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The UN post-2015 development agenda

Jettisoning piecemeal for real, sustainable development?

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Editor's Note

IN recent years, there has been much discussion and debate about the new development agenda for the United Nations to replace the Millennium Development Goals (MDGs) adopted at the Millennium Summit in September 2000 and comprising a set of eight international development objectives to be realised by the year 2015.

As the 2015 deadline approaches, inevitably the post-mortem has focused on how far the goals have been realised. However, a proper review of the MDGs has to go beyond a 'report card' approach which limits the debate to whether the individual targeted goals were attained. It has to consider whether the whole developmental paradigm which the MDG programme embodies is the way forward for the poor countries of the world.

Here it may be pertinent to return to the context before the reductionist MDGs became the de facto basis for an international development programme. As the 1990 report of the South Commission noted, the development record of the developing countries from the 1950s to the 1980s was fairly impressive. By adopting more holistic development paradigms in which 'social questions and social relations are as important as economic matters', these countries made significant strides in overcoming poverty and improving the quality of life of their people. Such progress was only possible because there was a clear recognition that sustained economic development was not possible without the active participation of the state as promoter and regulator.

All this changed in the 1980s with the adoption by Western governments of monetarist, neoliberal policies and free-market policies. In an increasingly globalised world, these radical policy swings had a devastating impact on developing countries. Confronted with soaring interest rates, low commodity prices, economic protectionism and capital flight, their economies suffered severe shocks which they were unable to withstand. Attempts to resolve these problems by international summits proved futile as the West's new leaders – exemplified by Ronald Reagan and Margaret Thatcher – made it clear that they no longer believed in international cooperation and that the only option open to the developing countries was to adopt neoliberal and free-market policies.

By the advent of the new millennium, it was clear that such a policy switch was having a debilitating impact on the economies of the South. In the face of the dismal downward trends, it was no longer feasible for UN policymakers to maintain the hallowed goal of 'wiping out global poverty' on their radar screen as this would involve a challenge to the hegemonic policies of the free market.

Rather than grapple with the Northern policies and institutional barriers crippling the South's development, a shrewd alternative was devised. A set of targets seen as feasible on the basis of global trends observed in the two preceding decades was held out as a developmental agenda. The rich-country Organisation for Economic Cooperation and Development (OECD) played a pivotal role in defining the MDGs and the object of setting such less-than-ambitious targets was to make it possible to claim success in reversing the downward trend whenever the targets were reached. Moreover, as the declaration of the Millennium Summit ('Millennium Declaration') made clear, these targets were to be realised by, among others, adopting policies of economic liberalisation ('an open multilateral trading and financial system') and privatisation ('to develop strong partnerships with the private sector').

Development in its full sense is an integral, holistic process and cannot be disaggregated into a set of targets. Such a piecemeal approach to development may appeal to developed countries that seek to limit their development obligations to the South, and some civil society groups which probably feel that reducing development to a set of targets facilitates activism. But a complex process like development cannot simply be reduced to a set of targets.

In shaping the post-2015 development agenda, there is therefore a need for developing countries to move away from this piecemeal approach and revert to development proper. Unfortunately the road ahead is not clear as there are two separate processes at work. Firstly, the 2010 MDG Summit requested the UN Secretary-General to initiate thinking on the global development agenda beyond 2015. As a result, the post-2015 activity is currently being driven by the UN secretariat. Secondly, at the Rio+20 summit in 2012, 192 nations agreed to design a package of sustainable development goals (SDGs) to be integrated into the post-2015 development agenda.

While both these processes may eventually merge – indeed, many analysts now talk of them almost interchangeably – the formal process and the how and the where are as yet unclear. What is settled is that actual intergovernmental negotiations on the post-2015 development agenda will start in September 2014, with a summit to be held in 2015 to adopt the agenda.

However the two processes play out, there is a need to draw the lessons from the disastrous experience of glibly adopting neoliberal policies. There should certainly be a role for the private sector, and liberalisation of certain sectors of the economy may be a viable option. However, the important role of the state in economic development cannot be ignored. Above all, there is a need to factor in sustainability as a critical component of all development. What all this implies is that the post-2015 agenda should focus on global systemic reforms to remove the main impediments to development and, while allowing adequate policy space for national policymakers, secure an accommodating international environment for sustainable development.

For this issue's cover story, we consider how the post-2015 agenda can best promote and support development by moving beyond the narrowly piecemeal MDG approach. In addition to this broad analysis, we also explore how a progressive development agenda can be framed in such key areas and sectors as trade, finance, health and agriculture.

– The Editors

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UN Photo/Eskinder Debebe

The United Nations' Millennium Summit in 2000 *(pic)* **adopted a set of Millennium Development Goals (MDGs) to be achieved by the international community by 2015. As the MDG deadline approaches, discussions and debates are now underway on the shape of the post-2015 development agenda. 24**

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THIRD WORLD RESURGENCE is published by the Third World Network, an international network of groups and individuals involved in efforts to bring about a greater articulation of the needs and rights of peoples in the Third World; a fair distribution of world resources; and forms of development which are ecologically sustainable and fulfil human needs.

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ECOLOGY

Fukushima crisis goes global

Massive radioactive leaks continue from the badly damaged structures at the Fukushima nuclear power plant as the dangerous operation of moving spent fuel rods begins, and with still greater challenges of decommissioning the meltdown reactors yet to come.

Mae-Wan Ho

Workers and reporters at the Reactor 4 building of the Fukushima nuclear power plant. The plant operator has begun the risky and complex operation of moving spent fuel rods from a storage pool in Reactor 4, amid warnings that it should not tackle the task unaided.

TEPCO's risky operation goes ahead amid calls for international oversight

IN a desperate attempt to cope with the continuing crisis since the March 2011 Fukushima nuclear meltdowns, TEPCO (Tokyo Electric Power Company) began the risky and complex operation of moving more than 1,300 spent fuel rods from a badly damaged storage pool towards the end of November 2013 amid stern warnings that it should not tackle the task unaided. The Unit 4 pool is precariously perched on top of a tilting, sinking building that could come crashing down in the next earthquake or all by itself. Harvey Wasserman, American journalist, author, democracy activist, and advocate for renewable energy, delivered a petition with more than 150,000 signatures to UN Secretary-General Ban Ki-moon calling for the world to take charge of the operation, in vain. Independent researchers have pointed to a litany of possible mishaps. Prime Minister Shinzo Abe himself has sought foreign assistance, and a draft proposal by a panel of Japan's ruling party said that TEPCO should not be in charge of the Fukushima shutdown. In the end, the Japanese government passed a State Secrets Act to impose a news embargo on reports of the continuing crisis at the Fukushima Daiichi nuclear plant.

Behind the news embargo, we are told that a team of 36 is working six shifts around the clock, and will take until the end of 2014 to complete the removal of the spent fuel from the damaged pool, provided no glitches happen. That is just the start. Further fuel rod assemblies are held in similar pools in buildings for reactors 1, 2 and 3. Reactors 1, 2 and 3 were running when the tsunami and earthquake struck and all suffered meltdown. The radiation in the buildings housing the reactors is so intense that access remains limited. More challenging yet is to dig out the molten cores in the reactors, some of which have already burnt through the primary containment and fused with the cladding steel and concrete. That will not start until 2020. It may take 40 years to fully decommission the Fukushima plant.

Akira Tokuhiro, a University of Idaho professor of mechanical and nuclear engineering, is among those calling for a larger international role at Fukushima. Even for the US nuclear industry, such a cleanup and decommissioning would be a great challenge; all the more so for TEPCO. The lack of experts is worse at the regulatory level: there are none. Japan's Nuclear Regulation Authority (NRA) has no one devoted to decommissioning, said spokesman Juntao Yamada, though it has experts dealing with the ongoing removal of fuel rods from the Unit 4 pool.

Another voice for international oversight is Kiyoshi Kurokawa, head of a parliamentary panel that investigated the Fukushima disaster. He said the global nuclear power industry needs to share cross-border information to prevent accidents, as in international air traffic control. The transparency from international oversight is necessary to prevent the collusion that contributed to the Fukushima disaster. Kurokawa's report, released in July 2012, was scathing. It called the disaster man-made and cited 'collusion' between TEPCO and its previous regulator, the Nuclear and Industrial Safety Agency, to avoid implementing new safety rules.

Meanwhile, a thousand tons of heavily contaminated water pours through the Fukushima site daily (see Box 1), further undermining the unstable structures, including the damaged building supporting the Unit 4 fuel pool. Also on site are thousands of storage tanks, many of them makeshift, containing hundreds of thousands of tons of highly radioactive water, and they are leaking.

Spent fuel assemblies a major hazard in exposed and damaged pools

Apart from those being moved from the Unit 4 pool, more than 6,000 spent fuel assemblies are still sitting in a common pool just 50 metres from Unit 4, some containing plutonium. The pool is not contained, leaving it vulnerable to loss of coolant, the collapse of a nearby building, an earthquake, or another mishap.

In fact, more than 11,000 fuel assemblies are scattered around the Fukushima site, amounting to 85 times as much lethal caesium as was released at Chernobyl, according to long-time expert and former US Department of Energy official Robert Alvarez.

Spent fuel must be kept underwater, as it is clad in zirconium alloy that will spontaneously ignite when exposed to air. Each uncovered rod emits enough radiation to kill a person nearby in a matter of minutes. A fire could force all personnel to flee and make electronic machinery stop working. A new fuel fire at Unit 4 would spew out a continuous stream of lethal radiation poisons for centuries.

Arnie Gundersen, a nuclear engineer for 40 years who once manufactured fuel rods, points out that the fuel rods in Unit 4 core are bent, damaged and brittle to the point of crumbling. Cameras have revealed worrying quantities of debris in the already wrecked fuel pool. The engineering and scientific barriers to emptying the Unit 4 pool are 'unique and daunting,' says Gundersen, and the task must be done to '100% perfection'.

Box 1
Groundwater carries contamination to ocean and throughout the site

DOCUMENTS obtained by the Japanese daily *Asahi Shimbun* reveal that US nuclear experts had urged TEPCO to install frozen soil barriers as early as April 2011 to try and prevent groundwater contamination. But TEPCO officials sent a memo to government officials to delay the announcement so as to protect the company's finances and investors' confidence. Banri Kaieda, then head of the Ministry of Economy, Trade, and Industry (METI), which oversees the promotion of nuclear power, agreed to hold off the announcement, with TEPCO Executive Vice President Sakae Muto reportedly promising to quietly proceed with the ice wall project, which he has not done. TEPCO denies that Muto made such an agreement.

Two and a half years later, an estimated 800 to 1,000 tons of groundwater flow down through the plant each day, with 300 tons of contaminated water entering the ocean. In addition, 400 tonnes of contaminated water a day seep into the damaged reactor buildings. Workers are unable to identify where the water is entering the buildings or how to stop the seepages. The radiation levels remain so high that they cannot get close enough to do anything.

Prime Minister Shinzo Abe's administration has promised $470 million of taxpayers' money to begin building the ice wall, as international pressure mounts in advance of the 2020 Summer Olympic Games recently awarded to Tokyo. But the ice wall could lead to release of heavy radioactive nuclides now bound in the soil and worsen the contamination of groundwater and the Pacific Ocean.

Prof Jota Kanda at Tokyo University of Marine Science and Technology argues that government statistics don't add up. His research showed that 3 billion Bq (Becquerel) of caesium (Cs-137 and Cs-134) were flowing into the port at Fukushima Daiichi every day, much higher than can be accounted for by just contaminated groundwater. He was proven right, as highly radioactive water was leaking from the storage tanks (see main text). ◆

Radioactive water leaking from storage tanks and emergency dumping

As of mid-September, TEPCO was storing 435,000 tons of radioactive water in aboveground tanks as well as in basements of the reactor buildings, 137,000 more tons than were stored the previous year, and rising. But these storage tanks are leaking.

On 30 August 2013, Prime Minister Abe announced an 'emergency' at the unstable Fukushima plant, and thousands of tons of highly radioactive material were dumped into the Pacific Ocean. This followed an announcement 10 days earlier that a 'recent incident' had resulted in 300 tonnes of 'heavily contaminated water' being leaked from a storage tank into the ocean every day. On 26 August, the government took charge of running the emergency measures, but this resulted in the fresh emergency of thousands of tonnes of heavily radioactive material being dumped into the Pacific. A public statement called for the immediate evacuation of residents within a 50-mile radius of the facility, claiming that the leaked material had caused the ocean to 'boil' for several hundred yards offshore from the crippled plant.

In early September, radiation readings shot up by more than 20% to their highest levels. Radiation hotspots have spread to three holding

Children from an evacuation area being tested for radiation exposure in March 2011. Since the nuclear disaster, thyroid cancer rates among Fukushima's children have shot up.

areas for hundreds of the tanks storing water contaminated by being flushed over the three reactors that melted down in March 2011. Readings just above the ground near a set of tanks showed radiation as high as 2,200 mSv (millisievert) on 3 September 2013 (a day before a 6.9 magnitude earthquake off southern Japan); the previous high in areas holding the tanks was 1,800 mSv recorded three days earlier. Both levels would kill an unprotected person within hours. (See Box 2 for the different units of radioactivity.)

TEPCO said one of the tanks was leaking the previous month. Another small leak was found later and the rising number of areas with concentrated radiation is raising concerns of further leaks. The government has ordered TEPCO to transfer all the water held in about 310 weaker bolted tanks to more reliable wielded tanks that take longer to build, although an NRA official has said some of the wielded tanks too might not be safe, as they are lined up on the ground rather than on a concrete foundation.

On 24 October 2013, TEPCO announced it had detected radioactive strontium and other beta-emitting substances measuring 140,000 Bq/L(litre) in water sampled in one of the facility drainage ditches. It was the highest radiation level recorded since it began checking water in drainage ditches in August. The legal limit for strontium emission is 30 Bq/L. The ditch where the high radiation level was detected is near the tank that was discovered in August to have leaked ~300 tons of radioactive water. The site is just 700 metres from where the ditch empties into the ocean. TEPCO workers have placed sandbags further along the ditch in an attempt to prevent radioactive material reaching the ocean.

To deal with the pools of contaminated rainwater accumulated since two typhoons that brought heavy rainfall to the Fukushima plant, TEPCO moved the water to the underground storage tanks that the company had stopped using after radioactive water escaped from one of them in April 2013.

Groundwater wells in the area have begun to show increasing levels of contamination. Samples taken from one well near the leak on 14 September tested 170,000 Bq/L of tritium.

On 21 December 2013, a new record of 1.9 million Bq/L of beta-emitting radioactive substances was found in water at its No. 2 reactor. And radioactive caesium was detected in deeper groundwater at No. 4's well.

Radioactive water from the Fukushima plant will reach the west coast of the United States early in 2014, though airborne radioactivity started arriving on the US Pacific coast just four days after the start of the accident (see later).

Shortage of workers, low pay and morale, and high costs to the taxpayer

TEPCO president Naomi Hirose said the company was looking to transfer workers from power plants elsewhere in order to address the growing staff crisis at Fukushima

Box 2

Measures of radioactivity

RADIOACTIVITY is measured directly as becquerel (Bq); 1Bq = 1 disintegration per second. It is also measured as absorbed dose, Gray (Gy); 1 Gy = 1 J (joule) of energy per kg (kilogram). The sievert (Sv) is the equivalent radiation dose, effective dose or committed dose, representing the biological effects of ionising radiation, and involves further calculations on the absorbed dose based on different weighting factors for different radiation. For x-rays, gamma rays, beta rays and muons, the weighting factor is 1, hence 1 Gy =1 Sv. One sievert carries a 5.5% chance of eventually developing cancer. Doses greater than 1 Sv received over a short period of time are likely to cause radiation poisoning, possibly leading to death within weeks. Consequently, the usual measure is in millisievert (mSv), a thousandth of a sievert. ◆

Daiichi. There have been reports of workers at the plant suffering from low pay and morale, long hours and illegal hiring practices, sometimes involving organised crime syndicates.

Documents have emerged revealing TEPCO's refusal to pay for the costs of the Fukushima cleanup, and the refusal being accepted by the government. To finance the assistance to TEPCO, the government is selling bonds interest payments on which may reach 70.4 billion yen, to be borne by the Japanese taxpayer. The decontamination costs alone are estimated at more than 5 trillion yen (~$50 billion).

Some 160,000 people were forced to evacuate in the first days of the Fukushima crisis, and tens of thousands remain displaced. Picture shows the evacuated town of Futuba, with the signboard at the entrance reading 'Nuclear power – the energy for a better future'.

Continued dumping of radioactive water into the ocean and mass die-offs in the Pacific

TEPCO has admitted it dumped 1,130 tons of reportedly low-level radioactive water into the Pacific Ocean in early September, after heavy rainfall resulted in water collecting within barriers set up around the tanks of contaminated water. Officials said the water contained between 3 and 23 Bq/L radioactive strontium. Although the legal limit for strontium in seawater is 30 Bq/L, TEPCO later acknowledged that they had not tested the water for caesium (Cs-134 or Cs-137).

TEPCO has also indicated that in the end, all low-level radioactive water will be dumped into the Pacific Ocean. It is trying to decontaminate highly radioactive water with an 'advanced liquid processing system' that can strip all radioactive substances from the water except tritium. It claims the system will eventually process 500 tonnes of water a day. But the equipment has failed repeatedly so far.

The Pacific Ocean has been a sink for high and low levels of radioactively contaminated water for more than two and a half years, with no end yet in sight. The first meltdown incidents beginning 11 March 2011 spewed out 2.5 times more radioactive xenon-133 than Chernobyl and 40% of the Cs-137, with 80% ending up in the Pacific Ocean. It was already the single largest radioactive discharge into the ocean by far (see later).

There have been worrying reports of mass deaths of animals over the past year. Polar bears, seals and walruses along the Alaska coastline are suffering fur loss and open sores, according to the US Geological Survey. There is an epidemic of sea lion deaths along the California coastline. At island rookeries off the southern California coast, 45% of pups born in June 2012 had died, Sharon Melin, a wildlife biologist for the National Marine Fisheries Service based in Seattle, was quoted as saying in a March 2013 Associated Press report. According to the AP report, 'Normally less than one-third of the pups would die. It's gotten so bad in the past two weeks that the National Oceanic and Atmospheric Administration declared an "unusual mortality event".' Along the Pacific coast of Canada and Alaska coastline, the population of sockeye salmon is at a historic low. Fish all along the west coast of Canada are bleeding from their gills, bellies and eyeballs. More disturbingly, from Canada to California, starfish are dying en masse. They simply disintegrate and turn into 'goo'.

No one has examined whether the toxic radioactivity released from Fukushima may be responsible for the mass deaths. But a vast field of radioactive debris from Fukushima approximately the size of California has crossed the Pacific Ocean and is starting to collide with the west coast of the US. Radioactivity of coastal waters off the US west could double over the next five to six years. There are other signs that the Fukushima crisis has gone global (see later).

There is still no systematic scientific monitoring on the impacts to the Pacific while release of radioactivity from Fukushima continues unabated. One potentially highly effective method for stripping radioactive nuclides from water uses graphene oxide. There is an urgent need for an international effort to stem the radioactive leak into the Pacific, and to mop up the radioactivity released before the ocean dies.

Health impacts

The official line is that no one has died from the Fukushima accident, and very few will, if any. The reality is quite different.

The United Nations Scientific Committee on the Effects of Atomic Radiation (UNSCEAR) has been criticised by human rights groups and UN special rapporteur on the right to health, Anand Grover, for its studies on Fukushima finding that 'no discernible increased incidence of radiation-related health effects are expected.' Japan's Human Rights Now has also called for UNSCEAR's report to be revised and recommend evacuation from contaminated areas where radiation exceeds 1 mSv per year rather than the government's recommendation of 20 mSv a year.

Data on casualties from the Fukushima meltdown and fallout are hard to come by. But even TEPCO has admitted that 10% of 2,000 Fukushima plant workers face 'increased thyroid cancer risk' due to exposure to nuclear radiation. There were no official deaths from radiation among the 50 workers who bravely stayed on site to deal with the aftermath of the accident, although the supervisor Masao Yoshida died of oesophagal cancer in July 2013.

However, 51 crew members of the USS *Ronald Reagan* say they are suffering from a variety of cancers as a direct result of their involvement in Operation Tomodachi, a US rescue mission in Fukushima after the nuclear disaster in March 2011. The affected sailors are suing TEPCO. All in their 20s, the sailors have been diagnosed with thyroid cancer, testicular cancer, leukaemia, blindness from tumours on the brain, and all kinds of gynaecological problems. The numbers could grow significantly as 150 additional crew members are being screened. The sailors' lawyer Charles Bonner says that at least 75 sailors are affected.

The US sailors are certainly not alone. Thyroid cancer rates have shot up among Fukushima children. Before the nuclear meltdowns, health authorities estimated thyroid cancer rates among Fukushima's children at between one and two cases in every million. Since the disaster, the Fukushima local government carried out a large-scale screening programme and, with about 200,000 children tested, found 18 confirmed cases of thyroid cancer and 25 more suspected cases, an unexpectedly high rate.

One person who is impressed and worried about the increased thyroid cancer rate is Akira Sugenoya, mayor of Matsumoto City in Nagano, and also a respected thyroid surgeon. He spent five years treating children in Ukraine and Belarus suffering from thyroid cancer after the Chernobyl disaster, and is highly critical of official dismissal of the findings. 'The doctors in Fukushima say it shouldn't be emerging this fast, so they say it's not related to the accident. But that's very unscientific, and it's not a reason that we can accept.' However, Geraldine Thomas, a specialist in molecular pathology of cancer at Imperial College London in the UK, argues, 'If you look for a problem, especially if you use an incredibly sensitive technique, which is what the Japanese are actually doing, you will find something.'

In November 2013, 15 more young people were confirmed or suspected as having thyroid cancer. But Fukushima's health authorities are acting almost in secret, even refusing requests for a simple age breakdown of the thyroid cancer victims, citing privacy reasons. This has fuelled accusations of cover-up by the parents.

Independently, a study on newborns in five US Pacific coastal states exposed to airborne radioactivity including I-131 from the Fukushima fallout revealed a 26% increase in the incidence of congenital hypothyroidism in the months after airborne radioactivity arrived in the US, compared with equivalent periods the previous year and also with the rest of the US, which is less exposed.

Long-term ecological impacts

That is not all. The Fukushima nuclear accident spread radioactive contamination over more than 3,500 square miles of the Japanese mainland. An in-depth study involving both field work and laboratory experiments found deformities in wild caught butterflies caused by low-dose radiation from the Fukushima fallout persist and worsen over generations, and could be reproduced by internal and external exposure to radioactivity in the laboratory. This is just the tip of the iceberg as far as long-term ecological impacts are concerned.

Researchers led by Jacqueline Garnier-Laplace at the French Institute of Radioprotection and Nuclear Safety (IRSN) in Cardarache used measurements of radioactivity in soil samples collected 31 March 2011 from the zone of greatest atmospheric deposition, the Iitate Village area located 25-45 km northwest of the Fukushima site. Soil concentration of Cs-134 was 62,400 Bq/kg, Cs-137, 72,900 Bq/kg and I-131 108,000 Bq/kg (with back calculations to the date of deposition estimated at 430,000 Bq/kg). These were used to estimate the dose rate absorbed by forest biota, taking account of both external radiation from the contaminated environment, as well as internal radiation from radionuclides incorporated within the organisms. These gave dose rates of 1 mGy/day over the first 30 days for plants, 1.5 for birds, 2.3 for soil invertebrates, and 3.9 for forest rodents. If other radioisotopes measured in the soil were included, the total dose rate estimates ranged from 2 to 6 mGy/day. These values are 10 to 100 times greater than dose rates considered safe for terrestrial ecosystems. The lack of a more severe impact to the forest ecosystem was partially due to the accident occurring in late winter.

Much more severe impacts are likely for the coastal ecosystem next to the Fukushima nuclear plant. The dose rate calculations were performed similarly, except that they included external irradiation by the contaminated marine sediments as well as the surface water. Seawater concentration of I-131 reached 180,000 Bq/L on 30 March with an associated 47,000 Bq/L of Cs-137 measured 330 m offshore. Activity concentrations decreased rapidly with distance due to very high dilution in the seawater. Nonetheless, maximum dose rates for I-131, Cs-134 and Cs-137 ranged from 210 to 4,600 mGy/day, the lowest for marine birds and the highest for macroalgae, with intermediate values of 2,600 mGy/day for benthic biota – fish, molluscs, crustaceans.

'At such high dose rates, marked reproductive effects, and even mortality for the most radiosensitive taxa are predicted for all marine wildlife groups whose life-history characteristics confine them to the near-field, contaminated release area,' the authors concluded. Dominique Boust, director of the IRSN in Cherbourg, suggests that sediments in the region could contain 10,000 to 10 million Bq/kg shortly after the accident in 2011. Fish could carry 10,000-100,000 Bq/kg and algae, some particularly susceptible to iodine uptake, could contain up to 100 million Bq/kg. These amounts would decrease very quickly with time.

However, these conclusions were disputed in a study of surface water radioactivity released from the Fukushima meltdown by Ken Buesseler (from the Woods Hole Oceanographic Institution in Massachusetts, US), Michio Aoyama (Meteorological Research Institute, Tsukuba, Japan) and Masao Fukasawa (Japan Agency for Marine-Earth Science and Technology, Yokosuka). They have not measured the sediment. Concentration of radioactivity peaked in early April 2011 with Cs-137 at 68 million Bq/m^3 one month after the earthquake, decreasing by a factor of 1,000 in the month following. Concentrations through the end of July remained higher than expected, implying continued releases from the reactors or other contaminated sources, such as groundwater or coastal sediments (as consistent with the leaks discovered later). By July, levels of Cs-137 were still more than 10,000 times higher than levels measured in 2010 in the coastal waters off Japan.

As expected, the highest concentrations were at the points closest to the discharge site, and less at two other sites on the coast at increasing distances south of the Fukushima Daiichi plant. Dilution occurred rapidly, as could be seen by the much lower concentrations measured at points 30 km from the coast.

Compared to the Chernobyl accident in 1986, an increase in waters off Japan was barely seen, but in the Baltic and Black Seas they peaked in a sharp spike in 1986 in the 10-1,000 Bq/m^3 range; about a million times below the Fukushima activities of Cs-137 immediately at the discharge point and 10 times below the initial levels at the 30 km monitoring line. Thus, the initial release from Fukushima was a larger source by far, already the largest accidental release of radionuclides to the ocean. Astonishingly, these researchers concluded that it would still have 'minimal impact on marine biota or humans due to direct exposure in surrounding ocean waters.'

The unexplained mass deaths on the Pacific northwest coast of the US (see above) may indeed have been triggered by the massive radioactive release into the ocean water and accumulating in the ocean sediment, as predicted by the French scientists. But no one appears to be doing any systematic monitoring.

Even if radioactivity drops off to low levels, there is a large body of literature on the long-term deleterious impacts of low-dose radiation, recently explained through bystander effects affecting cells that are not directly targeted by the radiation.

Recent research by Timothy Mousseau at the University of South Carolina and Anders Møller at Université Paris Sud and their colleagues showed that birds in Chernobyl had high frequency of albino feathering and tumours as well as increased rates of cataracts decades after fallout from the 1986 Chernobyl meltdown, while tree growth was and remains suppressed. They undertook those studies in response to the World Health Organisation's Chernobyl Forum 2006, which, apart from vastly under-reporting human health impacts, stated that plant and animal communities were doing 'incredibly well and come back better than ever because of the absence of people.' In reality, there is no single scientific paper to base that statement on.

The opportunities to study the long-term impact of low-level radioactive exposure in nature are once again slipping away in Fukushima as with Chernobyl. 'The funding for independent scientists to do basic research in contaminated areas in Fukushima is not there.' And at the same time, the fine work that has been done was ferociously attacked by nuclear supporters as well as the pro-nuclear regulators.

No easy homecoming for evacuees

Approximately 160,000 people were forced to evacuate in the first days of the crisis, and tens of thousands remain displaced. The National Institute of Advanced Industrial Science and Technology estimated total decontamination costs at $50 billion. Municipal officials are concerned that residents will not return, as decontamination efforts have not been successful, and fear of radiation remains high. Many former residents are worried that conditions at the Fukushima plant are still unstable.

Although the government lifts evacuation orders once radiation levels fall below 20 mSv per year, the International Commission on Radiological Protection recommends exposure of no more than 1 mSv per year. Many residents no longer believe official radiation estimates released by the Japanese government, which are often lower than readings gathered by citizens and independent organisations using hand-held Geiger counters. Nobuyoshi Ito, a farmer from Iitate, told Reuters, 'They remove the ground under the posts, pour some clean sand, lay down concrete, plus a metal plate, and then put the monitoring post on top. In effect, this shields the radiation [emitting] from the ground. I asked the mayor, "why don't you protest to the central government?" But the municipality isn't doing anything to fix the situation.'◆

Dr Mae-Wan Ho is Director and co-founder of the UK-based Institute of Science in Society (ISIS, www.i-sis.org.uk), and Editor of its Science in Society *magazine, from which this article is reproduced (Issue 61, Spring 2014). For the real extent of the Fukushima and Chernobyl disasters and how to cope with radioactive contamination, see the ISIS special report 'Death Camp Fukushima Chernobyl' (www.i-sis.org.uk/Announcing_Death_Camp_Fukushima_Chernobyl.php).*

Feeding the world sustainably

In the following article, *Clare Westwood* highlights findings by University of Copenhagen researchers on the best strategy to feed a fast-growing global population. The findings show that agrobiodiversity, rather than genetic engineering, offers us a more appropriate option.

A genetically modified (GM) soybean farm in Argentina. Around 17 million farmers in 28 countries grow GM crops over a total area of about 170 million hectares.

CLOSE to a billion people go hungry in the world every day, with 10 children dying of starvation every minute (Pinstrup-Andersen 2010a, 2010b). A further 2 billion people suffer from one or more micronutrient deficiencies (Alnwick 1996). The world has yet to figure out a way to produce enough food for its growing population, which is expected to exceed 9 billion by 2050, with less input while safeguarding biodiversity, arable land and ecosystem resilience. Agricultural sustainability is therefore no longer optional, but mandatory. There are two major and opposing schools of thought with regard to this question: one favours genetically modified (GM) [also called genetically engineered (GE)] crops while the other focuses on the potential of agricultural diversity.

A team from the University of Copenhagen (Jacobsen et al. 2013) has tackled this burning issue of how to best ensure sustainable and adequate food production by analysing the benefits and disadvantages of the development of plant breeding based on the use of existing agrobiodiversity compared with the use of GM technology. Their review covers the performance and economics of GM crops, the potential of agrobiodiversity, and research funding for both streams. This article highlights the key elements of this review with some additional discussion and references, along with the researchers' conclusions and recommendations on the more sustainable route, based on the evidence.

The status of GM crops in the world

The main question surrounding GM crops now is whether they are the best option to feed the growing population. Around 17 million farmers in 28 countries around the world grow GM crops over a total area of about 170 million hectares (ISAAA 2012), with the US, Brazil, Argentina, Canada and India having the most acreage under GM. The main commercial GM crops are soybean (81%), cotton (81%), maize (35%) and canola (30%) (ISAAA 2012). Herbicide-resistant (HR) GM crops make up around 85% of the global acreage while insect-resistant GM crops comprise around 41%; 26% have both traits (ISAAA 2011, 2012; Figure 1). Most of the HR crops are biotech company Monsanto's Roundup Ready (RR) varieties resistant to glyphosate, which is also sold by Monsanto under the brand name Roundup, while most of the insect-resistant crops are Bt varieties made resistant to selected insects using a gene from the bacterium *Bacillus thuringiensis*. While the adoption of GM crops has been rapid in the US, it has been the reverse in Europe due to strong public opposition.

GM crop performance

Jacobsen et al. (2013) highlight several issues regarding GM crop performance that question the claimed benefits of GM crops.

Bt cotton

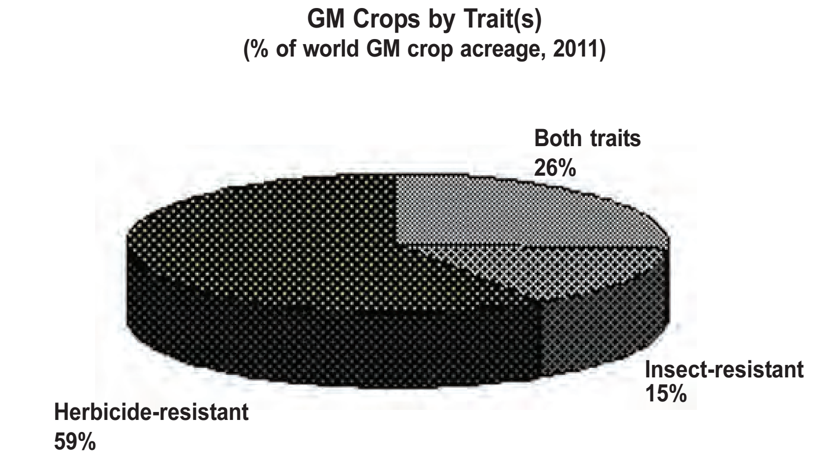
Bt cotton is grown extensively in India and China. Although not a food crop, it is the most widely and longest grown Bt crop in the world and thus, Jacobsen et al. (2013) analyse its performance as a base to illustrate the issues surrounding Bt crops in general.

Monsanto controls over 95% of the Indian cotton seed market. In India, about 250,000 cotton farmers have committed suicide over the last 15 years. This has been mainly attributed by various civil society sectors to the farmer indebtedness due to loans taken out to buy the expensive Bt seeds and the subsequent failure of Bt cotton to meet promised yield levels.

In fact after 10 years of Bt cotton cultivation in the country, the Indian Parliamentary Standing Committee on Agriculture released a report in August 2012 stating that 'There have been no significant socio-economic benefits to the farmers because of the introduction of Bt cotton. On the contrary, being a capital-intensive agricultural practice, investments of the farmers have increased manifold, thus exposing them to far greater risks due to massive indebtedness, which a vast majority of them can ill afford. …The experience of the last decade has conclusively shown that while [GE agriculture] has extensively benefited the industry, as far as the lot of poor farmers is concerned, even the trickle down is not visible' (Indian Parliamentary Standing Committee on Agriculture 2012).

In China, although Bt cotton has managed to control the bollworm pest, field data collected in 2004 has demonstrated that this benefit has been offset by the increased use of pesticides to deal with secondary pests, so the average expenditure on pesticides of Bt and non-Bt cotton farmers was about the same (Wang et al. 2006, 2008). In addition, Bt cotton seeds cost three times more than non-Bt seeds and Bt farmers made less money than their non-Bt counterparts (Wang et al. 2006).

Figure 1



Source: International Service for the Acquisition of Agri-biotech Applications (2011)

Yield lag

GM proponents claim that new varieties can be developed faster than in traditional plant breeding. However, as GM cultivars need several years of backcrossing trials to ensure the inserted traits will express as expected in local environments, there is little difference currently in this aspect between GM and traditional breeding methods. In fact, the yield lag of RR soya was reflected in the flat overall soybean yields from 1995 to 2003, the very years in which GM soya increased from nil to 81% of US soybean acreage. Stagnating soybean yields in the US are estimated to have cost soybean farmers $1.28 billion in lost revenues from 1995 to 2003 (Eliason and Jones 2004).

Impact on biodiversity

Another argument in favour of GM crops is what is called a beneficial trade-off between low-yielding extensive agricultural systems with traditional crops, which require more land, and high-yielding intensive systems, which require less land, leaving more uncultivated land free from interference to its biodiversity. However, there are many benefits associated with the former, such as increased sustainability and higher resilience to drought, pests and disease compared to intensive GM systems which require high chemical inputs. Agroecological farms in fact contain a high level of biodiversity and are self-supporting systems in harmony with their environment (Altieri 2008).

The economics of GM crops

Herbicide-resistant and insect-resistant GM crops were created to reduce labour required to control weeds and insect pests, respectively. However, in developing countries, labour is not an issue compared to developed countries. In an analysis of 168 datasets comparing yields of GM and conventional crops, 124 showed increased yields for adopters, 32 indicated no difference and the rest were negative (Carpenter 2010). Nevertheless, the Union of Concerned Scientists concluded in 2009 that GM crops had contributed only modestly to increased yields in the US (Gurian-Sherman 2009).

Increased yields and reduced insecticide use (in the case of Bt crops) do not necessarily translate to higher profits for farmers, as highlighted by Jacobsen et al. (2013). Higher production costs including from the high costs of GM seeds often result in the reverse. Patents over GM seeds drive up seed costs, restrict farmer innovation, inhibit seed saving and exchange, and undermine local cultivation practices for food security. In addition, there is the 'hidden' coexistence cost of GM crops which is defined as the cost that may occur to ensure that both GM and conventional crops can be cultivated next to each other and to ensure traceability in the supply chain without contamination. Such costs would for instance cover the cleaning of machinery, buying insurance to cover for the risk of contamination, and having to separate GM from non-GM crops in the field and supply chain by having a buffer zone. Such costs vary according to crop and location. A comparison of GM crops grown in Denmark showed that it was possible to gain a net benefit from growing GM sugar beet and potatoes, but for maize, the net benefit was negative due to high coexistence costs (DMFAF 2009).

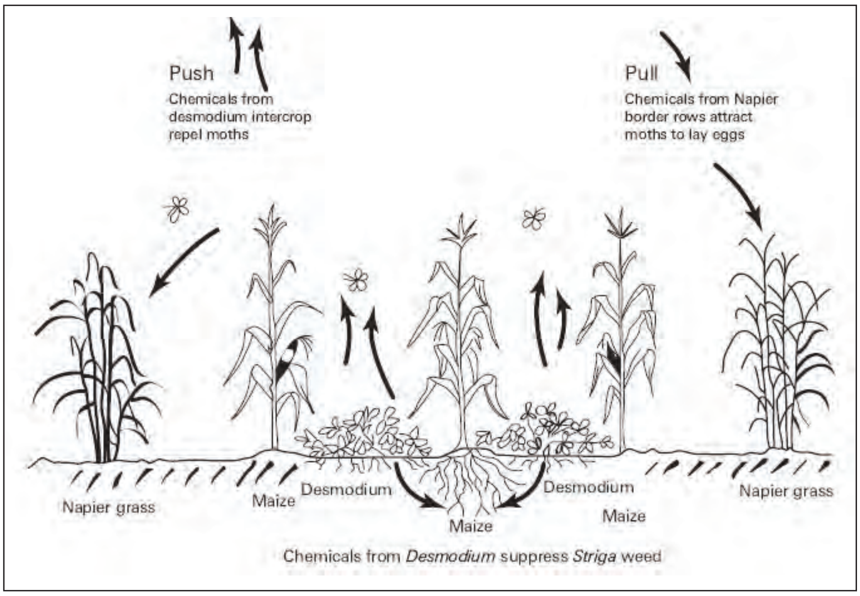
Research funding

Jacobsen et al. (2013) point out that current research funding is clearly in favour of GM technologies over traditional and agroecological methods. For instance, in Denmark, GM research received 20 million euros in recent years from the Danish Research Council while conventional crop research received only 4 million euros. This increased specialisation and intensification of agricultural production has led to a loss in crop and livestock biodiversity and worsened genetic erosion and vulnerability (Gepts 2006; FAO 2007).

Research on traditional breeding and projects combining traditional knowledge and biotechnology tools has shown much promise. Some examples of this include work done in developing drought tolerance in maize by conventional breeding. A further example of successful utilisation of traditional knowledge and modern science would be the push-pull system in Kenya (illustrated in Figure 2) developed jointly by scientists and local farmers. Corn is intercropped with Desmodium, which repels the borer moth (push), and Napier grass, which attracts it (pull). Chemicals secreted by the Desmodium control the extremely damaging Striga weed and deplete the Striga seed bank in the soil while Desmodium roots fix atmospheric nitrogen in the soil. The push-pull system produces multiple benefits: combatting the main corn pest, the corn stem borer, and the problematic Striga weed, as well as providing a supply of rich fodder (Napier grass) for cattle which produce more milk, improving farmers' livelihoods as a result.

While the benefits of agrobiotechnology for developing countries remain dubious, large sums of money continue to be channelled in this direction away from options such as the push-pull system which have proven to be more sustainable and beneficial for small farmers and the environment.

Figure 2. Illustration of the push-pull system in Kenya



Source: The Gatsby Charitable Foundation. *The Quiet Revolution: Push-Pull Technology and the African Farmer*

Tapping the potential of agrobiodiversity

Jacobsen et al. (2013) argue that crop productivity can be best understood and increased by analysing yield as a product of genotype, environment and management and their interactions. They also stress that existing biodiversity is sufficient to satisfy future global food demand while it is risky and unviable to depend on a few major crops to do so. Modern-day simplified agrosystems with low biodiversity offer low-diverse diets which in turn lead to high incidence of lifestyle illnesses such as obesity, Type II diabetes, heart diseases and cancer (Frison 2009). In other words, as declared at the UN Conference on Environment and Development (UNCED) in Rio de Janeiro in 1992, the world's food supply and nutrition are most secure if based on the broadest range of crops available.

About 400 million peasant farmers feed about 70% of the world's population. Small farms are typically characterised by a high level of biodiversity, low dependence on external inputs, high efficiency and diversified cropping systems (Altieri 2008). The nutritional value of many traditional crops is generally high with micronutrients, antioxidants and essential amino acids, while many traditional crop varieties have high tolerance to drought, salinity or floods, which carries great importance in the face of climate change. Local varieties of African and Asian cereals like rice, millets and sorghum, Andean roots and tubers, and all types of leafy vegetables and fruits are essential in ensuring food security at the local level.

A further advantage of local crops over GM crops is that they are adapted to the local environment over a long period of time. Many of these crops however are ignored by researchers and policy-makers and endangered due to unfair competition from industrially produced food and their local image as 'poor people's food'.

Diversified farming is a fundamental component in improving the health and livelihoods of grassroot communities as well as building community adaptation and resilience to climate change. One study of mixed cropping found that plots grown with 16 species produced 2.7 times more biomass than monocultures (Tilman et al. 2001). Meadows and grasslands with different species also produced more hay than their low-diversity counterparts (Bullock et al. 2007; Hector and Loreau 2005). Home gardens in particular are some of the most diverse and productive food systems in the world. A report commissioned by the Hunger Alliance in 2012 found that the single most important thing that governments can do to meet the UN Secretary-General's Zero Hunger Challenge is to help the millions of poor women in developing countries grow more food in their tiny plots of land in and around their homes and to give them complementary support in nutrition, sanitation and health (UK Hunger Alliance 2013).

Agriculture's most direct negative impact on biodiversity is the loss of natural habitats which happens when natural ecosystems are converted into farms. The burning question is how to increase productivity without increasing land use area. Several studies have shown that organic production can match and even outyield conventional systems without the same damage to the environment as the latter. Three are cited here.

A study by Pretty and Hine (2001) found that for 89 projects, sustainable farming practices resulted in yield increases of 50-150% for rainfed crops and average food production per household rose by 1.7 tonnes per year (an increase of 73%) for 4.42 million small farmers growing cereals and roots on 3.6 million hectares. This study led to a meta-analysis of 286 projects in 57 countries which found that 'resource-conserving' or sustainable agricultural practices increased agricultural productivity by 79% (Pretty et al. 2006). Another study by the University of Michigan examined a dataset of 293 samples and found that on average, in developed countries, organic systems could produce 92% of the yield produced by conventional systems while in developing countries, organic farms produced 80% *more* than their conventional counterparts (Badgley et al. 2007).

Mixed cropping of maize and beans practised in a home garden in the Dominican Republic. Diversified farming is a fundamental component in improving the health and livelihoods of grassroot communities.

Conclusions and recommendations

This article addresses the ongoing debate on what the best strategy to feed a fast-growing global population sustainably is. It draws upon a major review of two major schools of thought on this question done by a team from the University of Copenhagen (Jacobsen et al. 2013). The team analysed the advantages and disadvantages of the development of plant breeding based on the use of existing agrobiodiversity compared with the use of GM technology. They came to the conclusion that the available evidence supports a focus on agrobiodiversity as the more appropriate technology to ensure food production in sufficient quantity and quality in the years to come, and placed GM crops far down the list of potential solutions for food security.

The study team reports that there are two obstacles preventing the development of sustainable agriculture solutions. The first is the claim that GM crops are necessary to secure food production for the future. The study team finds that this claim has no scientific support, but is more a reflection of agri-corporate interests, supported by the career interests of GM researchers. Based on its review of the performance and impacts of commercially grown GM crops, Jacobsen et al. state that the GM technologies will not help most of the world's farmers, but instead are expensive, increase the dependency of farmers on external inputs, produce stagnating yields in many instances, and have a negative impact on income distributions. This is similar to the conclusion by the International Assessment of Agricultural Knowledge, Science and Technology for Development (IAASTD 2009) that GM crops are unlikely to play a substantial role in addressing poor farmers' needs.

The second obstacle is the lack of research funding for agrobiodiversity solutions in comparison with funds available for research on GM crops, a situation which has greatly reduced crop and livestock biodiversity and increased genetic vulnerability. The team suggests that much of the research funding currently available for the development of GM crops would be much better spent on other research areas of plant science like nutrition, policy research, governance, and solutions suited to local market conditions to ensure sustainable food production. It opines that biotechnology's best contribution to reducing malnutrition would be to find ways to reduce the cost of producing food.

Jacobsen et al. warn that the expansion of GM crops will reduce the nutritional value and yield reliability of the food chain and lead to a dangerous loss of biodiversity. They strongly maintain that the best way to eliminate global under-nutrition is through the increased consumption of a diverse range of nutritious non-staple foods made available through agroecological farms and traditional breeding methods. Agroecological farms contain a high level of biodiversity, are self-supporting systems in harmony with their environment, and offer many benefits such as increased sustainability, nutritional diversity, and higher resilience to climate change, pests and disease compared to intensive GM systems.

The review team recommends that research should focus on: (1) improved agricultural practices in hunger-prone developing countries, (2) the development of agrobiodiversity resources through plant breeding, and (3) more sustainable consumption as well as production of foodstuffs. ◆

Clare Westwood is a researcher on food and agriculture issues with the Third World Network. This article is based largely on the full review by Jacobsen et al. (2013), which can be viewed at http://link.springer.com/article/10.1007/s13593-013-0138-9. Some supporting evidence has been added.

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Seeds for life

Without their traditional seed diversity, farmers are losing the tools and resilience to deal with challenges such as climate change, says *Michael Farrelly*.

OVER 200 years ago, the first president of the United States of America, George Washington, said: 'It is miserable for a farmer to be obliged to buy his seeds. To exchange seeds may in some cases be useful, but to buy them after the first year is disreputable.' His words indicate that farmers at that time were generally self-sufficient, only buying enough seeds to get started. But all that has changed. Nowadays 98% of American farmers buy their seeds every year from commercial seed companies.

According to the Alliance for a Green Revolution in Africa (AGRA), 90% of Tanzanian farmers get their seeds for planting from the farmer-saved seed system. They do so by keeping seeds from their harvest or exchanging and buying seeds from other farmers in the village. Only 10% of them get their seeds from the commercial 'formal' seed system.

M Farrelly

A collection of locally bred and saved seed varieties in Tanzania. It has been estimated that 90% of Tanzanian farmers get their seeds for planting from the farmer-saved seed system.

Guardians of biodiversity

For thousands of years, generations of farmers across the globe have been observing, selecting, nurturing, breeding and saving seeds so that with every generation agricultural diversity has to be increased. Farmers have creatively cultivated ever more crop varieties to deal with many different challenges of soils, climates, nutrition, flavour, storage, pests and diseases. Across Africa women have always played a valued role in their communities as the custodians of seeds.

The last century has seen a dramatic decrease in global seed diversity, as corporations have moved aggressively into the agrochemical and seed industry. The companies are seeking to create new customers from the world's billions of farmers, to the point where now three corporations control over half of the world's commercial seed market. Farmers' rights to save, breed, exchange and sell seeds have diminished as many countries' laws have favoured corporations and criminalised farmers' traditional activities.

A UN Food and Agriculture Organisation (FAO) report published in 2010 estimates that 75% of the world's crop diversity has already been lost. The erosion of agricultural biodiversity continues. Across much of the industrialised world, traditional seed diversity and related knowledge are no longer passed on, as farmers are encouraged or pressured to purchase seeds.

The shift from indigenous local crops grown for nutritional content, to just a few staple crops grown for yield has contributed to a loss of nutrients in diets and to global malnutrition. Low prices for crops in the global marketplace mean that many farmers find themselves in debt to pay for seed and chemical inputs. Across Africa, many farmers have been forced to sell their land and to become labourers on large plantations of feed, fuel and fibre cash crops.

In spite of these pressures, and the myth that large-scale industrial agriculture is more efficient, small-scale farmers currently feed 70% of the world's population, using only 30% of the land, according to an ETC Group report published in 2009.

Resilience to climate change

By growing and saving dozens of seed varieties, farmers have traditionally spread their risk and guaranteed a harvest – even if they faced late or early rains, droughts, floods, pests and diseases. By ensuring genetic diversity, farmers also increase the likelihood that a portion of seeds will germinate under difficult conditions. Their in-depth knowledge and understanding of crops, seed selection and local conditions has meant that they have created a wide range of germplasm, from which they can further breed and adapt new resilient and nutritious varieties.

But as the impacts of climate change hit farming, the problems with industrial agriculture are becoming clear. Farmers are increasingly finding that their supposedly high-yielding crops no longer perform as well in the face of unpredictable rains and temperatures, floods and droughts. Meanwhile, extensive use of fertiliser undermines the natural health, water-holding capacity and resilience of soil to climate change. In addition, the industrial food system is estimated to contribute half of all global greenhouse gas emissions.

Across Africa women have always played a valued role in their communities as the custodians of seeds.

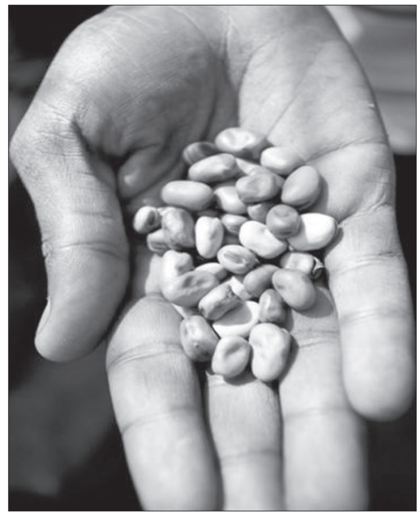
Without their traditional seed diversity, farmers are losing the tools and resilience to deal with these challenges. Farmers, communities and the entire global food system are thus highly vulnerable to climate change due to the erosion of the world's agricultural biodiversity.

Corporations can only develop seed by breeding from a common heritage of varieties that have been developed and freely shared by farmers for generations. Far from being the inventors of the seed, the corporations are profiting from farmers' ingenuity, while undermining those to whom they are indebted.

To ensure that farmers and our food systems have the capacity to adapt to climate change, we urgently need strategies and policies that support them to revive their seed diversity and related knowledge.

Seed, spirituality and religion

All religions and spiritualities, including Christianity, recognise humanity's role as guardians of biodiversity and God's creation. Seed is at the heart of nature's biodiversity, and symbolises the capacity of life to regenerate itself. Seed is often at the heart of community rituals performed to bring rains and healing to the land and territory, as well as thanksgiving after a good harvest. It is our responsibility to protect these seeds from extinction, and to revive their bountiful diversity. We must recognise and give thanks to previous generations of farmers for enhancing and passing on their seed heritage and knowledge, and value the knowledge and skills of the world's small-scale farmers today.



'Seed is at the heart of nature's biodiversity, and symbolises the capacity of life to regenerate itself.'

Recommendations for policy and practice

In our advocacy and actions for a resilient food system and for food sovereignty, we should:

- Reform our food system towards supporting small-scale farming, agroecology, seed diversity and local markets
- Reject the introduction of more restrictive intellectual property standards
- Reject patents on seeds and living organisms
- Reject technologies that impact negatively on biodiversity and the lives and livelihoods of farmers and consumers
- Nationalise the African Model Law on Farmers' Rights, which ensures farmers' continued access to and control over their plant genetic diversity
- Promote participatory plant breeding in collaboration with farmers, to further enhance seed diversity and meet their different needs
- Support networks of farmers and seed savers, and processes for them to share seed, knowledge and experiences
- Support community seed banks that ensure local seed supply
- Celebrate and support communities' seed diversity and seed saving with seed festivals and fairs.

Urgent action is needed to ensure that farmers can grow resilient crops and nutritious food for us all, in the face of climate change and other challenges. Farmers' complex farming knowledge and their right to save, adapt, exchange and sell seed must be recognised and protected in policy and practice. Otherwise who will feed us in the future? ◆

Michael Farrelly is Programme Coordinator with the Tanzania Organic Agriculture Movement. *This article is reproduced from* Ulimwengu wa Mkulima (Farmer's World) *magazine (January 2014) published by the Agricultural Non State Actors Forum (ANSAF) in Tanzania. It is adapted from the report 'Seeds for Life: Scaling Up Agro-biodiversity' (www.gaiafoundation.org/seeds-for-life-scaling-up-agrobiodiversity-new-report) published by the Ecumenical Advocacy Alliance, the Gaia Foundation and the African Biodiversity Network.*

A matter of life and death

Of all the issues currently being negotiated on the Trans-Pacific Partnership Agreement agenda, none is more important than the ability of patients to get life-saving medicines at affordable prices, which many fear may be a victim of the agreement.

Martin Khor

Strict intellectual property protections under the TPPA could impede the availability of cheaper generic versions of cancer medicines like Herceptin *(pic)*.

IF you or some family members or friends suffer from cancer, hepatitis, AIDS, asthma or other serious ailments, it's worth your while to follow the Trans-Pacific Partnership Agreement (TPPA) negotiations.

It's really a matter of life and death. For the TPPA, a proposed trade agreement for the Pacific Rim region, can cut off the potential supply of cheaper generic medicines that can save lives, especially when the original branded products are priced so sky-high that very few can afford them.

The fight for cheaper medicines has moved to cancer and other deadly diseases, when once the controversy was over AIDS medicines.

In February, a cancer specialist in New Zealand (one of the 12 countries negotiating the TPPA) warned that the TPPA would prolong the high cost of treating breast cancer because of new rules to protect biotechnology-based cancer drugs from competition from generics. And this will affect the lives of cancer patients.

Some cancer medicines can cost a patient over $100,000 for a year's treatment, way above what an ordinary family can afford. But generic versions could be produced for a fraction, making it possible for patients to hope for a cure and a reprieve from death.

In India, local companies are leading the fight to make medicines more affordable to thousands of patients suffering from breast, kidney, liver and gastrointestinal cancer and chronic leukaemia.

For example, an Indian company produced a generic drug for kidney and liver cancer more than 30 times cheaper than the branded product ($140 versus $4,580 for a month's treatment) after it was given a compulsory licence.

India has a patent law that disallows patents for a newer form of drug unless it improves the medicine's efficacy or effectiveness. Under World Trade Organisation (WTO) rules, countries are free to set their own standards for novelty, or whether a product is novel enough to be eligible for a patent.

Also, in many countries, the patent law allows for companies to obtain compulsory licences to import or make generic versions of original medicines. Governments grant such licences if the branded products are too expensive and the originator companies do not offer attractive terms for a voluntary licence to other firms.

Data exclusivity

Multinational companies have strongly opposed compulsory licences or the Indian-type laws that allow for patents only for genuine innovations.

This is where the TPPA comes in. Mainly at the insistence of the United States, the other countries negotiating the TPPA are being asked to accept 'TRIPS-plus' standards of intellectual property protection that go beyond the rules of the WTO's TRIPS Agreement on intellectual property rights.

Especially noteworthy is the US insistence that the TPPA countries agree to give a type of intellectual property known as 'data exclusivity' for five years to companies producing original medicines. This is extended to eight or 12 years for 'biologics', or medicines made with biotechnology. Many of the new medicines for treating cancers are biologics.

This will cause immense problems for patients waiting for cheaper medicines because data exclusivity prevents generic companies from relying on the safety and clinical trial data of the originator company to get safety clearance for their generic products.

Thus, even if a generic company can prove that its medicine is bioequivalent to the original medicine that has already passed the safety standard required by the health regulatory authorities, it will not be allowed to sell its medicine unless it comes up with its own safety and clinical trial data.

This goes against current practice relating to generic medicines and safety standards. But the US is insisting on this in the TPPA.

Few generic companies have the funds or technical ability to do their own clinical trials, and thus generic medicines could well be prevented from being used in TPPA countries for five to 12 years – even if the medicines are not patented.

Being deprived of affordable medicines is a matter of life and death, and will cost many lives. That is the most outrightly significant aspect of the TPPA, and this is why so many groups of patients, health organisations and independent medical experts have been outraged and outspoken in their opposition to the TPPA.

George Laking, a cancer specialist in New Zealand, has raised the alarm that the TPPA could make cancer treatment unaffordable because the data exclusivity clause would lock in the extraordinarily high prices of cancer drugs.

In a 21 February article in the *New Zealand Herald*, Laking uses the example of Herceptin, an anti-cancer medicine which costs $100,000 for a year's treatment.

Once Herceptin comes off patent, it will become cheaper because generic forms can be made, he says. Also, new medicines that have fewer side-effects and greater efficacy are being developed all the time.

That means more people will get through the treatment with less pain and distress. But the cost of new 'generic' versions of Herceptin and other such pharmaceuticals looks likely to become a casualty of the TPPA, said Laking.

'The new drugs will stay expensive for longer, because access to generic versions will be delayed between eight and 12 years' because of the new data exclusivity rules in the TPPA, he remarked.

'These extended monopoly rights go far beyond existing international norms … This would be the first time in the history of such agreements that exclusive long-term monopoly rights over these "biologic" medicines will have been guaranteed…

'Each additional year of exclusivity will cost … consumers and taxpayers many millions of dollars. This will be profitable for the pharmaceutical industry, but not so good for cancer patients and their families.'

According to Jamie Love of Knowledge Ecology International, an expert on drugs and patents, the average cost of eight biologic cancer drugs registered with the US drug authorities in 2011-13 is $128,000 (for a year's treatment), with the most expensive being over $390,000. At such prices, hardly anyone in developing countries can afford these medicines.

On 12 February, several prominent organisations including Medecins Sans Frontieres, Oxfam, Public Citizen, Health GAP and Knowledge Ecology International issued a strong statement on their deep concern about the public health implications that the TPPA's measures will have for millions of patients in need of access to affordable medicines around the whole Asia-Pacific region.

The groups said that the TPPA negotiations must take into account the health needs of all patients living in TPPA countries, and the US must halt its efforts to limit countries' freedom and flexibilities, otherwise the TPPA will 'jeopardise many, if not millions, of lives'.

Prioritising public health

Developments in India, which is not a TPPA country, show the patient-friendly policies that can emerge when public health concerns are given priority.

Two generic companies are producing generic versions of the drug sorafenib which treats kidney and liver cancers. The original product, named Nexavar, cost some $4,600 per patient per month. A compulsory licence was granted to a local firm to produce a generic version of sorafenib for $140 a month, or over 30 times cheaper.

Another Indian company is producing a generic version of the drug Gleevec, which is used to treat a chronic form of leukaemia as well as gastrointestinal cancer, bringing the cost of treatment down from $70,000 a year (in the US) to $2,500 a year in India. This was possible because the Indian government denied the originator company a patent on Gleevec because it was not judged to be novel enough, and an objection to that decision was rejected by the Indian Supreme Court.

India also rejected a patent application on tenofovir, a drug to treat AIDS, after opposition to its application was filed by several organisations. Cheaper generic versions are now available.

Another Indian company Biocon has produced a generic version of the breast cancer drug Herceptin. Due to a challenge by the originator company, its production has been stalled. There is a citizens' campaign on affordable trastuzumab (which is the non-proprietary name for the drug) to make the drug available cheaply.

Countries that join the TPPA will find it very difficult or impossible to undertake policies and practices similar to India's, should the US proposals in the intellectual property chapter be accepted.

Moreover, countries that don't produce the generic drugs have the option to import them from India. But if the TPPA imposes data exclusivity rules of the type desired by the US, it would be difficult or impossible to sell them in these countries.

Patients would be deprived of the much cheaper generic medicines for treating cancer, hepatitis, AIDS and many other diseases, at least for many years. How many lives would be affected?

Some countries are however opposed to some of the US proposals. According to a briefing on the TPPA by the Malaysian Ministry of Trade and Industry on 20 February, the intellectual property chapter remains the most problematic, with many differing views.

Of these views, the positions that defend public health must prevail, for after all, it is a matter of life and death. ◆

Martin Khor is Executive Director of the South Centre, an intergovernmental policy think-tank of developing countries, and former Director of the Third World Network.

Injecting HIV into Pakistan

The easy availability of heroin from nearby Afghanistan has put Pakistan at grave risk of a high incidence of HIV/AIDS cases, says *Ashfaq Yusufzai*.

PAKISTAN may have low prevalence of HIV/AIDS, with only about 9,000 officially confirmed cases, but the country is at high risk, particularly due to a growing number of injecting drug users (IDUs), say experts.

Of the country's 180 million people, 420,000 are IDUs, according to the 'Drug Use in Pakistan' survey conducted last year.

'IDUs contract HIV by sharing infected syringes. We are afraid that HIV/AIDS can spread to the general population through them,' Syed Mohammad Javid, manager of the National AIDS Control Programme (NACP), told Inter Press Service (IPS).

He said the easy availability of heroin from nearby Afghanistan, where large swathes of land are under poppy cultivation, has become a pressing problem for Pakistani cities. Peshawar, capital of the northern Khyber Pakhtunkhwa province, is one such place.

'Twenty percent of IDUs have tested positive for HIV/AIDS in Peshawar, which is alarming,' he said, citing a study conducted by the Canadian International Development Agency (CIDA) in collaboration with the NACP in 2010.

A similar study in 2008 had put the figure at 13%, Javid said, pointing out that HIV/AIDS prevalence is increasing.

He said Pakistan has officially declared 9,000 confirmed cases of HIV/AIDS. But the World Health Organisation (WHO) estimates that the actual number could well be more than 100,000.

Javid said in 2010 the World Bank had stopped funding free services for HIV-infected drug addicts as the money had to be diverted for use in flood-hit areas. This compounded the problem, he said.

Dr Abdul Hameed, a WHO medical officer, is deeply concerned over the sharp rise in HIV/AIDS cases among IDUs because there is no official detoxification and rehabilitation programme in the country.

Hameed said the health department and donor agencies used to believe earlier that HIV/AIDS had no local source in Pakistan, and blamed an HIV-positive immigrant population deported from the United Arab Emirates and other countries.

'A WHO study has proved that the infection has [a] potential local source, namely IDUs, which warrants administrative support to addicts at antiretroviral therapy (ART) centres,' Hameed said.

Pakistan has set up 13 ART centres in collaboration with WHO where around 5,000 patients have received treatment so far.

'Twenty percent of [injecting drug users] have tested positive for HIV/AIDS in Peshawar, which is alarming.'

Oussama Tawil, UNAIDS (the Joint United Nations Programme on HIV/AIDS) country coordinator for Pakistan and Afghanistan, told IPS that a high incidence of HIV/AIDS among IDUs in Peshawar had alarmed UN agencies.

'The number of IDUs who share syringes has increased from 500 to 1,800 in the city over the last three years,' he said. The situation is also dismal in other Pakistani cities such as Karachi, Faisalabad, Sukkur, Larkana, Lahore and Rawalpindi, he said.

'In 2007, Pakistan had an estimated 90,000 IDUs and the number has now risen to around 500,000,' Tawil said.

UNAIDS is in the process of establishing 20 wards for detoxification and rehabilitation of IDUs. Non-governmental organisations (NGOs) will locate IDUs and bring them to the wards for detoxification. Those with HIV will be taken to ART centres for treatment, Tawil said.

NGOs have also been tasked with implementing the UN's needle exchange programme under which IDUs will be given sterilised needles to end the use of contaminated ones and prevent the human immunodeficiency virus (HIV) from spreading, he said.

This is a pilot programme for Peshawar and will be launched in other cities later.

After detoxification, the IDUs will be counselled and tested at ART centres so that they don't go back to narcotics, Tawil said.

The 2013 survey, 'Drug Use in Pakistan', jointly conducted by the Narcotics Control Division, Pakistan Bureau of Statistics and UN Office on Drug and Crime (UNODC), shows that around 4.25 million people in the country are drug-dependent.

Mian Zulqernain Amir, joint secretary of the Narcotics Control Division, told IPS that in the last 12 months only 30,000 adult drug users had access to treatment, mostly at private centres run by NGOs.

'However, we now have baseline information on the prevalence and pattern of drug use among the population and we are taking steps, in collaboration with the UN and NGOs,' he said.

The survey on 'Drug Use in Pakistan' showed that cannabis was the most commonly used drug in Pakistan, with four million people listed as users. Opium and heroin were used by about 1% of drug users. The highest levels of heroin use were seen in provinces bordering poppy-cultivating areas in Afghanistan. – *IPS* ◆

Debt is back

World Bank statistics reveal a worrying trend: developing-country debt is rising again.

Bodo Ellmers

A demonstration calling for Third World debt relief. Key debt indicators in developing countries are deteriorating.

THE World Bank's *International Debt Statistics 2014* report, released on 12 February, revealed a worrying new trend. In 2012, the last year covered by the report, all relevant debt indicators worsened – reversing the essentially uninterrupted trend of improvement since the early 2000s. Although developing-country debt levels remain low when compared with their historical levels and with crisis-hit countries in the Global North, in the absence of sufficient other sources of income, developing-country governments increasingly turned to issuing large volumes of sovereign bonds to be sold on private capital markets. The boom in sovereign bond issuance poses severe challenges for the international financial architecture, which is not well equipped to restructure this category of debt if needed.

Developing-country debt is rising again

The debt stock of developing countries grew by almost $400 billion in 2012 to reach $4.8 trillion. The World Bank analysts highlight that the accumulation of new debt actually slowed from 11% of the debt stock in 2011 to 9% in 2012. But, because gross national income (GNI) and export growth could not keep track, all key debt indicators are deteriorating. External debt stock reached 22.1% of GNI (up from 21.4% in 2011) and 71.9% of exports (up from 69.3%). The ratio of currency reserves to debt stock shrank to 117.6% in 2012 (down from 122.3%).

Thus, 2012 was the first year since the early 2000s (with the exception of the financial crisis year 2009) in which the debt situation of developing countries worsened significantly. Their debt situation had improved continuously when the debt relief initiatives finally started to show results and the economic environment for developing countries became more favourable. How effective this debt relief was is proven by the fact that the debt service ratio fell to 10% of export revenue in 2011, less than half the 21.1% that it was at the start of the 2000s. In 2012, it fell further to 9.8%. This slight improvement was however not due to less debt but due to exceptionally low interest rates on a rapidly increasing debt stock.

As Eurodad (the European Network on Debt and Development) has argued before, developing countries tend to turn to borrowing mainly as a second-best strategy, due to lack of alternatives. Endemic tax evasion and harmful tax competition combined with donors' persistent inability to scale up official development assistance to 0.7% of their GNI as promised, often leave no other choice than borrowing money to finance the most urgent development needs.

Volatile capital flows

The new World Bank data points to the volatility of different forms of external finance. Unfortunately, the finance that developing countries receive belongs to the more volatile types: foreign direct investment fell in 2012, while the share of portfolio flows was increasing. Moreover, there are significant country differences. The surge in developing-country debt would have been much larger if China had not essentially stopped net lending. While net debt inflows to all developing countries fell slightly in 2012, they increased by 20% in 2012 when China is excluded.

While some countries showed net debt outflows (meaning they repaid more debt than they received as new loans), others – in particular Turkey and South Africa – saw their debt-creating capital inflows more than double in 2012. Newer information than that in the World Bank report (which covers data only to end-2012) proves that private capital is not a loyal friend and one might do well to avoid receiving too much of it. In particular, Turkey and South Africa witnessed massive capital outflows since 2013, as private investors withdrew their money again. They joined a group of struggling emerging economies which also includes Brazil, India and Indonesia – now called the fragile five.

A sovereign bond boom

A significant new development of 2012 was the aforementioned boom in new sovereign bond issues. Developing-country governments increasingly tap private capital from financial markets. Sovereign bond issuance by developing-country borrowers rose by 30% over the 2011 level. More and more countries issued bonds for the first time, replacing credits from commercial banks which used to be the more prominent form of private external finance for developing countries.

In consequence, private creditors provided 90% of new net debt for developing countries in 2012. Net official lending such as that provided by the World Bank itself became increasingly irrelevant. This was, however, also because several countries repaid the rescue loans they had received from the International Monetary Fund (IMF) at the peak of the global financial crisis.

Many observers see the turn towards private external finance as positive because official creditors such as the World Bank tend to attach intrusive policy conditions to loans and thus undermine sovereignty and democratic decision-making processes of borrower countries. However, as Eurodad has pointed out, sovereign bonds have their downsides too when compared with concessional loans that the multilateral and bilateral development banks provide. They are more costly, they come with higher-than-average interest rates and are thus in the long run a drain on the public resources of developing countries. Moreover, they create new debt vulnerabilities. The bonds were issued in an environment where lots of 'easy money' in search of investment opportunities was available on global financial markets, due to the lax monetary policies of the central banks of the US, Europe and Japan. This may no longer be the case when the bonds mature and need to be refinanced in five or 10 years, which puts a question mark on the sustainability of the debt that has been piled up.

Participants at a workshop on sovereign debt issuance by African countries. A boom in sovereign bond issues by developing countries in 2012 can create new debt vulnerabilities.

More debt falls into a governance hole

The sovereign bond boom does not necessarily increase developing countries' resilience to crises either. One could argue that the trend towards sovereign bonds – which usually fall in the category of long-term debt due to their multi-annual maturities – increases financial stability and debt sustainability for developing countries. However, this could be misleading because, when debt becomes unsustainable, bonds turn out to be the category of debt that is the most difficult, most costly and most time-consuming to restructure.

While the existing processes to restructure official debt (through the Paris Club) and commercial bank credit (through the London Club) have severe shortcomings – primarily that the debtor side has no say in them – the situation is even worse when the restructuring of bonds is attempted. There is no such thing as an orderly process for bond restructuring. Restructurings of bonded debts usually depend on voluntary participation by bondholders. But, given the recent developments in US courts that strengthened the rights of holdout creditors or vulture funds, voluntary restructurings with broad participation will no longer be possible. The sovereign bond boom therefore puts additional pressure on the international community to reform the debt restructuring regime as ever larger shares of debt remain uncovered by the existing institutions. ◆

The Istanbul Stock Exchange. Turkey, which experienced a doubling of debt-creating capital inflows in 2012, witnessed massive capital outflows since 2013, as private investors withdrew their money again.

Bodo Ellmers is Senior Policy and Advocacy Officer at Eurodad, the European Network on Debt and Development. This article is reproduced from www.eurodad.org.

Time to end an era of disastrous development

Many things have changed in Myanmar in recent times but land grabs and forced displacement are still an inescapable fact of life for many.

Aung Zaw

The site of the planned Dawei Special Economic Zone, which is expected to exact huge social and environmental costs.

IN Myanmar, there are few things people dread more than the sudden appearance of rich businessmen in their town or village.

Ever since the country's military rulers abandoned socialism in the wake of the 1988 pro-democracy uprising, well-connected cronies and other business partners of the all-powerful generals have been almost as feared as the men in uniform themselves. To stay in power, the hated regime put the whole country up for grabs, and if someone with money or influence wanted the land your family had lived on for generations, it was theirs for the taking.

Many things have changed in Myanmar over the past few years, but unfortunately, this isn't one of them. Land grabs and forced displacement are still an inescapable fact of life for many of the country's citizens, and precious little has been done to improve the situation.

There are many examples of 'development' in Myanmar turning into unmitigated disaster, but none is worse than what has happened in Hpakant over the past 20 years. Famous for its high-quality jade, this region of Kachin State has been reduced to a wasteland since a ceasefire agreement was signed by the government army and the ethnic Kachin Independence Organisation in 1994, paving the way for an all-out assault on its jade-studded mountains.

Fuelled by Chinese demand (and largely controlled by Chinese business interests), the rape of Hpakant has left it deeply scarred. Entire mountains have been levelled and whole new lakes – filled with polluted water – have been formed, all to enrich 'investors' and corrupt officials.

In exchange for the wealth beneath their feet, the people of Hpakant have received nothing – except rampant crime and drug abuse, which rot their communities the way that unregulated mining has eaten away at the region's landscape.

There is more than one guilty party in this sordid tale of social and environmental degradation, but the chief player is the Union of Myanmar Economic Holdings Ltd (UMEHL), a military-run conglomerate that still dominates large parts of the national economy, despite the transition to quasi-civilian rule nearly three years ago.

Needless to say, the people of Myanmar will never see any benefit from this wholesale theft of national treasure. Once it is extracted from the ground, much of Hpakant's jade is smuggled across the country's northern border, while the revenues that remain in the country end up in private hands or are used to finance a deadly conflict that further victimises the powerless people of Kachin State.

In some ways, Dawei, in Myanmar's far south, is a very different story. Instead of natural resources, its chief asset is its geography: located some 350 km west of Bangkok and possessing a deep-sea port, it is ideally situated to become a major transport hub for the region.

To realise this dream, billions of dollars will have to be poured into Dawei (whereas in Hpakant, billions have been extracted). Most of that money will come from Thailand, which also hopes to attract Japanese investment in the planned Dawei Special Economic Zone (SEZ). The Myanmar government has boasted that the project will not only transform a coastal backwater into an economic powerhouse employing thousands of people, but will also become an engine for the national economy.

The trouble is that none of this can be done without exacting huge social and environmental costs, and the signs so far are that the government has learned little from the travesties of the past about how to mitigate the negative impact of large-scale economic development.

In Dawei, as in Hpakant, people have been forced to leave their homes, often with inadequate compensation. Fears of massive damage to the environment from the construction of an industrial zone that will spew toxic chemicals have never been properly addressed. And a hasty ceasefire agreement with former adversaries active in the area (the 4th Brigade of the Karen National Liberation Army) offers no real promise of lasting peace.

Strangely, the 'experts' and 'analysts' who have been flocking to Naypyitaw to applaud the government's economic reforms have been silent on these issues, as if they assume that the 'new and improved Myanmar' won't repeat the mistakes of the past. But what is to prevent Dawei becoming a wasteland like Hpakant? Certainly there are no laws in place to protect people's right to their land, or the land itself from the ravages of blind greed.

President U Thein Sein, who won praise for suspending the Myitsone hydropower dam in Kachin State – another megaproject designed to benefit a neighbouring country at the expense of local people – has also acted as if he sees no need to seriously examine the impact of large-scale foreign investment in Myanmar's economy. It's unlikely that he is unaware of the problems, so we can only conclude that he doesn't care enough about them to exert any political will to find solutions.

Since the opening of Myanmar, everyone, including Western governments, has talked about the country's rich natural resources and its vast economic potential. There is no doubt that as Asia's last frontier, Myanmar is ripe for development in many sectors, including energy, mining, tourism and agriculture. But to realise its true potential, the country will need to radically change the way it does business, away from practices that benefit the powerful while imposing huge burdens on ordinary people.

Myanmar has long been the poorest country in a fast-growing region, weakened by a predatory state and vulnerable to exploitation by better-off neighbours. So changing the way Myanmar develops its economy is not just about doing right by its citizens – it is also about building a stronger nation. ◆

Aung Zaw is the founding editor-in-chief of The Irrawaddy *(www.irrawaddy.org). This article was first published in the February 2014 print edition of* The Irrawaddy *magazine.*

ECONOMICS

America's last throwback to Plutocracy 1.0

Bunny Mellon, 'the last standing true American aristocrat', died in March. As *Sam Pizzigati* points out, she represented 'the last link between America's original plutocrats, the gang that ushered in the Great Depression, and our contemporary plutocrats, the crew that gave us the Great Recession.'

Bunny Mellon and husband Paul. 'Bunny's life ... saw the demise of one plutocracy and the rise of another.'

LET us pause now to pay our respects to Bunny Mellon. She died on 17 March on her 4,000-acre farm in Virginia's fabled horse country. But no tears, please. Bunny – nobody called her by her given name Rachel – lived a long and rich life.

Very long. Very rich.

One hundred and three at her death, Bunny Mellon spent every year of her century-plus existence in luxury. Her grandfather had made a fortune off Listerine mouthwash. Her father ran the Gillette razor company.

Bunny Mellon herself would become wealthier still. In 1948, she married Paul Mellon, the only son of Andrew Mellon, one of America's richest men ever.

Paul and Bunny would go on to share over 50 years together, mostly at their farm, a beloved spot that sported a mile-long private plane runway, a bronze statue of their Kentucky Derby winner, and a Mark Rothko painting worth over $100 million. For variety, the Mellons shuttled between an assortment of their other homes in Antigua, Paris, New York, Washington, Nantucket and Cape Cod.

But Bunny Mellon didn't just frolic away her good fortune. She became, her obituaries all noted, a widely admired horticulturist and even expertly redesigned the White House Rose Garden for her dear friend Jacqueline Kennedy.

One obituary described Bunny Mellon as 'the last standing true American aristocrat'. Bunny's life actually holds a deeper historical significance. At her passing, she represented the last link between America's original plutocrats, the gang that ushered in the Great Depression, and our contemporary plutocrats, the crew that gave us the Great Recession.

Mellon had her high-society debutante debut in October 1929, the same month as the infamous stock market crash. America's top 1% was then collecting nearly a quarter of the nation's income, a level the nation's deepest pockets would not again match until Bunny Mellon's last decade.

Bunny's life, in effect, saw the demise of one plutocracy and the rise of another.

And that presents us with a bit of a mystery. How did Bunny's mammoth family fortune survive the mid-20th century, a span of years that saw America's other original plutocratic fortunes battered down by a 91% federal tax on income over $400,000 and a 77% estate tax on bequests over $10 million?

The answer: the Mellons had an ace up their sleeve. Bunny's father-in-law, Andrew Mellon, didn't just hold a huge fortune. He held enormous political power, as the longest-serving Secretary of the Treasury in US history. Andrew Mellon entered the cabinet in 1921. He wouldn't exit until 1932.

Between those two years, Mellon did his best to undo the tax rates imposed on America's rich during World War I. On his watch, the top income tax rate, 77% on income over $1 million in 1918, would drop to just 25%.

Mellon despised the estate tax even more than taxes on high incomes. 'The social necessity for breaking up large fortunes in this country,' he pronounced in 1924, 'does not exist.'

Mellon pushed hard to have the estate tax completely repealed. He wouldn't get that repeal. Lawmakers slashed estate tax rates but left the tax in place. But Mellon did get his way on the 'gift tax', a low-profile accessory to the estate tax.

Congress had enacted a gift tax to prevent the wealthy from sidestepping the estate tax by 'giving' their money away to family and friends. Mellon in 1926 had this gift tax repealed – and then proceeded to take full advantage of its absence. He would quickly shower his dear ones with millions in untaxed gifts.

Mellon had another trick up his sleeve as well. He didn't just manoeuvre to lower tax rates on high incomes. He quietly had his Treasury Department issue tax rebates to the rich for the high taxes they had paid before tax rates started falling. Mellon personally would pocket $21 million in personal and corporate refunds, the equivalent of over a quarter-billion dollars today.

Mellon's grand fortune, thanks to manoeuvres like these, passed on largely intact to his nearest and dearest. In 1957, *Fortune* would publish a list of America's wealthiest individuals. Half the top eight owed their wealth to Andrew Mellon.

This immense wealth enabled Bunny Mellon to skate through America's mid-century years. Her rich contemporaries found the going much more difficult. By the 1950s, newly restored high taxes on America's richest had their grand estates turning into college campuses and suburban housing tracts.

Not all the rich, to be sure, had such a hard time in the high-tax years right after World War II. Oil industry fortunes flourished mightily, fuelled by a set of special tax breaks zealously guarded by the nation's two most potent lawmakers, House speaker Sam Rayburn and Senate majority leader Lyndon Johnson.

These Big Oil fortunes – with substantial Mellon heir cash on the side – would soon bankroll a new conservative political infrastructure and set the stage for the Reagan era's wildly successful assault against high taxes on America's richest.

By Bunny Mellon's golden years, that assault had completely recreated the plutocracy of her youth. She had outlived America's equal years. Will the rest of us now outlive, the question becomes, today's unequal ones? ◆

Labour journalist Sam Pizzigati, an Institute for Policy Studies associate fellow, writes widely about inequality. His latest book is The Rich Don't Always Win: The Forgotten Triumph over Plutocracy that Created the American Middle Class, 1900-1970. *The above article originally appeared in* Too Much*, the inequality weekly, and is reproduced here from the inequality.org website under a Creative Commons 3.0 Licence.*

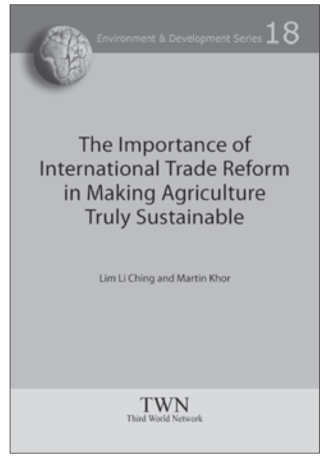
The Importance of International Trade Reform in Making Agriculture Truly Sustainable

Lim Li Ching and Martin Khor

Reforms of the international trade regime require a significant reduction or removal of harmful subsidies currently provided mainly by developed countries, while at the same time allowing special treatment and safeguard mechanisms for developing countries in order to promote their smallholder farmers' livelihoods. Such reforms, coupled with policies in support of sustainable small-scale agriculture in developing countries, would improve local production for enhancing food security.

There is also a need for regulatory measures aimed at reorganizing the prevailing market structure of the agricultural value chain, which is dominated by a few multinational corporations and marginalizes smallholder farmers and sustainable production systems. Policies that increase the choices of smallholders to sell their products on local or global markets at a decent price would complement efforts to rectify the imbalances.

In addition, a shift to more sustainable and ecological agricultural practices would benefit smallholder farmers by increasing productivity while strengthening their resilience to shocks, such as climate change, and reducing the adverse impacts of conventional agricultural practices on the environment and health. The trade policy framework should therefore support such a shift.



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UN to hold development summit in 2015

The Millennium Development Goals (MDGs) were adopted at the Millennium Summit in September 2000 and comprise a set of eight international development objectives to be realised by the year 2015. As the deadline approaches, the question of the post-2015 development agenda has come to the fore. Two separate processes have been at work in designing this agenda. The first consists of initiatives launched by the UN Secretary-General under a mandate from the 2010 MDG summit, and the second involves those stemming from the decision of the Rio+20 summit in 2012 to design a package of sustainable development goals (SDGs) to be integrated into the post-2015 development agenda. Concern that they have been left out of the whole process has prompted developing countries to fight for their right to shape the agenda. As a result, it has been agreed that actual intergovernmental negotiations on the post-2015 development agenda will start in September 2014, with a development summit to be held in 2015 to adopt the agenda. *Martin Khor* explains.

A SUMMIT of political leaders will be held in September 2015 to adopt the United Nations' post-2015 development agenda.

This was decided at a UN General Assembly special event to review the Millennium Development Goals (MDGs) held at the UN in New York last September.

To prepare for the summit and its outcome, an intergovernmental process will be launched in September 2014, at the beginning of the 69th session of the UN General Assembly.

'The final phase of the intergovernmental work will culminate in a Summit at heads of states and governments level in September 2015 for the adoption of the post-2015 development agenda,' states an 'outcome document' adopted during the special MDG event.

'We request the President of the General Assembly to convene, in a timely manner, intergovernmental consultations to achieve agreement on organisational modalities for the Summit.'

The special event on the follow-up on efforts to achieve the MDGs was convened by the President of the General Assembly, Ambassador John Ashe, as part of the General Assembly events taking place in New York.

The 25 September event included speeches by political leaders of governments and states at the opening session and in four subsequent roundtables. Other speakers included ministers, business leaders and civil society representatives. The participants adopted the outcome document at the end of the event.

Timing

The timing of the start of the intergovernmental negotiations for the post-2015 development agenda (i.e., only in September 2014, rather than straightaway) seems to have been decided on to take into account the present work of three other processes in the follow-up to the Rio+20 sustainable development summit of 2012.

The outcome document acknowledged the Rio+20 follow-up processes now underway at the Open Working Group on Sustainable Development Goals (SDGs), the intergovernmental committee of experts on sustainable development financing, as well as the process to develop options for a technology facilitation mechanism.

'We urge that these processes should complete their work in a comprehensive, balanced and expeditious manner by September 2014,' states the outcome document.

The sequencing implied is that these three processes (SDGs, financing and technology) complete their work in September 2014, and the negotiations for the post-2015 development agenda would then begin also in September 2014.

The intention seems to be to avoid an overlap of the two processes (i.e., the Rio+20 follow-up and the development agenda) in the period from October 2013 to September 2014.

Of course there is nothing to prevent governments and their groupings from holding their own preparatory and informal meetings on the development agenda during this period. However, the formal negotiating process for the development agenda is mandated to begin only in or after September 2014.

Several government delegates have voiced concern (and impatience) that whilst the UN secretariat and UN agencies as well as many NGOs and research institutions have already embarked on a lot of work on the post-2015 development agenda, the governments have yet to begin work or negotiations on this at the multilateral UN level.

It seems they have to wait until September 2014 for the formal negotiating process to start.

A decision on even this did not come easily. According to diplomatic sources, the developing countries under the umbrella of the Group of 77 and China had to fight hard to have a negotiated and agreed outcome for the MDGs special event of 25 September.

Many developed countries reportedly only wanted a 'Chairman's summary', which would carry much less weight in the UN and may not have mandated an intergovernmental process for the development agenda nor a summit.

Because an 'outcome document' was agreed to for the 25 September event, the developing countries could then put forward their view that the post-2015 development agenda should have an intergovernmental negotiating process, which means there would be an outcome document to be agreed to by all UN member states.

Additionally and importantly, a summit will now be convened in September 2015 for political leaders to discuss and adopt the outcome document of the post-2015 development agenda. This of course gives a high profile and a high political weight to the development agenda and the negotiating process leading to its adoption.

Terms of reference

In terms of the substantive terms of reference or framework for the post-2015 development agenda and its negotiations, the following elements were agreed to in the 25 September outcome document:

• It will be in parallel with intensification of efforts to accelerate achievement of the MDGs.

• It will build on the foundations laid by the MDGs, complete the unfinished business and respond to new challenges.

• Reaffirmation of commitment to the Millennium Declaration, the outcome document of Rio+20, the Monterrey Consensus, the Doha Declaration on Financing for Development and the outcomes of all the major UN conferences and summits in the economic, social and environmental fields. 'We will continue to be guided by the values and principles enshrined in these texts,' says the outcome document.

UN Photo/Devra Berkowitz

A UN General Assembly special event to review the Millennium Development Goals was held last September.

• Reaffirmation of all the principles of the Rio Declaration on Environment and Development, including the principle of common but differentiated responsibilities, as set out in principle 7 thereof.

• It should reinforce the international community's commitment to poverty eradication and sustainable development.

• The central imperative of poverty eradication, commitment to freeing humanity from poverty and hunger as a matter of urgency.

• It recognises the intrinsic interlinkage between poverty eradication and promotion of sustainable development, and stresses the need for a coherent approach which integrates in a balanced manner the three dimensions of sustainable development.

• This involves working towards a single framework and set of goals, universal in nature and applicable to all countries, while taking account of differing national circumstances and respecting national policies and priorities.

• It should also promote peace and security, democratic governance, the rule of law, gender equality and human rights for all.

In terms of the process towards the post-2015 development agenda, the outcome document of 25 September contains these elements:

• Acknowledging the Rio+20 processes, especially the SDGs working group, the sustainable development financing experts committee and the options for a technology facilitation mechanism.

• An inclusive and people-centred post-2015 development agenda, through a transparent intergovernmental process which will include inputs from all stakeholders including civil society, scientific and knowledge institutions, parliaments, local authorities and the private sector.

• Over the coming year, the President of the General Assembly will convene events under the theme 'The Post-2015 Development Agenda – Setting the Stage'.

• The support of the UN system and the Secretary-General to synthesise the full range of inputs then available and to present a synthesis report before the end of 2014.

• The President of the General Assembly to convene intergovernmental consultations to achieve agreement on organisational modalities for the summit.

• The process will culminate in a summit at the level of heads of state and government in September 2015 for the adoption of the post-2015 development agenda. ◆

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Moving away from MDGs to development proper

Development, contends *Yilmaz Akyüz*, is much more than the Millennium Development Goals (MDGs), which are based on a donor-centric view of development with a focus on poverty and aid. Arguing that it is time to get back to development proper, he submits that the post-2015 development agenda should focus on global systemic reform to secure an accommodating international environment for sustainable development.

Moving away from MDGs to development proper

THE Millennium Development Goals (MDGs) were not developed as a global agenda for development. They were pulled out of the Millennium Declaration by UN staff in an ad hoc fashion. They are not the outcome of intergovernmental negotiations on a global development agenda, properly integrating its international and national dimensions.

MDGs are based on a donor-centric view of development with a focus on poverty and aid. They do not embrace a large segment of the population in the developing world, notably in middle-income countries, which fall outside the thresholds set in MDGs but still have their development aspirations unfulfilled.

We should not repeat this process if we want a genuinely global development agenda, drawing on the lessons from the development experience in the past few decades of growing international interdependence. This is all the more so if we want change. MDGs were set according to what was seen as feasible on the basis of global trends observed in the two decades preceding the Millennium Summit. But if we want change, we should not simply reset targets for similar objectives on the basis of current underlying trends. Rather, we should set a framework that would move the trend by altering the main parameters of the international economic system in support of development.

It would be agreed that development is much more than the sum total of MDGs or any such arbitrary collection of a limited number of specific targets. But it is not possible to reach an international agreement on all important dimensions of economic and social development and environmental protection. Any international agreement on such specific development targets would naturally be selective, leaving out many dimensions to which several countries may attach particular importance. Thus, instead of focusing on selective specific targets in the areas of economic and social development and environmental protection, we should aim at creating an enabling international environment to allow each and every country to pursue developmental objectives according to its own priorities with policies of its own choice.

Economic growth and development

We all know what development means – we do not need to reinvent the wheel. The primary objective of developing countries is economic development. The social dimension is and has always been a built-in component of economic development.

Sustained economic growth is absolutely necessary for progress on the social front. No country has ever achieved constant improvements in living standards and human development indicators without sustaining a rapid pace of economic growth.

Without this, progress in human and social development would naturally depend on external and domestic transfer mechanisms – that is, aid and redistribution of public spending, respectively. Since there are limits to such transfers, social progress cannot go very far without an adequate pace of income and job generation.

This was most clearly expressed by Raúl Prebisch, the first Secretary-General of the UN Conference on Trade and Development (UNCTAD), in the remarks he made in 1979 on the 'meagre results achieved since the first United Nations Conference on Trade and Development':

'Another idea has now appeared which fires the enthusiasm of some Northern economists, that of eradicating poverty – a phenomenon which, apparently, they have just discovered. Who could refuse to fight against poverty? ... But, is this possible outside the context of development and an enlightened international cooperation policy?'

Industrialisation is essential for reducing income, productivity, technology and skill gaps with more advanced economies since there are limits to growth and development in commodity-dependent and service economies. It takes different shapes at different levels of development. But, it is not beyond reach even for relatively small economies such as Taiwan (23 million), Switzerland (8 million) and Singapore (5 million). On the other hand, many resource-rich economies (e.g., the United States and Sweden) closed income gaps with more advanced economies of their times only through industrial development.

Social development

We also know that there is no automatic trickle-down from economic growth to human and social development. Policies and institutions are needed to translate economic growth to social development.

Job creation holds the key to improvements in living standards and to human development. But economic growth is not necessarily associated with creation of jobs at a pace needed to fully absorb the growing workforce. Thus, active policies are needed to provide secure and productive job opportunities.

Equity is an important ingredient of social cohesion and development. Prevention of widened inequality in income distribution calls for intervention in market forces, targeted policies and correctives.

Environment

Finally, we all know that protection of the environment is essential for the sustainability of economic growth and development. In designing industrialisation and development strategies and policies, attention needs to be paid to their environmental consequences. In fact, environmental sustainability is an integral part of industrial policy.

Key developmental objectives

These together give the key policy objectives for development:

i. Rapid and sustained economic growth

ii. Industrialisation

iii. Full employment

iv. Greater distributional equity

v. Environmental sustainability.

These encompass all three areas of sustainable development – economic and social development and environmental protection.

National policies

Prime responsibility for economic development lies with the countries concerned. Success depends on effective design and implementation of industrial, macroeconomic and social policies as well as an appropriate pace and pattern of integration into the global economic system. This calls for a genuine departure from policies fashioned on the Washington Consensus over the past two decades.

Industrialisation and development cannot be left to market forces alone and least of all to global markets. Successful development is associated neither with autarky nor with full integration into world markets dominated by advanced economies, but with strategic integration in trade, investment and finance designed to use foreign markets, technology and finance in pursuit of national industrial development.

The international context

To succeed in development, developing countries need to have adequate policy space. However, their policy space is considerably narrower than that enjoyed by today's advanced economies in the course of their industrialisation, because of the tendency of those who reach the top to 'kick away the ladder' and deny the followers the kind of policies they had pursued in the course of their own development.

It is necessary to reform multilateral and bilateral arrangements to allow developing countries as much economic policy space as that enjoyed by today's advanced economies in the course of their industrialisation and development.

Developing countries also enjoy much less environmental space than that enjoyed by today's advanced economies in the course of their industrialisation, and hence face greater constraints in attaining growth and development without compromising future generations' well-being. Centuries of industrial development in advanced economies have left very little carbon space and much of it is still being used by advanced economies because of a very high per capita emission of carbon dioxide and other harmful gases. Developing countries thus face the dilemma of either sacrificing growth and development or incurring large costs of mitigation to cope with the limited carbon space.

In the same vein, global warming and increased instability of climatic conditions are already inflicting significant costs on several poor developing countries, including those dependent on agricultural commodities and small-island economies.

Thus, action is also needed at the international level in order to ease the environmental constraints over economic growth and development in developing countries and to compensate the costs inflicted on them by environmental deterioration resulting from years of industrialisation in advanced economies.

Finally, there is a need for a development-friendly global economic environment. We need mechanisms to prevent adverse spillovers and shocks to developing countries from policies in advanced economies or destabilising impulses from international financial markets.

Systemic reforms

Adequate policy space and a development-friendly global economic environment call for action at the international level on several fronts:

i. Review multilateral rules and agreements with a view to improving the policy space in developing countries in pursuit of economic growth and social development.

ii. Attention to the international intellectual property (IP) regime with a view to facilitating technological catch-up and improving health and education standards and food security in developing countries.

iii. Industrial, macroeconomic and financial policies of developing countries are severely constrained by bilateral investment treaties (BITs) and free trade agreements (FTAs) signed with advanced economies. These agreements are designed on the basis of a corporate perspective rather than a development perspective and they give considerable leverage to foreign investors and firms in developing countries. They need to be revised or dismantled.

iv. Remove terms unfavourable to

commodity-dependent developing countries in contracts with transnational corporations (TNCs) to enable them to add more value to commodities and obtain more revenues from commodity-related activities.

v. Establish and effectively implement a legally binding multilateral code of conduct for TNCs to secure social responsibility and accountability and prevent restrictive business practices.

vi. Introduce multilateral mechanisms to discipline policies in advanced economies to prevent ad-verse consequences for and spillovers to developing countries, including agricultural subsidies, restrictions over labour movements and transfer of technology, and beggar-my-neighbour monetary and exchange rate policies.

vii. Establish mechanisms to bring greater stability to exchange rates of reserve currencies and prevent competitive devaluations and currency wars, such as those seen during the current crisis.

viii. Reduce global trade imbalances through faster growth of domestic demand, income and imports in countries with slow growth and large current account surpluses in order to allow greater space for expansionary policies in deficit developing countries.

ix. Full employment should be declared as a global objective, to be pursued by all countries without resort to beggar-my-neighbour exchange rate, trade and labour-market policies.

x. Reversal of the universal trend of growing income inequality should also be a global goal. This calls for reversing the secular decline in the share of labour in income in most countries. This goal could be pursued through various means to establish a level playing field between labour and capital, including greater international mobility of labour, regulation of international financial markets and capital movements, more equitable taxation of wage income and incomes from capital and financial assets, prevention of tax competition and a code of conduct for TNCs. Pursuit of such a goal calls for breaking the dominance of finance and corporate interests in the formulation of policies and operation of the global markets. No single country alone can do this – it should be pursued collectively at the global level.

xi. Regulate systemically important financial institutions and markets, including international banks and rating agencies and markets for commodity derivatives, with a view to reducing international financial instability and instability of commodity prices.

xii. Establish impartial and orderly workout procedures for international sovereign debt to prevent meltdown in developing countries facing balance-of-payments and debt crises.

xiii. Compensate costs inflicted on developing countries by global environmental deterioration and climate change.

xiv. Secure a fair and equitable allocation of usable carbon space between advanced economies and developing countries, taking into account cumulative contributions of advanced economies to atmospheric pollution. Even then, developing countries should not incur additional costs to accommodate the tightened carbon space constraints such as those involved in developing and using cleaner technology or energy sources. Transfer of technology for these purposes should be greatly facilitated and provisions in the international IP regime impeding such transfers should be revised.

xv. Introduce international taxes in areas such as financial transactions or energy to generate funds for development assistance as well as for financing the costs of climate change mitigation and adaptation in developing countries.

xvi. Reform international economic governance in ways commensurate with the increased participation and role of developing countries in the global economy. Re-examine the role, accountability and governance of specialised institutions such as the International Monetary Fund (IMF), the World Bank and the World Trade Organisation (WTO), and the role that the UN can play in global economic governance.

It is not possible to classify these systemic reforms under the three components of sustainable development as economic, social or environmental goals because in most cases they affect more than one component. The sum total of such measures should constitute an action plan to create an enabling environment for sustainable development.

The way forward

The post-2015 agenda for development should not simply extend the MDGs, reformulating the goals, dropping one or two and adding a few in areas such as environment and human rights. It should focus, instead, on global systemic reforms to remove main impediments to development and secure an accommodating international environment for sustainable development.

This is a big, ambitious agenda which cannot be acted on and achieved overnight. It should be prioritised and taken up in an appropriate sequence.

If found necessary, an action plan for systemic reforms could be supplemented, but not substituted, by specific goals in some areas of economic and social development. Such goals should be set for the principal drivers of development, notably growth, employment and distribution, rather than for specific areas of human development as in the MDGs.

International action for systemic reforms should be formulated as explicit commitments with appropriate time frames, going well beyond the generalities of Goal 8 of the MDGs. Without this, a global partnership for sustainable development would remain empty rhetoric. ◆

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A credible post-2015 development agenda requires structural transformations in macroeconomic and financial governance

A credible post-2015 development agenda requires the overhauling of the inequitable and dysfunctional arrangements and structures in the international macroeconomic and financial architectures.

Currency traders at work. The deregulation of financial systems and the liberalisation of cross-border capital flows have given rise to an epic expansion of speculative and short-term financial trading.

A CREDIBLE post-2015 development agenda will not be about securing a global partnership towards setting nominal goals and indicators that go a few steps deeper than the Millennium Development Goals (MDGs). Rather, it will be about the extent to which a global partnership can summon the political will for genuine transformation on both structural and institutional levels.

This means reformulating policies, redesigning strategies and even rethinking development and its purpose. It also means seriously reforming, and in some cases overhauling, the inequitable and dysfunctional arrangements and structures in the international financial, macroeconomic and trade architectures.

Five key areas within macroeconomic and financial governance that are critical to address for a legitimate and meaningful post-2015 development agenda are: (1) financialisation and regulation, (2) pro-cyclical or austerity-based fiscal and monetary policies, (3) sovereign debt, (4) the role of the private sector in development, and (5) democratic governance in international financial institutions.

Central to macroeconomic and financial governance is the developmental role of the state. A post-2015 development agenda needs to affirm, support and protect the state's ability to play a proactive role in building domestic institutions, governing the economy, regulating the market and ensuring that economic growth creates decent work opportunities, food security and economic diversification, for example. The activist role of the state needs to be viewed as essential for the translation of economic growth into securing economic and social rights, equality and well-being.

Financialisation

The expansion of the financial economy at the expense of the real economy and its consequent adverse implications, particularly financial crises, have seriously challenged the ability of both developed and developing countries to maintain stable and consistent development trajectories. For example, the sharp increase in financial trading and investment flows has not demonstrably led to job creation and productive capacity, or to securing provision and access to essential social services, or to maintaining stability in the domestic economy, currency values, and the prices of food and fuel commodities and various other assets.

The deregulation of financial systems and the liberalisation of cross-border capital flows have given rise to an epic expansion of speculative and short-term financial trading. The global currency market alone is reported to trade $4.7 trillion a day, the biggest market in the financial system and, as critics point out, a market that embodies all the hallmarks of a casino.

The economy that international finance has created is problematically disconnected from the real economy of production, direct investments, job creation and wage growth. The need for regulation and governance in the financial economy is clear. Position limits in food futures trading and even the banning of staple foods from financial trading are urgently necessary. Strict financial regulation of over-the-counter derivatives trading is also urgent.

The liberalisation of capital flows has given rise to repeated panic exits of capital, particularly when investors act in a herd-like mentality. This results in various macroeconomic instabilities such as currency devaluation (which adversely impacts external

The International Monetary Fund (IMF) has maintained its longstanding asymmetrical governance structure that favours rich countries.

debt and trade), interest rate hikes (which increase domestic borrowing costs), inflation (which increases domestic prices) and the shrinking of domestic credit supply (which means less domestic money to loan and use).

While several developed and developing economies have been implementing capital controls and requirements attached to foreign capital flows, such regulations have not yet been fully accepted by the international financial system and are often the exception pursued by countries which take their own initiative rather than the rule that governs both capital inflows and outflows. There is a need for a vision to craft new and bolder rules to ensure that foreign capital flows also serve development.

Tax evasion and non-compliance, tax havens and transfer pricing practices by corporate actors also need to be addressed through political will and institutional governance. The lack of access to credit and financing for the poor, especially the rural and agricultural poor, could be addressed by reviving public development banks which are mandated to strive for financial inclusion. There are many other financial regulations, institutional developments and structural shifts that are needed to rein in the financial economy and to govern it to serve the real economy.

The history of successful development pathways shows that the financial economy has to serve the real economy through development strategies such as economic diversification, employment creation, productive capacity, long-term public investments in vital social sectors such as health and education, as well as selective trade protection, financial regulation, industrial policy and technological upgrading, among other flexibilities to create a sound domestic economic foundation. Most of these strategies require policy space, the principle of special and differential treatment in multilateral trade, and the Rio principle of common but differentiated responsibilities, among others.

Pro-cyclical macroeconomic policies

There is a paradox in the effort to frame an enhanced global development agenda within the current global consensus on austerity policies. This paradox implores questions of how sectors critical to development, such as health and education, can survive aggressive public spending cuts and subsidy reforms, and how domestic firms and small and medium enterprises can access the financing they need in a context of credit crunches and increasing domestic borrowing costs. How can income inequality be meaningfully addressed in a context of regressive tax measures, such as increasing value-added taxes?

A review of austerity measures in 181 countries in a paper published jointly by the Initiative for Policy Dialogue and the South Centre has revealed that austerity will affect 5.8 billion people or 80% of the global population in 2013. The data also shows that fiscal contraction is most severe in the developing world.

A recent report, 'Government Spending Watch', produced by Development Finance International finds that public expenditure on the MDGs in 52 low- and middle-income countries has been cut as of 2013. And countries with programmes with the International Monetary Fund (IMF) have cut deficits faster than they have increased revenue levels, with adverse effects on MDG spending, particularly in agriculture and health sectors.

If the post-2015 development agenda is serious about addressing austerity policies and the fiscal and monetary constraints they impose for scaling up critical public expenditure for social development, there must be due consideration of counter-cyclical and development-oriented fiscal and monetary policy choices. The following are some examples: deficit-financing to prioritise public investments in key social sectors and infrastructure; managing monetary policy for inclusive finance; financial regulation; debt restructuring, rollovers, standstills and cancellation; and domestic resource mobilisation through taxation based on income and assets and by addressing corporate and investor tax evasion.

Sovereign debt crises and restructuring

The cyclical process between recurring sovereign debt problems and austerity exemplifies a key dysfunction of the international financial system. Sovereign debt problems are both the driving factor that leads to austerity policies, as well as the result of austerity policies that force countries to take out loans which create new debt burdens.

The lack of a fair, equitable and effective means by which to address sovereign debt crises and the absence of an international debt restructuring mechanism is arguably one of the most critical absences, or even failures, of the international financial architecture. Debt burdens, particularly in the least developed economies, have dire consequences for fiscal space. Foreign exchange earnings are funnelled into external debt-servicing obligations rather than public investments in the domestic economy and for national development needs.

The United Nations has proposed the creation of a sovereign debt resolution mechanism for a number of years. In the wake of the global financial crisis, the need for a resolution mechanism was echoed by academics and policymakers worldwide. The Stiglitz Commission (2009) and the G77 group of developing countries' proposal to the UN Conference on the World Financial and Economic Crisis and Its Impact on Development in June 2009 stressed the need for an independent and fair debt resolution system. Even the IMF's Executive Board in 2000 endorsed the principle that a debtor country can impose a unilateral debt standstill and simultaneously impose capital controls to avert capital flight.

The spectre of vulture funds

The ongoing court case between Argentina and Wall Street vulture funds demonstrates the deep dangers posed by the absence of an international debt restructuring mechanism. When a minority of creditors can hold out from sovereign debt restructuring initiatives, they can legally paralyse the ability of sovereign states to achieve debt workouts and pursue fair negotiations mediated by an independent third party. Bondholders who had initially cooperated with national debt workout efforts become disincentivised to cooperate in future debt workouts, which will imperil country efforts to negotiate debt workouts in the future. Additionally, the financial cost of such lawsuits can propel countries into new debt crises, undoing economic and social gains reached by debt workouts.

The UN Guiding Principles on Foreign Debt and Human Rights, which were endorsed by the UN's Human Rights Council in June 2012, outline a human-rights-based approach to debt and macroeconomic policies. The UN independent expert on foreign debt and human rights, Cephas Lumina, has stressed that for deeply indebted countries whose only recourse out of sovereign insolvency is debt workouts, their recourse will be made impossible if vulture funds are allowed to paralyse debt relief. Lumina urged world governments not to allow vulture funds to purchase debts of distressed companies or sovereign states on the secondary market for a sum far less than the face value of the debt obligation.

The role of the private sector in development

The role of the private sector in development is a central question for the post-2015 development agenda (see also the separate article 'Amplifying the private sector in development: Concerns, questions and risks' in this issue). Over the past decade, multilateral development banks have tripled investments and loans to their private sector portfolios (from 7.3 to 21.24 billion euros). Between 2006-10, even as official development assistance (ODA) and other development financing contracted, the International Finance Corporation of the World Bank Group scaled up its private sector financing from 1.5 to 3.4 billion euros.

Catalysing private investment is also a core task of the G20's new Financing for Investment (FfI) framework, which focuses on public-private partnerships (PPPs) in infrastructure. At the March 2013 G20 sherpa meeting, the Russian official stated: 'We are... considering the possibility of modifying mandates of national and international development banks, with the goal of focusing the institutions for development on promoting investment, primarily in infrastructure, and supporting PPPs in this area.'

The role of the private sector in the allocation of development finance money, which is essentially public money from taxpaying citizens, needs to be unpacked and scrutinised. Several salient questions need to be taken into consideration, especially as the UN Global Compact and other actors make strong cases for public-private partnerships and other private-sector-led initiatives to play a central role in the post-2015 development agenda:

Whose private sector? An assessment of all investment projects by the European Investment Bank and the International Finance Corporation in the world's poorest countries during the second half of the 2000s revealed that only 25% of all companies supported were domiciled in developing countries.

Development outcomes? Is the private sector sufficiently incentivised and adequately regulated by the state to provide social services and public goods with positive development outcomes?

Contingent liability and debt? Public guarantees for public-private partnerships, often of huge sums, which the state is required to pay in the event of project failure or risk, have serious implications for sovereign debt risks.

Governance for equity and access? Equity in public-private partnerships is concerned with broad dimensions such as equitable distribution, access and affordability. Providing access alone has proven to be insufficient, as it is equitable and affordable access that is an essential dimension to fight poverty.

Aid for the people or for firms? In the current context of ODA contraction, a key concern is that the use of aid for private sector investments reduces public funds for much-needed social sector investments which are critical for equitable social development.

Tax evasion and state regulation? Not only is there demonstrable historical evidence that multinational corporations are more likely to evade taxes and engage in transfer mispricing, they also often have investor powers, particularly through trade and investment agreements, to legally prohibit governments from enacting development-oriented laws, regulations and safeguards.

The surge in private sector investments, including through public-private partnerships, calls for a deeper rethinking and critical examination of the role and responsibility of the public sector in meeting development needs.

Questions towards alternative arrangements and visions for the involvement of the private sector must be asked. For example, are there certain essential social services (such as healthcare and education) and certain basic infrastructure projects needed for development (such as the building of roads and schools) that should be carried out only in the public domain to ensure distributional equity in access and affordability?

The deepening of the legal powers of foreign investors and firms over developing countries has taken place through bilateral investment treaties and free trade agreements. This phenomenon of legally enforceable investor power elicits a serious rethinking of where and how the state can secure and pursue its developmental role without relinquishing national rule of law and economic governance to foreign investors and companies that usually do not have a development mandate.

Ways forward

The following are some possible recommendations on how the post-2015 development agenda can regulate and steer the role of the private sector towards equitable, sustainable and development-oriented outcomes:

1) Align private sector financing to developing countries' investment and development priorities.

2) Make development outcomes the overriding criteria for project selection and evaluation.

3) Prioritise domestic micro, small and medium enterprises and companies over foreign companies. This is essential for private investments to actually support the development of competitive and locally owned private industry. To help ensure this, private investments should be required to facilitate local-content requirements, as well as knowledge and technology transfer.

4) Regulate against tax evasion and tax loopholes.

5) Compliance with international human, social and environmental standards.

6) Set higher standards for transparency of financial intermediary investments and review their use of investments.

Global financial governance

Reforming persistent inequities in global financial governance, particularly in the IMF and G20, is of utmost importance if the post-2015 development agenda is to meaningfully address the democratic deficit in global governance as well as the incoherence between the significant shifts in the global economic geography and the decision-making structures that govern financial relations and rules.

The role of the UN in global economic and financial governance is also central to the post-2015 development agenda, as the UN is the institutional home of the agenda.

It is important to recall that the only global conference that focused on the impacts of the crisis on development, the UN Conference on the World Financial and Economic Crisis and Its Impact on Development, held in June 2009, called for three possible mechanisms in its outcome document:

1) Establishment of an ad hoc open-ended working group to follow up on the issues contained in the outcome document;

2) Possible establishment of a Panel of Experts to provide independent technical expertise and analysis on development and finance; and

3) Organise a follow-up conference on the financial crisis and its impact on development two to three years later.

These follow-up processes, which were negotiated by all UN member states and adopted by the General Assembly, had potential for the UN to situate itself in a more meaningful, serious and sustained manner in global economic and financial governance.

However, in the years since the 2009 conference, the various avenues for a meaningful follow-up have been blocked and undermined by disagreements between member states, in particular between the G77 group of developing countries and developed countries. Almost all of these initiatives, occurring in informal negotiations and discussions in Second Committee proceedings in New York, have been blocked or stalled by the US, the European Union, Canada, Australia and Japan.

International financial institutions

The IMF has maintained its longstanding asymmetrical governance structure that favours rich countries and, importantly, allows European nations to be over-represented. This is not only a problem of legitimacy but also has crucial implications on IMF lending, policy positions and its global role in the aftermath of an international financial crisis and economic recession whose effects have been highly uneven and persistent.

The Fund has had several governance reform mandates, most recently as directed by the G20 summits in 2010 and 2011. However, ratification of voting power increases to developing countries has been stalled due to political inertia among the key developed-country shareholders in the IMF's Executive Board.

Similarly, the Basel Committee on Banking Supervision and related institutions of the Financial Stability Board and the Bank for International Settlements are also under-represented by developing countries, even as their rules and mandates in banking and finance increasingly impact financial and development prospects in developing countries concurrent with increasing global financial and economic interdependencies.

Finally, the process of the post-2015 development agenda must be negotiated by all country members of the UN General Assembly with transparency and inclusivity, as well as with adequate lead time to enable member states to make thorough preparations for the negotiations. External stakeholders such as civil society and academia must also be allowed to participate in a substantive fashion, which includes, for example, making available drafts of negotiation text to civil society and other stakeholders. ◆

The above is the text of the intervention by the Third World Network, presented by Bhumika Muchhala, at a dialogue between the UN Secretary-General's High-Level Panel on the Post-2015 Development Agenda and global civil society held in Geneva on 1 July 2013.

Transformative trade policy – a missing link post-2015?

It would appear that trade policy has disappeared from the radar screen of the discourse on the post-2015 development agenda, says *Gabriele Koehler*. The need for international policy space for a transformative trade agenda is clearly vital.

IN 2012, the outcome document of the UN Conference on Sustainable Development held in Rio de Janeiro, 'The future we want', noted that 'sustained economic growth for reduction of poverty, inequality and vulnerability will require strengthened partnerships among governments, the private sector and civil society to make sure that international trade, and national and foreign direct investments contribute to productive employment creation, economic security and investments in health, education, rural development, water and sanitation while safeguarding human rights and empowering women'. The Rio document speaks of a fair and stable global trading system as an enabler of such development.

A more analytically aware and politically progressive stance is needed in shaping the international trade policy agenda.

Discussions on a new sustainable development agenda are now in full swing. The co-chairs of the UN Open Working Group (OWG) leading the Sustainable Development Goals (SDGs) process have just issued a revised list of 19 focus areas, with updated goals and targets.[1] There has been much progress in terms of core human development and human rights issues, and core issues – decent work and employment, the care economy, social protection, sexual and reproductive rights, and sustainable production and consumption – have been inserted, based on creative contributions and concerted argumentative pressure from progressive groups.

But how has the aspiration of a fair, employment-oriented trading system filtered through into the current SDG negotiations? Trade is included in the draft SDG text under the themes of economic growth [focus area (FA) 8] and promoting equality (FA 12) – which is welcome in that it signals the implications of trade for equitable outcomes. The text uses language from the Doha Development Round of trade talks, i.e., 'promoting an open, rules-based, non-discriminatory and equitable multilateral trading system' (FA 10, item i), but otherwise avoids any reference to the Round. It calls for trade facilitation and preferential market access for least developed countries (FA 10, item j; FA 12bis, item a). Technology transfer is mentioned (FA 10, item l), as is the need to abolish harmful subsidies (FA 2 on food security, item m; FA 7 on energy, item e; FA 12bis, item c). Market access for 'industrial products and processed commodities of developing countries' is in focus area 9: Industrialisation. Affordable medicines – which depend on trade and intellectual property rights regimes – are listed in connection with health and population dynamics (FA 2).

So, issues related to trade policy are included in the text, but trade does not feature as a standalone area. The topic of trade – in the past so central to development theory and policy, and subject of decades of intergovernmental negotiations – appears peripheral, because the references are weak, thin and scattered. And as in much of the text, one misses an analytical underpinning.

For example, the current SDG draft speaks of global supply chains only once (FA 14 on sustainable consumption and production), and thus lacks an analysis of the internationalisation of production processes. In so many industries, these are outsourced to global value chains which include an informal economy where there are no labour rights or standards. The horrifying events in Bangladesh's garment factories were one example of such processes. The text also lacks a clear critique of systemic harmful commodity price speculation that has undermined food security of the poor, by first drastically raising food prices and then making them unpredictable. Nor does the SDG text properly address the international financial disarray that has been throwing countries off track, including in terms of their trade competitiveness. It would appear that trade policy has disappeared from the radar screen of international discourse. Three steps could help re-establish a more analytically aware and politically progressive stance.

UN Photo

In earlier development agendas, critical and evidence-based analysis of the often inequitable functioning of international trade used to drive debates in, among other fora, the UN Conference on Trade and Development (UNCTAD). Picture shows the third session of UNCTAD, held in Santiago in 1972.

Revalorising knowledge from the past

In earlier development agendas, international trade and investment were on the front stage. Critical and evidence-based analysis of the often inequitable, immiserising functioning of international trade used to drive development theory and advocacy. The terms-of-trade debates in the UN, the UN Economic Commission for Latin America and the Caribbean (ECLAC) and the UN Conference on Trade and Development (UNCTAD), their analyses of the commodity economy, and their research on industrial strategy are eloquent examples. These debates were passionate in their concern over unequal exchange, and were devoted to devising policies to overcome the structural disadvantages of low-income, low-productivity countries.

The developmentalist stance of the 1960s-80s did nevertheless have a crucial shortcoming. It generally remained at the macroeconomic and nation-state level, and did not look at the multidimensional effects of international trade or investment within the country: on classes of people, communities, households, let alone on women, men or children. The debates on the factors contributing to the success of the 'tiger economies', for example, tended to gloss over class interests, the role of trade unions, the contribution of women workers, or the right of all people to democracy. Environmental sustainability was not on the radar screen; there was no concern over ecologically harmful production and consumption patterns, or the acceleration of physical trade and its carbon footprints.

Structural or dependency theory was pushed aside, however, not because of its insufficient attention to equity and human development or to the environment. It was blamed for stagnation in economic growth, attributed to too much state intervention, and displaced by a neoliberal infatuation with markets. Eventually, neoliberal economic theory and policy was made more 'palatable' with the reorientation to social development issues offered by the Millennium Development Goals (MDGs). However, the human development and MDG agenda too, with its focus on the individual and household level, has an inherent shortcoming: it underplays the overall political economy of societies and economies.

The SDG and post-2015 development agenda processes would benefit from revisiting the knowledge, overcoming the blinkers, of the 'old' structuralist theory, and integrating it constructively with a progressive, transformative agenda. They could bring together the – professed – commitment to sustainable human development with the analysis of structural dependency (see, for example, Langer and Stewart, 2012, 'International trade and horizontal inequalities: conceptual and empirical linkages', *European Journal of Development Research*, Vol. 24 No. 5). The SDG focus areas on industrialisation (FA 9) and employment and decent work for all (FA 11) could be excellent entry points.

Scratching beneath the surface

The share of profits in gross national product (GNP) has risen steadily over the past decade, and austerity budgets are making the situation for the lowest income quintiles worse on a daily basis (see Ortiz and Cummins, 2011, 'Global inequality: Beyond the bottom billion. Rapid review of income distribution in 141 countries', UNICEF Social and Economic Policy Working Paper, www.unicef.org/socialpolicy/files/Global_Inequality.pdf). Startled by the ever-increasing income inequities within and between countries, and in reaction to the dominance of financial markets, a rhetoric that sounds left-wing – about the need to tame the markets and to address inequalities – has emerged in mainstream development economics discourse. It has even managed to capture the attention of the Davos World Economic Forum and the International Monetary Fund (IMF).

Indeed, the SDG draft – and discussions on the post-2015 development agenda – does not merely recognise inequality as an issue, the OWG text is driven by this concern, which is an enormous achievement of the negotiating groups. However, there is a gap between the acknowledgement of inequities and a critical analysis of the political economy of inequality. What is missing is a theory in the background that would help to analyse economic and political powers, be they landholders who exploit the landless; enterprises that grab resources, avoid labour standards, shrug off environmental responsibility or evade taxes; or governments that cave in to unfair agreements in trade, investment or intellectual property, or land rights. The next round of OWG discussions would need to examine why the top income quintile has seen such an increase in its share of GNP, despite efforts in many countries to improve social policy.

The post-2015 development agenda analyses could also be more critical and dissect the dynamics of globalisation as it impacts on equitable and sustainable human development. To develop an agenda on equity in trade, it would be necessary to question the terms under which the landless poor, smallholder farmers, the informal sector and the working poor produce and sell their products, and to revisit the way low-income, low-power countries are positioned in global value chains and investment deals and interface with the economic superpowers.

It would be necessary to examine the trade agenda not only from the angle of nation-state interests, but from the interests of the poor and excluded in South and North. The gendered impact of trade is one issue that has found wider recognition (see UNCTAD, 2014, 'Trade, gender and the post-2015 development agenda', Post-2015 Policy Brief No. 3) and is reflected in the focus area on poverty eradication (FA 1), but the effects of the prevalent international trade, investment and intellectual property regimes on socially excluded groups need to be assessed more widely. Global rules are challenging public provision of essential goods and services across the developing world (see Third World Network, 2013, 'Do not dilute G33 proposal'). This needs to be addressed. Recent International Labour Organisation (ILO) conventions, such as the Convention on Home Work or the Indigenous and Tribal Peoples Convention, could provide helpful policy pointers for the SDG discussions.

Working the current contradictions

The SDG and post-2015 development agenda discussions are taking place in a very complex economic and political environment, making the above suggestions on revalorising structuralist theory or introducing political economy approaches sound unrealistic or even counterproductive. The discussions are tough, and progressive coalitions are having a difficult time in getting transformative positions into the negotiated texts. The political environment is very different from that in the rebellious 1960s, when the G77, UNCTAD and the South Centre were established, or the compassionate late 1990s/early 2000s, when the MDGs were conceptualised as the outcome of a series of socially sensitive global summits, notably the World Social Summit of 1995 and the Children's Summit of 2000.

Today, many developed countries – still power brokers in the international development game – are led by conservative parties concerned primarily with their individual country's economic prowess. Many of the post-2015 development agenda experts appointed by the UN Secretary-General come from politically and socially conservative backgrounds. These governments will ultimately focus on ensuring national interests. Despite a rhetoric around eradicating poverty and inequities, they would not readily push for a genuine shift in the North-South political economy.

The South is fragmented, with sets of countries having conflicting trade and investment interests, making it almost difficult to speak with one voice in international fora. The 'soft powers' of the South, the BRICS countries, have been progressive in advancing social protection, but not in looking into more equitable trade measures, even for their immediate neighbours, or into environmental policy. So is there international policy space for a transformative trade agenda?

There are several important countercurrents to build on. For example, a number of countries, notably in Latin America, have progressive governments. The economically weaker countries, such as the least developed countries, the landlocked and the island states, have come closer together on climate change issues, in terms of both analysis and global advocacy. Across the world, critical parliamentarians, trade unions, agriculture organisations, grassroots groups representing informal economy workers, women's groups and the '99% movement' are becoming an articulate force, representing the interests of the poor and marginalised in South and North. These groups could perhaps coalesce and serve as a force for a more complete transformative development agenda. This would address human rights more proactively, and combine the hopefully agreed goals of good governance, social justice and sustainability, decent work and social protection for all with a vision of genuinely equitable, transformative trade and investment policies, since these are a prerequisite to sustainable human development. ◆

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Endnote

1 The focus areas are about to be clustered into several interrelated groups.

A call for equality, social security and accountability

Seventeen independent human rights experts appointed by the UN Human Rights Council have recommended that the post-2015 development agenda should incorporate the goals of equality, social security and accountability as key priorities.


There is now widespread agreement that the reduction of inequalities must be placed at the heart of the post-2015 development agenda.

THE Millennium Development Goals (MDGs) have played an important role in placing key issues on the development agenda that might have otherwise been neglected. Importantly, the MDGs have resulted in the generation and collection of more targeted data, which have been used to influence national and international development policies and measures. Nevertheless, the MDGs, while welcomed by the international development community, were met with skepticism by many who questioned the wisdom of framing as political commitments matters already codified as legal obligations under international human rights law.

One key shortcoming of the MDG framework was its failure to fully reflect the promise of the Millennium Declaration in which countries resolved to strive for the full protection and promotion of all human rights. Indeed, more than a decade after the adoption of the Millennium Declaration, experience has shown that issues left out of a universally agreed agenda are not effectively monitored and reported on, and easily become blind spots when priorities are set, policies defined or budgets allocated.

Human rights norms and standards provide concrete guidance as to how goals and targets for the post-2015 development agenda should be framed. Governments have already committed to uphold human rights in numerous international treaties. Grounding development priorities in human rights is not only a legal and moral imperative, but can also enhance effectiveness and accountability.

As independent experts appointed by the Human Rights Council, we have been mandated by States to make recommendations for the promotion of human rights at national, regional and international levels. In this statement, we make the following recommendations concerning key priorities for the post-2015 development agenda that are common to our mandates.

Recommendation 1: ***The post-2015 agenda should incorporate equality as a standalone and cross-cutting goal, aiming to progressively eliminate disparities within and between the most marginalised groups and the general population as well as between countries in order to achieve more inclusive forms of development.***

Recommendation 2: ***The post-2015 agenda should include a goal on the provision of social protection floors, explicitly referencing the right to social security and a human rights-based approach to social protection.***

Recommendation 3: ***Accountability must be at the core of the post-2015 development framework. We propose the establishment of a double accountability mechanism, whereby accountability mechanisms are developed at both national and international levels.***

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As independent human rights experts appointed by the Human Rights Council, we make the following recommendations concerning key priorities for the post-2015 development agenda that are common to our mandates.

A. (IN)EQUALITY

Equality is intrinsic to each individual. Article 1 of the Universal

Declaration of Human Rights affirms that 'all human beings are born free and equal in dignity and in rights.' All people are entitled to the enjoyment of all rights, on an equal footing and without discrimination on any grounds, including race, ethnicity, sex, gender, disability, socio-economic status or age. Moreover, under international human rights treaties States have committed to take measures to ensure the implementation of economic, social and cultural rights to the maximum extent of their available resources.The human rights framework therefore offers a compelling rationale and means for putting inequalities at the centre of development policies and practices.

Recommendation 1:*The post-2015 agenda should incorporate equality as a standalone and cross-cutting goal, aiming to progressively eliminate disparities within and between the most marginalised groups and the general population as well as between countries in order to achieve more inclusive forms of development.*

There is now widespread agreement that the reduction of inequalities must be placed at the heart of the post-2015 agenda. Inequalities perpetuate exclusion at all levels of development. One of the weaknesses of the MDG framework has been its blindness to the issue of inequality and to the most marginalised members of societies. Its focus on aggregate figures and overall progress failed to account for growing social and economic disparities and incentivised States to prioritise aggregate progress and the 'low-hanging fruit' rather than giving special attention to the most vulnerable groups.

A global goal and targets dedicated to eliminating inequalities will draw attention to the most marginalised groups and individuals, create incentives to end discrimination, trigger the creation of more precise data and adjust development aims to better respond to the reality on the ground. It will require States to look beyond average attainments and adopt more effective ways of collecting disaggregated data on inequality and marginalised groups in order to measure progress in reducing inequalities.

Actions to increase the participation and voice of marginalised groups in policies and programmes to close the gap in the enjoyment of civil, political, economic, social and cultural rights are essential, given that lack of participation in decision-making is a fundamental cause and consequence of inequality.

Targets and indicators

While each country would have to adapt global targets and indicators to their specific context, the human rights framework provides the following guidance:

- Collect data on inequalities: The current lack of data on certain issues is not accidental; neglect often coincides with a low political profile. A commitment to better and more accurate data collection is essential to identifying and monitoring inequalities.
- Go beyond disaggregation of data: Data should be disaggregated according to gender, age, disability, marginalised groups among others. However, by itself, disaggregation does not automatically result in the reduction of inequalities. It is the action of policymakers in response to the information revealed by disaggregation that can result in the required change, which must then be reflected in target setting.
- Monitor more than income inequality: In order to assess progress in reducing inequalities, monitoring must also capture other causes of lack of access to basic rights and services.
- Measure inequality: Goals, targets and indicators must be framed in a way that aims to reduce inequalities through targeting the most marginalised; they must not continue to focus solely on aggregate progresses and outcomes. Progress in reducing inequalities should be measured among the following population groups, among others:

– marginalised groups and the general population
– poor and rich
– women and men
– rural and urban
– informal settlements and formal urban settlements

B. SOCIAL SECURITY/SOCIAL PROTECTION

All States have a duty to guarantee the right to social security as established in international human rights law (International Covenant on Economic, Social and Cultural Rights, Article 9). In its General Comment No. 19, the Committee on Economic, Social and Cultural Rights defined the right to social security as encompassing the right to access and maintain benefits, whether in cash or in kind, without discrimination in order to secure protection, inter alia, from (a) lack of work-related income caused by sickness, disability, maternity, employment injury, unemployment, old age, or death of a family member; (b) unaffordable access to health care; (c) insufficient family support, particularly for children and adult dependents. Furthermore, the right to social security includes the right not to be subject to arbitrary and unreasonable restrictions of existing social security coverage, whether obtained publicly or privately, as well as the right to equal enjoyment of adequate protection from social risks and contingencies.

Recommendation 2: *The post-2015 agenda should include a goal on the provision of social protection floors, explicitly referencing the right to social security and a human rights-based approach to social protection.*

Social protection floors are nationally defined sets of basic social security guarantees aimed at preventing or alleviating poverty, vulnerability and social exclusion. Social protection systems play a critical role in protecting the enjoyment of human rights, in particular economic, social and cultural rights, in the face of economic shocks and other recurrent crises. There is mounting evidence that social protection systems can contribute significantly to reducing the prevalence and severity of poverty, to improving social cohesion, to curtailing inequalities, to protecting people from the impacts of increasingly volatile food prices, and to creating sustainable and equitable societies. Yet, 75-80% of families today have no access to social protection.

Given the ongoing ramifications of the global financial and economic crises that are disproportionately affecting the poorest and most marginalised, now is an especially important time to strengthen social protection systems. Action taken now will ensure greater resilience against future crises, while supporting the most marginalised will help to protect future generations.

A goal on social protection would be aligned with commitments expressed in a number of international fora: General Assembly resolution 65/1 (outcome document of the MDG Review Summit); Recommendation 202 of the International Labour Organisation; and the G20 Los Cabos Declaration, among others. On 14 June 2012, the International Labour Conference voted overwhelmingly in favour (452 yes; 0 no; 1 abstention) of the universalisation of national social protection floors.

It is time to deliver on these commitments. The post-2015 development framework should aim for all countries to strengthen their social protection floors, which are human rights-based, context-specific and culturally sensitive in order to meet the challenges particular to each country. The creation of a mechanism to support countries seeking to make progress in this direction could ensure that international support will be provided to developing countries establishing rights-based social protection schemes. This is the motivation behind the proposal for a Global Fund for Social Protection made by the Special Rapporteurs on the right to food and on extreme poverty and human rights.

Targets and indicators

As the post-2015 development agenda is being formulated, now is the time for States to deliver on their promises to end hunger, tackle poverty and eliminate inequality through the provision of social protection floors anchored in human rights.

• National social protection floor target: By 2030, all people in all countries should have access to a social protection scheme, at least at the level of national floors for social protection as agreed in ILO Recommendation 202. Such a target could be split into different components: (i) income security for various segments of the population (e.g., children, older persons, unemployed persons, etc); (ii) access to essential healthcare; and (iii) access to basic services, such as water and sanitation, education, housing and others (as defined by national priorities).

• Possible indicators: percentage of children and total population with access to essential healthcare, education goods and services; children receiving cash and in-kind support guaranteeing income security during childhood; men and women of an active age who are not working due to unemployment, sickness, maternity or disability and who receive support; older persons who receive pensions; percentage of those working in the informal economy who are covered by social protection.

• Measuring progress on inequality: Progress should be measured with reference to inequalities and by disaggregating disadvantaged population groups, especially given that the most marginalised are largely concentrated in informal labour markets with no access to contributory social protection and limited access to non-contributory schemes due to discrimination, lack of legal identity and other factors.

• Global Fund for Social Protection target: Establish a Global Fund for Social Protection, as proposed by the Special Rapporteurs on the right to food and on extreme poverty. Such a fund would have two key functions: 1) to close the funding shortfall for putting in place a social protection floor in least developed countries; and 2) to help underwrite these schemes against the risks of excess demand triggered by major shocks.

On this note, the new development framework should also require and support States to develop employment programmes and job creation schemes that create decent work, especially for the most marginalised. For example, under a global goal on reaching full and decent employment, the framework could require national programmes to reduce precarious work, ensure a living wage, labour rights and gender equality at the workplace, and improve the employment opportunities of vulnerable and marginalised groups.

However, despite the importance of decent work and employment and its links to social protection, social protection should not be subsumed entirely under an employment goal. A human rights approach to social protection requires comprehensive, universal sustainable systems with both contributory and non-contributory elements; the right to social protection is absolute and not dependent on employment status.

C. ACCOUNTABILITY

We reiterate the call made in March 2012 by 22 mandate-holders of the Human Rights Council's Special Procedures to put accountability, the foundation of a human rights-based approach to development, at the core of our commitments. The open letter sent to States negotiating the Rio+20 process proposed the establishment of a double accountability mechanism.

Recommendation 3: ***Accountability must be at the core of the post-2015 development framework. We propose the establishment of a double accountability mechanism, with accountability mechanisms developed at both national and international levels.***

At the national level: It is vital to establish or strengthen participatory accountability mechanisms through which people's voices can be heard and independent monitoring can be conducted. States should establish national-level accountability mechanisms to ensure that commitments made at the global level are fulfilled. These mechanisms should include independent monitoring that enables civil society participation not only in defining the indicators to measure progress, but also in providing information to evaluate implementation. Countries that have established independent bodies to assess the enjoyment of human rights (e.g., the South African Human Rights Commission) or national institutions with balanced representation that include both government officials and representatives of civil society to address other major issues (e.g., the Brazilian National Council on Food and Nutrition Security) have seen the concrete benefits of enabling people to hold public authorities accountable for failure to take action. In countries where such mechanisms already exist, States should provide authority and resources for these bodies to monitor the implementation of the post-2015 commitments. While some States may be wary of such mechanisms, viewing them as creating additional burdens, the reality of our experience is that empowering people contributes to lasting success.

Institutions in which civil society has a voice and include mechanisms that ensure an independent monitoring of progress towards agreed targets enable States to better understand the nature of the challenges faced, and to change policies that do not produce results. Conversely, policies not informed by the views of those they seek to serve or not monitored often are inefficient and shortlived. We strongly believe that we cannot work for the people without the people.

In line with current international standards, the new development framework should reflect the duty of States to establish accountability mechanisms for ensuring and monitoring that business enterprises respect human rights, throughout their operations, including effective access to remedies when negative impacts occur.

National accountability mechanisms would enable a structured dialogue at national level between governments and their constituencies, which would coordinate with the international human rights system and feed into the international review mechanism. Collective learning and the dissemination of best practices would be encouraged at domestic and international levels.

At the international level: Existing intergovernmental institutions could monitor, on the basis of agreed indicators, progress on global goals in a process similar to the Universal Periodic Review inaugurated in 2007 by the Human Rights Council to provide a peer review of the human rights records of all 193 Member States of the United Nations every four years.

The Universal Periodic Review (UPR) is a process involving a peer review of the human rights records of each United Nations Member State every four years. This State-driven process conducted within the Human Rights Council provides an opportunity for States to explain how they are working to improve the human rights situation in their countries.The Universal Declaration of Human Rights and the international human rights treaties ratified by the country form the baseline of the review and the UPR culminates with recommendations to the State under consideration, which it may accept or reject.

The success of the UPR largely rests on the fact that, beyond 'national reports' prepared by the State concerned, the Human Rights Council also considers 'compilations of United Nations information' prepared by the Office of the High Commissioner for Human Rights, drawing from information emanating from the United Nations human rights monitoring mechanisms and other United Nations entities. 'Summaries of stakeholders' information' based on information provided by non-governmental organisations, along with information submitted by national human rights institutions and other actors (e.g., regional organisations, research institutions), are also considered. In other terms, the UPR is a peer review process grounded in State reporting and in independent monitoring, which helps to ensure equality of treatment between States and quality of the process of review.

The UPR has provided a framework for exchange and dialogue at the national level across State structures as well as between the State and civil society. It also provides an opportunity for States to share best practices and has stimulated bilateral cooperation and exchanges. States should be encouraged to consider creating a similar mechanism for the commitments to be made in 2015. Given the many international dimensions of sustainable development, specific focus should be placed on the duty of international assistance and cooperation in solving international problems of an economic, social, cultural or humanitarian character and on the extraterritorial human rights obligations of States. ◆

The above is extracted from a statement issued on 21 May 2013 by the following Special Procedures mandate-holders of the UN Human Rights Council: Olivier De Schutter, Special Rapporteur on the right to food; Magdalena Sepúlveda, Special Rapporteur on extreme poverty and human rights; Catarina de Albuquerque, Special Rapporteur on the human right to safe drinking water and sanitation; Verene Shepherd, Working Group of Experts on People of African Descent; Alfred de Zayas, Independent Expert on the promotion of a democratic and equitable international order; Cephas Lumina, Independent Expert on the effects of foreign debt and other related international financial obligations of States on the full enjoyment of all human rights, particularly economic, social and cultural rights; Frank La Rue, Special Rapporteur on the promotion and protection of the right to freedom of opinion and expression; Anand Grover, Special Rapporteur on the right of everyone to the enjoyment of the highest attainable standard of physical and mental health; Margaret Sekaggya, Special Rapporteur on the situation of human rights defenders; Gabriela Knaul, Special Rapporteur on the independence of judges and lawyers; François Crépeau, Special Rapporteur on the human rights of migrants; Rita Izsák, Independent Expert on minority issues; Pablo De Greiff, Special Rapporteur on the promotion of truth, justice, reparation and guarantees of non-recurrence; Pavel Sulyandziga, Working Group on the issue of human rights and transnational corporations and other business enterprises; Rashida Manjoo, Special Rapporteur on violence against women, its causes and consequences; Kamala Chandrakirana, Working Group on the issue of discrimination against women in law and in practice; and Surya Prasad Subedi, Special Rapporteur on the situation of human rights in Cambodia. The complete statement with an annex and references is available on the website of the Office of the UN High Commissioner for Human Rights (www.ohchr.org).

Amplifying the private sector in development: Concerns, questions and risks

The debate on the shape of the post-2015 development agenda is an opportune moment for a reconsideration of the view that has prevailed in recent decades that an expanded role for the private sector is the prerequisite for economic development. *Bhumika Muchhala* discusses the issue.

THE role of the private sector in economic development has become an increasingly central question in the global political economy. The ascendancy of the private sector's leadership, rooted in its financial and political power, and increasingly its legal power as well, is reflected across the agendas, discussions and operations of various global institutions or bodies. These include the Group of 20 (G20), the largest multilateral development banks (MDBs), national and regional development finance institutions (DFIs) such as the European Investment Bank (EIB), and the United Nations post-2015 development agenda (which is to replace the Millennium Development Goals when they expire in 2015).

Specifically, over the last decade, there has been a sharp increase in publicly supported cross-border financial and regulatory support for private investments and public-private partnerships (PPPs). Where previously the support was in the form of loans, equity investments and guarantees, international institutions are now providing an increasingly larger share of public financing as well as official development assistance (ODA) to the private sector.

Since the 1990s the scale of this support has proliferated dramatically. In the fallout of the global financial crisis, even as global ODA stagnated, in 2010 external investments to the private sector by international financial institutions (IFIs) exceeded $40 billion. By 2015 this amount is projected to surpass $100 billion. Over the past decade, multilateral development banks have experienced a dramatic spike in their private sector portfolios from 7.3 billion euros to 21.24 billion euros.

Between 2006-10, DFIs, particularly in Europe, increased their private sector portfolios by 190%. For example, Belgium's Bio more than trebled from 30 million to 100 million euros. The International Finance Corporation (IFC) of the World Bank and the EIB scaled up their private sector support from 1.5 to 3.4 billion euros between 2006-10.

Since 1990, financing to the private sector by MDBs has increased tenfold, from less than $4 billion to more than $40 billion per year. As a response to the global financial crisis, MDBs actively called on donors to scale up their institutional funding or capital base. The MDBs, including the World Bank, sought to expand their private sector financing, which raised serious concerns as to their developmental impacts on poverty eradication, environmental sustainability and human rights.

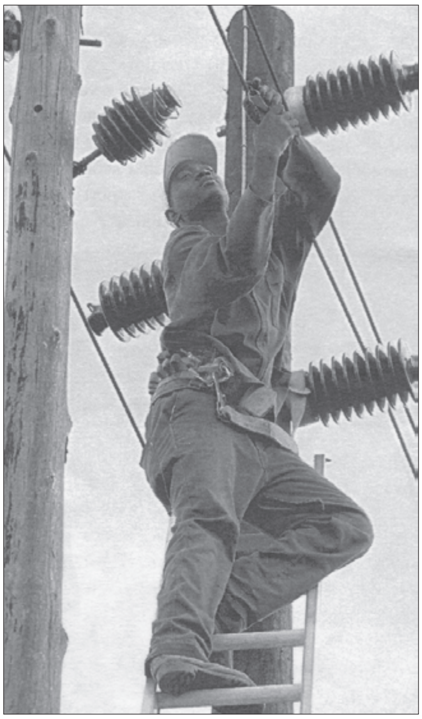
In the wake of the global financial crisis, the World Bank's portfolio for public finance directed to private sector infrastructure soared from 2009 to 2010. Meanwhile, the Bank's development finance loans and grants for social sectors such as health, education and pensions, and essential social services such as water and sanitation, have either decreased or stagnated. Private sector financing will thus comprise almost one-third of external public finance to developing countries. External public finance involves the provision of funds or a guarantee of lending to a private sector actor by a state-backed agent, such as a development bank or IFI (this does not include private-private flows such as foreign direct investment or remittances).

G20 Financing for Investment framework

Catalysing private investment has become a core task of the G20's new Financing for Investment (FfI) framework, which was launched in the 2013 Russian G20 process. Chaired by Germany and Indonesia, the FfI Study Group's agenda includes looking at ways to improve the investment climate and identifying new sources for long-term investment in coordination with the World Bank and other financial institutions, focusing on public-private partnerships in infrastructure.

At the March 2013 G20 sherpa meeting, the Russian official stated: 'We are … considering the possibility of modifying mandates of national and international development banks, with the goal of focusing the institutions for development on promoting investment, primarily in infrastructure, and supporting public-private partnerships in this area.'

Research by the Heinrich Boell Foundation (2013) shows that a World Bank paper titled 'Long-term financing of growth and development', published with six other agencies in February 2013, has 12 annexes. Only one of the 12 annexes mentions the natural environment, while none appear to say anything about social development.


In many developing countries, the privatisation of electricity services has seen consumers face unaffordable tariffs.

A primary task of the FfI framework is to generate the long-term finance for massive cross-border infrastructure operations, such as those identified by the G20's High-Level Panel on Infrastructure (which include the Inga Dam, East Africa and West Africa electricity grids).

The G20 claims that its infrastructure operations are to be integrated with the Group's food security strategy, in terms of regional integration and trade facilitation infrastructure that scales up food production, exports and imports. However, the infrastructure action plans that the panel mandated each development bank to design make little mention of food security or, for that matter, the social, environmental or rights-based dimensions of infrastructure mega-projects.

Scarce ODA channelled to private sector

Engaging business through development aid has become a central plank of many donor countries' official aid policies as national agencies increasingly look to business as prime partners. In the last seven years, bilateral development agencies have been channelling a rapidly growing share of ODA to the private sector. Since 2006, Belgium and Sweden have increased aid flows to the private sector by four and seven times respectively. This pace dwarfs aggregate ODA growth from these very countries.

The use of scarce ODA resources for private sector contracts and investments has long been a contentious issue. Public aid flows are distinct from private sources because their purpose is to finance the pursuit of the public goods (such as health services) funded by money collected by the state, for example through taxation.

Aside from direct flows to the private sector, ODA reaches the private sector through two other key mechanisms, public-private partnerships and public procurement.

Public-private partnerships

Public-private partnerships are joint programmes undertaken between governments and the private sector, in which governments usually guarantee private sector investment. Donor governments use ODA to subsidise the lending or other activities of development finance institutions.

Development debates are increasingly portraying the private sector as a more efficient vehicle for delivering development results without increasing public budget burdens and with the benefits of human and physical capital, technology and knowledge. However, such generalisations have proved to be dangerously simplistic, as different firms and sectors can have significant variations in development results. Meanwhile, the infusion of private sector financing does not offset or negate the critical need for, and distinct function of, direct public investments, particularly in essential social services.

There is an increasing range of researched evidence by academics, think-tanks, civil society and policymakers that urges caution on the various risks and controversies demonstrated by the history of PPPs and that calls for a deeper rethink on the role of the private sector in development.

A key concern regarding PPPs is: who pays for the risks and at what cost are profits made? Financial risks in PPPs are often disproportionately borne by the public sector, while profits are reaped by private investors and companies. This has led to the interpretation of PPPs as 'publicly-guaranteed private profits'.

In many developing countries, the privatisation of water and electricity services has increased the financial sustainability of these utilities while consumers face unaffordable tariffs. The highly controversial privatisation of the water utility in the city of Cochabamba in Bolivia led to a 200% increase in water prices and triggered widespread riots in the country. In Ghana and Namibia, subsidies for basic utilities were eliminated by privatisation, which led to increased rural-urban inequality.

Some key issues, among possible others, that arise with PPPs are:

(1) Risk and debt: Public guarantees for PPPs present an inequitable cost burden for developing countries that should be allocating financial resources to social sectors and other public investments. A significant aspect of the disproportionate risk is the debt burden that falls on the state in the event of project failure. Furthermore, debt sustainability calculations often do not take public guarantees of PPPs into account due to the 'off-budget' placement of these funds.

(2) Ownership: The degree of ownership undertaken by developing countries is questionable when PPP contracts are secured, in many cases, between donor institutions and private firms.

(3) Tied aid: PPPs are often specifically targeted to firms from donor countries, which is a form of 'aid tying'. This practice not only undermines the value of private sector development in developing countries, but also creates a de facto exclusion of developing-country firms.

(4) Management for development results: The development, equity, employment and poverty eradication outcomes of PPPs are at best unclear.

While PPPs claim that their revenues will trickle down to benefit the poor, available evidence shows otherwise.

(5) Alignment: The objectives of private sector firms are not always aligned to public development concerns. The ability of states to ensure that private sector actors honour national development priorities is dubious.

(6) Rights and standards: Firms in PPPs that have violated human rights or labour rights, or that evade taxes, are not held accountable, much less systematically debarred from PPPs. Some advocates call for the state to use PPPs as an incentive or tool by which socially responsible behaviour by private actors is rewarded. Other advocates urge for stronger laws, regulations and limits to rein in private actors.

Public procurement

Public procurement is the purchase of goods and services by governments from the private sector. In 2011, approximately $69 billion of ODA was allocated to procurement services annually, the vast majority of which was directed to donor-country companies. Many of these contracts to private sector firms are 'earmarked', meaning that developing-country recipients are required to give procurement contracts to donor-country companies (a policy which has been shown to increase supply costs by 15-40%).

Broader concerns, critiques, questions

The purpose of public investment

Financial investments and lending from the public sector to the private sector have traditionally played a critical role in building a productive private sector. It is the role of public authorities to establish both legal and physical infrastructures to ensure an enabling business environment and, importantly, to strategically direct lending to credit-constrained domestic firms that cannot access financing from private capital markets. This lending, if embedded within national economic development strategies and industrial policies, should act as financial support channelled to economic sectors and companies deemed of strategic importance to the country.

However, in order to ensure that public investments are both accountable to taxpayers (the source of public monies) and yielding economic development outcomes, governments must ensure that financing is allocated to businesses that are creating decent work or social or public services, and are contributing to the expansion of the domestic tax base rather than to tax evasion or avoidance, including through corporate transfer pricing.

Given the profit-seeking mission of the private sector, balancing social and financial returns requires the state to implement a complex and nuanced balance of laws (e.g., labour, environmental) and regulatory systems (e.g., tax, investment) to ensure that private activities contribute to rather than undermine economic and social development.

Whose private sector?

The track record of private sector financing by multilateral and national financial institutions shows that more often funds are given to companies domiciled in donor countries rather than in developing countries. An assessment of all investment projects by the European Investment Bank and the International Finance Corporation in the world's poorest countries during the second half of the 2000s revealed that only 25% of all companies supported were domiciled in developing countries.

Roughly 49% of these institutions' portfolios goes to companies in OECD countries and tax havens, and approximately 40% of the companies are big firms listed on some of the world's major stock exchanges.

This finding raises questions as to whether IFIs are actually directing their financial support to the most credit-constrained companies in the world's poorest countries, or whether their investment patterns are simply following market trends.

It also gives rise to several serious concerns on economic governance, development and ownership at the national level:

First, the companies that are critical to national development strategies in developing countries are domestic micro, small and medium enterprises (MSMEs). These MSMEs are domiciled in developing countries, not in donor countries. MSMEs are much more likely to be credit-constrained than are foreign firms, as they often lack access to private capital markets or are not able to raise money through debt or bond issuance. This is due to several factors, including the fact that limited credit supply in many developing countries combined with high interest rates makes financing for local firms scarce and costly. Furthermore, small domestic firms are more likely to be considered either too small or too risky to access capital market financing, and are less able to list themselves on national stock exchanges, much less the world's largest.

Second, most employment, in both the formal and informal sectors, in developing countries is created by the domestic MSME sector. Given that job creation is a stated goal of both international and national financial institutions, their 'tied aid' policies that require liberalisation of government procurement practices should be seriously examined.

Third, foreign multinational corporations (MNCs) do not always play a constructive role for national economic and social development. Not only have foreign MNCs been demonstrated to be more likely to evade taxes and engage in transfer mispricing, they also often have investor powers, particularly through trade and investment agreements, to legally prohibit governments from enacting pro-development state regulations and safeguards.

While financial institutions claim that their investments are directed to scaling up financing for MSMEs, external stakeholders claim that it has been almost impossible to track whether the money is actually reaching intended domestic MSME beneficiaries. This is because the financial intermediaries between the lender and recipient, usually commercial banks and private equity funds, do not provide disaggregated data on which projects and companies they support and what development impacts are achieved.

Development outcomes?

The May 2011 report of the World Bank Independent Evaluation Group (IEG), *Assessing IFC's Poverty Focus and Results*, found that less than half of the IFC projects reviewed delivered development outcomes, and just a third of the projects addressed market failures such as increasing access to markets or employment for the poor. The report sparked the question of whether donor governments are breaching their contract with taxpayers, given that their agencies are mandated to deliver poverty eradication and sustainable development as defined by the Millennium Development Goals (MDGs).

Salient questions arise from these trends. Should development finance be subsidising donor-country firms and profit-based activities, particularly in large-scale infrastructure, that could be obtaining financing from private capital and financial markets? Is the private sector sufficiently incentivised and adequately regulated by the state to provide social services and public goods with positive development outcomes? And, what then is the developmental role of the state in providing these goods and services? How does the privatisation of goods and services reconfigure the remit of the state?

Governance for equity and access

Equity in public-private partnerships is concerned with broad dimensions such as equitable distribution, access and affordability. Providing access alone has proven to be insufficient, as it is equitable and affordable access that is an essential dimension to fighting poverty.

To ensure this, regulation and enforcement are necessary, particularly of laws, policies and safeguards to ensure the economic and social rights of people, including women's rights, as well as environmental protection and sustainability.

The majority of evidence on private sector investments and projects suggests that regulatory agencies have a positive impact on access, efficiency and quality of services, as well as in reducing corruption. However, this may lead to price increases with inequitable distribution outcomes. In such cases, targeted subsidies and transfers to the poorest segment of consumers have the potential to increase equity.

The real challenge is that building competent and effective institutions for governance takes time and skill, which is often incompatible with the need to deliver quick public-private partnership deals.

Contingent liability and debt

Public guarantees for public-private partnerships are often placed as an 'off-budget' item. This means that the contingent financial liability, often of huge sums, which the state is required to pay in the event of project failure or risk, is not factored into national debt sustainability analyses and frameworks.

There are two urgent concerns with off-budget public guarantees. First, in the case of project failure or risk and payment by the state of the financial guarantee, the country can be at serious risk of indebtedness. Second, a highly asymmetrical financial risk burden is placed on the state in comparison to the private firm, which sparks a questioning of the legitimacy of public financing for the private sector often enforceable by law.

Aid for the people or for firms?

In the current context of ODA contraction, a key concern is that the use of aid for private sector investments reduces funds for much-needed public sector investments, which still face huge financing gaps in many developing countries. Questions arise over whether private sector support can also be derived from other financial instruments, such as loans or equity.

Many civil society organisations argue that scarce aid resources should be earmarked for urgent public investments in social sectors, such as health and education, and some types of pro-development infrastructure, such as roads. While financial returns may not be forthcoming in the short or medium term, such investments are critical to building a resilient and thriving domestic private sector in developing countries.

Financial sector trumps real sector

On average, over 50% of public finance from donors to the private sector went to the financial sector, and this percentage may increase if recent trends persist. In 2010, the combined lending and investments in the financial sector of major DFIs and IFIs increased, on average, by over twofold compared to pre-crisis levels (before 2007). The IFC's commitments to the financial sector, including trade finance, constituted 42% of all its investments in low-income countries in 2010, and were four times the size of its investments in any other sector. The EIB funnels well over 50% of investments, and as much as 91% of its projects, to the financial sector.

Public funds invested in private financial institutions usually target three main financial intermediaries: commercial banks, private equity funds and index funds. In pre-crisis years, commercial banks used to be the primary recipient of funds. However, starting in 2008, private equity funds gained in importance in relation to commercial banks as well as other forms of financial intermediaries, including microcredit enterprises. In the year 2008, 22% of the IFC's financial sector funds were invested in commercial banks while 59% went to private equity funds.

Ways forward

1) Align private sector financing to developing countries' investment and development priorities. Developing-country ownership should be respected by aligning investments to national development strategies, in-

cluding national industrial and agricultural policies and strategic priorities for scaling up the domestic private sector. A coherent framework that sets clear guidelines for alignment and ownership, and regular reporting on results have been recommended by many actors as a first step forward.

2) Make development outcomes the overriding criteria for project selection and evaluation. To ensure that projects and investments have a developmental impact, objectives defined by both citizens and the state should be addressed by investments, along with clear outcome indicators and monitoring. One possible requirement could be that development outcomes are disclosed at the project, not the aggregate, level, which could improve accountability of public-private projects to affected communities.

3) Prioritise domestic MSMEs and companies over foreign companies. This is essential for private investments to actually support the development of competitive and locally-owned private industry. A thriving domestic economic sector is critical to stimulating domestic resource mobilisation through expanding the tax base and scaling up productive capacity and revenue. To help ensure this, private investments should be required to facilitate local-content requirements, as well as knowledge and technology transfer.

4) Regulate against tax evasion and tax loopholes. Since both international and national financial institutions have a development mandate, an official stance must be taken against tax evasion. For example, all firms involved should be required to disclose reliable annual information related to taxes paid, profits made, sales, and information regarding beneficial ownership, including trusts, foundations and bank accounts.

5) Compliance with international human rights, social and environmental standards. Adherence to rights and standards must be ensured through regulatory systems and governance institutions, through third-party and independent monitoring, among other mechanisms.

6) Set higher standards for transparency of financial intermediary investments and review their use of investments. The several challenges posed by financial intermediaries in practising financial transparency and showing development impact must be addressed. Besides improved reporting by financial intermediaries to both governments and the public, criteria can be developed whereby public agencies only channel financing to intermediary institutions if the investment flows can be tracked and investigated.

Public versus private investment – an ongoing debate

Infrastructure investment is a basic component of industrial development. The longstanding debate on the benefits and risks of public versus private investment for infrastructure needs to be contextualised in the imperative for industrial policy, especially for developing and least developed countries that still lack basic infrastructure. In 2006 the Development Committee of the International Monetary Fund (IMF) and World Bank indicated that there has been an 'overshooting in the reduction of the State role in investment, particularly in the case of investment in basic infrastructure. Insufficient State investment in basic utilities, roads, transportation, and port facilities has undermined the prospects for growth in many low- and middle-income developing countries.' Years later, the same Bretton Woods institutions have very determinedly changed their tune.

A key 1997 study by Odedokun on the initial and long-run effects of public investment expenditure on economic growth, relative to the effects of private investment, over the period 1970-90 for 48 developing countries, suggests that public investment in infrastructure facilitates private investment, especially in the long run. The study also finds that the long-term effects of public investment tend to be much more positive than the short-term effects of private investment on growth and efficiency. Still, the question of whether and to what extent and how the state should be involved in infrastructure investment is fraught with controversy.

Salvaging the ethos of the developmental state

The surge in private sector investments, including through public-private partnerships, calls for a deeper rethinking and critical examination of the role and responsibility of the public sector, and, more specifically, of the developmental role of the state. Are there certain essential social services (such as healthcare and education) and certain basic infrastructure projects needed for development (such as roads) that should be carried out only in the public domain to ensure distributional equity in access and affordability?

To what degree can the inadequacies of the state in developing countries (in terms of physical and human capital, technology, knowledge and skills, and so on) be a justification for turning to the private and financial sector? Are there other choices? Can alternative paths be explored?

The discourse on the role of the private sector in development should assert the question of where and how the state can build and pursue its developmental role without relinquishing governance and legal powers to foreign investors (particularly through the enforcement power of trade and investment agreements), and both foreign and domestic private sectors that usually do not have a development mandate.

Can public-private partnerships take place in a context where the state is able to exercise due diligence and regulatory agency, including legal requirements, through the establishment of institutional governance over the private sector and foreign investors? ◆

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COVER

Health in the post-2015 development agenda

While the UN is trying to develop a framework of global goals for sustainable development for the years following 2015, neoliberal economic policies currently being implemented are leading to widening inequalities and ecological destabilisation. In working to achieve the goal of Health for All, it is imperative, says *David Legge*, to address the root causes of the global health crisis, including the global economic and political architecture, as the starting point for designing the post-2015 development agenda.

IN the airless world of global health policy the role of 'health' in the post-2015 development agenda is a hot topic. Local community activists might be forgiven for seeing this gaggle of reports and consultations[1] as just the latest exercise in Orwellian doublespeak. However, behind the shadow play the structures and dynamics of global power can be discerned and openings for substantive engagement identified. Real questions are at stake which will affect the prospects for development and ecological sustainability. However, reading past the ritual and the rhetoric requires close attention to the politics of the debates as well as the arguments presented.

Real progress in population health will depend on a rigorous and robust analysis of the links between health and development.

At the Millennium Summit in September 2000 a set of eight global Millennium Development Goals (MDGs) were adopted by the UN (UN Millennium Declaration, UN General Assembly, 2000), with 20 targets and corresponding indicators. Several of these goals dealt with major health issues: maternal health, infant mortality, sanitation and water supply, and access to preventive programmes and treatment for AIDS, malaria and other diseases.

Over the next decade there was a dramatic increase in the flow of 'development assistance for health' (Ravishankar et al., 2009) which has been widely welcomed, in particular, by the affected populations, by the government beneficiaries and by the institutions which have been involved in the disbursement of these funds.

The MDGs set 2015 as the year when the various targets were to be achieved (they will not be; see United Nations, 2013). In the years leading to this deadline, there has been increasingly hectic technical and diplomatic activity around what might follow the MDGs. There are two separate processes currently underway focused on the 'post-2015 development agenda' (initiated by the UN Secretary-General and working through the UN agencies) and the 'sustainable development goals' (SDGs) (initiated in the context of the Rio+20 process). There is still no clarity about exactly whether and how these processes are going to be merged.

The flurry of manoeuvring in official global health circles has been particularly urgent because of the fear that the huge increases in funding flows that were associated with the MDGs might move away from 'health'. The global health establishment has campaigned around two broad themes: firstly, 'universal health coverage' (UHC) and secondly, continued funding of the various health programmes developed under the MDGs. (Behind the slogan of UHC are deep contradictions about what kind of 'health coverage' is to be universalised. We shall return to this below.)

MDG myth

However, before considering the current debates around health post 2015, it is useful to draw some lessons from the MDGs experience. We shall do so through an examination of the central contradiction and the central myth of the MDGs and the hypocrisy involving the use and misuse of the term 'development'.

The central contradiction of the MDGs is that while the Millennium Declaration contains some admirable, even inspiring, language, the goals that were adopted were largely about North-South charity: mobilising funds from the rich world to assist poorer countries to ameliorate the nutrition, health, education, infrastructure and environmental burdens they were facing. It is not plausible that international charity is the most appropriate pathway to the goals of human development, social development and sustainable development. But if the MDGs were not designed to achieve 'development', what were they designed to achieve?

The central myth of the MDGs was that the dramatic increases in charitable funding which flowed after September 2000 were due to the intrinsic persuasive power of the Millennium Declaration and its goals. It has been widely assumed, at least in the official rhetoric, that the adoption of the MDGs somehow propelled this increased flow of funding. However, two of the major sources of new funding were the Gates Foundation and the US President's Emergency Fund for AIDS Relief (PEPFAR). It is hardly plausible that the adoption in the UN of a set of 'development goals' would somehow be sufficient to motivate Bill Gates and George W Bush to redirect billions of dollars to the treatment of AIDS and tuberculosis and control of malaria. But if the expansion in 'development assistance' funding was not driven by the inspirational power of the MDGs, what was it driven by?

The key to answering both questions lies in the idea of 'legitimation': the increases in charitable funding transfers would serve to reaffirm the 'legitimacy' of the contemporary regime of neoliberal globalisation against the threat of 'delegitimation' which was increasingly salient in the late 1990s. Three events epitomise the concern of the global elites at this time. The first of these was the global backlash against the pharmaceutical companies (and their US backers) which sought to prevent South Africa from utilising 'parallel importation' to procure drugs for HIV/AIDS at market prices in other countries at a time when the originator companies were charging prices in South Africa which effectively denied access to treatment for the bulk of infected people in the country. The Treatment Access Campaign in South Africa (1997-2001) started out as a local movement but attracted global support. The second event was the formation of the Global Compact (between big business and the UN) in June 1999, 'giving a human face to the global market'. Finally, the collapse of the World Trade Organisation Ministerial Conference in Seattle in 1999 (the 'battle of Seattle') reflected the growing awareness of many different constituencies of the risks associated with the 'free trade' agenda.

The Millennium Summit in September 2000 ***(pic)*** **adopted a set of Millennium Development Goals, several of which dealt with major health issues.**

Palliative economics

However, while the mobilisation of funds may have reflected legitimation pressure, politicians and officials in many low- and middle-income governments took the MDGs very seriously and worked hard to demonstrate that the 'development assistance' they attracted was achieving its promised purposes. Likewise the international NGOs (which mediated much of the funding) and the practitioners and activists on the ground (who put the programmes into action) were also inspired by the possibilities of increased funding to address the crises with which they were confronted.

Nonetheless, the relation between the increased funding and the fundamental challenges of development is highly problematic. Paragraph 5 of the Millennium Declaration declares:

'We believe that the central challenge we face today is to ensure that globalisation becomes a positive force for all the world's people. For while globalisation offers great opportunities, at present its benefits are very unevenly shared, while its costs are unevenly distributed. We recognise that developing countries and countries with economies in transition face special difficulties in responding to this central challenge. Thus, only through broad and sustained efforts to create a shared future, based upon our common humanity in all its diversity, can globalisation be made fully inclusive and equitable. These efforts must include policies and measures, at the global level, which correspond to the needs of developing countries and economies in transition and are formulated and implemented with their effective participation.'

In contrast, the goals and targets which were adopted were overwhelmingly about charity and amelioration. The appalling maternal and child health challenges in Africa and South Asia were to be addressed through 'development assistance'. The treatment and prevention of HIV/AIDS and malaria were to be achieved through 'development assistance'. Funding of sanitation and clean water was to be boosted through 'development assistance', and the new 'partnership for development' (MDG8) envisaged new and improved structures for the mobilisation and delivery of 'development assistance'. Erik Reinert (2006) has described this as palliative economics, 'alleviating the symptoms of poverty, rather than attacking its real causes'.

It is not to diminish the commitment and hard work of the politicians, administrators, practitioners and activists to ask: if the 'central challenge' was inequitable, unstable and unsustainable globalisation, what was the relationship between the MDGs with their associated funding flows and the central challenge of moving towards a fully inclusive and equitable globalisation?

This question points towards a structured hypocrisy on the part of the governments of the rich countries, in particular, the US and European Union. During the 14 years to date of the MDGs, the US and Europe have developed and implemented policies in the fields of trade, investment and finance designed to shore up the regime of globalisation which paragraph 5 of the Millennium Declaration identifies as the 'central challenge'. A raft of policies have been introduced which have exacerbated the inequities, instabilities and catastrophic environmental impacts of contemporary globalisation, even while diverting a relatively small portion of the rents received to 'development assistance'.

In the field of trade, the US and the EU are pushing a new generation of trade agreements (actually economic integration agreements) which are designed to increase the rents flowing to corporations from intellectual property rights [notwithstanding increasing price barriers to accessing pharmaceuticals and industrial (including green) technology]; are designed to prevent the use of cost-effectiveness criteria in pricing of pharmaceuticals for public procurement or subsidy; and give new powers to transnational corporations to challenge national policies (e.g., tobacco control or food labelling) which might impact on corporate profits.

In the field of finance, the banks have been deregulated and bizarre forms of speculation encouraged but have not been reversed despite the global financial crisis; a complex system of tax avoidance (including tax havens, transfer pricing and false invoicing) has been created; and countries have been pressured to adopt low-tax, small-government regimes in order to be more hospitable to the transnational corporations.

The financial outflows from low- and middle-income countries associated with capital flight, tax evasion through transfer pricing and corrupt invoicing far outweigh the flow of 'development assistance'. However, 'development assistance' gives legitimacy to the governance structures which reproduce such outflows. If such 'development assistance' is not accompanied by structural changes in global finance, trade and investment, the claim to be assisting in 'development' is truly Orwellian.

The post-2015 agenda

The contradictions and myths and the hypocrisy of the rich-world elites in relation to the MDGs provide important warnings regarding the treatment of health in the post-2015 development agenda.

Among health officials it is widely repeated that the MDGs 'brought massive new funding into health' and there is fear that the post-2015 sustainable development goals might bypass 'health'. ('Health' in this context refers to institutions and programmes rather than population health outcomes.) A recent report by the World Health Organisation (WHO) secretariat (January 2014) stated that 'the prime concern for WHO at this stage is to support an approach that allows a wide variety of interests within the health sector to be accommodated as part of a single framework. This strategy reduces competition between different health conditions, different health interventions and different population groups' (WHO document EB134/18, paragraph 28).

There is a strong lobby within WHO for adopting 'universal health coverage' for this purpose. 'The narrative on goals that is emerging is inclusive, based on maximising health at all ages with universal health coverage either as a means and/or as an end itself' (EB134/18, paragraph 27). UHC has also been adopted as the leading theme in relation to health in the SDG process (WHO, 2013).

UHC as a slogan is relevant to many countries, particularly low- and middle-income countries, where large sections of the population face cost barriers to treatment and the risk of disease-induced poverty. It is also relevant to the donors who have hitherto preferred to support vertical disease-focused programmes widely criticised for fragmenting health systems, overburdening administrators and encouraging internal brain drain. For the big vertical donors to show that they are worrying about UHC could be presented as their responding to these criticisms.

The meaning of UHC is open to various interpretations although the core idea is to overcome financial barriers to accessing health care and to prevent disease-induced poverty. However, among the 'interests' to be accommodated under this slogan there are some very wide differences of interpretation, ranging from primary health care (PHC) advocates to the World Bank. PHC advocates would generally argue for single-payer systems with a predominant role for the public sector and an emphasis on the principles of primary health care as elaborated at the Alma-Ata Conference in 1978. The World Bank, on the other hand, has traditionally argued for multipayer systems ('competitive insurance markets'), stratified levels of health cover (at the bottom of which is a very limited safety net) and a dominant role for the private sector. From the World Bank perspective the goal of UHC would be met if everybody had some level of financial assistance in accessing health care, even if it were a very restrictive health benefits package and was mediated through a competitive health insurance market.

The lobbying for UHC through WHO remains tied to 'development assistance' although arguing for less rigidity in vertical disease programmes and wider support from donors for health system development.

Building better health systems is certainly part of development. However, there are limits to the extent to which health systems can promote healthy populations, as opposed to providing preventive, diagnostic and therapeutic services to individuals. Health is created before and beyond the health system; it is created in the social conditions in which we grow, live, learn, work and play (Commission on Social Determinants of Health, 2008). The primary health care model recognised the social determination of health and argued for health care practitioners to work with their communities to recognise, consider and take action around the social determinants of health. This transformative dynamic of PHC is now passé within WHO, as is concern for the social determination of health, in both cases because of WHO's financial crisis. WHO is so dependent on its donors that it cannot afford to challenge their ideological and policy assumptions.

However, real progress in population health will depend on a rigorous and robust analysis of the links between health and development. This will involve:

- relating population health challenges to the wider economic and political environment and the economic, institutional and cultural dimensions of development;
- developing an explicit analysis of the dynamics of the global economy which promote widening inequality and the unsustainable use of the earth's resources and capacities; and
- undertaking an explicit analysis of the regulatory settings, power relations and decision loci through which the global economy is regulated and through which it can be transformed.

While the UN is trying to develop a framework of global goals for sustainable development for the years following 2015, neoliberal economic policies currently being implemented are leading to widening inequalities and ecological destabilisation. Provisions being included in trade agreements to further extend patent durations are going to maintain high prices for medicines; the 'free trade' agreements now being debated are going to protect the interests of transnational corporations at the cost of reducing the regulatory and policy space of sovereign governments. New economic relations and new forms of regulation are therefore critical prerequisites for addressing the challenges of today and the post-2015 era.

WHO appears to be locked into irrelevance through its dependence on donors, its preoccupation with institutions and interest groups rather than health outcomes, and its inability to relate health in any rigorous sense to sustainable development.

Clearly, improving the health of the world population will depend on achieving important goals in other sectors, and intersectoral competition (to ensure that 'the position of health is … well established') does not facilitate cooperation to this end. The final result risks a framework with different goals and indicators reflecting different pressures instead of one coherent set of demands coming out of a deep analysis.

The People's Health Movement urges WHO member states to address the root causes of the global health crisis, including the global economic and political architecture, as the starting point for designing the post-2015 development agenda and to return to a comprehensive primary health care approach as a major strategy to harness the resources of the health system in working to achieve Health for All. ◆

David Legge is co-chair of the global steering committee of the People's Health Movement. PHM is a global network of community organisations working for Health for All in various sectors, on different issues and at all levels. More about PHM at www.phmovement.org.

Endnote

1. See UN General Assembly resolution 66/288 'The future we want' (July 2012) at: http://daccess-dds-ny.un.org/doc/UNDOC/GEN/N11/476/10/PDF/N1147610.pdf?OpenElement; the report of the UN system task team (2012) at: http://www.un.org/millenniumgoals/pdf/Post_2015_UNTTreport.pdf; the report of the high-level panel of eminent persons (2013) at http://www.un.org/sg/management/pdf/HLP_P2015_Report.pdf; the thematic consultation on health at http://www.worldwewant2015.org/health and the report of the thematic consultation on health at http://www.worldwewant2015.org/file/337378/download/366802; the UN Secretary-General's Action Agenda (June 2013) at http://unsdsn.org/files/2013/11/An-Action-Agenda-for-Sustainable-Development.pdf; and the outcome document from the Special Event on progress towards the MDGs in New York in September 2013 at http://www.un.org/millenniumgoals/pdf/Outcome%20documentMDG.pdf.

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Sustainable development goals for agriculture, rural development and food security

Agriculture is a vital sector in the economies of developing countries and a key issue in the sustainable development and post-2015 development agenda discussions. *Lim Li Ching* sets out the concerns which should be addressed.

THE United Nations Open Working Group (OWG) on Sustainable Development Goals (SDGs) is a key process for the follow-up of the outcome of the UN Conference on Sustainable Development in 2012 (Rio+20). Negotiations on the SDGs are ongoing, and the cluster of issues around 'sustainable agriculture, food security and nutrition' has emerged as an important focus area.

Rightly so, as agriculture, broadly understood to include crop and livestock production, fisheries and forestry, is a vital sector in developing countries. Agriculture is central to the survival of millions of people and employs a large section of developing countries' populations. In many developing countries, over half the population live in rural areas, with livelihoods dependent on agriculture-related activities. Furthermore, smallholdings account for approximately 85% of the world's farms and women are the key agricultural producers and providers.

Agriculture is central to the survival of millions of people and employs a large section of developing countries' populations.

Yet, there is still a high concentration of poverty in rural areas. Poverty eradication and ensuring food and livelihood security will therefore not be possible unless agricultural productivity and rural incomes increase, especially enabled by a focus on smallholder producers and women.

Achieving rural development in general should be an important goal, with ramifications for the need to improve the overall income of rural households as well as their housing, water and sanitation, health facilities, communications and transport, and conditions of life and work. There should thus be priority given to raising the living conditions, infrastructure and work opportunities and incomes of rural communities in developing countries, in particular those of smallholders, women and indigenous peoples. In addition, there is a need for their enhanced access to credit, markets, secure land tenure and other services.

Due to the spread of harmful chemical agriculture, there is also a need for a transition to ecologically sound farming in many areas. With the prospect of a global population of nine billion by 2050, increased food production is needed, but such increased production should be achieved with dramatically reduced use of water and chemicals and pesticides. Achieving sustainable agriculture will also require a substantial reduction in losses and wastage in food produced.

There is ample evidence showing that sustainable agriculture can contribute to food security and climate resilience. Governments should therefore specifically reorient agriculture policies and significantly increase funding to support biodiverse, sustainable agriculture, as recommended by the International Assessment on Agricultural Knowledge, Science and Technology for Development (IAASTD).

Developing countries' food security relies on the growth of the agriculture sector. Thus, there needs to also be a goal that aims to eliminate hunger and ensure access to food and food security for all. This is because access to food is a basic human right. One in eight people in the world today or a total of 868 million people are undernourished and approximately two billion suffer from micronutrient deficiencies.

While the formulation of sustainable development goals on agriculture at the national level is laudable, they would not be attainable unless the structural factors, including international factors, are addressed. Similarly, developing countries require international cooperation in finance, technology transfer and capacity building (the means of implementation) if they are to achieve the goals in these issues.

There are many problems at the international level such as imbalances in global agricultural trade (including high subsidies in developed countries that have harmed the agriculture sector in developing countries), inability of small farmers to compete with often subsidised imports due to lowered tariffs, lack of market access for developing-country agricultural products, and inadequate international funding for agriculture. At the same time, excessive food price volatility has been traced to speculative activities in the commodities markets.

Moreover, current agriculture policies are geared to promoting conventional agriculture practices that are unsustainable. Perverse incentives, including those perpetuated under the international trade regime governed by the World Trade Organisation (WTO) and bilateral free trade agreements, entrench this unsustainable system. Agricultural incentives and subsidies therefore need to be redirected away from destructive monocultures and harmful inputs, towards sustainable agriculture practices of the small-farm sector. These need to be phased out in a fair and equitable manner, taking into account the impact on small farmers in developing countries.

What should goals and targets encompass?

A sustainable development goal that promotes rural development, sustainable agriculture and small farmers' livelihoods/incomes should have targets that focus on the following:

Promoting rural development by adopting or enhancing comprehensive plans and activities, including raising the living conditions, infrastructure and work opportunities and incomes of rural communities in developing countries.

Boosting agriculture production in developing countries through sustainable agricultural practices. This would entail investing and building infrastructure conducive to sustainable agriculture, such as water supplies and rural roads that facilitate access to markets, and assisting smallholder producers, public financing and transfer of appropriate technologies by developed countries, ensuring proper functioning of markets, storage, rural infrastructure, research, post-harvest practices, etc., and devoting a significant part of the national agricultural budget to sustainable agriculture practices.

High farm subsidies in developed countries have harmed the agriculture sector in developing countries.

Ensuring access by small farmers to land and security of land tenure, particularly women, indigenous peoples and people living in vulnerable situations. The implementation of the Committee on World Food Security Voluntary Guidelines on the Responsible Governance of Tenure of Land, Fisheries and Forests in the Context of National Food Security would be helpful in this regard.

Ensuring access by small farmers to credit, markets and marketing facilities. In addition, governments need to build and reinforce basic infrastructure, such as water supplies and rural roads that can facilitate access to markets and provide special attention and specific support to women smallholder farmers.

Improving social safety nets to enable farmers and the rural poor to cope with external shocks, such as climate-related disasters. This includes implementing a range of policies that support the economic viability of smallholder agriculture and reduce their vulnerability.

Developing and transitioning to ecological farming through national agriculture policy frameworks that, in particular, increase emphasis on the conservation and use of agricultural biodiversity, building healthy soils, and developing and sharing water harvesting and other water management techniques. Sustainable agriculture can be promoted via mechanisms (both traditional extension and more far-reaching farmer-to-farmer networking methods) to train farmers in the best options for sustainable agriculture techniques and to support, document, and share lessons and best practices; direct funding of adoption of agroecological practices that reduce vulnerability and increase resilience, such as soil-fertility-enriching and climate-resilient practices (e.g., use of compost to enhance soil health, water storage and soil quality); and supporting conservation and use of local knowledge and seeds, as well as peasant seed systems and community seed banks.

Implementing a research and knowledge-sharing agenda towards sustainable agriculture. Agricultural research agendas have been dominated by conventional agriculture approaches and the promise of new technologies. Sustainable agriculture has been sidelined, yet it has thrived and has proven successful despite the lack of public support. Research and development efforts must be refocused towards sustainable agriculture, while at the same time strengthening existing farmer knowledge and innovation. Research priorities need to be identified in a participatory manner, enabling farmers to play a central role.

Finally, a specific goal that aims to *eliminate hunger and ensure access to food and food security for all* is needed. To contribute to this goal, targets could include:

- *Increasing the number of countries with policies of enhancing food security and access to adequate, safe and nutritious food* for present and future generations, including for children under the age of 2, and through national and global strategies.
- *Adoption of national right to food framework laws and/or inclusion of the right to food in national constitutions*, and effective implementation through national right to food strategies.
- *Ensuring the availability of nutritious food and safe drinking water* in hospitals, health care facilities and schools especially pre-kindergarten, kindergarten, elementary and high school through support of local food production.

Means of implementation and global partnership for development

In order to achieve the goals and targets, the means of implementation and a genuine global partnership for development are prerequisites. This would include the provision of finance, transfer of appropriate technology and capacity building for the adoption of sustainable agriculture and to put in place the required infrastructure, communications and other enabling conditions, and to implement national-level SDGs on rural development and agriculture. As a complement, the scale of the work to promote sustainable agriculture practices by the Rome-based UN agencies (FAO, WFP, IFAD) needs to be increased, and this should include technical support to enable countries to transition to and prioritise sustainable agriculture, and appropriate policy advice that supports its implementation.

In addition, there needs to be *trade policy in developing countries that promotes small farmers' livelihoods, food security and rural development* (three principles accepted in the WTO Doha negotiations). This would establish concrete measures and rules to put into effect the principle that developing countries be enabled to promote food security, farmers' livelihoods and rural development in the multilateral trade rules, as well as in other trade agreements. The prime importance of food security in developing countries should be reaffirmed, and trade rules and negotiations have to recognise and respect this priority, as well as to promote the livelihoods and incomes of small farmers in developing countries.

Specific targets to reduce agricultural subsidies in developed countries can be easily established, given that there has been agreement at the WTO level already to work towards the elimination of all export subsidies in developed countries, and to substantially and effectively reduce trade-distorting subsidies in developed countries.

The *regulation of commodity markets to curb speculation and address food price volatility* is imperative to address the root causes of excessive food price volatility, including its structural causes. Managing the risks linked to high and excessively volatile prices and their consequences for global food security and nutrition, as well as for smallholder farmers and poor urban dwellers would also help lessen the impact on the vulnerable.

An *increase in international funding including aid to agriculture, particularly sustainable agriculture*, in developing countries is needed. In addition, developing countries should be provided adequate policy space, including in conditions for loans and aid, to support their agriculture sector and their farmers through various measures such as credit, marketing, storage, processing, provision of agricultural inputs, land reform and land improvement measures, and measures to make agriculture more sustainable. Furthermore, there is a need for the provision of international financial resources to assist countries to implement national policies for access to food for all.

cc Alex Proimos

While access to food is a basic human right, one in eight people in the world today or a total of 868 million are undernourished and approximately 2 billion suffer from micronutrient deficiencies.

Finally, the global community should *avoid rules that create barriers to small farmers' access and use of seeds and other agricultural inputs*, for example the patenting of seeds or genetic resources that originate in developing countries, or plant variety protection consistent with the strict standards of the UPOV 1991 treaty, which may impinge on farmers' rights and affect smallholder agriculture. ◆

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When a promise is not a promise

For some of the poorest countries in the world, official development assistance (ODA) from the rich countries will be an important source of financing the post-2015 development agenda. However, almost 40 years after a UN General Assembly deadline for rich countries to provide a minimum of 0.7% of their gross national product in such aid, only five countries have fulfilled this target. An 'innovative' Dutch move may well result in the drying of such funds. *Roberto Bissio* reports.

United Nations peacekeepers. Some 300 million euros spent per year by the Netherlands on UN peacekeeping operations would be added to Dutch official development assistance if a Dutch government proposal is accepted.

SINCE the end of colonialism in the mid-20th century, the commitment by advanced economies to contribute to a better future in the countries then called 'underdeveloped' has been one of the pillars of the precarious international architecture. The very Charter of the United Nations commits its members to 'take joint and separate action in cooperation with the Organisation' to achieve 'higher standards of living, full employment, and conditions of economic and social progress and development'.

In October 1970 the UN General Assembly decided, based on the calculations of the Dutch economist Jan Tinbergen (Nobel Prize winner in 1969) on how much investment would be needed to gradually close the gap between rich and poor countries, that 'Each economically advanced country will progressively increase its official development assistance (ODA) to the developing countries and will exert its best efforts to reach a minimum net amount of 0.7% of its gross national product at market prices by the middle of the Decade.'

Almost 40 years after that deadline, only five countries (Denmark, Luxembourg, Norway, Sweden and the Netherlands) have fulfilled this promise which is repeated every year and at every international development conference. The United Kingdom will be added to the list in 2015, but by then the Netherlands will be out of it, as the country's new governing coalition plans to cut ODA to below 0.5% of GDP.

What's the value of a promise never fulfilled? To answer this question, the Dutch government presented to parliament on 14 February the results of a study by an inter-ministerial team. Significantly the team was chaired not by the Foreign Ministry, which oversees Dutch development cooperation, but by the Finance Ministry. The title of the report advances the conclusion: 'Towards a new definition of cooperation.' Since we cannot change the promise, change the terms of what we promised.

According to the current definition by the Development Assistance Committee (DAC) of the OECD, ODA comprises all flows by public institutions to developing countries included in the DAC list aimed at promoting wellbeing and economic development. If these take the forms of loans, not grants, then, in order to be listed as 'assistance', they should be 'soft' loans (at below-market interest rates) and contain a significant concessional component.

Since we cannot change the promise, change the terms of what we promised.

The study proposes five different alternatives to redefine aid, but they all have in common the inclusion of 'innovative financial instruments' in the definition and more lax rules on loans, so as to count as ODA credits currently excluded.

One proposed alternative is to exclude 'middle-income countries' completely from the list and concentrate cooperation, reduced to 0.25% of GDP, in the lowest-income countries. Another alternative put forward is to target this same percentage to the poorest countries and reach the 0.7% figure by counting as ODA all types of financial flows to middle-income countries, including funds aimed at 'facilitating success for Dutch companies abroad', particularly in the water and sanitation sector where the Dutch are perceived as having a comparative advantage.

The report regrets that under the

current rules 'public funding for private initiatives is also omitted from the ODA statistics in the cases where fiscal measures (tax expenditure) applied by the government encourage private initiatives, even though they act as a lever to release private funding flows'.

If this rule is changed, many countries could reach the 0.7% target simply by counting as aid the activities of their corporations abroad, or worse, large corporations could access the aid budgets, privatise profits if their investments are successful and socialise the losses if they fail.

The report notes that the Netherlands currently spends public monies on 'international public goods' such as mitigating climate change, global security and social assistance to refugees and migrants, and proposes to change the definition of ODA so that these can be recorded as such. This would add to Dutch ODA some 300 million euros per year spent on UN peacekeeping operations and 330 million euros budgeted as future contributions to combating climate change.

The report records that these proposals 'would in all probability raise objections from the G77' grouping of developing countries and could 'compromise other policy discussions', but does not explain why. The reason is, however, not difficult to guess. In 2009 the advanced economies pledged during the Copenhagen climate change conference to increase their contributions to mitigating climate change to $100 billion a year by 2020. This $100 billion would double current annual ODA. If the Dutch proposal becomes the new OECD standard, and there is evidence that other countries are weighing similar options, the Copenhagen commitment would be met basically by relabelling the present ODA funds.

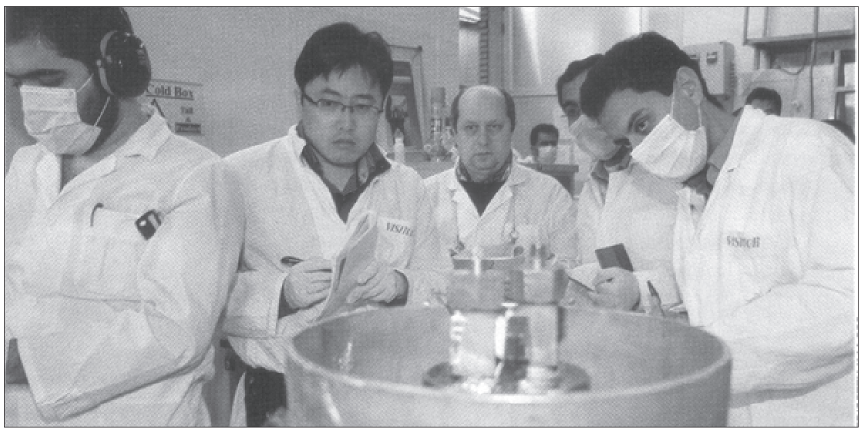
As Eric Clapton sang, 'We made a vow we'd always be friends. How could we know that promises end?'◆

Roberto Bissio is the Executive Director of the Third World Institute based in Uruguay and coordinator of Social Watch. The above was first published in Spanish in Agenda Global *(28 February 2014), a weekly supplement of the Peruvian daily* La Primera.

Resolving nuclear arms claims hinges on Iran's demand for documents

Although the International Atomic Energy Agency's charge that Iran has had a covert nuclear weapons programme in the past is based on information supplied by the US, the latter has refused to allow Iran access to the relevant documents to enable it to answer the accusation.

Gareth Porter



IAEA inspectors and Iranian technicians at the nuclear power plant in Natanz, Iran. The US has refused to share with Iran documents on which allegations of an Iranian nuclear arms programme have been based.

THE Barack Obama administration has demanded that Iran resolve 'past and present concerns' about the 'possible military dimensions' of its nuclear programme as a condition for signing a comprehensive nuclear agreement with Tehran.

Administration officials have suggested that Iran must satisfy the International Atomic Energy Agency (IAEA) regarding the allegations in the agency's report that it has had a covert nuclear weapons programme in the past.

But the record of negotiations between Iran and the IAEA shows Tehran has been ready for the past two years to provide detailed responses to all the charges of Iranian nuclear weapons work, and that the problem has been the refusal of the IAEA to share with Iran the documentary evidence on which those allegations have been based.

The real obstacle to providing those documents, however, has long been a US policy of refusing to share the documents on the assumption that Iran must confess to having had a weaponisation programme.

The head of Iran's Atomic Energy Organisation, Ali Akbar Salehi, declared on 12 February, 'The authenticity of each allegation should be proven first, then the person who submitted it to the agency should give us the genuine document. When we are assured of the authenticity, then we can talk to the agency.'

Neither the IAEA nor the Obama administration has responded publicly to Salehi's statement. In response to a query from Inter Press Service (IPS), the spokesperson for the US National Security Council, Bernadette Meehan, said the NSC officials would have no comment on the Iranian demand for access to the documents.

The spokesperson for IAEA Director-General Yukiya Amano did not answer a request from IPS on 27 February for the agency's comment.

But a draft text of an agreement being negotiated between the IAEA and Iran dated 20 February 2012 shows that the only difference between the two sides on resolving issues about allegations of Iranian nuclear weapons work was Iran's demand to have the documents on which the allegations are based.

The draft text, which was later published on the website of the Arms Control Association, reflects Iran's deletions and additions to the original IAEA proposal. It calls for Iran to provide a 'conclusive technical assessment' of a set of six 'topics', which included 12 distinct charges in the report in a particular order that the IAEA desired.

Iran and the IAEA agreed that Iran would provide a 'conclusive technical assessment' on a list of 10 issues in a particular order. The only topics that Iran proposed to delete from the list were 'management structure' and 'procurement activities', which did not involve charges of specifically nuclear weapons work.

The two sides had agreed in the draft that the IAEA would provide a 'detailed explanation of its concerns'. But they had failed to agree on provision of documents to Iran by the IAEA. The IAEA had proposed language that the agency would provide Iran with the relevant documents only 'where appropriate'. Iran was insisting on deletion of that qualifying phrase from the draft.

The first priority on the list of topics to which both sides had agreed in the draft was 'Parchin' – referring to the claim of intelligence from an unnamed state that Iran had installed a large cylinder at the Parchin military reservation.

A November 2011 IAEA report suggested the cylinder was intended for testing nuclear weapons designs and had been built with the assistance of a 'foreign expert'. Iran also agreed to respond in detail on the issue of the 'foreign expert', who has been identified as Vyacheslav Danilenko, a Ukrainian specialist on nanodiamonds.

The evidence associated with that claim and others published in the 2011 report shows that they were based on intelligence reports and documents given to the IAEA by Israel in 2008-09. Former IAEA Director-General Mohamed ElBaradei referred to a series of documents provided by Israel in his 2012 memoirs.

Iran also agreed to respond in detail to allegations that Iran had sought to integrate a nuclear weapon into the reentry vehicle of the Shahab-3 missile, and that it had developed high explosives as a 'detonator' for a nuclear weapon.

Both alleged activities had been depicted or described in documents reported in the US news media in 2005-06 as having come from a covert Iranian nuclear weapons programme.

Those documents, about whose authenticity ElBaradei and other senior IAEA officials have publicly expressed serious doubts, have now been revealed as having been given to Western intelligence by an anti-regime Iranian terrorist organisation.

Former senior German foreign office official Karsten Voigt revealed in an interview last year for a newly published book by this writer that senior officials of the German intelligence agency BND had told him in November 2004 that the BND had gotten the entire collection of documents from a member of the Mujahedin-e-Khalq (MEK) who had been one of their sources, and that they did not consider the source to be reliable.

The MEK, considered by the United States and European states as a terrorist organisation, had been used by Saddam Hussein's regime to support the war against Iran and by Israel to issue intelligence and propaganda that Mossad did not want attributed to it.

Negotiations between Iran and the P5+1 group (comprising the US, Russia, China, the UK, France and Germany) on Iran's nuclear programme.

ElBaradei, who retired from the IAEA in November 2009, had declared repeatedly that sharing the documents was necessary to ensure 'due process' in resolving the issue, but the United States had prevented him from doing so.

In his final statement to the IAEA Board of Governors on 7 September 2009, he appealed to 'those who provided the information related to the alleged weaponisation studies to share with Iran as much information as possible'.

A former IAEA official, who asked not to be identified, told IPS that the United States had allowed only a very limited number of documents to be shown to Iran in the form of PowerPoint slides projected on a screen.

A May 2008 IAEA report described a number of documents purported to be from the Iranian weapons programme but said that the IAEA 'was not in possession of the documents and was therefore unfortunately unable to make them available to Iran'.

Around 100 pages of documents were given by the United States to the agency to share with Iran, the former official said, but none of the documents described in the report were among them.

The US policy of denying Iranian access to the documents continued during the Obama administration, as shown by a US diplomatic cable from Vienna dated 29 April 2009 and released by WikiLeaks. At a P5+1 technical meeting, both US and IAEA officials were quoted as implying that the objective of the policy was to press Iran to confess to the activities portrayed in the papers.

US officials said that a failure by Iran to 'disclose any past weaponisation-related work' would 'suggest Iran wishes to hide and pursue its past work, perhaps to keep a future weapons option'.

IAEA Safeguards Chief Olli Heinonen made it clear that no copies of the relevant documents charging Iran with weaponisation would be provided to Iran and complained that Iran had continued to claim that the documents were fabricated.

In its report of 14 November 2013, the IAEA said it had received more information – presumably from Israel – that 'corroborates the analysis' in its 2011 report.

The past unwillingness of the Obama administration to entertain the possibility that the documents provided by the MEK were fabricated or to allow Iran the opportunity to prove that through close analysis of the documents, and the IAEA's continued commitment to the weaponisation information it has published suggest that the issue of past claims will be just as contentious as the technical issues to be negotiated, if not more so. – *IPS* ◆

Gareth Porter, an investigative historian and journalist specialising in US national security policy, received the UK-based Gellhorn Prize for journalism for 2011 for articles on the US war in Afghanistan. His new book Manufactured Crisis: The Untold Story of the Iran Nuclear Scare *was published in February.*

USAID subversion in Latin America not limited to Cuba

The recent attempt by the US Agency for International Development (USAID) to undermine Cuba by using a Twitter-style social media network has received much publicity. But as *Dan Beeton* reveals, the Agency has a track record of subversion in other Latin American countries too.

A mobile phone user in Havana. A USAID project to create a Twitter-style social media network in Cuba was reportedly 'aimed at undermining Cuba's communist government'.

AN investigation by the Associated Press into a US Agency for International Development (USAID) project to create a Twitter-style social media network in Cuba has received a lot of attention, with the news trending on the actual Twitter for much of the day when the story broke on 4 April, and eliciting comment from various members of the US Congress and other policymakers.

The 'ZunZuneo' project, which AP reports was 'aimed at undermining Cuba's communist government', was overseen by USAID's Office of Transition Initiatives (OTI). AP describes OTI as 'a division that was created after the fall of the Soviet Union to promote US interests in quickly changing political environments – without the usual red tape'. Its efforts to undermine the Cuban government are not unusual, however, considering the organisation's track record in other countries in the region.

As Co-Director of the Washington-based Center for Economic and Policy Research (CEPR) Mark Weisbrot described in an interview with radio station KPFA's *Letters and Politics*, USAID and OTI in particular have engaged in various efforts to undermine the democratically elected governments of Venezuela, Bolivia and Haiti, among others, and such 'open societies' could be more likely to be impacted by such activities than Cuba.

Venezuela strategy

Declassified US government documents show that USAID's OTI in Venezuela played a central role in funding and working with groups and individuals following the shortlived 2002 coup d'etat against Hugo Chavez. A key contractor for USAID/OTI in that effort has been Development Alternatives, Inc. (DAI).

More recent US State Department cables made public by WikiLeaks reveal that USAID/OTI subversion in Venezuela extended into the Obama administration era (until 2010, when funding for OTI in Venezuela appears to have ended), and DAI continued to play an important role. A State Department cable from November 2006 explains the US embassy's strategy in Venezuela and how USAID/OTI 'activities support [the] strategy':

'In August of 2004, Ambassador outlined the country team's 5 point strategy to guide embassy activities in Venezuela for the period 2004) 2006 [sic] (specifically, from the referendum to the 2006 presidential elections). The strategy's focus is: 1) Strengthening Democratic Institutions, 2) Penetrating Chavez' Political Base, 3) Dividing Chavismo, 4) Protecting Vital US business, and 5) Isolating Chavez internationally.'

Among the ways in which USAID/OTI have supported the strategy is through the funding and training of protest groups. An August 2009 cable cites the head of DAI's Venezuela office Eduardo Fernandez as saying, during 2009 protests, that all the protest organisers are DAI grantees:

'Fernandez told DCM Caulfield that he believed the [Scientific, Penal and Criminal Investigations Corps'] dual objective is to obtain information regarding DAI's grantees and to cut off their funding. Fernandez said that "the streets are hot," referring to growing protests against Chavez's efforts to consolidate power, and "all these people (organising the protests) are our grantees." Fernandez has been leading non-partisan training and grant programs since 2004 for DAI in Venezuela.'

The November 2006 cable describes an example of USAID/OTI partners in Venezuela 'shut[ting] down [a] city':

'CECAVID: This project supported an NGO working with women in the informal sectors of Barquisimeto, the 5th largest city in Venezuela. The training helped them negotiate with city government to provide better working conditions. After initially agreeing to the women's conditions, the city government reneged and the women shut down the city for 2 days forcing the mayor to return to the bargaining table. This project is now being replicated in another area of Venezuela.'

The implications for the current situation in Venezuela are obvious, unless we are to assume that such activities have ended despite the tens of millions of dollars in USAID funds designated for Venezuela, some of it going through organisations such as Freedom House, and the International Republican Institute, some of which also funded groups involved in the 2002 coup (which prominent IRI staff publicly applauded at the time).

The same November 2006 cable notes that one OTI programme goal is to bolster international support for the opposition:

'…DAI has brought dozens of international leaders to Venezuela, university professors, NGO members, and political leaders to participate in workshops and seminars, who then return to their countries with a better understanding of the Venezuelan reality and as stronger advocates for the Venezuelan opposition.'

Many of the thousands of cables originating from the US embassy in Caracas that have been made available by WikiLeaks describe regular communication and coordination with prominent opposition leaders and groups. One particular favourite has been the NGO Sumate and its leader Maria Corina Machado, who has made headlines over the past two months for her role in the protest movement.

The cables show that Machado historically has taken more extreme positions than some other opposition leaders, and the embassy has at least privately questioned Sumate's strategy of discrediting Venezuela's electoral system which in turn has contributed to opposition defeats at the polls (most notably in 2005 when an opposition boycott led to complete Chavista domination of the National Assembly). The current protests are no different; Machado and Leopoldo Lopez launched the 'La Salida' campaign at the end of January with its stated goal of forcing President Nicolas Maduro from office, and vowing to 'create chaos in the streets'.

USAID and its Office of Transition Initiatives have engaged in various efforts to undermine the democratically elected government in Venezuela, including through the funding and training of protest groups. Picture shows an anti-government protest in Caracas in 2007.

USAID support for destabilisation is no secret to the targeted governments. In September 2008, in the midst of a violent, racist and pro-secessionist campaign against the democratically elected government of Evo Morales in Bolivia, Morales expelled the US ambassador, and Venezuela followed suit 'in solidarity'. Bolivia would later end all USAID involvement in Bolivia after the agency refused to disclose whom it was funding in the country (Freedom of Information Act requests had been independently filed but were not answered). The US embassy in Bolivia had previously been caught asking Peace Corps volunteers and Fulbright scholars in the country to engage in espionage.

Commenting on the failed USAID/OTI ZunZuneo programme in Cuba, Jason Chaffetz, Chairman of the Oversight and Government Reform National Security Subcommittee in the US House of Representatives, said, 'That is not what USAID should be doing. USAID is flying the American flag and should be recognised around the globe as an honest broker of doing good. If they start participating in covert, subversive activities, the credibility of the United States is diminished.'

But USAID's track record of engaging in subversive activities is a long one, and US credibility as an 'honest broker' was lost many years ago. ◆

The Evo Morales government ended USAID involvement in Bolivia after the agency refused to disclose whom it was funding in the country.

Dan Beeton is International Communications Director of the Washington, DC-based Center for Economic and Policy Research (CEPR). This article is reproduced from The Americas Blog on the CEPR website (www.cepr.net).

Resurgent Chilean social movements advance cross-border solidarity

The social coalition of student activists, trade unionists and other civil society groups who helped to propel Michelle Bachelet to victory in the Chilean presidential elections last year are now pressurising her to build cross-border solidarity by allying with other leftist governments in the region. *Emily Achtenberg* explains.

ON 11 March, newly elected Chilean President Michelle Bachelet began her inaugural speech by acknowledging her debt to the social movements that propelled her centre-left New Majority coalition to victory, on a radical platform that has transformed Chile's political landscape. Even as they continue to shape the domestic political agenda, activist students, trade unionists, and other civil society and political organisations are also mobilising to build cross-border solidarity, pressuring Bachelet to ally with other leftist governments in the region.

Chilean President Michelle Bachelet greeting supporters at the presidential palace after her inauguration on 11 March.

On 15 February, the militant University of Chile Student Federation (FECH) – fresh on the heels of forcing the ouster of Bachelet's newly appointed education undersecretary and her replacement with a more politically compatible designee – issued a strong statement critical of Venezuelan students who have spearheaded ongoing protests against the Chavista government of Nicolas Maduro. 'We don't feel represented by the actions of Venezuelan student sectors that are defending the old order, in opposition to the path that the people have defined,' the statement read in part.

Demonstrating at the Venezuelan embassy, representatives of FECH and other student federations emphasised that the middle-class Venezuelan students, unlike their Chilean counterparts, are not demanding educational or other social reforms. Rather, student leaders explained, they are mobilising against the Chavista government which has advanced the goals of free, public education and democratisation of the university, the very issues that Chilean students are fighting for.

To be sure, FECH's stance is opposed by Chile's Young Christian Democrats (JDC), student organisations from some private universities, and other dissident factions, who have urged support for the protesters. Some groups, such as the Student Federation of Catholic University (FEUC), have called for protection of Venezuelan students' rights, while stopping short of endorsing their demands.

The split mirrors divisions within the New Majority coalition itself. Under pressure from FECH and allied student organisations, Bachelet has publicly supported Maduro and the people of Venezuela, calling on all sides to seek a peaceful and democratic resolution to the conflict, while leading Christian Democrats accuse the Venezuelan government of criminalising and repressing dissent. The recent assassination of a 47-year-old Chilean citizen in Venezuela, a Chavista supporter and mother of four, has heightened domestic tensions over the issue. Still, the majority of student organisations continue to emphasise (to both Chilean and foreign media) that their movement has little in common with Venezuela's student protests.

'The sea for Bolivia!'

Following Bachelet's inaugural ceremony, some 5,000 representatives of student, trade union, community, indigenous and other civil society organisations assembled at the Teatro Caupolican in Santiago to welcome Bolivian President Evo Morales with the slogan '*Mar para Bolivia!*' ('The sea for Bolivia!'). The issue of regaining coastal territory lost to Chile in the 1879 War of the Pacific, which left Bolivia landlocked, has long been a rallying point for Bolivia and is now a crusade for the Morales government.

Some 5,000 Chilean civil society representatives assembled in Santiago in March to welcome Bolivian President Evo Morales and support the provision by Chile to Bolivia of sovereign access to the Pacific Ocean.

Last year, Morales filed a lawsuit with the International Court of Justice in The Hague demanding that Chile negotiate in good faith to provide Bolivia with sovereign access to the Pacific. Morales argues that the 1904 Peace Treaty signed by the two countries was imposed under duress, and should be scrapped or modified. On economic grounds, Bolivia claims that its landlocked status has reduced its GNP by more than $30 billion since 1970, while the mineral-rich ceded territory (now the site of some of the world's biggest copper mines) has made Chile the wealthiest country in South America.

The dispute has strained relations between the two countries for decades. Ironically, former dictators Augusto Pinochet and Hugo Banzer were on the brink of an agreement in 1975, which was derailed when Pinochet demanded territorial compensation from Bolivia in exchange for granting it a sea corridor. A 13-point bilateral agenda developed by Morales and Bachelet during her first term in 2006 was sidelined by her conservative successor, Sebastian Pinera.

Recent efforts to resume dialogue with Bolivia have been spearheaded by Chilean social sectors and political activists. Last April, 57 civil society groups, including the Workers United Centre of Chile (CUT, the major national trade union federation) and indigenous Mapuche organisations, signed a letter demanding that Pinera offer Bolivia a constructive proposal. Former Progressive Party presidential candidate Marco Enriquez-Ominami, who placed third in the first-round election, visited Morales in February to convey Chilean solidarity and pave the way for the post-inaugural encounter.

Former student leader and newly elected Communist Party congressional deputy Camila Vallejo has been a leading voice pressing the Bachelet government to re-engage with Bolivia. 'It's not about giving away a gift,' she emphasises. 'Bolivia has significant energy [gas] resources and we are, supposedly, in an energy crisis. Why not have a politics of integration and mutual solidarity?'

To the consternation of many, Bachelet – bowing to conservative pressures – announced the day after her inauguration that Chile will not negotiate Bolivia's sea access while the matter is pending before the International Court. For his part, Morales has refused to abandon Bolivia's legal claims, leaving civil society activists with a significant role to play in the continuing controversy.

The TPPA

Finally, last December more than 50 Chilean civil society leaders, 15 senators and 37 congressional deputies signed a public declaration demanding a halt to negotiations on the Trans-Pacific Partnership Agreement (TPPA), a US-led trade initiative involving a dozen Pacific Rim nations. Activists are demanding increased transparency, as well as protections from trade rules that could undermine national sovereignty over intellectual property rights, access to medicine, capital flow management and other crucial matters. Bachelet, a strong supporter of free trade, is also an advocate of national sovereignty. Her campaign manager (now finance minister) Alberto Arenas has indicated his support for civil society's position.

As Bachelet struggles to manage competing ideological tensions within her own New Majority coalition, continuing pressure from Chile's resurgent social movements on these and other cross-border issues will be critical in positioning Chile within Latin America's growing political divide. ◆

Negotiations on the Trans-Pacific Partnership Agreement (TPPA), a US-led trade initiative involving a dozen Pacific Rim nations. Chilean civil society leaders and lawmakers have signed a public declaration demanding a halt to the TPPA talks.

Emily Achtenberg is an urban planner and the author of the Rebel Currents blog on the website of the North American Congress on Latin America (NACLA) covering Latin American social movements and progressive governments (nacla.org/blog/rebel-currents). This article first appeared on Rebel Currents.

A new paradigm needed to support the right to food

A new paradigm focused on well-being, resilience and sustainability must be designed to replace the 'productivist' paradigm and thus better support the full realisation of the right to adequate food, says the United Nations Special Rapporteur on the right to food, Olivier De Schutter.

Kanaga Raja

'WEALTHY countries,' De Schutter said, 'must move away from export-driven agricultural policies and leave space instead for small-scale farmers in developing countries to supply local markets. They must also restrain their expanding claims on global farmland by reining in the demand for animal feed and agro-fuels, and by reducing food waste.'

In his final report to the UN Human Rights Council following the end of his six-year term as Special Rapporteur, De Schutter stressed that the eradication of hunger and malnutrition is an achievable goal.

'Reaching it requires, however, that we move away from business as usual and improve coordination across sectors, across time and across levels of governance. Empowering communities at the local level, in order for them to identify the obstacles that they face and the solutions that suit them best, is a first step,' he said.

'This must be complemented by supportive policies at the national level that ensure the right sequencing between the various policy reforms that are needed, across all relevant sectors, including agriculture, rural development, health, education and social protection.'

In turn, he added, local-level and national-level policies should benefit from an enabling international environment, in which policies that affect the ability of countries to guarantee the right to food – in the areas of trade, food aid, foreign debt alleviation and development cooperation – are realigned with the imperative of achieving food security and ensuring adequate nutrition.

UN Special Rapporteur on the right to food, Olivier De Schutter.

'Understood as a requirement for democracy in the food systems, which would imply the possibility for communities to choose which food systems to depend on and how to reshape those systems, food sovereignty is a condition for the full realisation of the right to food,' said De Schutter.

Need for reform

The Human Rights Council held its 25th regular session in Geneva from 3-28 March.

In his report, presented at the Council on 10 March, the Special Rapporteur underlined that most stakeholders agree, in general terms, on the urgent need for reform.

'Measured against the requirement that they should contribute to the realisation of the right to food, the food systems we have inherited from the 20th century have failed. Of course, significant progress has been achieved in boosting agricultural production over the past 50 years. But this has hardly reduced the number of hungry people, and the nutritional outcomes remain poor.'

De Schutter noted that small-scale food producers and the landless rural poor, including many farmworkers who barely survive from their labour on large plantations, represent a majority of those living in extreme poverty.

'Yet, the promotion in the past of export-led agriculture, often based on the exploitation of a largely disempowered workforce, operated at the expense of family farms producing food crops for local consumption. This resulted in a paradoxical situation in which many low-income countries, though they are typically agriculture-based, raw commodity-exporting economies, are highly dependent on food imports, sometimes supplemented by food aid, because they have neglected to invest in local production and food processing to feed their own communities.'

De Schutter further said that it also led to increased rural poverty and the growth of urban slums, and to the inability of governments to move to a more diversified economy. Whereas such a diversification requires adequate infrastructure, a qualified workforce, and a consumer market allowing producers of manufactured goods, or service providers, to achieve economies of scale, none of this can happen when half of the population is condemned to extreme deprivation.

Improving support to smallholders is therefore essential in achieving local food security, said De Schutter, adding that he had explored different tools to achieve this.

On the one hand, he said, 'food systems must be reshaped in order to be more inclusive of small-scale food producers, who have generally been disadvantaged in the past, both as a result of inequitable food chains and because agricultural technologies have not taken into account their specific needs.'

With this aim in mind, the Special Rapporteur noted the importance of addressing imbalances of power in food chains, in particular by regulating buyer power in situations where dominant positions may be a source of abuse: this has been an entirely forgotten dimension of the reforms that have been promoted since 2008.

In this context, De Schutter called, amongst others, for reforming a regime of intellectual property rights on plant varieties that can make commercially bred varieties inaccessible to the poorest farmers in low-income countries.

On the other hand, the right of small-scale food producers not to be forced or co-opted into the dominant food systems must be recognised, he said, underscoring that respect for their access to productive resources is key in this regard.

A new paradigm

Calling for the design of a new paradigm that better supports the full realisation of the right to adequate food, the Special Rapporteur noted that firstly, certain types of agricultural development can combine increased production, a concern for sustainability, the adoption of robust measures to tackle unsustainable consumption patterns, and strong poverty-reducing impacts.

Governments could achieve this by providing strong support to small-scale food producers, based on the provision of public goods for training, storage and connection to markets, and on the dissemination of agroecological modes of production.

In addition, measures should be taken to develop local markets and local food-processing facilities, combined with trade policies that support such efforts and at the same time reduce the competition between the luxury tastes of some and the basic needs of the others.

Secondly, just as multiple food systems must be combined to improve resilience through enhanced diversity, different forms of farming can coexist, each fulfilling a different function, he said, adding: 'The example of Brazil suggests that family farms can be supported even in the vicinity of highly competitive, large-scale agricultural producers and that such coexistence can be viable, provided the government is aware of the different functions that different agricultural models serve to fulfil, and adopts a balanced approach towards them.'

In many countries, however, this coexistence has failed, and the balance has shifted almost entirely in favour of the large-scale export-led agricultural sector, De Schutter stressed. 'The lesson that emerges is that the transition to agrifood policies that support the realisation of the right to food requires major political efforts to restructure support around agroecological, labour-intensive, poverty-reducing forms of agriculture.'

According to the report, while a number of reasons explain the lack of investment in food production to satisfy local needs – including in particular the burden of foreign debt (which leads countries to focus on cash crops for exports) and the often weak accountability of governments to the rural poor – the addiction to cheap food imports is also caused by massive overproduction in better-off exporting countries, which is stimulated by subsidies going to the largest agricultural producers in those countries, and which ensures access to cheap inputs for the food-processing industry.

'And it is facilitated by the growth of international trade and investment and the corresponding increase of the role of large agribusiness corporations in the food systems,' said De Schutter, adding that while the rebuilding of local food systems in developing countries is vital to expand opportunities to small-scale food producers and, at the same time, to improve access to fresh and nutritious food for all, it depends fundamentally on the reform of food systems in rich countries.

'Such reform faces significant obstacles, however. The various elements of the food systems have co-evolved over the years, shaped by the productivist paradigm that has dominated the design of food and agricultural policies for decades.'

The report noted: 'The farming sector has become highly dependent on agricultural subsidies that have favoured the production of commodities for the livestock or food processing industry – corn, soybean and wheat, in particular – rather than food, and it has come to rely on cheap fuel for its highly mechanised and input-intensive mode of production, replacing farmers' knowledge.'

According to De Schutter, even without taking into account the subsidies for the consumption of fossil fuels by agricultural producers, countries of the Organisation for Economic Cooperation and Development (OECD) subsidised their farming sector to the amount of $259 billion in 2012.

This has encouraged the expansion of the food-processing industry, thanks to the availability of cheap inputs and the deployment of infrastructure – in the form of silos and processing plants – that has been shaped by and for agro-industry.

'Large agribusiness corporations have come to dominate increasingly globalised markets thanks to their ability to achieve economies of scale and because of various network effects. In the process, smaller-sized food producers have been marginalised because, although they can be highly productive per hectare of land and highly resource-efficient if provided with adequate support, they are less competitive under prevalent market conditions,' he said.

The Special Rapporteur said that these developments have come at a high ecological cost. 'Due to the links between agriculture, diets and health, they also impose a considerable burden on health-care systems. They have led, finally, to the depopulation of rural areas. Yet, because these different components of the food systems shaped during the past half-century have strengthened one another, they have become lock-ins, seemingly blocking any real transformative possibilities.'

But change can be achieved, and actions should be launched at three levels to democratise food security policies, thus weakening existing lock-ins and allowing these policies to shape the new model that he has called for, the Special Rapporteur said.

At the local level, the key to transition is to rebuild local food systems, thus decentralising food systems and making them more flexible, but also creating links between the cities and their rural hinterland, for the benefit both of local producers and of consumers.

'Food systems must be reshaped in order to be more inclusive of small-scale food producers.'

At the national level, in addition to support for locally led innovations, multi-sectoral strategies should be deployed. Such strategies should trigger a process in which progress is made towards supporting a re-investment in local food production, focused in particular on small-scale food producers in the countries where they represent a large proportion of the poor; towards the diversification of the economy, to create opportunities for income-generating activities; and towards the establishment of standing social protection schemes, to ensure that all individuals have access to nutritious food at all times, even if they have access neither to productive resources nor to employment.

At the international level, said De Schutter, greater coordination should be achieved between actions launched at the multilateral, regional and national levels, with a view to creating an enabling international environment – rewarding and supporting domestic efforts towards the realisation of the right to food rather than obstructing them.

'At each of these levels, the right to adequate food has a key role to play to guide the efforts of all actors, to ensure participation of those affected by hunger and malnutrition, and to establish appropriate accountability mechanisms,' said De Schutter.

On rebuilding local food systems, the Special Rapporteur said that the modernisation of food supply chains, together with the implementation of agricultural policies focused more on the production of commodities than on food, has led to the marginalisation of local food systems over recent years.

'This trend must be reversed. Small-scale food producers must be provided with greater opportunities to sell on the local markets, which they can more easily supply without having to be dependent on large buyers.'

According to the Special Rapporteur, local food systems can be rebuilt through appropriate investments in infrastructure, packaging and processing facilities, and distribution channels, and by allowing smallholders to organise themselves in ways that yield economies of scale and allow them to move towards higher-value activities in the food supply chain.

'This would support rural development and the reduction of rural poverty, and slow down rural-to-urban migration,' said De Schutter, adding that the strengthening of local food systems would also improve the resilience of cities.

By 2050, when the world population will have reached 9.3 billion, about 6.3 billion of these inhabitants, more than two in three, will be urban, at current rates of rural-to-urban migration. Under a business-as-usual scenario, the rural population is expected to decline globally after 2020: there will be 300 million fewer rural inhabitants in 2050 than there were in 2010.

'As the competition increases between putting land to urban or to industrial use in the urban and peri-urban perimeter, and as increased food supplies create unprecedented logistical challenges for food distribution and transport systems, it is vital that cities assess their food dependencies, identify weaknesses and potential pressure points and, where possible, develop a variety of channels through which they can procure their food.'

De Schutter noted that a wide range of social innovations have emerged in recent years to support the rebuilding of local food systems, primarily by reconnecting urban consumers with local food producers. In Montreal, Canada, for instance, urban agriculture initiatives include a community gardening programme managed by the City, and collective gardens managed by community organisations, with impacts that go beyond improved food security and nutrition contributing also to educational and empowerment goals.

In Brazil, De Schutter said, he was impressed by the achievements of the Zero Hunger strategy launched in 2003. He noted that this strategy includes a range of programmes that are territory-based and seek to support the ability of 'family farmers' to feed the cities: among the innovations are the institutional recognition of family farming and the establishment of a ministry specifically dedicated to meeting their needs (the Ministry for Agrarian Development), a low-income restaurant programme, food banks, community kitchens, cisterns and the improvement of facilities for the storage of food in rural areas, as well as encouragement of the 'social solidarity' economy.

'The right to food is central to the success of these efforts at rebuilding local food systems,' he stressed.

The Special Rapporteur said that he has consistently encouraged the adoption of national strategies in support of the progressive realisation of the right to adequate food, in line with the recommendations of the UN Committee on Economic, Social and Cultural Rights in its general comment No. 12 on the right to adequate food (paragraph 21) and with guideline 3 of the Voluntary Guidelines to Support the Progressive Realisation of the Right to Adequate Food in the Context of National Food Security.

He was encouraged by the significant progress made in a number of regions, though especially in Latin America and in Africa, towards implementing these recommendations.

Such strategies are a key component for the governance of the transition towards sustainable food systems that can contribute to the eradication of hunger and malnutrition, said De Schutter, adding that regardless of how innovative they may be, local initiatives can only succeed, and be 'scaled out' by successful experiments being replicated across large regions, if they are supported, or at least not obstructed, by policies adopted at the national level.

'Moreover, poor nutritional outcomes are explained by a range of factors, and combating hunger and malnutrition requires taking into account the full set of immediate, underlying and basic causes, at the individual, household and societal level respectively: this calls for a multisectoral approach, involving the full range of relevant ministries.'

According to the Special Rapporteur, transformative strategies must be adopted with a view to guaranteeing access to adequate food for all by simultaneously supporting small-scale food producers' ability to produce food sustainably, improving employment opportunities in all sectors and strengthening social protection.

'The gradual substitution of policies focused on low prices of foodstuffs by rights-based social protection, as a means of ensuring access to adequate food for the poorest groups of the population, again illustrates the importance of a careful sequencing of reforms,' he said, adding that today, 75-80% of the world population still do not have access to social security to shield them from the effects of unemployment, illness or disability – not to mention crop failure or soaring food costs.

An urban farm supported by the Brazilian government's Zero Hunger strategy. This strategy includes a range of programmes that seek to support the ability of family farmers to feed the cities.

Noting that there is now an international consensus in favour of making the full realisation of the right to social security a priority, De Schutter recommended that social protection schemes be strengthened in all countries, and the social protection agenda and the agricultural agenda should be better aligned with each other, to gradually succeed in making the transition.

The Special Rapporteur further said that the progressive realisation of the right to food also requires improving global governance, noting that since its reform in 2009, the Committee on World Food Security (CFS) has been making a major contribution to the global food security agenda. 'Indeed, just as local-level initiatives cannot succeed without support from national-level right-to-food strategies, efforts at the domestic level require international support to bear fruit.'

Together with the Special Rapporteur on extreme poverty and human rights, De Schutter said, he has argued, for instance, for the establishment of a Global Fund for Social Protection, for overcoming financial obstacles and building international solidarity in order to fulfil the right to food and the right to social protection in developing countries, particularly those where vulnerability to covariant risks such as drought and food price volatility is high.

'The ninth Ministerial Conference of [the World Trade Organisation], held in Bali, Indonesia, from 3 to 7 December 2013, which failed to place food security above trade concerns, provides a textbook illustration of the need to improve coherence of global governance for the realisation of the right to food: no area, not even trade, should be left aside from discussions concerning this paramount objective,' he said.

During the presentation of his report to the Council on 10 March, De Schutter noted that not all sectoral policies are aligned with the new, post-food-crisis paradigm. In particular, he said, many trade negotiators still tend to measure success by the increase of trade volumes, rather than by improvements in rural development and the reduction of rural poverty.

'Against that background, better aligning trade policies on the new food security agenda should be treated as an urgent priority,' De Schutter stressed. ◆

Kanaga Raja is Editor of the South-North Development Monitor *(*SUNS*), from which this article is reproduced (No. 7763, 14 March 2014).* SUNS *is published by the Third World Network.*

Saudis' mass expulsions putting Somalis in danger

In a brutal crackdown on undocumented foreign workers, Saudi Arabia has been deporting such workers without regard to their human rights and in violation of international law. *Laetitia Bader* and *Adam Coogle* explain.

More than 25,000 Somalis have been rounded up by authorities in Saudi Arabia and expelled back to their wartorn home country since the last month of 2013. Picture shows Somalis deported from Saudi Arabia arriving at Mogadishu airport.

IN 2013, Mohamed, a 22-year-old Somali, was making a living washing cars in Saudi Arabia. Late that year, due to increasing government pressure on employers of undocumented workers, he was fired. In December, after several weeks without a job, Mohamed handed himself over to the police. He spent the next 57 days detained in appalling conditions. 'In the first detention centre in Riyadh, there was so little food, we fought over it,' he said. 'So the strongest ate the most. Guards told us to face the wall and then beat our backs with metal rods. In the second place, there were two toilets for 1,200 people, including dozens of children.'

Mohamed is now in Mogadishu, the Somali capital. He is one of more than 25,000 Somalis, including hundreds of women and children, rounded up by the Saudi authorities and expelled back to their wartorn home country since the last month of 2013.

The rash of deportations has continued in early 2014, with hundreds forced to leave each week in February and March to date. And the Saudis are expected to expel thousands more. These moves are part of a campaign by Saudi labour authorities and security services to arrest and deport undocumented migrants from several countries, a process that the government contends will open private-sector employment opportunities to Saudi Arabian citizens.

Nine recent deportees who were interviewed by Human Rights Watch researchers in Mogadishu in early February described conditions in Saudi detention similar to those experienced by Mohamed. They spoke of severe overcrowding, little air or daylight, poor sanitary facilities, sweltering heat in some cases and cold in others, and limited access to medical assistance. Some said they had developed chronic health problems, including persistent coughing, as a result of their time in custody. Children are sometimes detained with their relatives but some have also been separated from their parents or caregivers.

Saladu, a 35-year-old mother of two, was detained for nine days with her two children, ages 7 and 9, and her sister's three children in Jidda before deportation. 'The room we stayed in with 150 other women and children was extremely hot, and there was no air conditioning,' she said. 'The children were sick. My son was vomiting and his stomach was very bloated. There were no mattresses. People just slept on the floor.'

Most of the recent deportees described inadequate food of poor quality in detention. Several said people in the cells jostled for elbow room as well as food. 'There were a lot of people in the room, some little children,' said Raiza, 45, detained for three months with her daughter, who suffers from mental health problems. 'You would have to fight to get your space.'

Others said they were subjected to beatings and other abusive treatment during the deportation procedures. Sadiyo said she was in the ninth month of her pregnancy and standing in line at the Jidda airport when a Saudi policewoman beat her with a baton on her back. She went into labour and gave birth on the cabin floor of the plane as it flew to Mogadishu.

Given the number of people being deported and the gravity of the situation in Somalia, Saudi Arabia may be violating its obligation under international law not to send anyone back to a place where their life or freedom would be threatened or where they would face persecution, torture, or inhuman or degrading treatment. Mohamed, for example, left Baidoa in south-central Somalia in 2008, fleeing conflict and economic stagnation. The reasons for his flight remain unchanged: fighting persists in many parts of south-central Somalia, government control is severely limited, and the armed Islamist group al-Shabaab controls large sections of the territory.

Mass expulsions

Somalis in Saudi Arabia are part of one of the largest migrant labour populations in the world. At least 7.5 million migrant foreign workers – more than half the workforce – fill the country's manual, clerical and service jobs.

Since 2011, increasingly conscious of unemployment among the native-born population, Saudi officials have maintained a quota system for foreigners in the private sector. In April 2013, Saudi police and labour officials opened the nationwide campaign to arrest and expel undocumented workers, including workers without valid residency or work permits, or workers caught working for an employer other than their legal sponsor. As part of the campaign, police raided office buildings and set up checkpoints on main roads. Following an outcry from businessmen and foreign missions, King 'Abdallah suspended the expulsion campaign. He announced a 'grace period' for workers to correct their status or leave the country, which he extended on 2 July for another three months.

On 4 November, Saudi authorities resumed raids and mass arrests, detaining at least 20,000 workers in the first two days alone, according to the Jidda-based *Saudi Gazette*. Several Somali deportees said they had handed themselves over to the police, fearing that they would be beaten up if they did not.

The government effort also precipitated several attacks on undocumented workers. The most violent assaults occurred on the evening of 9 November in areas around the Manfouha neighbourhood of southern Riyadh, which hosts a large Ethiopian population.

Two Ethiopian migrant workers told Human Rights Watch they saw a group of people armed with sticks, swords, machetes and firearms, apparently Saudi Arabian citizens, set upon foreign workers that night. 'On the first night it was both the police and *shabab* ["young men" in Arabic] who were attacking and beating Ethiopians. When we went out of our homes to protect them, the police were there, but they didn't let us do anything,' one worker said. He also said he saw a large circle of Ethiopians crying around several dead and wounded migrants. Another migrant from Manfouha said that a group of 20 men with machetes and pistols broke down the door of a house in which he had taken refuge and attacked the people inside.

The Saudi Interior Ministry announced on 21 January that it had deported more than 250,000 people since November, including workers from Somalia, Bangladesh, Ethiopia, India, the Philippines, Nepal, Pakistan and Yemen.[1]

Undocumented workers

It is easy for foreigners to end up undocumented in Saudi Arabia. Human Rights Watch research indicates that Saudi Arabia's labour system fuels exploitation and abuse and ultimately drives many foreign workers to seek under-the-table work in violation of labour laws.[2]

'Ra'id', a 24-year-old Yemeni worker, told Human Rights Watch that he entered Saudi Arabia legally after receiving a visa to work for a cargo company. After he arrived, he said, he could not find his sponsor and had to take up off-the-books work at a gas station. He finally located his sponsor, who demanded 4,000 Saudi riyals ($1,066) for a residency and work permit, telling 'Ra'id' that the cargo company was a legal fiction. After 'Ra'id' paid the money, he said, the Saudi Arabian sponsor failed to provide him with a residency card, and threatened to report him to authorities if he called back. 'Ra'id' eventually decided to leave, paying another 4,000 riyals for an exit visa. 'I waited 10 months with no residency,' he said. 'I feel so depressed. This is no life.'

Under the *kafala* (sponsorship) system, an employer assumes responsibility for a hired migrant worker and must grant him or her explicit permission before the worker can enter Saudi Arabia, transfer employment or leave the country. An employer is also responsible for keeping workers' work and residency permits up to date. If the employer fails to take these measures, the worker pays the price.

Employers often abuse this power over workers, in violation of Saudi law. Employers confiscate passports, withhold wages and force migrants to work against their will or on exploitative terms. Over the past 10 years, Human Rights Watch has documented numerous cases in which workers were unable to escape from abusive conditions or even to return home after their contracts ended because their employer denied them permission to leave the country.[3]

It appears that many workers, unwilling to remain in an abusive situation, choose to violate labour laws by seeking work under better terms with another employer. Others are simply stuck in Saudi Arabia, unable to leave due to exit visa requirements, as they work to sustain themselves and their families back home.

Rampant corruption within the *kafala* system makes the situation worse. Thousands of foreign workers in Saudi Arabia work illegally under the 'free visa' arrangement, in which Saudi Arabians posing as sponsoring employers import workers to staff businesses that do not exist, as in the case of 'Ra'id'. Workers who enter Saudi Arabia under this scheme work from the beginning outside the regulatory system for companies that are happy to avoid official scrutiny, while the worker pays regular 'fees' to the free-visa 'sponsor' to renew residency and work permits.

Authorities consider these workers to be undocumented, and therefore the workers have no redress for abuses they might suffer. Migrants caught working under free-visa auspices are also subject to arrest and deportation. It is unknown whether authorities have prosecuted any Saudi Arabians posing as employers for visa corruption, but in December Labour Minister 'Adil Faqih announced that those who hire foreign workers but do not provide a job will face prosecution and be classified as 'human traffickers'.[4]

Ongoing violence in Somalia

The plight of Somalis being deported from Saudi Arabia is particularly alarming given the situation on the ground in Somalia, especially the fighting in many south-central parts of the country, where al-Shabaab continues to control much of the territory. A new offensive by African Union forces against al-Shabaab is underway. Many civilians in those areas remain in dire need and the UN has raised concerns that renewed fighting could hamper access of humanitarian relief workers to combat zones.

In Mogadishu, hundreds of thousands of people live in grim conditions in camps for internally displaced people. Abuses in these camps are rampant.[5] Members of state security forces and armed groups have raped, beaten and otherwise maltreated displaced Somalis, particularly since an influx of people into the capital during the 2011 famine.

In January 2013 the Somali government announced plans to relocate tens of thousands of displaced people in Mogadishu to better accommodations. These plans stalled primarily due to the government's inability to provide basic protection in the planned relocation sites. The abuses persist. A February Human Rights Watch report documents high levels of rape and sexual abuse against women and girls in Mogadishu in 2013, particularly among displaced women who are attacked inside and near camps for displaced people.[6]

Al-Shabaab carries out bombings and other attacks in Mogadishu. On 13 February, al-Shabaab claimed responsibility for the car bombing that day outside Mogadishu's airport, apparently targeting a UN convoy, that killed at least six people, including two civilians recently deported from Saudi Arabia. Such attacks either directly targeting civilians or killing civilians are not unusual, but are often overlooked by the international media unless the casualty figures are particularly large, like an April 2013 bombing of a Mogadishu courthouse that killed more than 30 people, or the attack was aimed at foreign targets, like the June 2013 attack that devastated the UN compound.

In areas under its control, al-Shabaab commits serious abuses against civilians, including forced recruitment of children and attacks on people perceived to support the Somali government.[7] On 5 March, al-Shabaab publicly executed three alleged spies in Barawe, one of the group's strongholds.

Many of those being deported from Jidda are not from Mogadishu but from other parts of south-central Somalia. Twenty-six-year-old Salad, for example, was deported from Jidda to Mogadishu in mid-January. Originally from Bakool, a region that is still largely under al-Shabaab control, he spent his first night sleeping on the streets in the capital.

The risks to people sent to Mogadishu without a local support network and lacking the survival skills needed in today's Somalia are very real. In November, Said, a 26-year-old who was sent back by the Netherlands, was injured in an attack on a hotel in central Mogadishu days after his return. Said, who was born in the embattled city of Kismayo, in southern Somalia, had tried unsuccessfully to seek asylum. He had not set foot in Somalia for two decades and had never been to Mogadishu.

Legal standards

Saudi Arabia has not ratified the 1951 Refugee Convention and does not have an asylum system. The UN High Commissioner for Refugees (UNHCR), which has a small office in Riyadh, is not allowed by the Saudi government to receive or review refugee claims, a process known as 'refugee status determination'. The Saudi authorities have no other formal procedures allowing Somalis or others who fear persecution or other harm in their home countries to seek protection in Saudi Arabia.

No country, Saudi Arabia included, is permitted to round up tens of thousands of people and expel them to a country wracked by violence without giving them the opportunity to seek protection. Customary international law prohibits refoulement, the return of anyone to a place where their life or freedom would be threatened or where they would face persecution, torture, or inhuman or degrading treatment. The protection from refoulement is not weakened in any way if persons left their home country for economic or other reasons besides war.

On 17 January, UNHCR issued guidelines on returns to Somalia, stating in particular that 'south-central Somalia is a very dangerous place'. The international body called on countries not to return anyone to Somalia before interviewing them and ensuring that they face no threat of persecution or other serious harm if returned. Both UNHCR and the International Organisation for Migration say that Saudi Arabia made no such determination before sending the Somalis back. UNHCR itself does not have access to detainees prior to deportation.

At a minimum, Saudi Arabia should immediately introduce procedures allowing refugees, including those from Somalia, to seek asylum or other forms of protection. If Saudi Arabia identifies anyone at risk of harm in Somalia, the authorities should give these Somalis secure legal status and should work closely with UNHCR, if needed. Children should not be detained because of their immigration status, and unaccompanied children – those travelling alone without caregivers – should not be held with unrelated adults.

It would not take much for the Saudi authorities to ensure that people from countries in the midst of conflicts do not bear the brunt of restrictive policies towards foreigners. As Salad, the young man from Bakool, eloquently put it: 'Even though we are a country still in conflict, we still deserve to be treated humanely.' ◆

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Endnotes

1. *Saudi Gazette*, 23 January 2014
2. Human Rights Watch, '*As If I Am Not Human': Abuses Against Asian Domestic Workers in Saudi Arabia* (New York, July 2008).
3. Ibid., p. 11.
4. *Saudi Gazette*, 26 December 2013.
5. Human Rights Watch, *Hostages of the Gatekeepers: Abuses Against Internally Displaced in Mogadishu, Somalia* (New York, March 2013).
6. Human Rights Watch, '*Here, Rape Is Normal': A Five-Point Plan to Curtail Sexual Violence in Somalia* (New York, February 2014).
7. Human Rights Watch, *No Place for Children: Child Recruitment, Forced Marriage and Attacks on Schools in Somalia* (New York, February 2012).

Taking stock

A United Nations review of the implementation of the 1994 International Conference on Population and Development (ICPD) Programme of Action has furnished valuable information on the current state of women's empowerment and gender equality. The ICPD Beyond 2014 Global Report collected data from 176 member states, as well as from civil society and academic research. Below are extracts from the report dealing with these issues.

SINCE the early 1990s the world has seen an impressive proliferation of national institutions to address women's empowerment and gender equality … Worldwide, over 97% of countries report having programmes, policies and/or strategies addressing 'gender equality, equity and empowerment of women'. At least 9 in every 10 countries across all regions have such frameworks in place (Africa, 100%; Asia, 100%; Europe, 94%; Americas, 94%; Oceania, 93%).

However, only three quarters of responding countries have committed to 'improving the situation and addressing the needs of rural women' (76%) and to 'improving the welfare of the girl child, especially with regard to health, nutrition and education' (80%)...

Changing patterns of employment

The gender gap in labour force participation has narrowed slightly since 1990, but relative to men's work, women's work continues to pay less, to be more often in the informal sector, temporary, insecure and to command less authority. Women's total participation rates in the labour force remained steady at the global level, with a slight decline in the last few years, while men's rates also declined slightly throughout the period. At the regional level, change in women's labour force participation has been variable. It increased the most in Latin America and the Caribbean, and decreased slightly in Eastern Europe, and much of Asia other than South Asia – where it increased slightly...

Women's share in wage employment in the non-agricultural sector and in traditionally male-dominated occupations has increased, although remained low in jobs associated with status, power and authority. In all regions, women remain significantly under-represented among business leaders and managers.

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Women continue to be paid less than men for equal work, as the gender pay gap is closing slowly and only in some countries. And women tend to hold jobs that are less secure and with fewer benefits than men, including *vulnerable employment* … [which has] declined over the past 20 years … [but] remains high in many regions outside the developed countries, particularly in sub-Saharan Africa, Oceania, Southern Asia and South-Eastern Asia. Women's employment continues to be more concentrated than men's employment in vulnerable jobs in all but the wealthiest countries...

Since 1995, women's paid employment has risen substantially, which raises the question of how this has affected women's overall work burden. Studies of Africa in particular reveal that time and money poverty may be inter-related, and that women in particular suffer from both. In one country for example, while the average man worked 38.8 hours per week, women on average worked 49.3, and at least a quarter of women reported working 70 hours per week, a clear sign that time poverty is a problem; similar patterns have been found in Latin America...

[I]ncreasing women's access to paid employment has many advantages, both for women themselves, and for economic development more generally. By pulling women into paid employment, not only does national income rise, but societies can draw more extensively on the many talents and skills women have to offer. Additionally, women's increased engagement with the monetary economy creates a positive feed-back loop in terms of job creation...

A recent report by the [International Monetary Fund] estimates that closing the gender gap in the labour market would raise Gross Domestic Product in the United States of America by 5%, in the United Arab Emirates by 12%, and in Egypt by 34%, and that economic benefits of women's empowerment and gender equality are particularly high in rapidly ageing societies, where women's labour force participation can help to offset the impact of an otherwise shrinking workforce.

On the issue of enhancing women's income-generation ability, 85% of all countries report having budgetary policies and programmes to address the issue of 'increasing women's participation in the formal and informal economy' … Eighty-five per cent of countries report that they currently have a law in place (with an enforcement provision) against gender discrimination at work in hiring, wages and benefits...

Ninety per cent of countries reporting in the [ICPD Beyond 2014] Global Survey state that they have a law in place with an enforcement provision for paid maternity leave ... Yet only 54% have such an instrument in place for paid paternity leave, constituting a major barrier to men's participation in parenting...

Women continue to bear most of the responsibilities at home … It is estimated that, in all regions, women spend at least twice as much time as men on unpaid domestic work; and when paid and unpaid work are combined together, women's total work hours are longer than men's...

While many countries have made substantial advances in enhancing women's participation in the labour force since 1994, gender inequalities in the balance of work and family life have not garnered the same level of support. For example, fewer than two-thirds of countries (64%) … have addressed the issue of 'facilitating compatibility between labour force participation and parental responsibilities', making it easier for women to combine child-rearing with participation in the workforce...

Two-thirds of countries … have 'engaged men and boys to promote male participation, equal sharing of responsibilities such as care work' during the past five years (63%). Although no major regional variations are observed, grouping countries by income shows that this is a higher concern for high-income OECD countries (81%), while the proportion of countries addressing this issue in the four other income groups is just above or below the world average (low-income: 69%; lower middle-income: 58%; higher middle-income: 57%; high-income non-OECD: 67%).

Uneven progress in attitudes towards gender equality

Public attitudes support women's empowerment and gender equality in a majority of the population in most of the countries … but the extent of support depends on the specific gender value under consideration … [D]ata from the World Values Survey (2004-09) in 47 countries provides evidence that public values are most gender equitable regarding who should have access to higher education, highly variable with regard to men's and women's equal access to jobs, and consistently more modest with regard to women's effectiveness (relative to men's) as leaders in business or politics. Currently, there is a large consensus with regard to the importance of tertiary education for both girls and boys … However, with regard to other public spheres, distinct gender roles that give advantage to men are still valued in countries from Africa and Asia and in some of the countries from Eastern Europe...

The trend data suggests that values of gender equality have been trending upwards in most countries since the mid-1990s, with the exception of the value 'when jobs are scarce, men should have more right to a job than women' – which is highly variable between countries, and over time...

There is greater support for gender equality among women than men … Overall, the gender gap is smaller on the issue of access to tertiary/university education, and larger on men's favoured access to jobs, and women's leadership in politics and business...

Younger generations also tend to be more positive towards gender equality than older cohorts, although the intergenerational gap is significant only in a few countries. In about half of the countries surveyed in 2005, younger generations give a significantly stronger support to gender equality related to political and managerial leadership and higher education. With regard to rights to a job, young people more strongly support gender equality in about three quarters of countries...

Gender-based violence

An estimated one in three women worldwide report they have experienced physical and/or sexual abuse, mostly at the hands of an intimate partner, making this form of violence against women and girls one of the most prevalent forms of human rights violations worldwide. The first multi-country study (2005) estimating the extent of domestic violence found that the proportion of adult women who had ever suffered physical violence by a male partner ranged widely across 10 study countries – from 13% to 61%. The proportion of women who had experienced *severe physical violence* by a male partner … ranged from 4% to 49% across countries … The first global and regional prevalence estimates (2013) on sexual and physical intimate partner violence (IPV), and non-partner sexual violence, show that 30% of ever-partnered women age 15 and older worldwide have experienced some form of IPV, with as many as 38% of women having experienced IPV in certain regions...

[C]urrent estimates are that globally 7% of women have experienced sexual violence by someone other than an intimate partner. Combined estimates show that 36% of women globally have experienced either IPV, non-intimate partner violence, or both forms of gender-based violence...

The health effects of IPV are substantial, with IPV contributing to numerous direct and indirect negative health outcomes among women and their children. Thirty-eight per cent of all murders of women globally are committed by intimate partners … [E]xperiences of IPV among women are associated with an increased risk of HIV and other sexually transmitted infections, … higher rates of induced abortion, and poor birth outcomes, including low birth weight and preterm birth. Gender-based violence also has serious short- and long-term social and economic costs for societies, including direct costs through health expenditures, indirect economic costs on workforce participation, missed days of work, and lifetime earnings, as well as indirect costs to the long-term health and well-being of children and other people living in a violent household...

While girls are especially vulnerable to sexual violence and abuse, new multi-country data is drawing attention to the violent experience of boys during childhood, which is treated too often as normal for boys, but which can have long-term effects no less traumatic than for girls...

An estimated 125 million women and girls live with the consequences of female genital mutilation/cutting (FGM/C) worldwide, with approximately 3 million girls, the majority under age 15, at risk of undergoing FGM/C each year … Punitive laws that criminalise FGM/C are unlikely to succeed on their own, and must be accompanied by culturally sensitive public awareness and advocacy campaigns that create sustained change in cultural and community attitudes...

Government priorities

Promoting and enabling the 'economic empowerment' of women was the most frequently mentioned priority by at least two-thirds of countries in 4 of the 5 regions: Africa (67%), Asia (78%), Europe (79%) and Oceania (71%) … These numbers are in keeping with the widespread recognition that women's participation in the work place drives economic growth and development; a phenomenon which has contributed to the recent economic growth in many Asian countries.

'Political empowerment and participation' was a priority for two-thirds of governments across Africa (63%), Asia (66%) and Oceania (64%); in Europe and the Americas the issue was a priority among 48% and 53% of governments, respectively...

[T]he third most widely mentioned priority for gender equality and women's empowerment, by 56% of countries, was the 'elimination of all forms of violence'. Among countries in the Americas this was the priority that garnered the highest mention, by 69% of governments, well higher than the global average... ◆

VIEWPOINT

Song of the shirt

Taking as his example the textile industry, *Jeremy Seabrook* illustrates 'the epic circularity of the dance of capital – from Bengal to Lancashire and back again to Bangladesh.'

Sewing T-shirts at a factory in Dhaka. Bangladesh's garment workers are the lowest paid in the world.

WHEN the East India Company first discovered the exquisite fabrics of Bengal, originally made for the Mughal court, so great was the demand for them that protectionist laws were passed in Britain – later an ardent proponent of free trade – prohibiting the use of such materials. An Act early in the 18th century forbade the use of 'any garment or apparel whatsoever, of any painted, printed or dyed calicoes, in or about any bed, chair, cushion, window curtain or any other sort of household stuff or furniture.' In 1719, a mob of Spitalfields weavers paraded through the streets, attacking all females wearing Indian calicoes or linens and sousing them with ink, aqua fortis and what were euphemistically called 'other fluids.'

Despite this, the demand for Indian textiles, especially muslin – sheer as 'morning dew' or 'flowing water' – was so great that the import of such goods could not be stanched; and they reached a peak in 1798. The weavers of Bengal were coerced by officials of the Company into producing so cheaply that they barely recovered the costs of the materials and labour. Commercial Residents of the Company made continuous advances to the weavers, which were delivered in such a way that the full order was never completed, and weavers remained in a state of permanent indebtedness. Guards were even posted at the doors of weavers' houses to ensure compliance with the Company's contracts.

At the turn of the 19th century, machine-made cloth in Lancashire began to replace the textiles of Bengal with cheaper industrial goods, not only in Britain, but in India itself. As a result, the spinners and weavers of Bengal fell into the greatest penury. Dacca, which had been, in the 17th century, capital of Bengal, richest province in the Mughal Empire, and which remained the centre of muslin production, became deserted: tigers and leopards roamed once-prosperous streets, and by the early 19th century, the city of men had become a city of animals. Weavers' dwellings were overgrown, the thatch alive with birds, snakes and insects, while roussettes – bats small and multi-coloured as butterflies – flew in and out of the mounds of earth that had been home; it was said that hunched vultures surveyed tracts of land in which the human voice was stilled. Whole families left Dacca, flowing in the opposite direction of today's migrants drawn to the irresistible lure of a choking megacity. People lost the skill of their fingers, and only the roughest-made country cloth still found a market among the poorest.

The first great de-industrialisation of the modern world had begun. The population of Dacca fell from several hundred thousand in 1760 to about 40,000 by the 1820s. By this time, Manchester reigned supreme. Bengal's abandonment of ancient artisanal crafts appears in our history as the story of Britain's progress and entrepreneurial genius. To the desolate weavers it meant the collapse of their world; and Bengal reverted to agriculture.

It seemed that Cottonopolis, as Manchester came to be known, had conquered the world, and by the 1820s, British exports had ousted the textiles of Bengal from European markets. The population was swelled by the uprooted of rural life: the dispossessed of enclosure, children who had stood barefoot in the stony fields scaring the crows from growing crops and who had carried pails of freezing water in their numb fingers, ran beside handcarts piled with rush-bottomed stools and a few household utensils, dreaming of a future that would never be theirs.

The satellite towns of Manchester – Oldham, Blackburn, Rochdale – produced not only for the domestic market, but for a growing imperial hinterland which would be forced to take goods from the 'workshop of the world.' Working and living conditions in Lancashire were worse than anything known to the countrified Persian-speaking metropolis of Dacca; soot and grime blackened the redbrick streets, while lint and dust entered the lungs of the cotton operatives; life expectancy in Manchester in the early 19th century was less than 20 years. The German architect Karl Schinkel visited in 1825 and reported, 'The enormous factory buildings are seven to eight stories high…where three years ago these were only meadows.' De Tocqueville wrote in 1835, 'A sort of black smoke covers the city. Under this half-daylight 300,000 human beings are ceaselessly at work. The homes of the poor are scattered haphazard around the factories. From this filthy sewer pure gold flows.'

In spite of the axiom that where there was muck there was brass, and notwithstanding Manchester's civic pride in the raising of great Victorian buildings and its yearning for status and culture, the apparent solidity of the Northern cities was more mutable than anything foreseen in the heyday of manufacture. Although by 1913, Manchester processed two-thirds of the world's cotton, with the First World War a long, slow decline began; a wastage that accelerated in the 1920s and 30s. The cotton industry was prolonged for one more generation after the Second World War by the import of cheap labour from the Indian sub-continent, including some people from a country which did not yet exist, Bangladesh.

By 1958, Britain was a net importer of cotton goods. The blight spread over Lancashire; mills fell into ruin; the great iron machinery of Platts of Oldham, Dobson and Barlow of Bolton, was shipped to 'Manchesters of the East' – Bombay, Kanpur, Ahmedabad. Now it was Manchester's turn to weep over the passing of industrial skills that had been acquired with such intense discipline, but which had created a distinctive voice and culture. Of course, the de-industrialisation of Lancashire was not accompanied by the wretchedness of Bengal: it occurred at a time of rising affluence. But it was not without social consequences, some grievous – the forfeit of a sense of function, a rooted place in a comprehensible division of labour. If the mill-towns were beset by crime, alienation, drugs, many of their most able people departed, leaving a residue of bitterness and loss. Even now they are still haunted by a memory of effaced purposes.

The disorientation of the sometime cotton operatives of Lancashire occurred simultaneously with the re-industrialisation of Bengal, or at least that part that had become Bangladesh. In the past 30 years, a garments industry has grown in Bangladesh even faster than the mushroom-city that was Manchester. Two thousand factories in Dhaka (the spelling was changed in 1982), almost four million workers in the country – these are kin to the people in Britain who left the impoverished livelihoods of a wasting rural life 200 years ago for the back-to-back tenements of Lancashire; young women in particular, whose river-eroded villages and alienated land have driven them to share rooms with half a dozen strangers in burning tin huts. They emerge each morning, briefly transforming Dhaka, crowded as never before, into a city of women, before they are swallowed up in the factories; returning home 12 hours later, the colour of their sarees dimmed by pale street lamps.

Dhaka – described by *The Economist* as the world's 'least liveable city' (after Damascus) – is restless and unsettled: unpaid wages send workers onto the streets, where they overturn vehicles, set fire to buses and smash factory windows. They are beaten, humiliated and fined, spied upon by company informers if they join trade unions. Fires have killed hundreds because of doors locked at night so no worker shall abscond, while the collapse of the Rana Plaza building last year, which killed at least 1,130 people, shows an unconcern for humanity that echoes Manchester's moment of industrialisation.

We have seen enough of industrial society to understand now the epic circularity of the dance of capital – from Bengal to Lancashire and back again to Bangladesh. Nor are Dhaka's assembly units proof against further change: although its garment workers are the lowest paid in the world, if cheaper labour should become available elsewhere, Bengal will once more present scenes of dereliction, as factories fall into ruin and lie in heaps of brick, broken masonry and splintered glass, like the remains of the Northern towns of Britain. Who knows, with declining incomes in Europe, might it not be worth the while of capital to recolonise the shell of Blackburn or Bolton with the ghosts of the industry that once made them the centre of the world? ◆

Jeremy Seabrook is a freelance journalist based in the UK. This article is based on his forthcoming book The Song of the Shirt*, to be published by Navayana (New Delhi) (see advertisement below).*

Amir Hamzah (1911-1946), considered the greatest poet of Indonesia's 1930s 'Poedjangga Baroe' ('New Poet') movement, wrote mainly on religious themes. The following poem, which is based on the imagery of the Indonesian shadow play, is illustrative of his literary output.

Because of You

Amir Hamzah

Flowers burst into bloom,
Loving life because of You:
Love spreading like flowers in my heart
Filled it with the fragrance of blossoms, and their dust.

Life is a dream, something
Played behind a screen, and I,
Now dreamer, now dancer, am pulled
In and out of existence.

So the bright leather puppet shines
His shadow on the screen, bringing us a world
Of emotions. The longing heart follows;
Two souls join, fuse.

I am a puppet, you are a puppet,
To please the puppeteer as he runs through his song;
We glance at each other, out on the open screen,
For as long as the one melody lasts.

Other bright-coloured dolls take their turn;
You and I are laid in our box.
I am a puppet, you are a puppet,
To please the puppeteer running out his rhymes.

Translated by ST Alisjahbana, Sabina Thornton and Burton Raffel