that of the continent more broadly, in this formation. BRICS members have to ensure that development in their respective regions happens in as inclusive a manner as possible.

If not, it would be a betrayal of the retrospective mandate of the African Union and the New Partnership for Africa's Development (NEPAD) given to President Zuma to represent the interest of our continent in BRICS, in such a way that it genuinely reflects the principles of South-South solidarity of the 1955 Bandung conference of which BRICS represents an extension.

Lastly, while the South African government invested more than any of the other BRICS nations in taking BRICS to the people in the form of the BRICS provincial roadshows, it must be encouraged to commit to a more formal forum of engagement with the South African public not only on BRICS, but on matters of international policies more broadly.

In South Africa we have a vibrant albeit imperfect process of public engagement on state policy matters; to date, the Department of International Relations and Cooperation (DIRCO) has been the one department for which very few formal processes of transparent, accountable public engagement exist – in which South African citizens often learn alongside the rest of the world the positions our country is taking regarding matters of global significance. BRICS represents a further opportunity to address this dire democratic deficit. ◆

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Brazil can yet show the way forward

As protests erupt across the country, Brazil is discovering the price of pursuing market-oriented policies that favour international financial institutions and investors at the expense of workers and the people. If President Rousseff responds to the protesters' demands and forges a new economic path, Brazil may yet succeed in showing the way forward out of a discredited economic system which has been the object of worldwide protests.

Jeffrey W Rubin and Ann Helwege

Protests in the streets of Brazil are showing that democracy and today's form of economic globalisation are not compatible.

PROTESTS in the streets of Brazil are showing the world that democracy and today's form of economic globalisation are not compatible. The collapse of economic growth over the past year has left Brazilian workers struggling to pay their bills – not just for bus fare but for housing, schools, health care and basic security – as investors calmly shift assets to more profitable markets abroad.

Brazilians now lead the global 99% in rejecting a system that puts the burden of adjustment to market volatility on ordinary workers. Current economic rules-of-the-game harm people across their daily lives, from the quality of education to the cost of food, from diminishing safety nets to the precariousness of living in shantytowns. Protesters have shown the same to be true in Greece, Spain, Turkey, and the Occupy encampments in the US. As has happened elsewhere, police in Rio responded to protest by shutting down transit, closing streets and turning off street lights to trap and terrify protesters. Pro-government media has sought to label protesters as vandals to no avail, as protesters use Facebook and other social media to present their case.

Disconnect

Brazil has played by the rules – those of international financial institutions, investors, and governments – and prospered, securing the World Cup and the Olympics and garnering international standing in economic and foreign policy debates. It is ironic, however, that two leftists, Luiz Inácio 'Lula' da Silva and Dilma Rousseff, have proudly presided over this conventional success story. Both aimed to end extreme poverty and hunger with cash transfers such as the Bolsa Familia and a 'universal' health care system called SUS. They succeeded commendably in targeting the very poor, but were too complacent about threats to the commodity boom that kept workers and those new to the middle class afloat. Slower growth in China, higher investment yields in the US, and an easing of oil prices have undermined Brazil's exports, weakened its currency, the real, and sharply increased consumer prices.

The disconnect between financial markets and ordinary lives has left Brazil's leaders surprised by what's happening in the street. Yet the rules they implemented to promote growth mainly protected investors, thereby limiting signs of panic in the financial media. While Brazilian banks are secure, policies of the past decade have allowed easier repossession and foreclosure rules to encourage subprime borrowing, temporary work contracts to increase labour market flexibility, mandatory individual unemployment savings accounts to divest employers of responsibility for layoffs, and de facto limits on the quality of service in public schools and hospitals to reduce fiscal deficits. Under these market-oriented policies, when the chips are down, all but the well-to-do are on their own.

Brazil's leaders could have done more. Lula could have marshalled his big victories in 2002 and 2006 – the fact that he won office by the largest margins in the cleanest elections in the hemisphere – to challenge prevailing economic norms. Dilma could have tapped the respect for her competence and character to convince elites that deeper reform is appropriate and essential. Both could have made it a priority to create less corrupt institutions, orient agricultural policies as much toward food security as agroexports, and improve industrial technology so that car production, now the sixth largest in the world, might actually compete in global markets.

Brazilians have seen economic crises before, but this time is different. They have a meaningful vote. And fortunately, Brazil is not deeply indebted to powerful foreign banks and bondholders. Brazilians can hold pepper-spraying policemen accountable for fuelling violence. They can demand participation and transparency in budgeting for schools, transportation and health care. They can insist on tax reform that moves Brazil away from being one of the most unequal societies in the world.

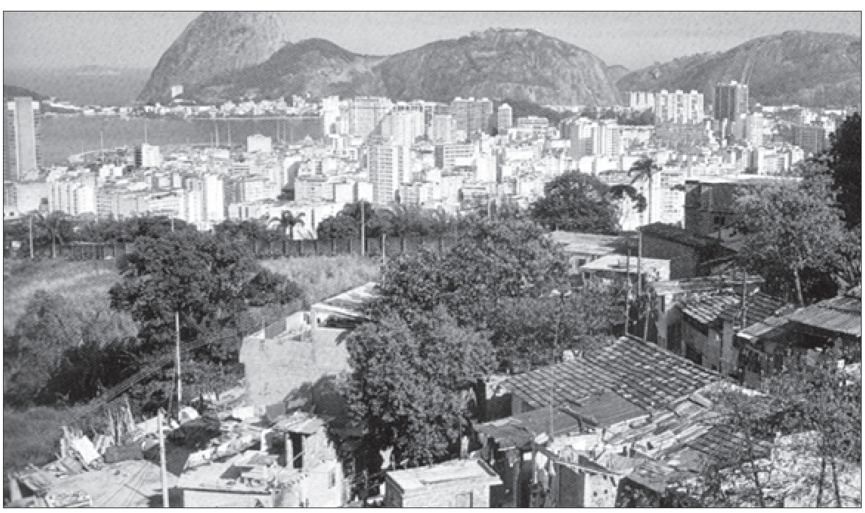
Even when economies grow at record levels, the results of laissez-faire economics fall far short of what citizens need and consider just. The exigencies of growth today enrich the few, build monuments to sports and tourism, and, yes, expand middle classes. But the governments that promote this growth do not make the kinds of fundamental economic reform that would support the long-term well-being of the middle class, construct credible education and health care systems, and avoid the credit and housing bubbles that Brazil is courting right now. Nor do today's governments offer economic supports and safety nets for struggling workers – in the form of credible unemployment insurance – or insure the basic provision of housing, sewage, and potable water in shantytowns. That is what protesters across the globe have been saying, and now Brazilians are showing that they have the will and ability to lead the fight.

A hospital in Brasilia. Brazilian policies of the past decade have allowed, among others, de facto limits on the quality of service in public hospitals to reduce fiscal deficits.

Brazilians have much to be proud of. They have ended decades of brutal repression that made calling the police a graver danger than facing criminal thugs. They have been at the vanguard of creating policies to reduce hunger and keep young children in school. Recent governments have slowed the pace of deforestation in the Amazon and opened meaningful debates about race and class.

In her speech to the nation in the week of 17 June, President Rousseff took the unprecedented next step, for a national leader, of recognising the legitimacy of protest marches in the streets that challenge her own government. She affirmed publicly that democracy is about more than just elections; it includes and in fact depends on the voice of citizens in protest demonstrations and social movements. Rousseff also sided with protesters in opposing a proposed constitutional amendment, PEC 37, that would have made criminal investigations the exclusive territory of the federal and civil police, silencing the independent Ministry of Public Affairs. Now that the proposal has been defeated, she needs to provide leadership in fighting organised crime, corruption, human rights violations, abuses by public agents, and diversion of public monies.

If Rousseff and her government were to continue to take protesters' demands seriously and forge a new economic path that diminishes inequality and promotes well-being for all, Brazil could become the country that turns the global economy around and makes democracy meaningful and sustainable. ◆



Brazil has one of the most unequal societies in the world. Picture shows towering skyscrapers forming the backdrop to a poor neighbourhood in Rio de Janeiro.

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China finds its place

Writing on the eve of Chinese leader Xi Jinping's arrival in Durban to attend the Fifth BRICS Summit, *Vijay Prashad* discusses some of the familiar charges levelled against China with regard to its role in Africa.

AN old colonial saw worries about the entry of the Asians into European colonies in Africa and settler colonies (Australia, New Zealand and South Africa) – they will arrive to be field labour and shopkeepers, multiply by migration and by procreation, and then supplant the white man from their own colonies. A broadside by the Johannesburg-based colonial LE Neame (*The Asiatic Danger in the Colonies*), published in 1907, warned that if the Asians came to Africa, these 'inferior masses..., with all their virtues, will underlive and undersell' the Europeans. After the Chinese migrate to Australia, Neame worried, 'the Chinaman would become sufficiently expert to do the work, and the white man be compelled to join the ranks of the unemployed, or accept a Chinaman's wages and live down to the Chinaman's standard.' The danger was not to the Africans or the Aborigines, whose well-being was not Neame's problem, but to the European.

A hundred years later, North Atlantic writings on the Chinese in Africa are far more genteel in their offensiveness. A few titles will suffice: *China Safari: On the Trail of Beijing's Expansion; Crouching Tiger, Hidden Dragon?: Africa and China; The Age of the Dragon: China's Conquest of Africa; The Dragon's Gift: The Real Story of China in Africa; The Morality of China in Africa: The Middle Kingdom and the Dark Continent.*

Clichés abound. Dragons and Tigers must be part of the story. So too must hunting. Africa is subordinate; China is the predator. The storyline from old Neame is relatively unchanged. Then it was the small merchant and the agricultural worker who was the worry; now it is the Chinese state, its public sector firms and the Chinese entrepreneur.

Australian mining firms, such as Rio Tinto, Newcrest and Ivanhoe, have all begun to excavate the African sub-soil for copper and platinum, gold and iron ore. The Australia-Africa Mining Industry Group has designs on vast projects, compensating for regulations in Australia that have sent costs upwards. No books have appeared with the following titles: *Crocodile Africa: Australia Mines the Dark Continent; Dingoes Dig the Savanna: What Is Australia Doing in Africa?; The Adventures of Rio Tinto, King of Guinea*.


Chinese President Xi Jinping with his Tanzanian counterpart Jakaya Kikwete during the former's visit to Tanzania in March. 'Between 1992 and 2011, China's trade with Sub-Saharan Africa rose from $1 billion to more than $140 billion.'

Goals of Capital

What Chinese business is doing, in essence, is not so very different on the surface from any other country's firm. A hunt for resources and markets has detained Capital since the 19th century – and this is precisely what motivates the Chinese and others to bring their surplus and their needs to places such as Africa. There is nothing mysterious or inscrutable about what the Chinese are up to. Their Capital seeks what all Capital seeks – investments, resources and markets. To claim otherwise is to fall into the old colonial anxiety about the Asiatic menace.

Besides, a new UN study shows that the largest investors in Africa are France, the United States, Malaysia, China and India. If there is any residual worry it should be spread equally amongst these five states, two of the largest investors being from the North Atlantic.

In that most unlikely anti-imperialist journal, the *Financial Times*, Nigeria's central bank chief Lamido Sanusi, another unlikely anti-imperialist, wrote, 'It is time for Africans to wake up to the realities of their romance with China.' 'So China takes our primary goods and sells us manufactured ones,' wrote Sanusi. 'This was also the essence of colonialism.' Africa, he argues, 'is now willingly opening itself up to a new form of imperialism. We must see China for what it is: a competitor' ('Africa Must Get Real About Chinese Ties', 11 March). Sanusi essayed no broadside against North Atlantic imperialism. That simply would be gauche.

What is the antidote to Africa's problem? African countries must 'produce locally goods in which we can build comparative advantage, but also actively fight off Chinese imports promoted by predatory policies'. In other words, African states need to craft import-substitution schemes as in the 1960s and 1970s – although these very schemes were assaulted by the North Atlantic states in the name of globalisation, promoted enthusiastically by the *Financial Times* and by Sanusi himself. 'Investment in technical and vocational education is critical,' says Sanusi, although he does not tell us how this is to be funded. Sanusi is in favour of the withdrawal of Nigeria's fuel subsidy, and would like to open up the fuel markets – there is no Venezuelan solution to Nigeria's own education policy, namely to use the super-profits and royalties from the oil sector to finance a massive human development project. Far easier to warn about the Asiatic menace and champion policies that you actually oppose than to truly grapple with the stranglehold of class power in African states.

Africa's path forward

Sub-Saharan Africa, according to the most recent *Human Development Report* (2013), 'has become a major new source and destination for South-South trade. Between 1992 and 2011, China's trade with Sub-Saharan Africa rose from $1 billion to more than $140 billion.' The North Atlantic, notably the US, has tried all manner of mechanisms to compete against China, including pressure through the World Trade Organisation (WTO), bilateral pressure on its regional allies and, of course, the threat of Africom (the African Command). Nothing has worked.

China is not in Africa on a missionary project. It is in African countries as part of its own accumulation strategies. I asked Ibrahim Kaduma, Tanzania's former foreign minister, how he would approach the Chinese investments in Africa. He said that 'African states need to come up with their own assessment of their path forward' and engage with the Chinese or any other investor on the basis of these values. Absent a strong foundation, and absent a clear programme for development, the new elites accommodate whoever comes in, often for a very small price paid to them personally. The nation suffers as a result.

Stopping over in Dar es Salaam, China's new leader Xi Jinping sought to assuage the growing disquiet in the continent over China's investments. 'Africa belongs to the African people,' he said. 'In developing relations with Africa, all countries should respect Africa's dignity and independence.' Such moist rhetoric is familiar to the continent. Capital tends to speak in this register. It does not like to portray itself as heartless. Nevertheless, there is a strand in African affairs that sees things from a positive light. Donald Kaberuka of the African Development Bank hopes to learn from the Chinese 'how to organise our trade policy, to move from low to middle income status, to educate our children in skills and areas that pay off in just a couple of years'. In other words, there is an African constituency that seeks to follow the Chinese Road or at least the Flying Geese Paradigm to benefit the growth rates of African states.

These views do not emerge out of a hallucination. 'To check the adverse consequences of rising exports to some of its partners,' the *Human Development Report* (2013) notes, 'China is providing preferential loans and setting up training programmes to modernise the garment and textile sectors in African countries. China has encouraged its mature industries such as leather to move closer to the supply chain in Africa and its modern firms in telecommunications, pharmaceuticals, electronics and construction to enter joint ventures with African businesses.'

No doubt that Chinese investment is already building a vast communication and transportation network in Africa. No doubt either that Chinese business is building up industrial infrastructure and, with it, institutions for education and health. No doubt too that Chinese aid and grants come without 'conditionalities'. All investment, whether from the North Atlantic or Asia, comes for the raw materials and the markets. But North Atlantic money also sought political power, with the US pushing its funds via the government's Agency for International Development, a phantom arm of the State Department. China's money comes from its Ministry of Commerce and its Export-Import Bank, which have a double mandate: to ensure access for China to raw materials (oil and rare earth minerals) and to ensure a market for China's overheated industrial sector. Business leads the way.

This business-first approach is not neutral. It reveals first a weakness in the Chinese model, petrified by the limitations of capitalism – overproducing goods through the magic of industrial capitalism; underpaying workers who cannot buy these goods; delivering credit as a mechanism to produce demand; seeking new pastures for cheaper raw materials to reduce the cost of the final good, and for markets to sell these goods. This is the satanic cycle of capitalism. China is an export-oriented industrial giant gradually shut out from the saturated consumer-driven debt economies of the North Atlantic, and therefore now eager, even desperate, to create and cultivate new markets in the South. This is precisely the lever that African countries could use to make the best of their current situation. Without a clear-cut social democratic or socialist project, 'values' in Kaduma's lexicon, what you end up with are bad deals for Africa negotiated by venal politicians who are eager to skim their own share of the cream.

As Xi arrives in Durban, the BRICS summit will announce the formation of a BRICS Development Bank with a $50 billion capital chest (China has a surplus of $3.31 trillion, a vault that will likely be recycled through this kind of bank). But there are grave doubts about the model of the investment, coming in to promote resource extraction rather than social development. There is worry too that the new BRICS Bank, which is likely to be housed in Shanghai, will be a well-capitalised Southern version of the World Bank rather than the kind of development bank envisaged by BancoSur (before its radicalism was tempered by the Brazilian government – as pointed out by Oscar Ugarteche and Eric Toussaint). The kind of regimes that now control the BRICS process are constrained by their own class projects – they favour neoliberal policies as long as these do not discriminatorily favour the North. ◆

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WORLD AFFAIRS

Snowden, surveillance and the secret state

The startling revelations by whistleblower Edward Snowden of the all-pervasive character of US and Western state surveillance have helped us to better understand the nature and object of state power, say *David Cromwell* and *David Edwards.*

REPORTS of Washington's anger directed at surveillance whistleblower Edward Snowden indicate a basic truth about power. Noam Chomsky has expressed it as the underlying problem for genuine democracy, even in so-called 'free' societies:

'Remember, any state, *any* state, has a primary enemy: its own population.' (Noam Chomsky, *Understanding Power*, edited by Peter R. Mitchell and John Schoeffel, The New Press, 2002, p. 70)

'What [Edward] Snowden [pic] did... was immensely brave.'

Anyone who steps out of line, especially if they defy authority's attempts to apprehend them, risks severe punishment. All the more so because it is important to publicly discipline miscreants, lest the threat of a 'bad' example become a contagion sweeping through society.

Snowden was denounced by Dick Cheney, the warmongering former US vice-president, as a 'traitor' and a possible spy for China. Senator Dianne Feinstein, chair of the US Senate Intelligence Committee, told reporters that Snowden had committed an 'act of treason'. There was 'undisguised fury' amongst many US politicians at Snowden's slipping away from Hong Kong and arriving at Moscow airport where he continued to evade detection. General Keith Alexander, director of the National Security Agency (NSA), complained that Snowden 'is clearly an individual who's betrayed the trust and confidence we had in him. This is an individual who is not acting, in my opinion, with noble intent.'

Given the source of such accusations – largely senior officials in the current and previous US administrations – rational observers will be unimpressed. As Norman Solomon correctly points out:

'The state of surveillance and perpetual war are one and the same. The US government's rationale for pervasive snooping is the "war on terror", the warfare state under whatever name.'

Solomon issues a warning:

'The central issue is our dire shortage of democracy. How can we have real consent of the governed when the government is entrenched with extreme secrecy, surveillance and contempt for privacy?'

Washington and its allies, sold to the public by the media as 'the international community', are well aware of the stakes. The general population must be subdued and kept in its place. Obama and his officials in the government, and the US intelligence community, need to assert strenuously that Snowden's exposure of the massive US secret surveillance programme aids and abets 'the enemy', and damages international relations.

Snowden's revelations were brought to light by US journalist Glenn Greenwald in the *Guardian*. He correctly noted that a campaign of demonisation would attempt to deflect attention from the substance of Snowden's revelations, and focus instead on Snowden's personal background and any alleged character defects. Indeed, early reports relentlessly described Snowden as 'a high school dropout' or focused on his 'heartbroken' and 'abandoned' 'dancer girlfriend'. On 24 June, the first edition of the *Independent* referred to 'fugitive Snowden' in the headline to an article by Shaun Walker and David Usborne. The 'impartial' BBC also referred to Snowden as a 'fugitive', when 'whistleblower' would be more accurate, and certainly less loaded. Even the *Guardian* has referred on several occasions to Snowden as a 'fugitive'.

Nick Cohen, a laptop war propagandist not known for any 'Fast and Furious'-style heroics, predictably smeared Snowden as 'a coward':

'If you run, you look like a coward. It may be that you have good reason to be cowardly. It may be that anyone else in your position would run as far and fast as you do. There is nothing wrong with taking the cowardly course, unless like Edward Snowden, you claim to be engaged in civil disobedience.'

What Snowden did, in fact, was immensely brave and a decent journalist would welcome both his actions and his courage. Solomon put Cohen and his ilk to shame:

'Too rarely mentioned is the combination of nonviolence and idealism that has been integral to the courageous whistleblowing by Edward Snowden and Bradley Manning.

Right now, one is on a perilous journey across the globe in search of political asylum, while the other is locked up in a prison and confined to a military trial excluding the human dimensions of the case.'

An admirable *Guardian* editorial also defended Snowden, saying:

'Those who leak official information will often be denounced, prosecuted or smeared. The more serious the leak, the fiercer the pursuit and the greater the punishment.'

More to the point, this applies to anyone who challenges power effectively. Ironically, the *Guardian* is describing exactly what it did to Noam Chomsky in 2005.

The editorial added:

'A debate is only possible because of the facts which have been put into the public domain, not by government but by a whistleblower and a still freeish press.'

True, although that passing reference to 'a still freeish press', where in times gone by it would surely have been simply 'free press', is an intriguing hint that the editors concede much of the public may have seen through the façade of the propaganda system.

Inevitably, attempts are now also being made to smear Greenwald, with both the *New York Daily News* and *New York Times* attempting to dredge up dirt on the journalist. In an *ad hominem* piece about Greenwald published on the BuzzFeed website, and illustrated by somewhat sinister-looking photographs, the journalist was cast as 'a figure long viewed even by many on the left as a difficult eccentric'. The article bizarrely carried a quote from someone who said Greenwald was 'scary – but then I quickly realized that the scariness probably had to do with his short haircut and his intense stare.'

In a live television interview, Greenwald was even asked by NBC News host David Gregory:

'To the extent that you have aided and abetted Snowden, even in his current movements, why shouldn't you, Mr Greenwald, be charged with a crime?'

Greenwald responded robustly:

Publications on display at a newsstand. The shocking extent of the corruption of democracy by big business and its political allies remains mostly off the corporate media's agenda.

'I think it's pretty extraordinary that anybody who would call themselves a journalist would publicly muse about whether or not other journalists should be charged with felonies. The assumption in your question, David, is completely without evidence, the idea that I've aided and abetted him in any way ... If you want to embrace that theory, it means that every investigative journalist in the United States who works with their sources, who receives classified information, is a criminal. And it's precisely those theories and precisely that climate that has become so menacing in the United States. It's why *The New Yorker*'s Jane Mayer said, "Investigative reporting has come to a standstill", her word, as a result of the theories that you just referenced.'

Greenwald reports that his home was burgled and, oddly, only a laptop was stolen. As the journalist himself says:

'I would be shocked if the US government were not trying to access the information on my computer.'

The primary function of the state

As important as the revelations of Edward Snowden are, the bigger picture is the overwhelming drive by state power to pursue its own strategic designs, to promote the corporate and financial interests with which it is in league, and to protect itself from any threat from the general population to make government truly work for the public.

The independent journalist Jonathan Cook makes the same point (via Facebook, 26 June 2013) that this is the real significance of the recent shocking revelations about surveillance:

'I've been saying since the first Snowden revelations about the NSA that the goal of all this mass surveillance is not to foil terrorism; it's to prevent all challenges to, or efforts to hold accountable, the corporate elites who are plundering our communities and the planet to enrich themselves.'

Cook quotes from a *Guardian* article which reveals that a UK police unit called the National Domestic Extremism Unit is monitoring 9,000 political activists:

'In recent years the unit is known to have focused its resources on spying on environmental campaigners, particularly those engaged in direct action and civil disobedience to protest against climate change.'

Cook concludes:

'The tapping of our phone calls and internet activity is being used for exactly the same nefarious purposes: to ensure we remain either docile or intimidated as our political and financial elites grow ever more ostentatious in their depravity and corruption.'

Historian Mark Curtis, who has extensively analysed formerly secret government records for several ground-breaking books, has noted that the primary function of the British state – 'virtually its raison d'être for several centuries – is to aid British companies in getting their hands on other countries' resources'. The British security services have an important role to play in support of 'the national interest':

'As Lord Mackay, then Lord Chancellor, revealed in the mid-1990s, the role of MI6 is to protect Britain's "economic well-being" by keeping "a particular eye on Britain's access to key commodities, like oil or metals [and] the profits of Britain's myriad of international business interests".' (Mark Curtis, *Web of Deceit: Britain's Real Role in the World*, Vintage, 2003, pp. 210-211)

A similar picture could be painted of all the major 'democracies', not least the United States.

The shocking extent of the corruption of democracy by big business and its political allies remains mostly off the corporate media's agenda. And corporate-employed reporters and commentators have mastered the art of not making painful connections; painful for powerful interests, that is. No wonder, too, that our major political parties offer no real choice: they all represent essentially the same interests crushing any moves towards meaningful public participation in the shaping of policy.

Making the planet uninhabitable

In the introduction of a new book, *Managing Democracy, Managing Dissent*, Rebecca Fisher outlines the stranglehold that corporate power, including its mass media sector and political accomplices, has on democracy. Fisher, an activist with Corporate Watch, writes:

'Our legal avenues to hold our putative representatives to account, or to persuade them to take heed of our demands, are restricted to actions via pressure groups or tame and largely ineffectual protests about specific, isolated issues. This ensures that the capitalist system is able to reap catastrophic damage upon subject populations and the environment, even to the extent of threatening the habitability of the planet, while remaining, for the most part, insulated from public challenge.' (Rebecca Fisher, editor, *Managing Democracy, Managing Dissent: Capitalism, Democracy and the Organisation of Consent*, Corporate Watch, London, 2013, p. 2)

The framework of global capitalism – its reigning institutions, policies and practices – tends to be taken for granted in the corporate media. Media academic and activist Robert McChesney points to the 'persistent reluctance' of commentators to 'make a no-holds-barred assessment' of capitalism. He makes a revealing comparison to illustrate this absurdity:

'A scholar studying the Soviet Union would never discount the monopoly of economic and political power held by the Communist Party and the state and then focus on other matters. The political economy would be central to any credible analysis, or the scholar would be dismissed as a charlatan. The same is true of any academic study of any ancient civilisation.' (Robert McChesney, *Digital Disconnect: How Capitalism Is Turning the Internet Against Democracy*, The New Press, New York, 2013, p. 17)

But on the rare occasion when the system is questioned, notes McChesney, even critical writers feel obliged to provide a 'loyalty oath' to capitalism:

'Whenever scholars examine their own society, it is generally taboo to challenge the prerogatives and privileges of those who stand atop it and benefit from the status quo, even in political democracies. This may be nearly as true of the United States as it was of the old Soviet Union.' (Ibid., p. 17)

McChesney's observations about 'scholars' extend to media professionals, as he makes clear in his book. As we have often said, one cannot expect a corporate media system to report honestly or accurately about the corporate world.

Fisher rightly warns that the corporate system 'cannot co-exist with genuine democracy', adding:

'The emergence and predominance of the corporation has facilitated the emergence of a form of democracy – liberal democracy – which, by careful processes of management is made safe for corporations to dominate society, and for the capitalist system to reap enormous human and environmental damage.'

In other words, so-called 'liberal democracy' has become a lethal shield that protects capitalism from the threat of proper democracy based on meaningful participation by the general population. As we have explained in numerous books and media alerts, corporate power has for decades carried out huge campaigns of disinformation – called 'public relations' – and political lobbying to create the illusion of 'consensus' required to pursue its own selfish aims.

Fortunately, there is an inherent weakness here, because the system is maintained only so long as there is large-scale public acceptance of the status quo. Noam Chomsky puts it well when he says that:

'Even the most efficient propaganda system is unable to maintain the proper attitudes among the population for long ... fundamental social and economic problems cannot be swept under the rug for ever.' (Noam Chomsky, *Deterring Democracy*, Vintage, 1993, pp. 134-135)

There is thus plenty to be said about living under a giant system of government surveillance. Just don't expect the corporate media to explore the full extent of what it really all means. ◆

David Cromwell and David Edwards are editors of Media Lens, from the website of which (medialens.org) this article is reproduced.

WORLD AFFAIRS

Syria and the monarchs: A perfect storm

By its decision to directly supply arms to the Syrian insurgents, the US has firmly aligned itself with the monarchies of the Middle East – the last bastions of feudal power – and risks further destabilising an already volatile region, says *Conn Hallinan*.

THE Obama administration's decision to directly supply weapons to the Syrian opposition may end up torpedoing the possibility of a political settlement. It will almost certainly accelerate the chaos spreading from the almost three-year-old civil war. It will also align Washington with one of the most undemocratic alliances on the planet, and one that looks increasingly unstable.

In short, we are headed into a perfect political storm.

While the rationale behind the White House's decision to send light arms and ammunition to the rebels is that it will level the playing field and force the Assad regime to the bargaining table, it is much more likely to do exactly the opposite. The United States is now a direct participant in the war to bring down the Damascus regime, thus shedding any possibility that, along with Russia, it could act as a neutral force to bring the parties together.

Of course Washington has hardly been a disinterested bystander in the Syrian civil war. For more than two years it has helped facilitate the flow of arms from Qatar, Saudi Arabia, Turkey, and the United Arab Emirates across the Jordanian and Turkish borders, and the CIA is training insurgents in Jordan. But the White House has always given lip service to a 'diplomatic solution', albeit one whose outcome was preordained: 'Assad must go,' President Obama said in August 2011, a precondition that early on turned this into a fight to the death.

As Ramzy Mardini, a former US State Department official for Near Eastern affairs, recently wrote in the *New York Times*, 'What's the point of negotiating a political settlement if the outcome is already predetermined?'

A regional scourge

It is hard to tell if the administration's policies around Syria are Machiavellian or just stunningly inept. Take President Obama's famous 'red line' speech warning the Assad regime that the use of chemical weapons would trigger US military intervention. Didn't the president realise that his comment was a roadmap for the insurgency: show that chemical weapons were used and in come the Marines? As if on cue, the insurgents began claiming poison gas was used on them, a charge the Damascus regime has denied.

Whether there is any truth to the charge is hard to tell since neither the British, the French, nor the Americans have released any findings. 'If you are the opposition and you hear' that the White House has drawn a red line on the use of nerve agents, then 'you have an interest in giving the impression that some chemical weapons have been used,' says Rolf Ekeus, a Swedish scientist who headed up the UN weapons inspections in Iraq. Carla Del Ponte, of the UN Commission of Inquiry on Syria, says it was the insurgents who used poison gas, not the Syrian government.

The French and the British are hardly neutral bystanders, with long and sordid track records in the region. It was Paris and London that secretly divvied up the Middle East in the 1916 Sykes-Picot Agreement, and who used divisions between Shiites, Sunnis, and Christians to keep their subject populations at one another's throats. Both countries just successfully lobbied the European Union to end its arms embargo on the Syrian combatants and are considering supplying weapons to the insurgents.

Besides the growing butcher bill in Syria – according to the UN, the death toll is now over 93,000, with a million and a half refugees – the war is going regional, particularly in Iraq and Lebanon. Turkey and Jordan are also being pulled into the maelstrom.

Fighting between Shiites and Saudi-sponsored Sunni extremists in Lebanon's northern city of Tripoli is drawing in the Lebanese Army, which recently issued a warning that sectarian violence was getting out of control. There is fighting between Assad loyalists, Sunni insurgents, and the Shiite-based organisation Hezbollah on both sides of Lebanon's border with Syria.

In the meantime, Sunni extremists are waging a car-bombing offensive against the central government in Iraq. According to the UN, 1,000 Iraqis were killed in May, and the toll continues to mount. A recent bombing in a Turkish border town killed 51 people and local Turks blamed the insurgents, not the Assad regime.

The war has put economically fragile Jordan on the front lines. Some 8,000 troops from 19 countries just completed war games entitled 'Eager Lion' in that country. The 12-day exercise was aimed, according to the *Independent* (UK), at preparing 'for possible fighting in Syria'. The United States has deployed Patriot missiles, troops, and F-16 fighter-bombers in Jordan.

Proxy war

While the Syrian civil war started over the Assad regime's brutal response to demonstrators, it has morphed into a proxy war between Syria, Iran, Russia, and Iraq on one side, and the United States, France, Britain, Israel, Turkey, and the monarchies of the Gulf Cooperation Council (GCC) on the other. The Council includes Bahrain, Kuwait, Saudi Arabia, Qatar, Oman, the United Arab Emirates, and new members Morocco and Jordan.

The GCC is playing banker and arms supplier to the insurgency, much the same role it played in Libya's civil war. Qatar has poured more than $3 billion into the effort to upend Assad, and, along with Saudi Arabia and the United States, helped shift Egypt from its initial support for a diplomatic solution to backing a military overthrow of the Damascus regime.

Egypt is in the midst of a major financial crisis, and Qatar has agreed to invest billions in its economy. Such investments come with strings, however, and Qatar and its Gulf allies are not shy about using their cash to get countries on board with their foreign policy goals. *Ahram Online* said a major reason for Egypt's diplomatic shift was 'the hope of soliciting desperately needed financial and fuel aid' from Saudi Arabia.

According to *Ahram*, Egyptian President Mohamed Morsi bucked the advice of his top aides to switch positions. The April 6 Democratic Front Movement accused Morsi of caving in to 'Washington' and extremist 'Salafist Sheikhs'.

Egypt is also trying to land a loan from the International Monetary Fund, over which the United States wields considerable influence. It is hard to see Egypt's shift as anything but a quid pro quo for a bailout.

[Since the writing of this article, Egypt has itself been plunged into political turmoil following Morsi's ouster on 3 July by the military. – Editors]

Houses divided

The GCC has almost unlimited amounts of cash at its disposal, but how stable are the monarchies that make it up?

Last year Bahrain was forced to use Saudi Arabian troops to quash protests by its Shiite majority demanding democratic rights. The United Arab Emirates charged 94 people with conspiracy because they asked for democratic rights. They face 15 years in prison. Qatar recently sentenced a poet to 15 years for writing a 'subversive' poem.

The monarchs' bitter opposition to anything that smacks of democracy or representative government suggests that their crowns do not sit all that firmly on their heads.

Saudi Arabia is a case in point. While it is the world's biggest oil exporter, it has a growing population – at 30 million, larger than the other Gulf members of the GCC put together – and unemployment among Saudis aged 20 to 24 is around 40%. The kingdom is also facing a restive Shiite population in its eastern provinces.

The Saudi monarchy has dealt with opposition through a combination of stepped-up repression and a $130 billion spending programme. But as Karen House points out in her book *On Saudi Arabia*, the country's 'High birthrate, poor education…and deep structural rigidities in the economy, compounded by pervasive corruption, all have led to a decline in living standards… Many of [the] young feel their future is being stolen from them.'

The other Gulf monarchies are rich – Jordan is the exception – but lack population and rely on imported workers to meet their labour needs. Because there is essentially no public oversight, the monarchies tend to breed corruption. The Saud family has some 7,000 princes, all of whom have special access to the vast wealth of the country.

A generation ago that corruption could be easily covered up, but the Internet makes that increasingly difficult. Twitter and YouTube have a huge following in Saudi Arabia.

Yet it is with these monarchies – the world's last bastions of feudal power – that the United States and its NATO allies have made common cause.

Reliance on the GCC also means that Washington is essentially part of the Sunni jihad against Shiites in Lebanon, Syria, Iraq, and Iran. However, while the Shiite-Sunni conflict is important and long-standing, the fact that Iran, Syria, and Iraq have very different foreign policies from the GCC has more to do with the Council's hostility to Tehran than religious differences.

Ethnic divisions

It was Jordan's King Abdullah who first warned that a 'Shiite Crescent' – Hezbollah, Syria, Iraq, and Iran – was a threat to the Middle East, a 'warning' that conveniently fit into Washington's drive to build an alliance against Iran. But elevating sectarian divisions in Islam into an alliance not only helped unleash Sunni extremists – including the al-Qaeda-linked groups in Syria that reportedly worry Washington – it opened a Pandora's Box of ethnic divisions that the United States and the Gulf monarchies may yet come to regret.

There is still time to halt this looming train wreck.

United Nations Secretary-General Ban Ki-moon said the US move to arm the rebels was 'not helpful', and reiterated, 'There can be no military solution to this conflict, even if the [Syrian] government and the opposition, and their supporters, think there can be.' The Obama administration could use that admonition to call for a ceasefire, hold off sending arms, and instead concentrate – along with Russia – on building a peace conference.

The conference would have to involve all the parties, including the countries currently being destabilised by the ongoing fighting. The United States will also have to step back from its 'Assad must go' position and instead seek a way to integrate Syria's 2014 presidential elections into a formula for peace. But more arms and a tighter embrace of the backward Gulf Council will ensure the war will continue to kill Syrians and destabilise the region. ◆

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WORLD AFFAIRS

In search of the building blocks of opposition in Turkey

Turkey's Prime Minister Recep Tayyip Erdogan has enjoyed a decade of almost unchallenged power. However, the emergence of the recent protests which originated over plans to raze a park in Istanbul's Taksim Square as part of an urban renewal project may point to a future basis for a more effective opposition to his rule.

Joseph Logan

IN early May, Turkey's Prime Minister Recep Tayyip Erdogan – flush with a decade of electoral triumphs and a track record of economic growth dwarfing that of the European Union he once vowed to join – had the luxury of being magnanimous.

The governor of Tokyo, Istanbul's rival in the competition to host the 2020 Olympics, had suggested that Muslim countries were too factious and backward for the Games. 'The only thing they share in common is Allah,' he said. But Erdogan, leader of the party that pioneered a ruling formula of neoliberal economic policy wed to Islamist-inflected pledges of democratisation, took no visible umbrage. Rather, with Shinzo Abe visiting Ankara to sign a nuclear power plant deal on 3 May, the Turkish premier responded in jest. 'You've hosted the Games before,' he told his Japanese counterpart at a press conference. 'Withdraw your bid so we can host them once.'

The demonstrations against Turkey's Prime Minister Recep Tayyip Erdogan tie objections to his authoritarian streak to resentment of his encroachments on personal liberties.

Now, with protesters in dozens of Turkish cities rallying against him, Erdogan's ambitions to extend his political powers in ways that would render him the most decisive leader in the history of the country look threatened, if not doomed.

Illiberal turn

The shadow Erdogan casts over these protests, which originated over plans to raze a park in Istanbul's Taksim Square as part of an urban renewal project including significant commercial development, hints at both the reach and the limitations of the country's most dramatic popular movement in decades. To be sure, the protests are 'about' Erdogan: The demand for his resignation is one of the few slogans acceptable to the entire range of demonstrators, from the far left to the various stripes of hardcore nationalist on the right. The graffiti in the park – where numbers expanded exponentially in response to the brutality of police efforts to clear a small protest camp on 31 May – that focus on the prime minister offer a space where people who agree on very little can regard one another warily. 'You're not "elected"; you were shat out' ('*Secilmis degil, sicilmissin*'), proclaimed one spray-painted (and, in Turkish, punning) couplet that emerged in the first week of June, when those clutching flags bearing the image of Mustafa Kemal Atatürk, the father of modern Turkey, came face to face with Kurds unfurling portraits of erstwhile separatist leader Abdullah Ocalan.

Erdogan's personal intemperance – his penchant for vindictive outbursts, his stern prescription that Turkish couples should have at least three children – is central to these expressions of distaste. It tracks closely with the grand ambition of the infrastructure projects his government envisions for Istanbul, a city already transformed by internal migration over the last three decades. The weeks before the initial Taksim protest saw the award of a tender worth $29 billion to build a third Istanbul airport, and a ceremony marking the beginning of work on a third bridge across the Bosphorus, the strait bisecting the city and linking the Black Sea to the Sea of Marmara. Building the new span will require cutting down swaths of fast-disappearing forest; the finished product is to bear the name of Selim the Grim, a 16th-century Ottoman sultan renowned for waging war on Alevis, a significant religious minority in this mostly Sunni Muslim country. Other salient projects include a mosque larger than any in the city, atop a hill crowning its Asian shore, and a canal carved alongside the Bosphorus, which the prime minister has dubbed his 'mad project', in celebration of the audacity of gouging a counterpart to Panama and Suez near the legendary waterway. On 31 May, the day the protests began, local authorities announced that a pier for ferries bearing commuters across the Bosphorus had been sold to a nearby hotel, which itself occupies the site of a demolished historic building.

The demonstrations against Erdogan tie objections to his authoritarian streak, long on display in internal party politics, to resentment of his encroachments on personal liberties, in line with the conservative mores of a politician who learned the ropes in the less savvy Islamist parties that preceded his Justice and Development Party (AKP). Critics point to legislation newly rammed through Parliament that limits sales of alcohol in shops, and a previously mooted abortion ban, which failed. Some – including nationalists for whom the AKP's increasingly conservative social agenda signals a threat to the militantly secular legacy of Atatürk – maintain that the agenda of democratisation that the party espoused early in its tenure was always a project to eliminate checks on its power.

As evidence, they point to the diminution of the military's authority. This process originated in political reforms spurred by Turkey's EU accession bid, such as those transforming and hobbling the National Security Council, a body in existence since the 1980 coup. Through the Council the military expressed its will on matters of national security, broadly defined, and civilian politicians endorsed it. The whittling-down of military authority accelerated dramatically in 2007, when the AKP nominated founding member Abdullah Gül to succeed the outgoing president, who had blocked AKP-backed legislation and warned of the risk of Islamisation in state institutions. Gül's nomination prompted the military to warn it might intervene to preserve the country's secular foundations. The threat, and a court decision scrapping an initial round of parliamentary voting on Gül's candidacy, brought early elections that returned an even larger AKP plurality – 47% of the vote. That year also saw the beginning of judicial probes into alleged plots to foment political violence and precipitate another coup. These investigations have culminated in the trials of retired and serving senior officers under myriad indictments centred on such conspiracies; critics argue that the trials, marked by pointed claims of faked evidence, illustrate a slide toward autocracy, renewed periodically and ritually with recourse to the ballot box.

Detention of journalists, and the generally servile conduct of a local media whose patrons fear sanction after one of their number lost a high-profile battle with Erdogan's government, only enhances the sense of a distinctly illiberal turn in the country's politics. The jailing over the last four years of several thousand Kurdish activists alleged to comprise a wing of the separatist Kurdistan Workers' Party (PKK) sometimes comes up in this connection, though it is a point on which Erdogan's supporters and his critics on lifestyle grounds are often united in silence.

Occupy Gezi

The heavy-handed attempt to scatter the initial protest in Taksim's Gezi park – police stormed the area before dawn, laid down carpets of tear gas and destroyed demonstrators' tents – transformed it, and spread it beyond Istanbul and well outside the core of organisers within the city. The park, ironically enough, was not widely used prior to the protests. The resort to police brutality to enforce the razing of the camp gave a stake in Gezi's fate to people who would ordinarily never converge on a single issue. Suddenly, the appropriation of public space, under the rubric of the AKP's programme of 'urban transformation', resonated broadly and became shorthand for diverse grievances with the party. Protests against the expropriation of homes in Tarlabas, a low-income district near Taksim where an upmarket residential development is planned, were by contrast much more narrowly based, and did not extend far beyond progressive activist circles.

Erdogan dismissed the Gezi grievances out of hand, disparaged the protesters as 'looters' and 'vandals', and invoked his own mass of supporters. Meanwhile, he insisted that the project would go ahead. Turkey's deputy prime minister, Bülent Arinc, filling in for Erdogan during a previously planned trip to North Africa, met with a delegation of protest organisers and acknowledged the possibility of legitimate objections to development projects on environmental grounds, without addressing more specific demands associated with the protests. These have ranged from pleas for guarantees that the park will be preserved to calls for a ban on the tear gas canisters fired at protesters. Istanbul's mayor, Kadir Topbas, has played down the suggestion that a shopping mall will take the park's place, though the prime minister (himself a former mayor of the city) has sworn there will be no retreat from the plan to rebuild the area around a replica of an Ottoman-era barracks. AKP officials from top to bottom consistently demand an immediate end to the protests.

Though police wielding tear gas and water cannons continue to confront protesters elsewhere in Turkey and Istanbul, the park itself is free of police, as it has been since demonstrations spread following the initial raid. In the park's current atmosphere of genial political street theatre, and the novelty of mixing among people who might not ordinarily look one another in the eye, questions of broad political strategy seem deferred, out of necessity.

There is, to begin with, no electoral remedy for what ails the protesters. The AKP has for now ruled out holding general elections ahead of their scheduled date in 2015, following local and presidential elections in 2014; the main parliamentary opposition, which drew about half as many votes as the AKP in 2011, has effectively admitted it has no mandate arising from protests and cancelled rallies that coincided with the crackdown against them. Neither the Republican People's Party (CHP) – a relic of the country's decades of single-party rule and the self-styled steward of Atatürk's secularist inheritance – nor the far-right chauvinist Nationalist Action Party has a platform extending beyond opposition to the AKP. The Islamist party's organisational capacity remains of a different order of magnitude than anything any other political force will be able to muster in the foreseeable future.

Erdogan, more than anyone, will have been aware of this reality as he periodically accused the CHP of standing behind the protests. His opponents in the streets, he claimed, were also targeting a renewed effort to broker an end to conflict with the Kurds, and it is there that hints as to the course of events in the coming weeks and months may be found.

A Kurdish connection

The peace process entails an unprecedented public engagement with jailed PKK leader Abdullah Ocalan, who has endorsed the principle of settling the Kurdish question within Turkey's borders and called on the group's fighters to withdraw to northern Iraq. It is widely assumed that the process – there has been no official account of what precisely is on the table – would acknowledge longstanding demands for constitutional change to write Kurds and the Kurdish language into a document that, at present, equates citizenship with Turkish ethnicity.

A previous flirtation with a negotiated path out of conflict with the Kurds foundered in 2009, when the government was stung by nationalist backlash over scenes of PKK members being greeted as heroes in the largely Kurdish southeast as they returned from northern Iraq. That initiative never publicly broached the prospect of an amnesty for PKK members or substantive alteration of the constitutional clauses defining citizenship. Instead, the government, mindful of objections on nationalist grounds from its parliamentary opposition, confined itself to steps that many Kurds regard as empty gestures. These measures include the launch of Kurdish-language broadcasting on a state outlet now closely identified with the AKP, and permitting limited instruction of Kurdish as an elective subject – not, as many Kurds demand, as a language of instruction.

Erdogan's calculus of utility on the matter of Kurdish rights, and taste for peacemaking, is widely believed to have shifted in accordance with his own ambitions toward the presidency of the country. That office is to be awarded by popular vote for the first time in 2014. Under current party rules, Erdogan could not serve again as prime minister when the government's term expires in 2015. He has floated the idea of a constitutional amendment to enhance the powers of the presidency; a prevalent reading of the parliamentary arithmetic holds that his ally in this project would be the MPs affiliated with the pro-Kurdish Peace and Democracy Party (BDP), who would in turn have their own constitutional demands fulfilled.

The role of Kurds will be among the thorniest of questions for any broad movement of popular, rather than partisan, opposition.

The prospects of such a quid pro quo may already have slipped beyond reach for Erdogan, however, independently of the fate of the Occupy Gezi and companion protests. Neither precedent – his party floated trial balloons on the constitutional definition of citizenship following a crushing win at the polls in 2007, but never submitted a draft to Parliament – nor desultory work in committee suggests bold moves on the constitution before local elections scheduled for March. Lingering hopes of progress on that score, and reluctance to undermine a peace process before it runs its course, have likely secured quiet from the BDP on the protests. But a series of impending elections make meaningful efforts to take up the constitutional question of citizenship and ethnicity even less likely than before. Facing elections, the government is likely to mollify rather than challenge the nationalist element of its base. In the absence of any clear political dividend, Kurds are unlikely to be Erdogan's kingmakers.

Erdogan's deputy Arinc has thanked the BDP for not mobilising its strength during the protests, though Kurds have taken part in large numbers in Istanbul and displays of Ocalan's image have inspired anger among nationalists who have taken to the streets against Erdogan. That rancour has an echo in some liberal circles, where official Kurdish neutrality over the protests is read as a betrayal after years of support for their campaign for basic rights. The hard feelings are met with coolness about the protests, and the outcry over police violence, from some Kurds, who note that liberal enthusiasm for their predicament was very limited in the 1990s, when about a million Kurds were displaced from the southeast in a counterinsurgency campaign synonymous with gross abuses of human rights. Kurds are not themselves a politically homogeneous bloc. But were a visibly Kurdish subsection of opposition (whether affiliated with the BDP or not) to throw itself behind the protests, the move would almost certainly alienate a wide stratum of nationalists, and fragment what is now a coalition with only the weakest of inter-connections. At the same time, the political mobilisation of Kurds in NGOs and the like – generally with little hope of influence through electoral politics per se – remains one of the models that may draw the attention of activists seeking to extend the moment. The role of Kurds will be among the thorniest of questions for any broad movement of popular, rather than partisan, opposition.

What that movement could look like remains unclear. The former mayor Erdogan has been at pains to point out the many precedents in his city for the episode of urban transformation that has so galvanised his political foes. The response to this one, however, is novel. The fact that the apparent progress of plans to remake Istanbul in a ruler's image has produced a strange, unsteady mass of dissent may point toward a future basis for more effective opposition. ◆

Joseph Logan is an Istanbul-based reporter and television producer. He has covered Turkey, Lebanon, Syria, Iraq, Yemen and the Gulf for Reuters. *This article was first published on Middle East Report Online, on the website of the Middle East Research and Information Project (merip.org).*

Serious human rights concerns over Israeli practices in Palestine

A United Nations Special Committee tasked with investigating Israeli practices in the Occupied Territories has expressed serious concerns over a wide range of practices ranging from detention of Palestinian children and the Israeli blockade of Gaza to continuing settlement construction in the West Bank including East Jerusalem.

Kanaga Raja

ACCORDING to a UN news release, following its latest fact-finding visit to Amman and Cairo on 22-27 June, the UN Special Committee to Investigate Israeli Practices Affecting the Human Rights of the Palestinian People and Other Arabs of the Occupied Territories has warned that 'popular discontent could result in another round of violence' in the Occupied Territories.

(The Committee was not allowed by Israel to visit the Occupied Territories.)

The Committee, established by the UN General Assembly in 1968, comprises three UN member states currently represented by Ambassador Palitha TB Kohona of Sri Lanka (Chairperson), Ambassador Dato Hussein Haniff of Malaysia and Ambassador Fode Seck of Senegal.

'Israel's continued detention of an estimated 5,000 Palestinians should be of deep concern to the world,' said Ambassador Kohona, highlighting especially 20 prisoners 'who are on hunger strikes to protest abuses such as arbitrary detention, poor prison conditions, denial of family visits, solitary confinement, lack of access to education and negligent medical treatment'.

'Witnesses informed the Committee that Israeli prison doctors have betrayed their Oath – the fundamental premise of the medical profession that their patients' health comes first,' he further said in the news release.

The Sri Lankan envoy pointed out that several witnesses had raised the case of Maysara Abu Hamdiyeh, who died earlier this year from cancer after being misdiagnosed and mistreated – having had to wait for over four months before being sent to hospital.

'Witnesses also discussed the death of Arafat Jaradat, citing clear evidence of torture while under Israeli interrogation,' Ambassador Kohona said.

'The most alarming testimony concerned the systematically abusive detention and interrogation by Israeli authorities of Palestinian children,' he stressed.

Witnesses reported that approximately 200 children are in Israeli detention at any given time, and that children are often taken away in the middle of the night, blindfolded and hands tied, after being shocked awake by Israeli soldiers busting in with sound grenades, smashed glass and instructions screamed at the entire family.

'Witnesses stated that Palestinian children are denied requests to be accompanied by a parent, denied access to a lawyer, and put at serious risk of torture and ill-treatment at the hands of Israeli security officials,' the Special Committee Chair said.

On Israel's blockade of Gaza, Ambassador Kohona said: 'For over six years, the lives of Palestinians in Gaza have been profoundly disrupted by Israel's blockade.'

According to the UN news release, under the Oslo Accords, Israel agreed to a 20-nautical-mile area for Palestinian fishermen in Gaza, but the Israeli government has militarily enforced a three-nautical-mile limit.

The Committee was informed that Israel has extended access for fishermen up to six nautical miles, but was also informed that Israel had again reduced it to three nautical miles during the prime fishing season.

'Gaza's 4,000 fishermen used to catch four tons of fish each year, now they bring in only 1.5 tons,' the Committee noted, adding that today 80% of Palestinian fishermen live in poverty.

In turn, said the Committee members, Israel's severe punishment of Palestinian fishermen, including by confiscating their motors, reduces access to health care and educational opportunities for their families.

'Again this year, we received allegations of Palestinian fishermen being subjected to arrest, confiscation of their equipment and abusive treatment by Israeli security forces.'

'Gaza's farmers find themselves in similar circumstances,' the Committee noted, stressing that 'they aren't maximising the cultivation of their traditional crops of strawberries, carnations, herbs and sweet peppers, due to Israel's near total restriction on exports and enforcement of a buffer zone inside of Gaza.'

According to the UN news release, the Committee expressed regret that testimony concerning the buffer zone mirrored what they have been told during previous visits, namely, that a lack of clarity regarding the Israeli-enforced no-go area creates grave dangers for Palestinian farmers, since Israeli soldiers fire live ammunition at persons between 300 and 1,000 metres from the fence.

'Farmers in Gaza can't till all of

their land and much of what they do produce can't be exported,' Ambassador Kohona said. 'The Committee was told that five persons have been killed and 92 injured near the buffer zone since the end of November 2012 alone.'

'The international community must pressure the Israeli Government to let Palestinians farm, fish and export. Otherwise, Israel will entrench Gaza's dependence on the international community,' the Sri Lankan envoy underscored.

The Committee also stressed that six years of blockade is bifurcating Palestinian society. 'We heard of many Palestinians in Gaza who haven't seen family members in the West Bank for years, owing to Israeli restrictions on movement between Gaza and the rest of Palestine,' Ambassador Kohona said.

'There is a sense that dividing the Palestinian population between the Gaza Strip and the West Bank, including East Jerusalem, is an objective driving Israel's blockade. This should be an urgent concern to the UN Security Council.'

The Committee said it heard disturbing testimony about the treatment of Palestinians who seek a permit to leave Gaza, including efforts by Israeli officials to pressure them into becoming informants and force women to undergo humiliating strip searches.

'The Committee deplores such treatment and strongly urges the Israeli Government to treat all Palestinians with respect and dignity,' Ambassador Kohona said.

According to the UN news release, witnesses from Gaza further informed the Committee of the extremely limited educational opportunities open to their children, owing to Israel's restrictions on travelling outside of Gaza to study in Palestinian schools in the West Bank.

On Israel's attacks during the 14-21 November 2012 'Operation Pillar of Defence', the Committee, which was briefed extensively on this operation, said: 'While we have a range of concerns regarding Israel's compliance with the basic principles of international humanitarian law during Pillar of Defence, of particular worry were reports of Israeli attacks that targeted journalists covering the conflict.'

'Such attacks, especially those that resulted in the death of journalists, wantonly reject the right to freedom of expression,' the Committee underlined.

Settlement expansion

The Committee also heard extensive testimony on continuing settlement construction in the West Bank, including East Jerusalem, the widespread phenomenon of Israeli settler violence and Israel's discriminatory planning and zoning regime that effectively prohibits Palestinians from building or even renovating their homes.

According to the UN news release, witnesses told the Committee that even when Israel has, in the past, temporarily frozen settlement expansion, it has sped up the construction of its network of roads that link settlements and Israeli business interests in the occupied Palestinian territory.

'One witness explained that the expansion of the settlements combined with the unilateral establishment of closed military zones and so-called nature reserves jeopardise the contiguity of the West Bank. Another witness described how Israeli settlements and the continued construction of the Wall are isolating Palestinian communities and forcing displacement. In this regard, the Palestinian village of Al-Walaja was highlighted as a case requiring urgent intervention by the international community.'

In the first five months of this year, the Committee heard, 42 Palestinian structures were demolished and 149 displaced in East Jerusalem. One witness reminded the Committee that not all demolitions are reported as some families are forced to demolish their own homes to avoid huge fees from the Israeli government.

Listening to reports of businesses, including multinational corporations, which are profiting from the Israeli settlement enterprise, the Committee stressed: 'Businesses have a responsibility to not be complicit in Israel's policies and practices that openly violate Palestinian rights.'

'It is inconceivable that any business could not be aware of the illegal nature of Israel's settlement activities in the West Bank, including East Jerusalem,' Ambassador Kohona said. 'There is a need for scrupulous due diligence and a clear awareness of the potential legal and reputational consequences for businesses associated with the Israeli settlement enterprise.'

The Committee also highlighted the ongoing research mentioned by witnesses concerning non-profit groups, such as 501(c)(3) organisations in the United States and similar organisations in Canada, which collect donations and transfer funds to Israeli organisations supporting the expansion of settlements.

[According to Wikipedia, a 501(c) organisation is an American tax-exempt non-profit organisation, under Section 501(c) of the US Internal Revenue Code.]

'If accurate, such organisations are perpetuating the occupation and likely aiding and abetting what is clearly a war crime,' the Committee members said.

'The Special Committee joins many of the witnesses in hoping that current efforts to re-start meaningful negotiations are successful. We were repeatedly told that the only way to end Israeli violations of Palestinian rights is to end the occupation. While we are deeply hopeful that such efforts advance quickly, we also note that Palestine's new status as a non-Member Observer State opens the door to international mechanisms that can take up many of the Israeli policies and practices that have been violating Palestinian rights for so long,' the Committee stressed.

According to the UN news release, the Special Committee will be presenting a full report on its mission and other activities to the UN General Assembly in November 2013. ◆

Kanaga Raja is the Editor of the South-North Development Monitor (SUNS)*, from which this article is reproduced (No. 7616, 1 July 2013).* SUNS *is published by the Third World Network.*

Climate change in Kenya is changing women's lives

Climate change and its impacts have drastically affected the lives of rural women pastoralists in Kenya.

Ann Kobia Makena

McKay Savage

Women farmers often hold the key to food security in rural Kenya.

UNDER a swiftly shifting landscape in rural Kenya, climate change and its impacts have drastically changed numerous lives in the African nation, especially for rural pastoralists who depend almost exclusively on rainfall and adequate water supplies. Water in local ecosystems has been shifting as changes in local rivers, lakes and waterholes have been the deciding factor for numerous families who have moved away from home areas due to extreme drought.

With multi-dimensional roles as mothers, providers and often heads of household, women in rural areas of Kenya are also most often the managers of local on-the-ground natural resources. This is especially true for Kenya's women farmers because of their reliance on nature and nature-based income sources. Women farmers in rural Kenya often hold the key to food security in the region.

The majority of the world's small-scale farmers are women. In fact women produce most of the world's food.

But climate change has made the risky business of farming all the more difficult. More frequent crop failures mean women work harder and families eat less.

'Climate change threatens to lock poor people and women in particular in a vicious cycle of poverty,' said Founder and Director of Kenya Climate Justice Women Champions Cecilia Kibe in a one-on-one interview with WNN –Women News Network.

As rural family incomes reach some of the lowest levels ever in Kenya, husbands have been leaving their homes to seek work in urban areas. Those left behind are women and children.

Often left alone to deal with climate-based conditions, women and children are also the first in line to become the victims of climate unpredictability. Drought and flash floods, which have become part of the national landscape, have caused critical changes in the lives of those most vulnerable.

'Droughts cause more death and displacement than cyclones, floods and earthquakes combined, making them the world's most destructive natural hazard. They are expected to increase in frequency, area and intensity due to climate change. There is therefore an urgent need for coordinated drought and proactive policies,' said Michel Jarraud of the World Meteorological Organisation during the High-Level Meeting on National Drought Policy organised by the United Nations in Geneva in March.

Instability in rainfall has been causing regional concern as increasing expansion of deserts throughout the African continent continues. This issue was at the heart of the March UN High-Level Meeting. But how are the women farmers and pastoralists of Kenya dealing directly with climate changes on the ground?

'Women are at the centre of [the] climate change challenge; they have been disproportionately affected as victims,' outlines Kibe.

'It is more difficult for grassroots women who find themselves managing families in very strenuous circumstances where traditional livelihoods are under threat and where men are often absent,' Kibe adds.

Glaring impacts

Agriculture is the main economic activity in Kitui County in the eastern region of Kenya. With its arid and semi-arid ecological zones, climate impacts are glaring and threatening the survival of small-scale farmers and agri-pastoralists, the majority of whom are women.

A diverse array of impacts has

been hitting the Kenyan region including increasing water scarcity, erratic and unreliable rainfall, more frequent and severe droughts and disappearance of animal and plant species.

As women farmers throughout Kenya try to survive, their small-scale agribusinesses growing maize, peas, beans and cow pea crops are being greatly impacted. According to the US Department of Agriculture (USDA), corn production for Kenya is down 100,000 metric tons this year over the previous year's production, although it is still above the five-year average.

'The estimated decrease in production is based on several factors including delayed planting due to the late onset of Kenya's 2012 rainy season and poor availability of fertiliser and seed, higher than average precipitation in April and May, and an outbreak of Maize Lethal Necrosis (MLN) disease,' says the USDA as indications that rainfall changes are causing alterations in food production become apparent.

Other women farmers raise chicken and zebu cattle. Some women in Kitui County have livelihoods involving work that directly serves the community, including fibre-sisal farming, gathering and selling of water and/or selling of wood and charcoal.

Because of their reliance on nature-based income sources, rural women in Kenya are often the ones who know first, before anyone else, how climate change is affecting their communities. Uniting and strengthening grassroots women to get involved in responding to climate change is a core focus of Cecilia Kibe and the Kenya Climate Justice Women Champions.

Too often Kenyan women, and women throughout the continent of Africa, who have closely witnessed climate patterns for decades are 'bypassed' as global scientific experts are given new and increasing resources to study and discuss climate change impacts worldwide. There is no doubt today that data and assessment are important factors in the ever-changing field of climate-watch technologies but advocates ask,'Where are the women?'

'Women produce between 60% and 80% of the food in most developing countries and are responsible for half of the world's food production, yet their key role as food producers and providers, and their critical contribution to household food security, is only recently becoming recognised,' says the UN Food and Agriculture Organisation (FAO).

Affected lives

Jennifer, who is a mother of three and small-scale farmer from a region east of Nairobi, explains the impacts of climate change that have become the greatest challenge to her. Unpredictability with drought is a growing and major problem that is affecting her personally.

'During the drought season it's even worse because the women have to walk for very long distances to look for water, food and even firewood, the hardships [are] really scarring the women's lives … they hardly have good time to supervise the growing infants and do other family chores in comfort,' outlines Jennifer.

'What's more, long remote treks often put women at a greater risk of violence. Most of the regions that lack water put women through long-distance walks…in their treks they sometimes experience violence and even emotional disturbance because they don't know what will happen next,' Jennifer continues.

Climate change often makes women's long workday even longer. When unpredictable rainfall makes food, fuel and water scarce, women have to walk longer and farther to collect what they need for their families. The increasing scale of scarcity of resources has already led to wars being fought over access to water and arable land. And with conflict, too often there is a surge in violence against women.

Adequate nutrition for women in a context of years of plant and animal loss due to drought conditions has also been an issue that can affect infants.

'I have never done exclusive breastfeeding; however it's not my fault because it would be my joy to see my child enjoy enough breast milk because I know it will give protection, and good health, however I always experience low production of milk,' says Mbinya, who lives in Kauwi, which is located in the Kabati district in Kitui County. 'The little food I get which is not even balanced can never be enough for me and my family.'

Climate instability with episodes of extended droughts and flash flooding can have long-term impacts on the health of both mothers and children as food nutrition and availability become unreliable.

Robert Kithuku, a project officer with the Pan-African Climate Justice Alliance, is currently working on a project on climate change and reproductive health in women. In his research he has found that women in Emohaya, which is in the Western Province of Kenya, have begun now to adapt to the challenges that climate change has brought.

'Women have the knowledge and skills to adapt to climate change and to find a sustainable path out of poverty,' says Kithuku. 'They need the power, tools and resources to turn this knowledge into solutions.'

Empowerment

As the issues surrounding climate instability grow in importance, Annabell Waititu, a founder member of the Institute of Environment and Water Management (IEWM) based in Nairobi, feels that climate change is no longer just an environmental issue.

'The best way to help women [respond to] climate change is by empowering them,' outlines Waititu. 'The impacts of climate change will definitely affect the MDGs [UN Millennium Development Goals] and to deal with it gender equality must be addressed,' she adds.

It seems the key to surviving harsh conditions is the ability to adapt. As hardship increases, forcing women and their daughters to go further and further to search for wood for heat and cooking as well as water, numerous areas that are suffering from deforestation and desertification may take decades to regenerate.

'Climate change is here to stay for a while as populations continue to grow. We need to balance growth of population and analyse its negative impacts to the climate,' added Waititu.

Leading to increased illness and disease, changes in rainfall patterns have affected women who are also most often the primary caregivers for the sick. Climate change has increased the incidence of both floods and droughts, contributing to outbreaks of diarrhoea and cholera which have also caused loss of life especially for women and children. It has also increased the spread of malaria- and dengue-carrying mosquitoes, which has caused displacement for some. Water-related diseases alone kill over two million people every year, most of them women and children.

'Governments are doing little while their citizens suffer,' says Cecilia Kibe. 'It is a real threat to people's lives and it should be stopped in its tracks. Women's issues have always been ignored.'

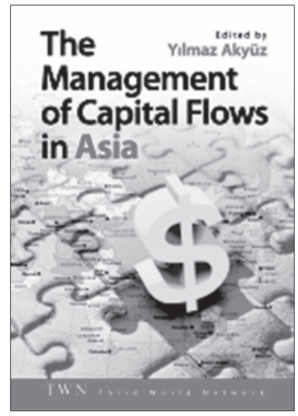
Indigenous women throughout Africa bear a triple burden despite decades of demands for international action on the environment. Drought, flooding, erratic temperatures and extinction of plants and animals weaken not just the planet but also an indigenous woman's identity, well-being and way of life.

'Addressing climate change is not easy. It will take massive political will and it will cost money. That is why we need an accountable institutional mechanism and equitable governance structures to channel resources efficiently and ensure responsibility, transparency and accountability,' said Kenya's star environmentalist Nobel Peace laureate Wangari Maathai, founder of the Green Belt Movement, at the UN climate change conference in Copenhagen in December 2009, before her untimely death less than two years later on 25 September 2011 at the age of 71. ◆

This story originally appeared on WNN – Women News Network (womennewsnetwork.net). WNN reporter Ann Kobia Makena is an administrative officer with the Pan-African Climate Justice Alliance (PACJA).

The Management of Capital Flows in Asia

By *Yilmaz Akyüz*



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THE 1997 Asian financial crisis brought home to the region's economies the importance of managing capital flows in order to avert financial shocks. This book looks into whether and how this lesson was taken on board by policy makers in Asia, and, accordingly, how capital account regimes in the region evolved in the post-crisis period.

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This book – a compilation of papers written in 2008 for the first phase of a Third World Network research project on financial policies in Asia – examines the above developments in relation to the region in general and to four major Asian developing economies: China, India, Malaysia and Thailand.

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Lu Xun (1881-1936) was the pen name of Zhou Shuren, one of the major Chinese writers of the 20th century. Regarded by many to be the leading figure of modern Chinese literature, he wrote in both vernacular and classical Chinese.

A fondness for flowers
Verse 4

Lu Xun

A wealth of flowery beauties here
all 'round the city's outskirts vie.
I stand quite silent looking on –
among them naps a butterfly.
A fertile tract is set aside
out in our yard to nourish them.
The year has blessed with beingn rains
and flowers grew so strong of stem.
Fine plumed birds share my regret
at spring's now imminent passing.
Off in green fields, with joy, I meet
fiery hues, nigh flame bursting.
For sport I set Tang gimmickry*
to guard such fine species:
A bell is rigged, a string is run
that from our porch I seize.

Translated by Jon Kowallis

* This is a reference to a method devised by a Tang dynasty prince to scare birds away from valuable flowers.