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World Health ~~Organization~~ Corporation?

RESISTING CORPORATE INFLUENCE IN WHO

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Double issue

Editor's Note

IT was at the founding conference of the United Nations in 1945 that the need was articulated for a single international body on public health. The result was the establishment of the World Health Organisation (WHO) in 1948 as 'the directing and coordinating authority on international health work'.

A prerequisite for realising WHO's essential role in the global governance of health has been the maintenance of its independence and integrity. This has not been easy, given the power and outreach of corporations. Resisting corporate influence has been particularly difficult since the 1980s when the ideology of neoliberalism began to exercise a dominating influence in local and international political discourse. With governments, especially in the US and Europe, effectively acting as mouthpieces of corporations, it was only a matter of time before attempts would be made to give corporations a greater role in the governance of the UN and its agencies.

What is perhaps not sufficiently appreciated is how neoliberalism created the conditions and justification for this greater role for corporations in these international institutions. With their adoption of this ideology, Western governments began ruthlessly slashing public spending at home and, as part of the same process, minimising to the extent possible their contributions to the UN and its agencies. This is in conformity with the tenets of neoliberalism as trimming public expenditure is regarded as essential to fighting inflation. While such cuts in public spending were hugely unpopular at home, there was no problem in justifying stringency in such funding abroad. The UN and its agencies were demonised in that decade by the Reagan and Thatcher regimes as anti-Western bastions with bloated, extravagant bureaucracies manned by Third World personnel.

Once the funding for the UN and its agencies was throttled, the case could then be made, in the name of reform, for a role for the private sector to fill the gap. Under the rubric of the 'Global Compact' initiative, 'public-private partnerships' and 'multi-stakeholder forum', the private sector has been invited to enter into a relationship with the UN and its agencies.

In the case of WHO, the full embrace of the private sector was set in motion in 1998 when its then Director-General Gro Harlem Brundtland announced, soon after her election, that she believed in increased cooperation with the private sector. In the name of reform, she pushed forward the nebulous concept of 'public-private partnership'. This whole move has now been taken over by current Director-General Margaret Chan. In a 2010 report, she sought to justify this course by citing 'budgetary pressures' and asserted that WHO should, 'without compromising independence', explore 'new sources of funding' such as 'foundations and the private and commercial sector'.

There is no denying the fact of 'budgetary pressures'. As noted above, Western governments have, under the influence of neoliberal ideology, adopted a parsimonious approach in the funding of international organisations such as WHO. Despite WHO's rising expenditure needs, they have refused to increase their assessed contributions, i.e., dues assessed in accordance with a member state's GDP. They have been more liberal with their voluntary contributions, especially contributions earmarked for specific activities favoured by the donor. It is voluntary contributions that have kept WHO afloat (funding some 80% of WHO's expenditure) and these have given the donors significant leverage in determining the work plan of the organisation. More disturbingly, voluntary contributions have also been the point of entry for the private sector and private philanthropic foundations. And there can be no doubt that contributions by these institutions to WHO have been significant.

Thus, as a report by the Chatham House think-tank noted, 'the Bill & Melinda Gates Foundation has in the space of one decade become the single biggest voluntary contributor to the WHO. Indeed by 2013 the foundation was the WHO's largest funder, providing $301 million, which exceeded the United States' combined voluntary and assessed contributions of $290 million'.

Such large donations by non-state actors naturally raise concerns about the influence they will wield. These concerns were heightened when the Director-General expressed her intention in March 2011 to convene a multi-stakeholder World Health Forum, with the private sector among the participants, to help 'shape the future global health agenda'. Opposition from member states ensured that the idea of such a forum was stillborn.

All this only fuelled the continuing debate on WHO's engagement with non-state actors, which crystallised in May 2011 into a resolution on non-state actors at the World Health Assembly, WHO's top decision-making body. The debate became more focused from 2014 onwards when the Director-General submitted to the Assembly a draft Framework for Engagement with Non-State Actors (FENSA). Since then a tortuous debate has raged on this issue.

Clearly huge stakes are involved in this ongoing debate, as the developed countries are opposing any attempt to introduce more safeguards to prevent undue influence of the private sector on WHO and are instead advocating for its greater access to WHO. If agreed upon, this would endanger the independence and credibility of the world health body.

In our cover story, we broach the threat to the integrity of WHO as a result of growing corporate influence. A number of articles trace the process which started in the 1990s when the UN began to develop an incestuous relationship with the private sector. Others show how this development spread to its agencies, notably WHO, where the agency's funding problem provided a convenient entry point. The remaining articles focus on the protracted battle over the final shape of FENSA.

– The Editors

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WHO/Violaine Martin

There have been longstanding concerns that the credibility of the World Health Organisation (WHO) could be undermined by undue corporate influence. These concerns were discussed during the 68th World Health Assembly *(pic)* **which considered a proposed set of norms governing WHO's engagement with 'non-state actors'.** **15**

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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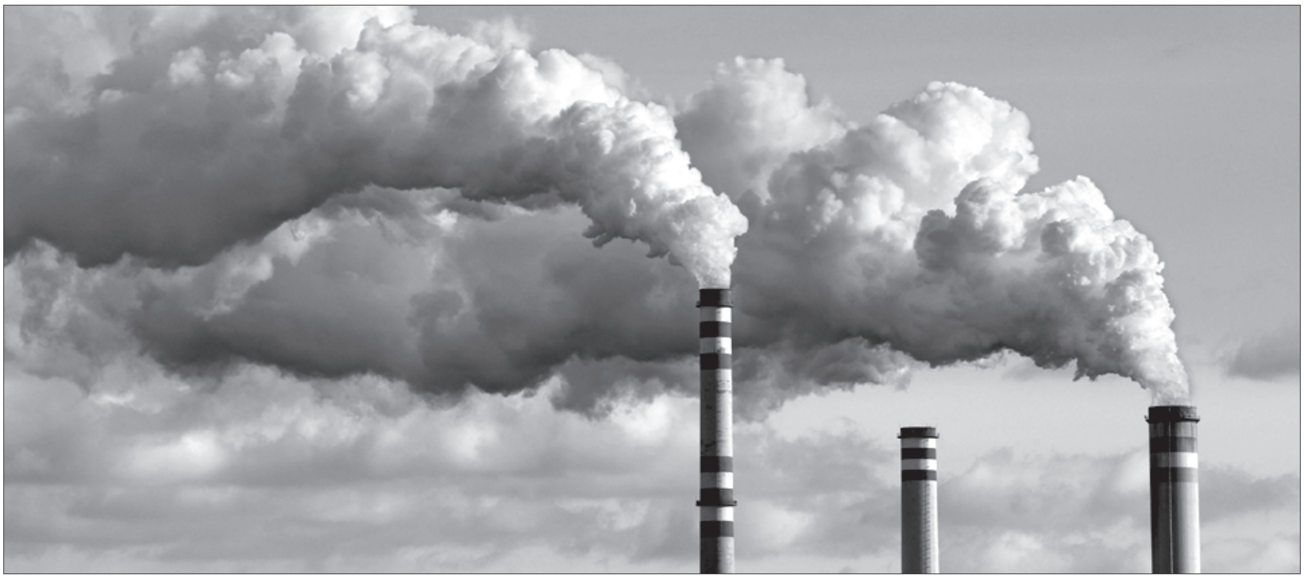
Fossil fuel subsidies total trillions of dollars per year

The hidden environmental costs of fossil fuels run into trillions of dollars, says an IMF working paper. Analysing the paper, *Pete Dolack* argues that this is the price of letting 'the market' dictate outcomes.



The environmental costs of fossil fuel use, such as air pollution, account for a large part of fossil fuel subsidies.

MOST of the cost of fossil fuels is hidden because environmental harms such as pollution and global warming are kept outside ordinary economic calculation. Energy companies externalise these costs (among others) – that is, they don't pay them. The public does.

And we do, to a remarkable extent. When we think of corporate subsidies, we naturally think of taxes not paid, real estate giveaways and other ways of taking money from the public and shovelling it into corporate coffers. Then there are the environmental costs, something prominent if we are talking about fossil fuels. These, too, should be thought of as subsidies since these constitute costs paid by the public. A first attempt at seriously quantifying the magnitude of the totality of subsidies given to fossil fuels leads to a conclusion that the total for 2014 was $5.6 trillion, a total expected to be matched in 2015.

Yes, you read that correctly: $5.6 trillion. As in 5.6 million million. Or, to put it another way, more than 7% of gross world product. A lot of money.

These calculations are, interestingly, the product of an International Monetary Fund (IMF) working paper, 'How Large Are Global Energy Subsidies?' The paper, prepared by economists David Coady, Ian Parry, Louis Sears and Baoping Shang, sought to provide a fuller accounting of the costs of the environmental damage caused by fossil fuels, and found that those costs greatly exceed direct corporate subsidies and below-cost consumer pricing. The authors foresee huge benefits should all fossil fuel subsidies be eliminated. They write:

'Eliminating post-tax subsidies in 2015 could raise government revenue by $2.9 trillion (3.6 percent of global GDP), cut global CO_2 emissions by more than 20 percent, and cut premature air pollution deaths by more than half. After allowing for the higher energy costs faced by consumers, this action would raise global economic welfare by $1.8 trillion (2.2 percent of global GDP).'

As dramatic as the preceding paragraph is, the IMF is not suddenly questioning capitalism. The paper carries the caveat that it is 'research in progress' and does not represent the views of the IMF. Nor does the paper devote so much as a single word to questioning the economic system that has produced such astounding distortions, not to mention the hideous social effects of massive inequality and power imbalances. Nonetheless, it does present an implicit challenge to business as usual and helps conceptualise the massive costs of profligate energy usage. The paper lays out in plain language the environmental, fiscal, economic and social consequences of energy subsidies, stating that energy subsidies:

• Damage the environment, causing more premature deaths through local air pollution, exacerbating congestion and other adverse side-effects of vehicle use, and increasing atmospheric greenhouse-gas concentrations.

• Impose large fiscal costs, which need to be financed by some combination of higher public debt, higher tax burdens and crowding out potentially productive public spending (for example, on health, education and infrastructure).

• Discourage needed investments in energy efficiency, renewables and energy infrastructure, and increase the vulnerability of countries to volatile international energy prices.

• Are a highly inefficient way to provide support to low-income households since most of the benefits from energy subsidies are typically captured by rich households.

Paying for air pollution and global warming

The biggest subsidised cost is air pollution, which the paper's authors estimate accounts for 46% of fossil fuel subsidies. Global warming is the next biggest subsidy, at 22%, with corporate and consumer subsidies, foregone taxes and other items accounting for smaller amounts. From this calculation, the authors argue that local benefits from ending subsidies are high enough that this should be done in the absence of action in other countries. They write:

'An important point, therefore, is that most (over three-fourths) of the underpricing of energy is due to domestic distortions – pre-tax subsidies and domestic externalities – rather than to global distortions (climate change). The crucial implication of this is that energy pricing reform is largely in countries' own domestic interest and therefore is beneficial even in the absence of globally coordinated action.'

When the costs are broken down by forms of energy, it is no surprise that coal is the most subsidised form. Coal subsidies alone total almost 4% of global GDP, according to the paper, with 'no country … impos[ing] meaningful taxes on coal use from an environmental perspective'. Petroleum is also heavily subsidised.

If we could at a stroke eliminate

cc Popolon

A wind farm in China. Fossil fuel subsidies discourage needed investments in renewable energy sources like wind power.

all forms of fossil fuel subsidies, the gains would be significant. The authors believe that global revenue gains would be $2.9 trillion for 2015, a total less than the current cost of subsidies because it accounts for a reduction in energy usage from higher prices and an assumption that some tax money would be used for emission-control technologies. The authors also calculate a $1.8 trillion net gain in social welfare, a gain that could be increased were this gain used to invest in education, health and other public benefits.

So if so much good can come from rationalising the fossil fuel industry, why does this sound like an impossible dream? Unfortunately, in the real world of capitalism, there is very little to prevent corporations from externalising their costs.

With increased corporate globalisation, capital can pick up and move at will, inducing political office holders to hand out subsidies, waive taxes and refuse to enforce safety and environmental laws. They do this because the alternative is for corporations to move elsewhere in a never-ending search for the lowest wages and weakest regulations with an accompanying disappearance of jobs. And this globalisation, fuelled by 'free trade' agreements that arise from relentless competition, aggravates global warming as components are shipped around the world for assembly into finished products that are shipped back, greatly adding to the environmental damage imposed by transportation.

Environment doesn't count in orthodox economics

Not only is the environment an externality that corporations do not have to account for, thereby dumping the costs onto the public, but orthodox economics doesn't account for the environment, other than as a source of resources to exploit. The same capitalist market that is nothing more than the aggregate interests of the largest and most powerful industrialists and financiers is supposed to 'solve' environmental problems. A 2009 *Monthly Review* article by sociologists Richard York, Brett Clark and John Bellamy Foster, 'Capitalism in Wonderland', puts this contradiction in stark perspective:

'Mainstream economists are trained in the promotion of private profits as the singular "bottom line" of society, even at the expense of larger issues of human welfare and the environment. The market rules over all, even nature. For Milton Friedman the environment was not a problem since the answer was simple and straightforward. As he put it: "Ecological values can find their natural space in the market, like any other consumer demand."'

From that perspective, it follows that present-day environmental damage is of minimal concern to capital and future damage of no concern. The industrialists and financiers who reap billions today won't necessarily be around when the environmental price becomes too high to avoid. The 'Capitalism in Wonderland' authors write:

'[T]he ideology embedded in orthodox neoclassical economics [is] a field which regularly presents itself as using objective, even naturalistic, methods for modelling the economy. However, past all of the equations and technical jargon, the dominant economic paradigm is built on a value system that prizes capital accumulation in the short-term, while de-valuing everything else in the present and everything altogether in the future…

'[H]uman life in effect is worth only what each person contributes to the economy as measured in monetary terms. So, if global warming increases mortality in Bangladesh, which it appears likely that it will, this is only reflected in economic models to the extent that the deaths of Bengalis hurt the economy. Since Bangladesh is very poor, [orthodox] economic models … would not estimate it to be worthwhile to prevent deaths there since these losses would show up as minuscule in the measurements … [E]thical concerns about the intrinsic value of human life and of the lives of other creatures are completely invisible in standard economic models. Increasing human mortality and accelerating the rate of extinctions are to most economists only problems if they undermine the "bottom line". In other respects they are invisible: as is the natural world as a whole.'

Tinkering versus analysing the structure

The IMF paper does offer a brief discussion of social disruptions should fossil fuel subsidies be removed, suggesting a need for 'transitory' programmes such as worker retraining and protection of vulnerable groups. But their proposed programme centres on environmental taxes as a way to align fossil fuels with their costs to make energy prices 'efficient'. Certainly, polluters and causers of global warming should be required to absorb those costs. But given that market forces tilt overwhelmingly in favour of large polluters, the fact of massive imbalances in power, and that governments have handcuffed themselves in terms of confronting capital (a trend itself a product of market forces), it is unrealistic to believe such a programme is currently politically feasible.

Energy subsidies can crowd out public spending on education and other essential services.

The disruptions to a capitalist economy with a forced large reduction in energy usage are also significant. It is not only that a capitalist economy can't function without growing (and a growing economy uses more, not less, energy, especially because of ever more complex machinery and lengthening supply chains), but that a capitalist economy doesn't offer millions of workers who lose their jobs new work in new industries. Every incentive under capitalism is for more energy usage; thus 'the market' will object to dramatically higher energy prices, no matter how rational those higher prices.

Ultimately, the authors of the IMF paper are trapped in the same inability to imagine anything outside the present capitalist system, similar to those who claim that stopping global warming will be virtually cost-free. Their paper has done a necessary service by providing the first real quantification of the gigantic costs of fossil fuels and the massive subsidies they receive. Subsidies for renewable energy, in comparison, are minuscule. The massive subsidies for nuclear energy, which is a complete failure on any rational economic basis before we even get to the physical dangers, demonstrate that nuclear is no solution either. These should also be eliminated.

The size of the social movement that would be necessary to eliminate all these subsidies would be enormous. Why should such a movement ask for mere reforms that fall well short of what is necessary, worthy as they would be? Energy is too important not to be put in public hands. The trillions of dollars of fossil fuel subsidies are the logical product of allowing private interests to control critical resources for private profit and leaving 'the market' to dictate outcomes.

We can't make what is unsustainable sustainable through a better tax policy. That the enormous scale of reform proposed by the IMF paper still falls far short of what is actually necessary to create a sustainable economy demonstrates the severity of the crises we are only beginning to face. ◆

Pete Dolack writes the Systemic Disorder blog (systemicdisorder.wordpress.com) – from which this article is reproduced – and is the author of the book It's Not Over: Lessons from the Socialist Experiment*, due in fall 2015.*

Debt is back!

Rising inequality, along with financial deregulation, has spurred the significant increase in global debt levels. Although much of the media spotlight has focused on Greece recently, the fact is that more than 90 countries are either in or at risk of a new debt crisis. We reproduce below the executive summary of a new report by the *Jubilee Debt Campaign* which highlights this phenomenon.

Poverty and inequality are rising in many countries that are highly dependent on foreign lending, such as Ethiopia.

DEBT crises have become dramatically more frequent across the world since the deregulation of lending and global financial flows in the 1970s. An underlying cause of the most recent global financial crisis, which began in 2008, was the rise in inequality and the concentration of wealth. This made more people and countries more dependent on debt, and increased the amount of money going into speculation on risky financial assets.

Increasing inequality reduces economic growth as higher-income groups spend a smaller proportion of their income on goods and services than middle- and low-earners. To tackle this problem, countries relied on either increasing debts or, for the countries which are the source of the loans, promoting exports through lending. This allowed growth to continue even though little income was going to poorer groups in society. Meanwhile, the rich were putting more of their growing share of national income into speculative lending and risky financial investments, in search of higher returns. Rising inequality, along with financial deregulation, therefore fuelled an unsustainable boom in lending and was an underlying factor behind the crisis which began in 2008.

Global debt levels on the rise again

International debt has been increasing since 2011, after falling from 2008-11. The total net debts owed by debtor countries, by both their public and private sectors, which are not covered by corresponding assets owned by those countries, have risen from \$11.3 trillion in 2011 to \$13.8 trillion in 2014. We at the Jubilee Debt Campaign predict that in 2015 they will increase further to \$14.7 trillion. Overall, net debts owed by debtor countries will therefore have increased by 30% – \$3.4 trillion – in four years.

This increase in debts between countries is being driven by the largest economies. Of the world's 10 largest economies, eight have sought to recover from the 2008 financial crisis by either borrowing or lending more, thereby further entrenching the imbalances in the global economy. The US, the UK, France, India and Italy have all borrowed even more from the rest of the world. Germany, Japan and Russia have all increased their lending to other countries.

The boom in lending to the most impoverished countries

Alongside this increase in global debt levels, there is also a boom in lending to impoverished countries, particularly the most impoverished – those called 'low-income' by the World Bank. Foreign loans to low-income-country governments trebled between 2008 and 2013, driven by more 'aid' being provided as loans – including through international financial institutions, new lenders such as China, and private speculators searching overseas for higher returns because of low interest rates in Western countries.

By looking at countries' total net debt (public and private sectors), future projected government debt payments and the ongoing income deficit (or surplus) countries have with the rest of the world, a Jubilee Debt Campaign report, 'The new debt trap', has identified countries either in or at risk of new debt crises. We have placed these countries into four groups (see table next page).

Furthermore, while the 43 countries in groups 2 and 3 have worrying levels of externally held government debt, their private sector may be an even larger source of risk, given their high net debt levels and large current account deficits.

Of the 14 countries we have identified as most dependent on foreign lending – those in group 2 – there are

Countries either in or at risk of new debt crises			
Category	**Characteristics**	**Regions particularly affected**	**Number of countries**
1. In debt crisis	High government debt payments, high net external debt (that is, debt to the rest of the world)	Europe, Central America and the Caribbean, the Middle East and North Africa	22
2. High risk of government debt crisis	High net external debt, large and persistent current account deficit, high projected future government debt payments	Sub-Saharan Africa, Asia, Small Island States	14
3. Risk of government debt crisis	Significant net external debt, significant projected future government debt payments	Sub-Saharan Africa, Central America and the Caribbean, Small Island States, Europe, Central Asia	29
4. Risk of private sector debt crisis	Significant net external debt, significant current account deficit (but no worrying indicators of external government debt)	Europe, Small Island States, Central Asia, the Middle East and North Africa, sub-Saharan Africa and Central America	28

nine for which more data on projected future government debt payments is available from the International Monetary Fund (IMF) and World Bank: Bhutan, Ethiopia, Ghana, Lao PDR, Mongolia, Mozambique, Senegal, Tanzania and Uganda. The IMF and World Bank only carry out full debt sustainability assessments, which predict future debt payments, for low-income countries, countries which have recently moved from being low-income to middle-income, and a few small island states. As major creditors, the IMF and World Bank have a clear conflict of interest when conducting such assessments, but currently they are the only assessments available, and similar information for richer countries is not available at all.

The nine countries for which data is available tend to have higher economic growth rates than other countries with similar incomes. Yet this faster growth does not correspond to similarly rapid progress in alleviating poverty, which is falling more slowly than the average for low-income countries. In fact, in five of the nine, the number of people living in poverty has *increased* in recent years, despite the fact that their economies have been growing rapidly in per-person terms. For example, in Ethiopia between 2005 and 2011, GDP grew by 60% per person, but the number of people living on less than $2 a day *increased* by 5.4 million. Furthermore, in all but one of the nine countries, inequality is rising. In Uganda in 2006 average income across the poorest 40% of society was $439 a year, but for the richest 10% $3,769. By 2013, the average annual income for those in the richest 10% had increased to $4,891, but for the poorest 40% to just $516.

Finally, there is no evidence that any of the nine countries are becoming less dependent on primary commodities for their export earnings. Reliance on primary commodities, rather than manufacturing or services, makes countries more vulnerable to swings in volatile global commodity prices, and the earnings from commodities can more easily be captured by a small group of people. This means countries remain at heightened risk of debt crisis because falling commodity prices are a major source of economic shocks, and also because growth based on commodity exports often primarily benefits local and multinational elites, further increasing inequality.

So although the countries that are most dependent on foreign lending have been growing quickly, poverty and inequality have generally been increasing, and there have not been significant structural changes to their economies that would make them more resilient to external shocks. High levels of lending mean that such shocks would be very likely to ignite new debt crises. Based on past experience, these would increase poverty even further and reduce funding for essential public services like healthcare and education.

Public-private partnerships

Lending and borrowing by the private sector is a major source of risk in terms of future debt crises. Another factor is the rise of 'public-private partnerships' (PPPs). This can mean many kinds of things. One is where the private sector builds infrastructure for a government, such as a road or hospital, and the government guarantees it will make set payments over a defined period. This has the same practical effect as if the government had borrowed the money and built the infrastructure itself, but it keeps the debt off the government balance sheet, making it look like the government owes less money than it actually does.

In fact, the cost to a government is usually higher than if it had borrowed the money itself, because private sector borrowing costs more, private contractors demand a significant profit, and negotiations are normally weighted in the private sector's favour. Research suggests that PPPs are the most expensive way for governments to invest in infrastructure, ultimately costing more than twice as much as if the infrastructure had been financed with bank loans or bond issuance.

The UK led the way in developing and implementing such schemes, known there as the Private Finance Initiative (PFI), in the 1990s. A 2015 review by the UK's National Audit Office found that investment through

PFI schemes cost more than double in interest payments than if the government had borrowed directly, even without taking into account the cost of paying private companies profit under PFI.

This disastrous record has not stopped the UK government promoting PPPs across the world. For example, it set up and funds the Private Infrastructure Development Group (PIDG), itself a PPP, which exists to promote PPPs in the developing world.

The Ghanaian currency, the cedi. Because of currency devaluation, it is estimated that the Ghanaian government's foreign debt payments in 2015 will increase to 23% of government revenue.

Such PPPs may be hiding a huge amount of payment obligations, reducing the money available to future governments and increasing the threat of future debt crises. PPPs are currently thought to account for 15-20% of infrastructure investment in developing countries.

Falling commodity prices

The debt crisis which began in much of the global South in the early 1980s was triggered by falling prices for primary commodity exports, and an increase in US interest rates. This means countries were earning less money but spending more on their debts which were primarily owed in dollars.

Since early 2014, many commodity prices have fallen significantly. For affected countries, the loss of expected export income has caused currency devaluations, because it has reduced the amount a country is earning from the rest of the world and therefore increased the relative cost of debt payments made in foreign currencies.

In Ghana, official figures are not yet available but we calculate that because of currency devaluation, government foreign debt payments in 2015 will have increased to 23% of government revenue, from an IMF- and World Bank-predicted 16%. In Mozambique, payments are estimated to have risen from 8% of revenue to 10%. Neither estimate takes into account any drop in government revenue from lower commodity prices.

Furthermore, while commodity prices have fallen, interest rates on the major currencies in which loans are issued have not risen – yet. US dollar interest rates are expected to increase later in 2015. Such rate increases could dramatically affect the relative value of government debts in dollars, and countries' ability to repay them.

Major interventions are needed

Making the global economy less prone to booms and busts, and countries more resilient and less prone to debt crises, requires major structural changes to reduce the speculative activity which fuels them. One of the causes of global financial instability has been increasing inequality. Inequality should clearly be tackled in the interests of fairness and justice and because it is vital in promoting well-being, but doing so would also directly help create a more stable financial world, by making lower-income groups less dependent on debt and reducing the amount of money that high-income groups put into speculation. Reducing inequality depends on a range of actions, such as strengthening trade unions and workers' rights so that a greater share of income accrues to workers rather than speculators, and taxes on wealth as well as income to enable greater redistribution.

For currently impoverished countries to become more resilient to global economic changes, they need to be less dependent on primary commodity exports. Gaining other sources of income will require a whole range of government interventions depending on the situation of the country concerned. The freedom of governments to determine and implement the measures needed should not be undermined by international trade treaties or policy conditions attached to international loans and development aid.

Preventing debt crises requires action by both borrowers and lenders. As we are based in London, one of the world's major financial centres, Jubilee Debt Campaign's primary responsibility is to argue for systemic change to lending to help end the cycle of debt crises.

In the last section of our 'The new debt trap' report, we outline a range of policies that lending governments, including the UK, could support now to make lending more responsible and help prevent future debt crises. These include:

1) Regulating banks and international financial flows.

2) Creating a comprehensive, independent, fair and transparent arbitration mechanism for government debt.

3) Supporting cancellation of debts for countries already in crisis.

4) Supporting tax justice.

5) Ceasing to promote PPPs as the way to invest in infrastructure and services.

6) Supporting responsible lending and borrowing.

7) Ensuring aid takes the form of grants rather than loans, and that 'aid' loans do not cause or contribute to debt crises. ◆

The above is the text of the executive summary of 'The new debt trap: How the response to the last global financial crisis has laid the ground for the next', a report by the Jubilee Debt Campaign (July 2015). The full text of the report, written by Tim Jones, is available on the Campaign's website www.jubileedebt.org.uk.

What's next for Greece?

Greece has been in the throes of a financial crisis for some years now but, because of its membership of the eurozone, is unable to have recourse to traditional options to combat it. What is required, argues *Harry Konstantinidis*, is greater political imagination.

MOST readers already probably know the sequence of events around Greece and its creditors over the last month, but they are worth reviewing: a fruitless and frustrating negotiation leading to a take-it-or-leave-it offer from the creditors; the announcement of a referendum (the first in more than 40 years) for the people of Greece to decide whether to accept the offer; a triumph of the No vote with 61.3% rejecting the offer, despite a visceral campaign in favour of the Yes vote by the Greek media and foreign politicians; the resignation of Finance Minister Yanis Varoufakis; a retreat by Syriza offering austerity for a deal; the creditors' outrageous demand in a rather open attempt to push Greece or Syriza towards exit; and finally a roadmap towards a deal that no party really believes in.

Protesters wave a Greek flag and hold a placard that reads 'IMF + Troika = Criminals' in front of the European Commission's office in Barcelona.

The terms of the agreement reflect the creditors' attempt to make Syriza renege on all its promises and cross all its 'red lines', except for euro membership. Sharp value-added tax (VAT) increases, the establishment of a privatisation fund including 50 billion euros' worth of assets, no restoration of collective bargaining rights or minimum wages, automatic cuts when fiscal targets are not achieved, vetting of all legislation by the Troika [European Commission, European Central Bank and International Monetary Fund (IMF)], and the depoliticisation of Greek public administration.

The deal passed the Greek parliament without the support of almost one-fourth of Syriza MPs, rendering Syriza effectively a minority government and prompting a cabinet reshuffle. How could Syriza have agreed to such a deal? Wouldn't Greece be better off introducing its own currency, rather than conceding both fiscal and monetary policy?

In order to answer this question, one has to understand the political identity of Syriza. Syriza has historically been a Europeanist party, differing from the Communist Party of Greece in its adherence to the notion that it is possible to change existing European institutions. It is worth noting that Synaspismos, the predecessor of Syriza, had even voted in favour of the Maastricht Treaty that laid the foundations of the European Monetary Union in 1992, viewing the treaty as a first – albeit incomplete – step towards a more solidaristic and unified Europe. Most of the Syriza MPs, even to this date, believe that Europe, rather than the nation-state, is the locus on which to improve workers' conditions and achieve positive social change.

Thus, Syriza's goal was not to exit the European (Monetary) Union, but to change it in favour of working people. Furthermore, Syriza never suggested that its goal was to abandon the euro: the closest the Syriza leadership ever came to proposing eurozone exit was Alexis Tsipras' saying in 2012 that 'the euro is not a fetish'. In 2015, such ambivalences were abandoned.

After the electoral victory of 2015, Syriza's strategy focused on showing that the magnitude of the crisis was not a product of Greece's own doing, but a direct outcome of the eurozone's flawed architecture and the catastrophic austerity policies. Exiting the euro would let the eurozone off the hook for its mistakes. However, both Syriza finance ministers, Yanis Varoufakis and Euclid Tsakalotos, have openly stated that they were surprised at the lack of European willingness to engage in a substantive debate about the crisis and the remedies: Varoufakis was even chastised for 'lecturing macroeconomics' to other finance ministers. Despite making little headway with its European 'partners', Syriza never chose to exit the European terrain.

Herein lies the weakness of the Syriza strategy: a weakness of political imagination. Syriza never opened a public discussion about the euro in Greece. How does the euro aid or detract from the project of productive reconstruction that Syriza promised the Greek electorate? Is the euro a tool for workers or for financial capital? What would happen to one's deposits and to one's debts if Greece were to leave the euro? Would there be fuel, medicine or food shortages if Greece were to return to a national currency?

The oligarch-controlled Greek media, which are now celebrating the agreement and praising 'Tsipras, the statesman', set the terrain domestically by equating the euro with progress and the drachma with catastrophe. The Greek collective imagination still clings to the euro as something beyond dispute, and significant parts of the left hold the same position. When – especially after the announcement of the referendum – the Greek media, the Greek opposition and European politicians equated Syriza's support of the No vote with a return to the national currency, Syriza attempted to close the discussion, essentially embracing the catastrophic discourse associated with leaving the euro. Even after signing the deal on 13 July, Tsipras has said that Greece was not in a position to leave the euro without foreign reserves, while Varoufakis equated leaving the euro to becoming 'North Korea'.

Could the Greek government have chosen to leave the euro in July? Realistically, the answer is no. Despite what various critics may claim, a significant part of Greek voters would have been unprepared for it.

However, no one can claim ignorance anymore. By following a consistent pro-Europe agenda, Syriza managed to point to the inconsistencies of the European currency union and its democratic deficits. When even the former chairman of the US Federal Reserve comes out in support of the Greek position, and the IMF categorically rejects the viability of the Greek debt without debt relief, it is bizarre to call Syriza a 'radical' or 'extreme' left-wing party. One has to look elsewhere for zealots.

A euro sign sits above sunhats for sale outside a shop in Athens. The ruling Syriza party never opened a public discussion about the euro in Greece.

Now, Greece and Syriza need to take actions that would allow it a stronger bargaining position in future negotiations. Given that the deal with the partners is not complete yet, and that certain circles in Europe will do their best to prevent any debt relief and stop the deal from happening, it is time for a leftist government to take actions that would allow Greece to be better prepared for the next round of negotiations.

What does Syriza need to do in the very short run? The Greek government, first of all, needs to (finally) attack the Greek oligarchy and tackle the web of intertwining relations between media, banks and big business in Greece. Over the last five years, the Greek public has been taking loans to recapitalise the Greek banks in exchange for preferred stock: thus the management of Greek banks has stayed in private hands. While lending had come to a standstill, banks continued to make loans to insolvent private media, owned by a small number of Greek families with strong political ties. At the same time, the Bank of Greece (the national central bank) has refused to provide information about these loans, invoking bank secrecy. These relationships need to stop.

Furthermore, Syriza needs to start the productive reconstruction of the Greek economy. The negotiations with the creditors have dragged on for a long time and have taken time and attention away from domestic issues. If the Greek economy is to have any chance of recovering (either inside or outside the eurozone), Syriza needs to build and foster the productive structures that provide employment and allow the people of Greece to cover their basic needs.

Even in the absence of fiscal space, a productive reconstruction based on self-management, new food systems striving towards food sovereignty, and increased public participation (through local assemblies and participatory budgeting) is imperative. So is, in addition, an open and frank discussion about how productive reconstruction can (or cannot) take place within the coordinates of existing European economic and political institutions.

Is this an easy task? No. But in the absence of fiscal and monetary policy, Greece doesn't really have any traditional options left. If Greece wants to increase its leverage when the negotiations come to the next impasse, instead of just being a laboratory of austerity, it has to quickly become a laboratory of experimentation and radical imagination. ◆

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Puerto Rico: Who should pay the debt?

Puerto Rico has also been in the limelight recently because of its unsustainable debt. *Ariel Noyola Rodriguez* explains how this debt arose and the debate it has sparked as to who should pay it.

PUERTO Rico has failed to meet a new deadline on payments on the island's $72 billion debt. Despite measures taken by the local authorities, many are asking who should really be paying the staggering debt.

Local politicians? Bankers? Puerto Ricans in general? The United States, as Puerto Rico's Congressional representative Pedro Pierluisi has said? The complex issue has led to speculation and confusion amongst observers.

But a closer look at the historical relationship between the island and the US mainland, its economic performance and its most recent crisis may help in explaining who is really responsible for Puerto Rico's astronomical debt.

At a protest in San Juan, Puerto Rico, demanding that the island's public debt not be paid to bondholders. The sign reads 'We didn't take out a loan. We didn't see a dime. We're not going to pay.'

Some are calling for the island's independence, after 115 years of being under US control, as the only way out. Others believe the economy should default.

However, the economic crisis has been produced not only by the US government but also due to structural and external pressures at work for almost a decade.

A laboratory for the 'free market'

The citizens of Puerto Rico became officially recognised as US citizens in 1917. But, contrary to the common belief that the island is another US state, Puerto Ricans cannot vote for president or for lawmakers while living on the island.

The special status which the nation holds – commonwealth – is regarded by many as a colonial arrangement, where Puerto Ricans are subject to US federal law but have no say in the legislative process which creates these laws. This means the island lacks local autonomy and decisions taken by US federal authorities are legally binding on Puerto Rican authorities.

Since the late 1940s, the US government has promoted investment in the island through an alluring tax exemption programme. Despite being partially halted during the 1990s – causing many companies to leave – the tax cuts were reintroduced shortly after in 2008. In 2013, the local government passed laws allowing new residents to pay zero tax on capital gains and zero tax on income derived from local businesses, in an effort to continue appealing to wealthy investors.

Despite these incentives, Puerto Rico has seen little of the wealth being distributed. The island has the second highest level of inequality when compared to the US's 50 states. Furthermore, profits made on the island are transferred back to the US mainland, based on Section 936 of the tax code, which was designed to stimulate job creation but instead has enabled mass cash outflow.

This has led to an economic model based on dependence on the US that has enabled corporate exploitation, built up over the years in what is referred to as Operation Bootstrap.

Through a series of measures and federal laws, Washington promoted the decline of Puerto Rico's sugar industry and its agriculture, paving the way for US capital to invest in consumer goods industries and – most recently – services.

The idea behind the architecture of the so-called Operation Bootstrap was to counter Cuban influence in the Caribbean by maintaining a stable and prosperous Puerto Rico as an example of the benefits of following US-style free-market policies.

Today, small-scale producers and local shopowners are struggling to compete with US companies and chain stores. Local agriculture is virtually non-existent, and most of the arable land is owned by corporations.

'There's more Walmarts and chain stores per capita in Puerto Rico than any place else,' explained Puerto Rican activist David Galarza during an interview over New York's WBAI radio station.

This partially explains why 90% of the island's exports are destined for the US, most of them manufactured goods, sold by US corporations.

The system imposed by Operation Bootstrap has been largely reflected in the current quagmire; while Puerto Rico's economy has been contracting since 2006, tax evasion is widespread and – due to its political status – federal laws prevent the island's government from requesting loans from international institutions.

Since 2000, Puerto Rico's debt has been growing at a rate that has exceeded its GDP growth.

'Puerto Rico's economy is clearly unsustainable, barely able to generate enough capital to service its debt,' writes Ed Morales in *Jacobin* magazine.

A disastrous scenario

Furthermore, on 9 July the US Court of Appeals in Boston ruled that Puerto Rico couldn't restructure its own debt. Given that the island is not a state, it cannot file a request for bankruptcy to obtain federal relief.

'The [Puerto Rican] government has tried to offset the failure to grow by thinking it was a recession,' explained former International Monetary Fund (IMF) economist Anne Krueger during an interview in July at WBUR Boston. By doing so, added Krueger, 'they've financed a lot of the [public] spending' through loans.

And public spending is also an important issue in Puerto Rico. Over a third of the island's population receive food stamps and, according to Galarza, between 60% and 70% rely on Medicare or other welfare programmes.

The island's Governor Alejandro Garcia Padilla shocked the world in late June when he publicly acknowledged the debt held by Puerto Rico was unpayable. However, despite such a strong admission, his government is evaluating a series of measures aimed at meeting creditors' demands. 'On Medicare, they are already planning to eliminate some $200-300 million of essential vital funding,' explained Galarza in his interview.

A man walks past a closed store in Arecibo, Puerto Rico. The island's economy has been contracting since 2006.

Nevertheless, despite the mounting pressure, Garcia Padilla has vowed not to fire workers or raise taxes, as the most important group of creditors is requesting.

The current crisis has driven thousands out of the country, which in turn has generated a significant fall in the labour force. In 2014, Puerto Rico saw the biggest drop in its population since World War II.

Some in the government have proposed measures to flexibilise work, which include reducing salaries, eliminating the minimum wage and modifying working ages.

Without the option of restructuring the debt, the local government is trying to convince creditors to allow smaller payments over a wider time frame.

Some economists are arguing that the local government should tackle tax evasion and increase taxes. However, as has been pointed out above, the many tax exemptions – some through federal laws – that benefit wealthy investors and US corporations make it very difficult for the local authorities to tax the wealthiest.

As Puerto Rican activist Ed Morales points out, a recent report issued by the Federal Reserve Bank of New York regarding Puerto Rico's economy suggested restructuring the island's tax system.

However, the local government has expressed no intention of changing its tax-exemption policies and continues to see attracting investors to the island as the main way to achieve economic growth.

In fact, tax revenues have remained stagnant over the past 15 years. This means that new taxes would largely affect the middle and lower classes, without tapping into the wealth of those benefiting from decades of tax exemptions.

The sombre scenario leaves few options for the Puerto Rican government alone to solve the crisis, and will require external intervention.

As a recent report by activist group Hedge Clippers documents, hedge funds own up to 50% of the island's debt, which gives them significant leverage when it comes to negotiating.

'The basic idea is to demand that wages go down in Puerto Rico, to demand that taxes go up, to demand that utility rates, water rates, go up, and that all that money be shovelled straight to the hedge fund millionaires,' says Michael Kink, who heads Hedge Clippers.

If Washington fails to help the

island, the local government would not be able to default – because of their Constitution – and would run out of cash, leaving it no choice but to part with public property.

'Right now, these banks and hedge funds have the people over a barrel; it's unconstitutional in Puerto Rico to default over a debt. And you can see a scenario where public utilities, public assets like water, even the tax receipts of the government could basically be impounded by these hedge fund guys...that seems to be what's gonna happen,' predicts Kink.

Despite promises made by Puerto Rican Governor Alejandro Garcia Padilla (pic), he has continued to favour privatisation and austerity measures applied by his predecessors in the recent past.

For Pedro Pierluisi, Puerto Rico's non-voting delegate in the US House of Representatives, the only solution to the current crisis is for the US Congress to modify the island's status and recognise it fully as a state. 'In the near term, Puerto Rico can manage its crisis with smarter policy making, but the only enduring solution is statehood,' he wrote recently in the *New York Times*.

Statehood aside, the structural failure and the need to reform the economic model of the island is seldom addressed by the mainstream media or politicians.

Despite promises made by Governor Garcia Padilla, he has continued to favour privatisations and other austerity measures, such as cutting pensions, which have been applied by his predecessors in the recent past.

Even the terms on which local mainstream politicians are demanding a restructuring of the debt include a set of policies which would mean further cuts in services and pensions.

Who should pay the tab?

Responsibility over Puerto Rico's debt crisis cannot be equally shared. The island's crippled economy is in large part a product of US foreign policy. And this is not confined to Operation Bootstrap.

With the approval of the US-Central America free trade agreement, the island has been forced to compete with neighbouring countries, which have much lower wages.

US laws have also undermined Puerto Rico's global competitiveness. For example, the Merchant Marine Act of 1920 prohibits non-American ships from carrying goods between the island and US mainland, which has raised transportation costs and made trade with other countries more difficult.

The US federal budget allocation to the island differs greatly when compared to those for similar-sized states and some social welfare programmes exclude the island altogether.

Local governors also bear a big share of responsibility for the current state of the Puerto Rican economy. They have acquired billions of dollars in loans, even when the economy was not struggling to grow.

Furthermore, as in many recent debt crises elsewhere, hedge funds play a larger role than is usually acknowledged. Irresponsible borrowing has been fuelled by irresponsible lending.

Vulture funds have rushed to the island to buy risky bonds in a similar scenario to the one in Argentina (2001) and most recently in Greece. The scheme consists in opportunistic investors – which act through hedge funds commonly dubbed vulture funds – taking advantage of an economic crisis to, in the aftermath, increase the amount of money they originally invested.

'These guys [vulture funds] have bought up the debt in an effort to get it paid to get huge, huge returns. As an example, Paul Singer, one of the hedge fund managers that's in this game, when he pulled a similar stunt with Argentina they made 13,000% profit on the deal. Not double your money, not triple your money, but 15 times your money,' explains Kink.

As the report by Hedge Clippers documents, many of the hedge funds that hold Puerto Rico's debt were involved in the Argentine and Greek crises.

Furthermore, these investors have powerful allies inside the US Congress and are significant financiers of both the Republican and Democratic parties.

Given the current situation, it should not be the Puerto Rican people paying the debt, but the US moguls and corporations that have been taking advantage of the island's tax-exemption scheme, together with the local elite, who have failed to manage the debt and insist on applying austerity measures.

The ideal scenario would be one such as in post-crisis Argentina, where the Kirchner administration (2003-07) implemented a set of policies to reform the economy, implementing financial controls, recovering state-owned assets and boosting local industry. However, none of the major parties in Puerto Rico have suggested such a strategy.

It is up to the US Congress to show if it will back the island against the vulture funds. A solution to the crisis could translate into potential political gain, since both the Democrats and the Republicans are trying to lure the Latino vote (over 17% of the population) for the upcoming presidential elections.

Even though Puerto Ricans within the island's territory cannot themselves vote, helping the island will certainly have an impact on fellow Hispanics and the 5 million Puerto Ricans living on US soil. ◆

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Opposition mounts against regional trade pact threatening human rights

Less well known than the notorious Trans-Pacific Partnership (TPP), the Regional Comprehensive Economic Partnership (RCEP) is engendering growing opposition because of its similar oppressive provisions.

Chee Yoke Heong

A little-known regional trade pact currently under negotiation has begun to garner attention, especially among civil society campaigners, after leaked documents showed its potential negative impacts on health, agriculture and socio-economy in prospective member states.

The Regional Comprehensive Economic Partnership (RCEP) was initially regarded as an antidote to another proposed trade accord, the hugely controversial Trans-Pacific Partnership (TPP), as a number of countries negotiating the TPP and which are also involved in the RCEP talks were opposed to some provisions in the TPP. But evidence has emerged showing that Japan and South Korea are pushing for provisions, particularly those relating to intellectual property, that attempt to harmonise the RCEP with the TPP, making the former practically a carbon copy of the TPP.

Launched in November 2012, the RCEP negotiations are taking place between the 10 member countries of the Association of South-East Asian Nations (ASEAN) and the bloc's trading partners Australia, New Zealand, China, South Korea, Japan and India. Like the TPP talks, the negotiations on the RCEP – which are expected to be concluded in November – have been conducted in secrecy away from the public eye, with no public consultations being held.

But in recent months, leaks of documents submitted by Japan and South Korea have provided a glimpse into what is being put on the table for the RCEP negotiations. For those opposed to the US-led TPP, there is a sense of *deja vu* as they see many similar provisions being pushed in the RCEP talks as well.

In India, farmers' groups, patients' groups, civil societies and trade unions have staged demonstrations and issued calls to the national government to stop negotiations and to hold consultations with the relevant stakeholders in light of the potential dangers of the pact.

They say that RCEP-imposed market liberalisation and adoption of provisions whose reach extends beyond existing trade agreements would jeopardise prospects for the domestic manufacturing sector, harm agriculture and make it difficult for people to access affordable generic medicines. These concerns are not confined to India but apply to other prospective RCEP members as well.

The intellectual property (IP) provisions in the leaked Japanese text dated October 2014 and made available in February proposed monopoly IP protections beyond both the obligations of existing international IP agreements, such as the World Trade Organisation (WTO)'s TRIPS Agreement, and IP laws of many RCEP countries. A group of academics pointed out a number of controversial provisions,[1] including those that would:

- Broaden and lengthen patent monopolies;
- Extend restrictions on the use of clinical trial data to support the marketing approval of generic medicines;
- Enable the seizure of generic medicines in transit, even those only suspected of infringing IP laws in the transit country.

The leaked South Korean document, also dated October 2014 and made available publicly in June, put forward several IP provisions that would give additional privileges to the pharmaceutical industry. These include patent term extensions, the seizure of suspected IP-infringing medicines in 'transshipment', and even damages for patent infringements determined according to the value asserted by the patent owner.

Since India and China are major suppliers of generic medicines to the world's poor, these proposals, if agreed, 'could delay the market entry of generic medicines in the region – and the impact will be felt around the world', according to the academics.

Indian firms have been able to supply generic medicines to many low- and middle-income countries because India's intellectual property law balances private rights with the public interest. For instance, it does not permit the granting of patents for new forms or new uses of a known substance, a common pharmaceutical industry practice known as 'evergreening' of patents. These safeguards, however, would be lost if India and other RCEP countries agree to Japan's proposal.

On copyright, the proposals made in the South Korean draft were described by Jeremy Malcolm, an IP lawyer and analyst with the Electronic Frontier Foundation, as even 'worse' than the Japanese proposals or provisions from leaked drafts of the TPP.[2]

Some of the South Korean proposals include:

• Copyright terms of life plus 70 years;

• Prohibiting temporary copies of works in electronic form;

• A prohibition on the Internet retransmission of broadcasts that would inhibit the free use of public domain material;

• Inflated awards for copyright or patent infringement, by calculating damages payable for the infringing works on the assumption that they were sold at full retail market value;

• Criminal penalties for 'commercial scale' copyright and trademark infringement, even where the infringer has not sought or made any profit from the activity;

• Remuneration rights to performers for radio airplay which go beyond US laws;

• Authorising a fast-track process for rightsholders to obtain personal information of alleged infringers from their Internet service provider, without judicial order.

Other areas of concern are the likely negative impacts of the RCEP on agriculture and the manufacturing industry.

Farmers' organisations in India have voiced their worry that the RCEP will increase agricultural imports such as dairy products into the country, thus jeopardising the livelihoods of Indian farmers. Drawing on the experience of India, Vijoo Krishnan of All India Kisan Sabha (All India Peasants Union) said the India-ASEAN Free Trade Agreement (FTA) has seriously affected South Indian farmers and expressed his concern that the larger RCEP will affect all farmers in the country. He pointed out, in particular, that the opening up of the dairy market to imports from Australia and New Zealand could be detrimental to local producers.[3]

The leaked IP negotiating texts from South Korea and Japan also indicate that the proposals made may have serious implications for domestic laws on the protection of plant varieties and farmers' rights.

According to Shalini Bhutani, a legal researcher and policy analyst,[4] the drafts propose that all RCEP members either accede to or ratify over a dozen international IP-related agreements, including the International Convention for the Protection of New Varieties of Plants (better known as UPOV), particularly its 1991 version which gives primacy to corporate plant breeders and sets restrictions on seed-saving by farmers and on access to protected plant varieties by researchers.

It is clear that South Korea and Japan are asking for IP protection for plant varieties that goes beyond what countries are obligated to under the WTO's IP rules. The RCEP will put additional pressure on countries such as India to join UPOV 1991, from which India has intentionally stayed away till now.

Citing the negative impact that previous FTAs have on the manufacturing sector, Dharmendra Kumar of India FDI Watch said the RCEP is not likely to create the promised jobs or advance the manufacturing sector, just as the India-ASEAN FTA has failed to do.

Amitava Guha from the Centre of Indian Trade Unions (CITU) told *Business World* that many of the RCEP countries have advanced manufacturing capability and the elimination of import duties on industrial products would intensify the cut-throat competition to reduce production costs.[5] 'It will lead to poor quality of employment and downward pressure on wages in the region. This would harm workers' welfare and put them against each other while seriously impairing workers' efforts to achieve "decent work" and their right to organise and bargain collectively,' he said.

Domestic industries in India have also put up stiff resistance to the RCEP, resulting in the Indian government reportedly, during an RCEP ministerial meeting in Malaysia in July, deciding to introduce a two-tier approach to cutting tariffs on goods. Under this plan, India is offering to cut duties on around 75-80 tariff lines for countries with which it has FTAs, such as Singapore, Malaysia, Japan and South Korea, while for countries like China, Australia and New Zealand, among others, it is likely to offer 40-50 tariff lines for duty cuts.[6]

A group of United Nations experts have recently also raised concerns over the detrimental impacts that trade and investment agreements can have on human rights. The experts expressed concern about the secret nature of drawing up and negotiating many of these agreements and their potential adverse impact on human rights.[7]

They recommended that all current negotiations on bilateral and multilateral trade and investment agreements should be conducted transparently with consultation and participation of all relevant stakeholders including labour unions, consumer unions, environmental protection groups and health professionals. The UN experts also called for safeguards to be embedded to ensure full protection and enjoyment of human rights. ◆

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COVER

WHO shackled: Donor control of the World Health Organisation

Since the 1990s, concern has grown that the integrity and independence of the World Health Organisation (WHO) may be compromised as a result of corporate influence. When in May, the World Health Assembly – the supreme decision-making body of WHO – met in Geneva, much of the debate centred on the funding of WHO and the rules regarding this UN agency's relationship with the private sector. *David Legge* analyses the debate and explains the issues involved.

Control of some 80% of WHO's budget has shifted to big donors, including global philanthropies such as the Gates Foundation. Picture shows Bill Gates, co-chair of the Gates Foundation, delivering the keynote address at WHO's 64th World Health Assembly in 2011.

THE rise of the transnational corporation (TNC) as the leading agent of global governance is widely mooted. Tensions between the TNC and the nation state were on display at the recent World Health Assembly – the supreme decision-making body of the World Health Organisation (WHO) – in Geneva in May. The debates over the funding of WHO and the rules regarding WHO's relationships with the private sector provide useful case studies for examining these apparent contradictions. The underlying forces can be mapped by exploring the links between four particular agenda items.

The first of these concerned the Ebola outbreak in West Africa. It is common knowledge that WHO was slow to respond to the outbreak, although the apportionment of blame between WHO headquarters, the regional office and the country offices is debated. It is also recognised that the outbreak could have been contained and perhaps prevented if the health systems in the affected countries had been stronger and more resilient. Finally, the Ebola outbreak also reflected influences beyond the health sector including poverty, land grabbing and corporate tax avoidance. WHO has a clear mandate to assist countries in health system strengthening and in addressing the social (including economic and political) determinants of health and can be criticised for its failures in these areas as well as its tardy response.

The recent World Health Assembly discussed the interim report of an expert advisory panel commissioned to review WHO's response to Ebola. The Assembly also considered new proposals for a contingency fund to deal with the early weeks of an emergency; an emergency health workforce capability; and a new centralised command for WHO's emergency response.

WHO's failures in preventing and responding to the outbreak reflect a range of different factors, one of which is the chronic financial crisis of WHO. The expert panel speaks of a 'lack of political and financial commitment of [WHO's] member states':

'The Ebola outbreak might have looked very different had the same political will and significant resources that were spent in responding to it been made available to Member States and the WHO Secretariat over the past five years in order to support three key areas of action: ensuring global health preparedness at country level in implementing the International Health Regulations (2005); supporting countries to establish or strengthen primary health care systems; and developing diagnostics, vaccines, and medicines for neglected tropical diseases.'

The second agenda item was the consideration of WHO's proposed biennial budget for 2016-17. In circulating the proposed budget in late April, WHO Director-General (DG) Margaret Chan had proposed a 5% increase in assessed contributions (ACs, the mandatory contributions required of member states based on population and GDP). While 5% is a relatively small increment, much less than what the big donors contribute as voluntary contributions, it would be of huge symbolic value and a crucial step towards thawing the freeze on ACs.

From the early 1990s WHO's member states have imposed a 'zero nominal growth' policy regarding ACs. Under this regime the proportion of WHO's expenditure budget which is funded by ACs has fallen from 80% of total expenditure (in the 1970s) to less than 20% now. The shortfall has been made up by voluntary contributions (VCs) from member states, global philanthropies (such as the Gates Foundation), the World Bank, the United Nations Development Programme (UNDP) and other intergovernmental organisations and various private sector entities.

Voluntary contributions now fund around 82% of WHO's expenditure; around 93% of donor funding is tightly earmarked to specific programme areas. Control of 80% of WHO's budget has thus moved from the Assembly of member states to the big donors, meeting annually with the WHO secretariat in a 'financing dialogue'. It is essentially an auction of WHO's programmes and activities.

The DG's proposal for a 5% increase in the level of assessed contributions was withdrawn before the Assembly (because of negative feedback from 'many' member states) but the Assembly did agree to an 8% increase in the budget ceiling, to be funded entirely through an (anticipated) increase in voluntary contributions. Whether the donors will be willing to provide such an increase and how much might be untied will become known during the financing dialogue in November.

The third agenda item, where the dynamics underlying WHO's funding crisis were on display, concerned the organisation's relationships with 'non-state actors' including academics, NGOs, philanthropies and private sector entities. The intensity of debate around this item led to a new acronym being coined, FENSA, referring to WHO's proposed 'framework of engagement with non-state actors'.

The debate during the Assembly focused largely on WHO's engagement with corporations and associated organisations (in particular business associations and corporate 'front organisations'). Most of the debate took place in the privacy of a formal 'drafting group' but the parameters of the debate were clearly exposed in the sequence of draft resolutions which were submitted to and emerged from the drafting group. It is standard practice in such negotiations to flag the issues which are not resolved with square brackets, and after a week of negotiations in the drafting group, the draft resolution remained peppered with square brackets, most of which point to member states' concerns regarding WHO's engagement with private sector entities. The following provisions are still in square brackets:

• 'WHO does not accept secondments from private sector entities. Secondments from other types of non-state actors shall be accepted, in accordance with [resolution] WHA67/7.'

• 'The WHO should establish ceiling in the voluntary contribution from non-state actors. Any contribution beyond that amount should go to the core voluntary fund which gives enough freedom to the Secretariat to allocate resources to underfunded programmes.'

• 'Funds may be accepted from private sector entities whose business is unrelated to that of WHO, provided they are not engaged in any activity [or affiliated with any entity] that is incompatible with WHO's mandate and work.'

• 'Funds designated to support the salary of specific staff members or posts (including short-term consultants) may not be accepted from private sector entities.'

• 'Individuals working for interested private sector entities are excluded from participating in expert groups; however, expert groups need to be able, where appropriate, to conduct hearings with such individuals in order to access their knowledge.'

The fourth issue which contributes to this emerging picture arose at the meeting of WHO's Executive Board after the Assembly (27-28 May). This involved a complaint lodged by Italy (apparently on behalf of the European sugar industry) in relation to a proposed dietary guideline regarding sugar intake. WHO's guidelines committee had reiterated a firm guideline to the effect that free sugar should constitute no more than 10% of daily energy intake but included also a conditional (tentative) guideline which would limit free sugar to less than 5% of daily energy intake. The sugar, confectionery and beverage industries expressed their strong opposition to the 5% figure publicly and no doubt privately as well.

The Italian initiative was explicitly linked to the sugar guideline and sought to open up WHO's guideline protocols to allow for greater input by 'stakeholders' such as the sugar and confectionery industries. The proposal received very little support at the Executive Board. Several member states emphasised the importance of guidelines development being protected from interference by either member states or industry stakeholders.

Joining the dots

Four vignettes from the recent meetings of the World Health Assembly and WHO's Executive Board have been reviewed:

• the underfunding of WHO reflected in the failures in WHO's response to the Ebola outbreak;

• the refusal of the Assembly to countenance a small but symbolic increase in assessed contributions;

• the conflict among the member states as to whether to impose additional restrictions on WHO's engagement with private sector entities, over and above those governing relationships with academics, NGOs and philanthropies;

• the Italian intervention at the Executive Board, apparently on behalf of the sugar, confectionery and beverage industries, seeking to weaken the integrity of WHO's guidelines process.

There is a clear contradiction between the first and second of these vignettes. In the face of overwhelming evidence of the damaging impact of the freeze, why does the Assembly refuse a small increase in ACs? The logic of imposing additional restrictions on private sector entities makes perfect sense in the light of the sugar guidelines controversy but it is not so clear what the sugar guidelines and the debate over FENSA have to do with the funding crisis.

'Joining the dots' to make sense of these four episodes requires further elaboration of four propositions:

• WHO is grossly underfunded;

• The lack of support for unfreezing ACs reflects a mix of contradictory motivations;

• WHO's dependence on (tightly

earmarked) voluntary contributions transfers governance authority from the Assembly to the donors;

• WHO's relationship with global corporations lies at the heart of the crisis.

WHO is grossly underfunded

WHO is grossly underfunded in relation to its constitutional mandate and the work programme commissioned by resolutions of the World Health Assembly. The scale of underfunding can be estimated by considering separately the main 'segments' of WHO's work and comparing WHO expenditure in these areas with other organisations working in similar areas. The 'segments' which are used by WHO for budget building include: country-level technical cooperation; the provision of global and regional public goods; and emergency preparedness and response.

WHO spends around a quarter of its funding on country-level technical cooperation – about $500 million per year. This may be compared with the Global Fund to Fight AIDS, Tuberculosis and Malaria (GFATM) which spends $3.6 billion per year on country-level technical cooperation and support – for three diseases only! There are countless areas where WHO has been commissioned by its Assembly to provide country-level technical cooperation and support, including: health systems development; decision making around immunisation; the rational use of medicines (including antibiotics); advice on the health implications of trade agreements; and many more. There are no technical (epidemiological or economic) reasons why the provision of these kinds of technical cooperation should be so underfunded in comparison to the funding provided to support the treatment and prevention of AIDS, tuberculosis and malaria.

WHO spends around a third of its budget ($700 million in 2013) on the 'provision of global and regional public goods' including guidelines, strategies, policies, standards, education, etc. This may be compared with the US Centers for Disease Control and Prevention (CDC) which spends $5 billion per year on providing global and regional public goods for only 320 million people ($15 per US resident). WHO is the CDC for the lower-income countries – perhaps 2 billion people. On this basis, the spending on people in the lower-income countries is only 35¢ per person.

Voluntary contributions to WHO in 2014 ($ million)

Donor	Flexible	Tied	Total
Member state donors	$127	$862	$989
%	13%	87%	100%
Philanthropies, intergovernmental and private donors	$5	$947	$952
%	0%	100%	100%
Total	$132	$1,809	$1,941
%	7%	93%	100%

Source: http://apps.who.int/gb/ebwha/pdf_files/WHA68/A68_INF1-en.pdf

WHO spends, on average, one-fifth of its budget ($400 million per year in 2013) on emergency response including outbreak and crisis response. This may be compared with the spending of Medecins Sans Frontieres (MSF) which spent around $1.2 billion during the same period, or the International Committee of the Red Cross (ICRC) which spent $1.5 billion on comparable programmes in 2014.

WHO is grossly underfunded. The shortfalls in the Ebola response are only the most recent illustrations of this.

Lack of support for unfreezing ACs

The WHO secretariat paper dated 30 April proposing a draft budget for 2016-17 was accompanied by a memo from the DG which (in the original version) noted that the total proposed represented an increase of 8% in total expenditure and proposed a 5% increase in ACs as part of the additional revenue required.

However, in its report to the Assembly, WHO's Programmes, Budget and Administration Committee (which met before the Assembly) advised that after preliminary feedback to her proposal the DG had withdrawn her suggestion of a 5% increase in ACs. Informed sources advise that opposition to the increase was led by the UK and Belgium.

The debate around the adoption of the 2016-17 budget provided an opportunity for a wider range of member states (MS) to express their views on both the continuing freeze on ACs and the proposed 8% increase in the budget ceiling.

Nineteen of the 37 MS who spoke in this debate made no reference to the mooted 5% increase in ACs. Seven countries were either in favour of increasing ACs or at least acknowledged that there was a case for such an increase. However, several commented that the proposal had been floated too late to allow for appropriate consultations and approvals. Norway, Brazil, Argentina and Zimbabwe spoke in favour of increasing ACs at some stage in the future.

Ten countries spoke of their continued support for 'zero nominal growth' in ACs (Mexico, Russia, the Netherlands, Canada, Thailand, Venezuela, the UK, Denmark, Italy, Spain). Most of the rich countries in this group either (initially) opposed the 8% increase or accepted it with reservations.

Of the 37 countries who spoke in this debate, 30 supported the 8% increase in the budget ceiling. Five countries agreed (Italy, Spain, Russia, Monaco and Germany) but with reservations regarding transparency, efficiency, etc. Three of the countries which agreed expressed a different set of concerns regarding the tight earmarking of VCs and the associated restrictions on budget flexibility (the Maldives, Thailand and Switzerland).

Four countries opposed the 8% increase in the budget ceiling (the UK, Denmark, the Netherlands and Mexico) although the latter three indicated that they would bow to the emerging consensus in support of the increase.

It is evident that many delegates from low- and middle-income countries (L&MICs) are apprehensive about arguing for an increase in ACs because of the potential burden on their domestic budgets and the need to persuade their governments and ministries of finance to agree to such a position. Several delegates in the above debate emphasised the lead time needed to work through such a commitment at the domestic level.

For low-income countries which depend heavily on development assistance for healthcare, it might seem dangerous to be seen to be advocating for contributing more to WHO. Bilateral donors such as the UK, the US or the Gates Foundation could well take the view that if domestic resources are available to contribute more to WHO, then perhaps the need for development assistance is less pressing than it might have seemed.

There is also a certain sense of disillusionment with WHO in some middle-income country delegations; a sense that the weaknesses are too entrenched and the obstacles to change too powerful to justify arguing for an increased allocation of limited domestic tax revenues to WHO.

Opposition among the rich countries to increasing ACs reflects a different dynamic. It is not due to an unwillingness to contribute to global health. The imposition of the zero nominal growth policy with respect to ACs has been associated with a progressive increase in voluntary contributions, from around $60 million in 1974 to $600 million in 1994 to $2 billion in 2014.

However, most of the ballooning VCs are tightly earmarked to the programmes the donors want to fund (93% in 2014). Only 17 MS contributed untied funds in 2014 and only six of these contributed more than 50% of their VCs as untied funds (Belgium, Denmark, Finland, Ireland, Luxembourg and Sweden).

The donors have not argued that WHO is adequately funded in relation to the global health challenges it faces. Neither have they denied the inefficiencies, perverse incentives and transaction costs associated with the huge imbalance between ACs and VCs. The so-called 'financing dialogue' alone represents a huge burden on the senior management of the organisation. The defence of the freeze has been based instead on continuing criticism of WHO's administration for inefficiency and lack of transparency. The implication is that it would be irresponsible to increase the flexibility of funding while the organisation is so inefficient. The comments of the Netherlands delegate to the debate regarding the programme budget for 2016-17 during the recent Assembly illustrate this discourse:

'The Netherlands has a zero nominal growth policy for UN organisations as we believe zero nominal growth is an effective instrument for efficiency gains and setting priorities by the UN. Increasing budget space will not encourage organisations to increase efficiency. Related to WHO specifically, the Netherlands is concerned about a number of budget related issues, namely the AC/VC balance, the need for further efficiency gains, the increase of the reserves of WHO and especially the insufficient internal controls … . These are risks to budget increases and the Netherlands therefore believes this is not the time for a budget increase until these issues are resolved. … We still see possibilities for efficiency gains and further reprioritisation in the work of WHO and we wonder whether it is really necessary to have an increase of budget space of 8%. … The Netherlands would like to use the strongest words possible by stating that any budget increase is ambitious and it will come with great responsibilities.'

The notion that the freeze on assessed contributions should remain in place until WHO addresses its inefficiencies flies in the face of clear evidence that these inefficiencies are in large part a function of WHO's financial crisis brought on by the freeze. One of the worst effects of donor dependence on efficiency is the way it drives competition between different units of the WHO secretariat for the attention of the donors and the barriers to collaboration within the secretariat that this competition engenders.

In response to the ongoing criticism of WHO's administration, the Director-General launched an ambitious reform programme in 2010 involving programmatic, management and governance reforms. Within the limits imposed by the freeze, and the dysfunctional regional structures of WHO, the reform programme has demonstrated significant improvements in transparency, budgeting, evaluation, harmonisation and alignment across the regions and other key reform objectives.

However, according to the UK, the Netherlands, Denmark and Mexico, the freeze on ACs and the ceiling on total expenditure should both remain in place. The $155 million which the UK gave to WHO in VCs in 2014 affords it significant leverage in relation to such matters. The Netherlands, Denmark and Mexico gave $24 million, $9 million and $1 million respectively.

Dependence on (tightly earmarked) voluntary contributions

Over 80% of WHO's expenditure is funded through voluntary donations and the bulk of voluntary contributions are tightly earmarked (see table).

The combination of the vanishing ACs and the tight earmarking of VCs has had the effect of transferring control of WHO's workplan from the Assembly to the donors.

In 2014 ACs funded only 18% of total expenditure. Since the DG has taken the view that governance and management should not be subject to auction, ACs therefore go entirely to supporting governance and management, which means that WHO's programmes depend entirely on VCs and are consequently totally dependent on donor preferences.

In 2014 the funding gap (the gap between budgeted expenditure and available revenue) was greatest for the programmes dealing with: gender, equity and human rights mainstreaming; integrated people-centred health services; non-communicable diseases; and food safety. It appears that these are areas that the donors were less enthusiastic about. It matters not that these are also areas which have been prioritised by the majority of MS in Assembly resolutions.

WHO's relationship with global corporations

Many of the threats to health and barriers to affordable healthcare arise from the commercial interests of big corporations. The increasing incidence of obesity, diabetes, heart disease and stroke due to intensively marketed cheap ultra-processed foods is a stark example. Pharmaceutical corporations clearly value shareholders' demand for profits over affordable access to essential medicines and vaccines.

While the rich-country donors have not acknowledged that they maintain the zero nominal growth policy in order to control WHO's effective workplan and prevent it from taking actions which might run counter to the interests of their industries and corporations, the sugar guidelines intervention suggests otherwise.

In fact the sugar incident in 2015 was only the most recent of cases where MS have sought to undermine the mandate of WHO in support of 'their corporations'. There have been numerous episodes involving tensions between the objectives of World Health Assembly resolutions and the interests of various corporations and industries (in particular, the pharmaceutical industry).

The fact that the interests of the corporations are generally advanced by particular member states complicates the project of devising protocols to protect WHO from 'conflicts of interest'. Rich member states, the US in particular, have repeatedly opposed WHO taking any action which might run counter to the interests of transnational corporations. The US opposed the Code on the Marketing of Breastmilk Substitutes; opposed WHO's rational use of medicines initiative and its ethical criteria for drug marketing; and has still not joined the Framework Convention on Tobacco Control.

Furthermore rich member states are seeking to force WHO to open up its policy-making and decision-making spaces to the TNCs. One of the key slogans in this project is the Orwellian concept of 'multi-stakeholder partnerships', which designate, for example, junk food manufacturers as partners in the task of addressing obesity, heart disease and stroke.

At stake in the ongoing debates over the freeze on ACs is the power of the donors to refuse funding for WHO programmes which might cut across corporate interests, no matter that such programmes have been fully authorised by the World Health Assembly. At stake in the ongoing debates around the rules governing corporate influence over decision making in WHO is the determination of certain rich countries to clear the way for TNCs to buy influence and insert corporate staff into strategic positions within the WHO secretariat.

The debates over WHO funding and its relations with TNCs reflect wider contradictions between the nation state and the TNC as the principal governing structures of contemporary globalisation. However, it is also necessary to recognise the close relations between the leading industrial nation states and their TNCs. This is epitomised in the recent Italian intervention on behalf of sugar and confection but there are many more examples of the US and the EU working on behalf of their TNCs within the corridors of global health. The drive by the US to include restrictive provisions on intellectual property protection in new trade agreements and the repeated efforts by the EU to legislate for the seizure of generic medicines in transit through Europe both illustrate the leading capitalist nation states' prioritising the profits of Big Pharma over access to affordable medicines.

Against this background, the debate around WHO's engagement with corporations and other 'non-state actors' takes on a new significance. This has been a debate between a number of middle-income countries ('emerging economies') pushing for tighter restrictions on corporations and the leading capitalist nation states pushing back. This kind of tension between developing countries and rich countries is common in WHO debates. Two current examples, both of which came before the recent Assembly, concern, first, the possibility of delinking pharmaceutical research and development from monopoly pricing under patent protection; and second, the need to separate national drug regulation from the claims by originator pharmaceutical companies against generic manufacturers. In both cases the tension is not between the nation state and the corporation; rather, it is between the rich nation states (and their corporations) versus L&MICs and demands of their people for access to affordable medicines.

The contention between the nation state and the corporation as governing structures under globalisation is a useful analytical frame, but it is not sufficient. It needs to be seen in conjunction with the contention between the imperial powers and the subaltern countries within the modern (neoliberal) imperial system. Even this is too simple because it doesn't recognise the tensions between the elites and subaltern classes within countries. The interests of the languishing middle class in the US do not coincide with the commercial interests of 'their' corporations. Neither does the defence by the Mexican delegates in the Assembly of a continuing freeze on WHO's budget reflect the interests of millions of Mexicans unable to pay for medicines and facing an epidemic of non-communicable disease.

The outcomes of these tensions will determine the prospects not just for global health but for the democratic vision and for an equitable and sustainable future. ◆

David Legge is a member of the global steering committee of the People's Health Movement (PHM). Much of the data used in this article was collected through WHO Watch, a project of PHM in association with a number of other civil society organisations. The work of the watchers is gratefully acknowledged. See www.ghwatch.org/who-watch.

WHO reform: opening the floodgates to the private sector?

It is in the name of 'reform', against a backdrop of a funding crisis, that a greater collaboration between WHO and big business is being justified. *Judith Richter* provides a historical overview of the process which began in 1992 with the drive for UN 'reforms', a euphemism for the neoliberal restructuring of the world body.

'Many of WHO's traditional donors face their own budgetary pressures. WHO will therefore seek to attract new donors and explore new sources of funding ... [T]he aim will be to widen WHO's resource base, for example, by drawing on ... foundations and the private and commercial sector, without compromising independence or adding to organisational fragmentation.'

'Global health policy is shaped by a wide range of stakeholders from the public, private and voluntary sectors. It is of growing importance that these voices are also heard in WHO. Being more inclusive can contribute to a stronger leadership for WHO by gathering broader-based support.'

– from 'The future of financing for WHO', a report by the WHO Director-General (December 2010)

THE following reflections were sparked by the concern that WHO's Director-General (DG) has embarked on a 'reform' of our highest authority in international public health. This might ultimately result in trading off the 'soul' of the World Health Organisation – its decision-making processes in the public interest – against the hope of attracting more funds from profit- or neoliberal-ideology-driven actors.

I have focused much of my professional life on issues of corporate accountability and regulation, with a particular focus on the transnational pharmaceutical and infant food industries. Starting in 1998, I served as a consultant for UNICEF's Children in a Globalising World project. In the course of this project, I became increasingly concerned over the lack of attention given to conflicts of interest, and to the predictable harmful effects of public-private partnerships (PPPs) and multi-stakeholder initiatives on global health policymaking and architecture.

Several public interest NGOs and the Finnish government provided me with an opportunity to explore these issues and outline some possible solutions. In 2005, I was commissioned to summarise concerns about global health partnerships for WHO's Director-General, the late Dr Jong-wook Lee, and his Assistant Directors-General (ADGs). From 1998 until 2005, the focus of my work shifted increasingly to what is now termed 'global health governance'.

This entails questions of how to:

• Maintain democratic principles;

• Establish adequate and effective accountability mechanisms;

• Safeguard public interests in 'global health governance'.

These are the issues I would like to explore in this article.

Linking private sector financing with a reform of WHO

Debates around how to fund WHO in a more predictable and sustainable way started in 2009 amidst alerts that WHO was in 'a funding crisis'. I joined these debates in May 2011, when health and pro-democracy activists drew my attention to proposals by Dr Margaret Chan, the current WHO Director-General, which threatened to make WHO even more dependent on funding from foundations and the private sector.

Particularly alarming was the fact that Chan's reports to WHO's governing bodies had begun to link fundraising from private sector sources with an 'ambitious agenda for reform'. Reform plans included a proposal to 'supplement' WHO's existing intergovernmental governing structure through 'a new forum that will bring together Member States, global health funds, development banks, partnerships, nongovernmental organisations, civil society organisations, and the private sector to address issues critical to global health'.

In March 2011, a background paper for an advisory meeting on WHO and Global Health Governance stated that: '*The Director-General has committed to convening a regular multi-stakeholder forum*, which will bring together Member States, global health funds, development banks, partnerships, NGOs, civil society organisations, and the private sector. This initiative recognises the need for a more inclusive debate on all aspects of global health … Discussions at the Forum may identify new priorities, highlight neglected issues or suggest actions that might be taken by different stakeholders. Its *role will be in helping to shape the future global health agenda* in a way that is relevant to all, *with WHO as its convener*. It is therefore a mechanism for improving global health governance, without being a formal part of the governance of WHO.' (emphasis added)

At the time of the World Health Assembly in May 2011, this proposed multi-stakeholder World Health Forum had become one of the centrepieces of WHO's reform agenda. Subject to approval by this Assembly, WHO's secretariat planned to hold the first World Health Forum in late 2012 in Geneva.

WHO's member states were not enthusiastic about this plan. A number of member states complained about the lack of time to fully evaluate the Director-General's financing and reform proposals. This complaint reflected broader concerns about the way the process was being carried out. WHO Executive Board members, in their regular meeting immediately following the World Health Assembly, insisted that WHO reforms have a more 'transparent, Member-State driven and inclusive consultative process'. Civil society actors, such as the People's Health Movement (PHM) and the Democratising Global Health Coalition (DGH), pointed out that the Director-General had not adequately justified the need for a reform through a convincing contextual analysis of the problems WHO was allegedly facing.

In November 2011, at a Special Session of the Executive Board, the Director-General announced that she was abandoning the idea of the regular World Health Forum due to lack of support from member states. Nonetheless, a massive restructuring of WHO and its relationships with private sector actors continues to be promoted under terms such as 'inclusiveness' and 'widening engagement' with 'stakeholders'.

Member states can pursue alternative strategies if they want to ensure that WHO unambiguously and effectively fulfils its constitutional mandate and core functions. I will outline some of these strategies in the closing part of this article.

The WHO reform: a justified move or a continuation of neoliberal global restructuring of the UN at all costs?

WHO's proposed 'reform' is just the latest manifestation of an increasing cosiness between the UN and big business. This trend is often said to have started at the 1992 UN Conference on the Environment and Development in Rio de Janeiro. At that time, Dr Gro Harlem Brundtland influenced environmental policies in her capacity as chairperson of the World Commission on Environment and Development. Ever since, closer UN-business relationships seem to have become a leitmotif in UN reforms.

In 1997, the newly elected UN Secretary-General Kofi Annan advocated strengthening ties with the business community as a particular focus of his UN reform proposal. He launched the Global Compact initiative as the flagship of this trend at the 1999 World Economic Forum in Davos. This multi-stakeholder initiative was presented as a means to increase corporations' social responsibility with respect to nine selected principles in the field of human rights, labour and the environment.

In 1998, Brundtland, newly elected as Director-General of WHO, told member states that one of the hallmarks of her term would also be increased cooperation with the private sector under the name of public-private partnerships.

UNICEF's Executive Director at that time, Carol Bellamy, launched the Global Alliance for Vaccines and Immunisation (GAVI) at the World Economic Forum in 2000 and the Global Alliance for Improved Nutrition (GAIN) during the UN General Assembly Special Session on Children in May 2002. Both launches occurred in the presence of major financial sponsor Bill Gates, also chairman of Microsoft Corporation. Bellamy did not seem to mind the introduction of a new feature of global health initiatives under the Gates venture-philanthropy PPP model: the presence of private sector representatives on their decision-making boards from the global to the national levels.

UN leaders pushed aside any concerns over potential harmful effects of this trend towards greater collaboration with big business by issuing decrees of their inevitability. For example, Brundtland justified the restructuring of the global health arena at the 2002 World Health Assembly with the claim that there was no way to solve 'complex health problems' except through these new partnerships. She asserted, 'Whether we like it or not, we are dependent on our partners … to achieve health for all.'

WHO's current Director-General Chan promotes her reform in similar terms:

• In common with other UN leaders, Chan first initiated a reform plan, which involves fundamental changes in the relations between the UN agency for which she is responsible and the private sector, *and only later* sought to gain approval from WHO's member states for her initiative. One could say, somewhat provocatively, that the agenda was set and member states were asked to rubber-stamp it.

• Yet Chan's proposal to establish a regular global multi-stakeholder forum for health went a step beyond Brundtland's introduction of the PPP paradigm. To consider the possible implications, imagine the following scenarios: (1) Your health minister announces bankruptcy, invites the private sector to co-fund your ministry of public health and, simultaneously, announces a vague restructuring of the ministry as well as of national public health decision-making. The only clear component of the restructuring is a multi-stakeholder forum permitting private sector actors to actively shape public health affairs. (2) What would happen if the UN Secretary-General announced serious funding problems for the UN Security Council and suggested that the remedy was to raise more funds from the private sector? This would be accompanied by a 'reform' of the Security Council, which would include the creation of a regular multi-stakeholder security forum. The arms industry would be invited as one of the key 'stakeholders' to this Global Security Forum to help shape matters of peace and war.

• In common with Brundtland, Chan sidelines concerns over predictable negative impacts of these moves with promises to establish safeguards to hedge them.

Safeguards for public interest: myth and reality

In 2000, Kofi Annan issued 'Guidelines on Cooperation between the United Nations and the Business Sector'. Among the Guidelines' General Principles regarding cooperative arrangements with business were that these arrangements should 'advance UN goals as laid out in the Charter', be based on a 'clear delineation of responsibilities and roles' and 'not diminish the UN's integrity, independence, and impartiality'. The principle on transparency stated: 'Cooperation with the business community must be transparent. Information on the nature and scope of cooperative arrangements should be available within the Organisation and to the public at large.'

In 2001, Brundtland also promised public interest safeguards. They included:

- Documentation of private sector interactions, which would be made available to the Executive Board, the World Health Assembly and the public at large;
- Creation of guidelines for staff on how to handle such interactions, which would be updated regularly and include texts to recognise and avoid conflicts of interest;
- Establishment of a tool to assess the good standing of companies with which interactions are envisaged;
- Facilitation of civil society organisations' input on issues pertaining to public-private interactions.

In 2003, when I was asked by the Finnish government to assess WHO's safeguards for public interest, I found out that many of them had never been established or made effective. Until very recently, I could not share my findings from the internal consultancy with WHO's leadership, since the 2005 report had been classified as confidential. Not enough information is available to evaluate whether the situation has fundamentally changed in 2011-12, when member states are again being urged to approve a path towards closer interactions with the private sector.

A number of member states and public interest NGOs expressed concerns that the intensified resource mobilisation from private foundations and the commercial sector and the current pro-business reform are steps in the wrong direction. Promises are made about safeguards for public interest to allay these concerns, but we have heard these promises before.

Chan dismissed concerns over conflicts of interest and undue industry influence on several occasions. She argued that she is 'transparent' about industry representatives on particular advisory committees and told NGOs who criticised multi-stakeholder approaches (for example, in the obesity/non-communicable diseases prevention arena) that 'her' member states have told her to do this.

Official WHO documents asserted that resource mobilisation from private foundations and the commercial sector can be implemented 'without compromising [WHO's] independence'. We also read that the projected multi-stakeholder forum for global health 'may help shape decisions and agendas, but will not usurp the decision-making prerogative of WHO's own governance, which will remain intergovernmental'. Above all, it was claimed that the proposed regular multi-stakeholder dialogue on global health issues would '[strengthen] WHO's role in global health governance'.

A careful inspection of the close relationship between the UN and the private sector (including the Bill and Melinda Gates Foundation) does not support the assertions that were made in the Director-General's reports to the member states. Both the idea of attracting more funding from private foundations and the commercial sector and the notion of dealing with global health and nutrition matters through multi-stakeholder approaches carry major risks to WHO's role as the highest authority in international public health. Even though the regular World Health Forum is abandoned at the moment, the notion of greater involvement of the private sector as legitimate 'stakeholders' in public health affairs is not. There is an urgent need to reflect on whether this path should be pursued.

An alternative vision of WHO reform

The English word 'reform' comes from the Latin term '*reformare*', which means 'to form something again'. It often refers to correcting wrongs or even to returning something 'back to the original condition'. The term implies that this original condition was better and therefore there is no need for a complete overhaul (revolution).

Let us remember what WHO and the United Nations and its agencies originally stood for. They were meant to work for us ('the peoples') and not for corporations. From that perspective, one can argue that UN leaders have initiated not so much a 'reform' of our UN agencies as their neoliberal restructuring.

This restructuring process includes what some refer to as 'privatisation' of our public agencies and spaces. Privatisation in this sense refers to a greater reliance on private sector funding, as well as inviting profit-motivated actors into public decision-making forums, and sometimes removing specific public issues from the public sphere altogether. It is the opposite of ensuring financial independence of our public institutions and safeguarding and enlarging spaces for public debate.

The Merriam-Webster Dictionary mentions the word 'reclaim' as a synonym to the verb 'reform'. It is heartening to see people standing up and reclaiming democracy and democratic institutions worldwide. Many have been influenced by the short essay 'Indignez-vous!' (English translation: 'Time for Outrage!'), written by 93-year-old Stephane Hessel, a former resistance fighter against Nazism who had subsequently been involved in the drafting of the Universal Declaration of Human Rights.

In the debate around a reform of WHO, it may be useful to remember a few tenets of democracy. 'Democracy' is a term coined in ancient Greece and refers to rule by the people for the people. 'Plutocracy' is rule by money; it is what UN agencies and their member states should refrain from fostering.

Trying to prevent money from ruling has always been difficult. More than 2,000 years ago, the Greek philosopher Aristotle advocated a clear separation of the public square from the market to ensure a free and unpolluted exchange of ideas.

Those who believe that it is possible to increase 'voluntary funding' by the private sector (or neoliberal-ideology-driven development agencies such as the UK Department for International Development) and to 'widen engagement' via multi-stakeholder arrangements without risk of losing independence, integrity and public trust may be faced with resistance by citizens who remember folk sayings such as 'he who pays the piper plays the tune' and 'don't let the fox guard the chicken coop.'

The fundamental problem is that WHO has lost control over its budget. Currently, less than 20% of its budget comes from regularly assessed member states' contributions. Apparently member states show little willingness to change the situation. This is why there is an urgent need to bring the financing debate back to the forefront of the agenda.

Discussions around financing, evaluation and reform of WHO should be based on the 'shape' enshrined in the principles and values of WHO's constitution and Health For All declarations and strategies (reaffirmed in the 1995 and 1998 World Health Assembly resolutions on health in the 21st century), as well as in the International Covenant on Economic, Social and Cultural Rights and other relevant human rights documents and reports.

How to steer WHO's reform in a healthier direction

What can be done when those at the helm of our UN agencies try to push significant changes without leaving the space or time for appropriate discussion?

Member states and civil society organisations can influence the 'reform' agenda and process in various ways. For example, they can:

• Resist attempts at manipulation, silencing or sidelining, e.g., by insisting on discussion of the points they raise and by demanding transparency as a first step to prevent undue industry influence.

• Insist that transparency about the presence of commercial sector actors in public forums and expert committees is not the same as addressing concerns about conflicts of interest.

• Redirect the debate towards the need to establish broader public interest safeguards in financial and other interactions with the private sector, which include not just the establishment of clear, comprehensive and effective conflict-of-interest policies but also the creation of an enabling environment for informed public debate by a vibrant civic community.

• Remind WHO's Director-General that 'her' member states are in fact 'our' states, and that public officials are meant to act in the interest of their citizens. Some member states might be offended by the way they are being used to silence the critical voices of public interest NGOs and citizen networks.

• Point out that the Director-General often seems to practise 'selective listening' to member states. She refers principally to those member states who support her proposals and/or who have the financial clout concerning WHO funding, such as the US and the UK.

• Point to the ideology behind the current proposals. The DG's reform plans follow the neoliberal agenda that has fundamentally changed the global governance architecture. Those promoting neoliberal policies have weakened and defunded nation states and UN agencies for more than 30 years; the neoliberal champions have increased the influence of for-profit actors and those who have accepted their funding and uncritically participated in the initiatives which are symptomatic of this restructuring. At the same time, they have silenced and sidelined the more critical voices within UN agencies, NGOs and civil society organisations. Global neoliberal restructuring – often in the form of 'multi-stakeholder' and public-private 'partnership' initiatives – has undermined efforts to establish binding international regulatory frameworks for harmful practices of transnational corporations, redirected and fragmented global and national health, social and economic policy efforts, and eroded public trust in the UN and other organisations which have allowed unethical corporations and rich individuals to use such initiatives to influence public decision-making processes and to 'bluewash' their names. ('Bluewash' is a term referring to whitewashing tarnished images by association with the UN's blue logo.)

• Request a delinking of the discussions on the funding crisis of WHO and the 'reform' of WHO.

• Prioritise and fast-track the work of ensuring independent and sustainable funding of WHO on the agenda of WHO's governing bodies and secretariat.

• If financial cuts have to be made, prevent the displacement of public-spirited WHO staff by those who work for the neoliberal agenda and by costly PR staff who work for reputation management.

• Ask for a halt to the moves towards greater funding of WHO by private foundations and the commercial sector, and further expansion of 'multi-stakeholder' dialogues and initiatives. There should be a thorough assessment of both moves from broad democracy, human-rights-centred and political economy perspectives.

• Draw attention to the fundamental arguments against both moves: they can potentially undermine WHO's independence and integrity in decision-making, as well as public trust that WHO works for Health for All and not for corporate interest. ◆

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Reform and WHO: The continuing saga of FENSA

A year after WHO launched its 'reform' programme in 2011, the WHO secretariat began working on a comprehensive policy to regulate engagements between WHO and non-state actors or NSAs (academics, NGOs, philanthropies and private sector entities etc). The framework document that emerged has been dubbed FENSA (Framework of Engagement with Non-State Actors). *KM Gopakumar* charts the continuing debate over this document.

THE recent 68th session of the World Health Assembly (WHA), the top decision-making body of the World Health Organisation (WHO), spent considerable time in negotiations aimed at reaching a consensus on a Framework of Engagement with Non-State Actors (FENSA). This framework is to set norms for the regulation of WHO's engagement with non-state actors (NSAs), viz., non-governmental organisations (NGOs), the private sector, philanthropic foundations and academic institutions.

The origin of FENSA goes back to the WHO reform programme, which was launched in 2011 at the 64th WHA. Under the reform programme, the WHO secretariat had proposed 'a multi-stakeholder forum for global health. The purpose of such a forum will be to increase engagement (particularly of those whose voices are less heard in current settings) and to increase trust'. Participation in the forum would be open to WHO member states, civil society, the private sector, academia and other international organisations. The forum was intended to shape decisions and agendas.

However, the proposal for a multi-stakeholder forum was eventually dropped and in its place came proposals for FENSA. In January 2012 the WHO Executive Board agreed on a Chair's summary which stated: 'Further discussion will be required on WHO's engagement with other stakeholders, including different categories of nongovernmental organisations and industry, and the proposals to review and update principles governing WHO relations with nongovernmental organisations, and to develop comprehensive policy frameworks to guide interaction with the private-for-profit sector, as well as not-for-profit philanthropic organisations.'

Since then the WHO secretariat has been working on developing a comprehensive policy to regulate engagements between WHO and NSAs. However, the secretariat's attempts to stick to the status quo and reluctance to address critical issues like conflicts of interest paved the way for a member-state-led negotiation process through an open-ended intergovernmental meeting (OEIGM) on 30 March-1 April 2015. The OEIGM was followed by a couple of rounds of informal consultations prior to the 68th WHA.

At the WHA itself (18-26 May), formal and informal negotiations on FENSA took place over seven days. As these negotiations could not resolve differences among WHO member states (MS), the WHA decided, through a resolution, to continue the talks.

The WHA resolution welcomed the consensus reflected in many parts of the FENSA text, including in its introduction, rationale, principles, benefits of engagement, risks of engagement, non-state actors, and types of interaction. The resolution requested the WHO Director-General (DG) 'to convene as soon as possible, and no later than 15 October, an open-ended intergovernmental meeting on FENSA to finalise the draft framework of engagements with non-State actors on the basis of progress made' during the 68th WHA.

This OEIGM took place on 8-10 July. Even though the meeting achieved consensus on certain aspects of FENSA, such as FENSA's relations with existing WHO policies and the provisions related to official relations with NGOs, business associations and philanthropic foundations, there was no agreement on many critical issues like conflicts of interest or secondments from NSAs to WHO. Therefore it was decided to continue with informal negotiations until resumption of the OEIGM in December.

As mentioned above, FENSA is meant to regulate WHO's engagement with NGOs, the private sector, philanthropic foundations and academic institutions. Currently, two principal documents regulate WHO's relations with NGOs and the private sector, viz., the Principles Governing Relations Between the World Health Organisation and Nongovernmental Organisations (NGO Guidelines), and the Guidelines on Interaction with Commercial Enterprises to Achieve Health Outcomes (Private Sector Guidelines). While the first document was adopted by the WHA in 1988, the second was only noted by the Executive Board. Apart from these documents, WHO's partnerships are regulated through the WHO Partnership Policy adopted at the 63rd WHA. None of these are negotiated documents, however. Further, they provide a great degree of discretion to the WHO secretariat for engaging with NSAs in a non-transparent manner without effective oversight by MS.

The NGO Guidelines recognise and regulate only one form of engagement, i.e., official relations. All other types of engagement are seen as unofficial and left unregulated. Currently, there are 202 NGOs in official relations with WHO. However, many of these NGOs are not 'free from concerns which are primarily of a commercial or profit-making nature', as required under the NGO Guidelines. Many of these entities are international business associations, have private entities in their governing bodies or receive financial support from the private sector. For example, at the 68th WHA the delegation of the Global Health Council, which is in official relations with WHO, consisted of many private sector representatives.

The Private Sector Guidelines provide detailed guidelines on facilitating engagement with WHO. Currently, WHO engages with 44 private sector entities. However, there is no information with regard to the nature of the private sector engagements. The Private Sector Guidelines also lack provisions on oversight by member states and safeguards against conflicts of interest.

The FENSA negotiations to date clearly bring out the divergent positions of MS on the issue. While there is no opposition in principle among MS with regard to WHO's engagement with NSAs, the majority, mainly developing countries, are worried about the implications of greater engagement especially with the private sector and with NGOs, philanthropic foundations and academic institutions controlled by the private sector. The fear is that such engagement could compromise the credibility, integrity and independence of WHO and prevent it from carrying out its constitutional mandate, i.e., the attainment by all peoples of the highest possible level of health. Therefore, developing countries have taken a cautious approach and pushed for robust firewalls and safeguards to protect WHO's credibility.

On the other hand, many developed countries, in particular France, the UK and the US, have pressed for greater engagement with NSAs, especially the private sector, and also sought to remove safeguards aimed at preventing the undue influence of the private sector and entities controlled by it. During the 136th session of the Executive Board in January, both France and the US had expressed their willingness to adopt the secretariat's version of the FENSA draft.

In short, the secretariat and developed-country MS often either seek to maintain the status quo or push for greater engagement, and oppose robust safeguards and firewalls surrounding such engagement. Facilitating greater engagement with NSAs without firewalls and safeguards risks enabling corporate capture of WHO. From this perspective, the FENSA negotiations present an important opportunity to reclaim international health governance from the undue influence of the private sector and corporate philanthropic foundations and NGOs controlled by it. The upcoming negotiations would thus determine the future direction of WHO.

The conditions in which NSAs can exert undue influence have in turn come about through the financial vulnerability of WHO. The following section explains this in detail.

Sources of funding

Some 80% of WHO's budget is financed by voluntary contributions. For instance, out of the approved 2016-17 budget of $4.385 billion, only $929 million comes from mandatory assessed contributions from member states. The remaining $3.456 billion is financed through voluntary contributions.

A substantial portion of voluntary contributions is in the form of specified voluntary contributions. Unlike assessed contributions and core voluntary contributions, specified voluntary contributions give the WHO secretariat no flexibility to use the financial resources to meet the prioritised programme set by member states. Instead, as their name suggests, these contributions are meant for specified purposes decided between the donor and the secretariat; member states as a whole have little say in this regard. In 2014 WHO received just over $2 billion in voluntary contributions, out of which almost $1.9 billion was made up of specified voluntary contributions.

WHO mainly uses assessed contributions to pay salaries and other establishment-related expenses. The organisation's programmes are to a great extent financed through voluntary contributions. Specified voluntary contributions give the donor the freedom to pick and choose programmes. As a result, WHO's programme implementation is at the mercy of donors and driven by the donors rather than by public health needs.

NSAs, especially philanthropic foundations like the Bill and Melinda Gates Foundation, prefer specified voluntary contributions to core voluntary contributions. For instance, in 2014, the Gates Foundation's entire contribution of some $256 million to WHO was comprised of specified contributions. Over the last few years the Foundation has become the largest donor of voluntary contributions to WHO. In fact, in 2013 it was the single largest donor, with its contribution surpassing the US' total assessed and voluntary contributions.

The financial contribution of NSAs to WHO is therefore far from negligible. Just 20 contributors – 11 of which are NSAs – account for 80% of all voluntary contributions. In 2012 WHO received contributions totalling $417 million from 212 NSAs, which represented 25.5% of total income. Of this amount, $79 million came from NGOs, $25 million from the private sector, $310 million from philanthropic foundations, and $4 million from academia. (The contributions of NGOs also include donations from international business associations.)

Even though all these contributions are now documented in WHO's budget web portal, the agreements between the donors and WHO are not in the public domain. There is no information on the exact purpose or use of these financial resources.

A recent proposal by the WHO Director-General for a 5% increase in assessed contributions was dropped due to opposition from developed countries. Therefore, the only option before the WHO secretariat is to enhance its dependence on voluntary contributions. According to a secretariat document, the strategy to overcome the dependence on a few donors entails 'broadening and deepening the existing contributor base, with an initial focus on member states'.

Funding is the traditional means deployed by the private sector to influence an international organisation's activities. In WHO there is no regulation currently in force to prevent donor-driven programme implementation.

The WHO reform process has imposed the restriction that a programme cannot accept resources beyond the approved budget, but this restriction does not provide any safeguard against donor-driven programme implementation. Another restriction is that 'funds may not be sought or accepted from enterprises that have a direct commercial interest in the outcome of the project toward which they would be contributing, unless approved in conformity with the provisions on clinical trials or product development'. Further, 'caution should be exercised in accepting financing from commercial enterprises that have even an indirect interest in the outcome of the project (i.e. the activity is related to the enterprise's field of interest, without there being a conflict as referred to above)'. Notwithstanding this, the lack of effective restrictions on NSAs' specified contributions makes WHO vulnerable to being held hostage to corporate agendas. The FENSA proposal to put a ceiling on voluntary contributions from the private sector is still the subject of disagreement among member states. The same can be said of another proposal to ensure transparency with regard to the purpose of funding.

Concerns over private sector engagement

The concern about WHO's engagement with the private sector and entities controlled by the private sector (hereafter private sector) stems from the apprehension that the private sector would exert undue influence on WHO and also use the engagement to whitewash unethical business practices. Engagement with WHO can be exploited to achieve commercial and competitive advantages and to prevent public health measures which affect the interests of the private sector. Such engagement bears the danger of influencing norms and standard-setting processes in order to create barriers to entry into a particular market and protect commercial interests.

Over the last few years there have been many instances which lend credence to such fears. For example, in 2006, the WHO secretariat, without obtaining the consent of member states, set up a public-private partnership (PPP) called the International Medical Products Anti-Counterfeiting Taskforce (IMPACT) to promote enforcement of intellectual property rights and target generic medicines. It was only the intervention of many developing countries like Brazil, Egypt and India which eventually forced WHO to informally disassociate itself from IMPACT.

Similarly WHO's association with the International Conference on Harmonisation of Technical Requirements for Registration of Pharmaceuticals for Human Use (ICH) has resulted in rigging of norms and standards to favour the big transnational pharmaceutical corporations. According to a paper by Ayelet Berman, a researcher who has worked extensively on ICH issues, the ICH standards 'have been to the detriment of entities, companies and countries that lack sufficient resources, and have advantaged resourceful companies and countries. In practice, this means that they have benefited larger, privately held, export-oriented companies, and have been to the detriment of smaller, locally oriented, or governmentally funded companies/entities'.[1]

Berman further states that 'in certain contexts, they have promoted the commercial interests of the multinational pharmaceutical industry over the interests of patients in receiving much needed medicines or treatments'. According to her, 'the [ICH] members are the main beneficiaries, non-members have been subject to distributional effects that are to their detriment'.[2]

It has now emerged that many members of WHO's Expert Committee on Biological Standardisation who drew up the WHO guidelines on biosimilars – drugs which fall under an important new category called biotherapeutic medicines – were part of an ICH expert panel on biosimilars and imported ICH norms into WHO. The WHO guidelines have come under criticism for creating entry barriers in the market for biosimilars. A resolution adopted by the 67th WHA in 2014 requested the WHO Director-General 'to convene the WHO Expert Committee on Biological Standardisation to update the 2009 guidelines, taking into account the technological advances for the characterisation of biotherapeutic products and considering national regulatory needs and capacities'.

In 2010 a report of the WHO Expert Working Group on Research and Development and Coordination was leaked to the pharmaceutical industry. One of the members of the Expert Working Group openly asked the WHO Executive Board members to reject the report, citing lack of transparency in the process.[3] This has led to the setting up of a Consultative Expert Working Group.

Another instance of corporate links relates to the work of WHO's Strategic Advisory Group of Experts (SAGE) on Immunisation. SAGE recommends the types and quantities of vaccines member countries should purchase for pandemic contingencies. According to a 2009 report in Danish daily *Information*, based on documents acquired through the Danish Freedom of Information Act, SAGE member Professor Juhani Eskola's Finnish institute, THL, received almost €6.3 million from pharmaceutical giant GlaxoSmithKline (GSK) for vaccine research in 2009. GSK produces the H1N1 vaccine Pandemrix, which the Finnish government – following recommendations from THL and WHO – purchased for a national pandemic reserve stockpile.[4]

The above instances clearly show the influence of industry on WHO. There is growing worry that in the absence of robust safeguards against undue corporate influence, the credibility and independence of WHO would be at risk.

The draft FENSA text does explicitly exclude WHO engagement with the tobacco and arms industries. Nonetheless, there are also other industries, such as the food and beverage and alcohol industries, which indulge in activities that may have negative implications on public health. Therefore, paragraph 44*bis* of the FENSA draft is concerned with extra caution to be exercised with regard to WHO's engagement with certain industries other than the tobacco and arms industries, such as food and beverage, alcohol and breastmilk substitutes. However, the developed countries are against explicitly naming these industries and prefer to have a general clause on extra caution without mentioning any particular industry.

Collaborations and partnerships

The vulnerability of WHO is further increased by collaborations and partnerships with NSAs. Recently adopted major strategies of WHO envisage partnerships as a mode of implementation. These include the Global Strategy for the Prevention and Control of Noncommunicable Diseases, Global Plan of Action on Antimicrobial Resistance, Neglected Tropical Disease (NTD) Initiative and Global Vaccine Action Plan. The list of partnerships and collaborations provided on WHO's NSA webpage shows more than 83 such arrangements. However, certain collaborations or arrangements like ICH have not been listed.

There is no transparency with regard to WHO's external partnerships and collaborations. The current partnership policy does not give any role to member states to examine numerous external partnerships WHO has entered into. According to WHO policy, the DG is to consult with the Executive Board before establishing a hosted partnership. However, there is no such condition imposed on external partnerships and collaborations. Often this provides a good cover for the private sector to exert undue influence.

For instance, while drug donations by industry for WHO's NTD initiative would help to address the NTD problem in the short run, this approach will not yield results in the long term. It does, however, serve the long-term interests of big pharmaceutical corporations in preventing implementation of new, non-patent-based research and development (R&D) models which could come up with innovative and accessible health products to combat NTDs in developing countries.

The last OEIGM in July has at least brought a degree of clarity on the relationship between FENSA and the WHO Partnership Policy. Member states reached agreement on paragraph 48 in the draft FENSA text, which states that 'The implementation of the policies listed below [including on partnerships] as they relate to WHO's engagement with non-State actors will be coordinated and aligned with the framework of engagement with non-State actors. In the event that a conflict is identified, it will be brought to the attention of the Executive Board through the [Programme, Budget and Administration Committee]'.

Further, paragraphs 48(a)(i) and (ii) state: '(i) Hosted partnerships derive their legal personality from WHO and are subject to the Organisation's rules and regulations. Therefore the framework of engagement with non-State actors applies to their engagement with non-State actors. They have a formal governance structure, separate from that of the WHO governing bodies, in which decisions are taken on direction, work plans and budgets; and their programmatic accountability frameworks are also independent from those of the Organisation. In the same way the framework applies to other hosted entities which are subject to the Organisation's Rules and Regulations.

'(ii) WHO's involvement in external partnerships is regulated by the policy on WHO's engagement with global health partnerships and hosting arrangements. The framework of engagement with non-State actors also applies to WHO's engagement in these partnerships.'

However, it is not clear whether it is the secretariat or member states or both that can bring before the Programme, Budget and Administration Committee any issues of conflict between FENSA and the policies or regulations listed in paragraph 48.

Conflicts of interest

Regarding the sensitive issue of conflicts of interest, even though there is mention of it in WHO strategies and guidelines, WHO has no comprehensive conflict-of-interest policy in place. There is no document in the public domain providing details on avoiding and managing conflicts of interest in WHO. According to public health researcher Judith Richter, in 2001 WHO commissioned a report by Eloy Anello from Nur University in Santa Cruz, Bolivia, titled 'Assessing Conflicts of Interest'.[5] The report was made available to WHO staff for a brief period before being unceremoniously withdrawn. While no official explanation was given for the withdrawal, two senior staff members were said to have objected to the report. Subsequently two legal experts, Edgar Philippin and Jean-Marc Reymond, were commissioned to develop a training module on conflicts of interest, and they made a presentation titled 'Collaborating with the Private Sector: The Conflict of Interest Issue'. However, there was no continuing engagement by WHO with these scholars.[6]

Within the WHO secretariat a strong conflict-of-interest policy is viewed as an obstacle to partnership and collaboration with NSAs, especially with the private sector.[7] As a result, there is no comprehensive policy to deal with individual and institutional conflicts of interest. For instance, the original proposal of the secretariat with regard to FENSA stated that 'the management of individual conflict of interest is not within the scope of the framework of engagement with non-state actors. The separate reform efforts in this area will, however, be closely coordinated with the implementation of the framework'.[8] In other words, any reform would take place only after the adoption of FENSA.

Conflicts of interest are broadly classified into two types – individual conflict of interest and institutional conflict of interest. An individual conflict of interest arises when a staff, expert or consultant working for WHO uses his or her professional position to influence WHO's decisions. Policies or activities that could lead to direct or indirect financial or other benefits to the staff or staff's family members are detrimental to the interests of WHO.

An institutional conflict of interest arises when a staff, expert or consultant through his/her actions influences WHO to enter into an engagement with an NSA, especially with the private sector and philanthropic foundations, that puts the interest of the NSA above the public health interest of WHO.

The draft FENSA text submitted during the WHA states that 'individual conflicts of interest within WHO are those involving experts, regardless of their status, and staff members; these are addressed in accordance with the policies listed under paragraph 48 of the present framework'. Paragraph 48 lists three relevant documents: the Regulations for Expert Advisory Panels and Committees; the Guidelines for Declaration of Interests (WHO Experts); and the Staff Regulations and Staff Rules. These documents are inadequate to address conflicts of interest in an effective manner for the following reasons:

Firstly, these documents do not provide any clear guideline on how to avoid or effectively manage conflicts of interest. They merely stress on the aspect of declaration of interests and there is little guidance with regard to the process after the declaration.

Secondly, the guidelines are implemented by different departments or divisions of WHO in varied ways. For instance, the Guidelines for Declaration of Interests by experts involved in WHO work seem to take the approach that a declaration is sufficient and that the secretariat is to decide whether there is a conflict of interest; there is no uniform practice of making such declarations public. For example, while the WHO's Expert Committee on Specifications for Pharmaceutical Preparations makes public its members' declarations of interests, the Expert Committee on Biological Standardisation does not – it simply states: 'Each Committee member had completed a declaration of interests form prior to the meeting. These were assessed by the WHO Secretariat and no declared interests were considered to be a conflict for full participation in the meeting.'

Thirdly, the latest draft of the Guidelines for Declaration of Interests has not been discussed with member states and it has major flaws. For instance, the latest version circulated to member states says that any money up to the value of $5,000 from a company is not treated as a serious conflict of interest. The current guideline which is in force states that there is no need to declare if the money is less than $10,000.

Fourthly, there is no detailed guideline in the Staff Regulations and Staff Rules to address the issue of conflicts of interest.

An institutional conflict of interest, on the other hand, is defined in the draft FENSA text as 'a situation where WHO's primary interest as reflected in its Constitution may be unduly influenced by the conflicting interest of a non-state actor in a way that affects, or may reasonably be perceived to affect, the independence and objectivity of WHO's work'. This is a departure from the traditional understanding of an institutional conflict of interest, which focuses on individuals, i.e., staff or other individuals in the organisation. Therefore, it is important that the text reflects the general understanding of institutional conflicts of interest involving WHO's staff, experts or consultants.

The FENSA draft defines an institutional conflict of interest as a case involving conflicting interests between WHO and an NSA. It also recognises that all institutions have multiple interests and WHO, while engaging with NSAs, would have both converging and conflicting interests. It further states that WHO aims to avoid allowing the conflicting interests of NSAs to exert or be reasonably perceived to exert undue influence over the organisation's decision-making process or prevail over its interests.

Further, the draft text states that for WHO, 'the potential risk of institutional conflicts of interest could be the highest in situations where the interest of non-state actors, in particular economic, commercial or financial, are in conflict with WHO's public health policies, constitutional mandate and interests, in particular the organisation's independence and impartiality in setting policies, norms and standards'.

The main shortcoming of the text is that it does not provide any clear direction on the concrete steps to be taken to avoid or manage institutional conflicts of interest. Similarly, it does not provide any clear instance of individual or institutional conflict of interest. This gives ample scope for the secretariat to interpret and implement the provisions related to conflicts of interest in a non-transparent and ineffective manner.

In short, WHO recognises the need to avoid and manage conflicts of interest but does not have a comprehensive conflict-of-interest policy coupled with transparent procedures to address any such conflicts.

Faulty official relations policy

In order for an NGO to establish official relations with WHO, a collaborative work plan has to be submitted for the consideration of WHO's Standing Committee on Non-Governmental Organisations. Till recently the collaborative work plans between

NGOs and WHO were not available in the public domain. It was only in 2015 that WHO removed the restricted status of the documentation submitted to the Standing Committee. However, the documentation has failed to follow a uniform pattern of disclosure, including disclosure of the source of funding like how much of their revenue is coming from commercial enterprises. The collaboration work plans drawn up prior to 2015 are not available in the public domain.

There is concern that some of the collaborative work plans that WHO has entered into will be used to pursue business interests.

For example, the Global Medical Technology Alliance is one of the NGOs in official relations with WHO. The members of the Alliance are national or regional medical technology associations which represent companies that currently develop and manufacture 85% of the world's medical devices, diagnostics and equipment. The joint work programme between the Alliance and WHO states: 'Promote the safe use of medical devices through compiling and distributing materials and training on the safe use and proper disposal of medical devices for health care professionals, through the Alliance member associations.' This implies that a trade association would work with WHO to promote use of medical devices, which would clearly result in economic benefits to the members of the association. It could also result in unnecessary promotion of the use of medical devices without adequate evidence and putting commercial interests above public health.

Likewise, the work plan of the Global Diagnostic Imaging, Healthcare IT and Radiation Therapy Trade Association states that it would collaborate with WHO in 'raising awareness of the importance of health technologies for better clinical outcomes and the value of health technology and assessment in the process'. Here again, such 'awareness raising' can be misused by this trade association to pursue commercial ends rather than public health goals.

In their documentation both the above organisations reveal that they are commercial organisations.

Similarly, Health Technology Assessment International reveals that WHO will participate in planning and organising its regional policy fora, 'which will convene health technology assessment stakeholders to build partnerships focusing on the role of health technology assessment in decision-making and strengthening the evidence-based selection and rational use of health technologies'.

Such collaborations may fall within the 'risks of engagement' identified in the draft FENSA text. The text states: 'WHO's engagement with non-state actors can involve risks which need to be effectively managed and, where appropriate, avoided. Risks relate inter alia to the occurrence in particular of the following: (a) conflicts of interest; … (d) the engagement being primarily used to serve the interests of the non-State actor concerned with limited or no benefits for WHO and public health.'

The work plan of the Foundation for Innovative New Diagnostics states: 'The Foundation works to strengthen WHO leadership in the development of, and setting norms and standards for, diagnostics through representation on expert panels, and help with drafting diagnostics-related guidelines.'

This goes directly against the principles of engagement set out in the FENSA draft, which states that any engagement must 'protect WHO from any undue influence, in particular on the processes in setting and applying policies, norms and standards'.

The above illustrations clearly show that the collaborative plans for official relations could result in serious conflicts of interest and risks for WHO that would compromise its credibility, integrity and independence.

The most recent OEIGM in July addressed this concern. It agreed to include in the FENSA draft a provision which clearly states that collaborative work plans 'shall be free from concerns which are primarily of a commercial or profit-making nature'. The relevant paragraph in the draft now reads: 'Official relations shall be based on a plan for collaboration between WHO and the entity with agreed objectives and outlining activities for the coming three-year period structured in accordance with the General Programme of Work and Programme budget and consistent with this framework. This plan shall also be published in the WHO register of non-State actors. These organisations shall provide annually a short report on the progress made in implementing the plan of collaboration and other related activities which will also be published in the WHO register. These plans shall be free from concerns which are primarily of a commercial or profit-making nature.'

However, in practice, much will depend on the interpretation of the phrase 'primarily of a commercial or profit-making nature'. According to an observer, this terminology needs further interpretation. In the absence of such an interpretation, the secretariat has the discretion to interpret the sentence such that it can continue with the existing practice. The observer cites the example of the existing Principles Governing Relations Between the World Health Organisation and Nongovernmental Organisations, which contain this exact terminology.

While safeguards against undue corporate influence in WHO's policy on official relations are welcomed, there is a fear that the policy would also hamper the participation of public-interest civil society organisations. This fear mainly arises from a footnote in the FENSA draft which states that 'Participation in each other's meetings alone is not considered to be a systematic engagement'. Systematic engagement is a prerequisite for an organisation to establish official relations with WHO. Another criterion is that 'Entities in official relations are international in membership and/or scope. All entities in official relations shall have a constitution or similar basic document, an established headquarters, a governing body, an administrative structure, and a regularly updated entry in the WHO register of non-State actors.' This can exclude a range of civil society organisations and social movements.

The broader concern, however, is that the official relations criteria, in particular the requirement for collaborative work plans, may undermine independent civil society monitoring of WHO activities, especially the governing body meetings. Collaborative work plans create a working relationship and could therefore compromise independent monitoring.

Conclusion

The FENSA negotiations are a crucial process which offers member states both challenges and opportunities to shape the future of WHO. Both the WHO secretariat and the developed countries are resisting any change and want maintenance of the status quo, if not more engagement with NSAs without effective safeguards and firewalls. This would endanger the credibility, independence and integrity of WHO.

The success of FENSA implementation will also depend on the availability of information in the public domain. In the absence of such information, the accountability of WHO becomes elusive. The transparency provisions of FENSA are still under negotiation. Unfortunately the FENSA negotiations have not attracted public attention and are happening behind closed doors.

Certain proposals have been advanced in the negotiations which have the potential to prevent the undue influence of NSAs, especially the private sector, on WHO. In the coming days, for these proposals to be incorporated into FENSA, they need the wide support of not only member states but also civil society organisations and public health activists. ◆

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Endnotes

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4 F William Engdahl, 'WHO Scientists Corruption Scandals Appear Endemic', http://www.rense.com/general89/2o.htm

5 Judith Richter, 'Public-Private Partnerships and International Health Policy-making: How Can Public Interests Be Safeguarded?'

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No consensus at World Health Assembly on non-state actors engagement framework

Efforts to forge a consensus at the World Health Assembly in May on a document governing WHO's engagement with non-state actors (Framework for Engagement with Non-State Actors or FENSA) came to naught. *KM Gopakumar* and *Mirza Alas* report on the Assembly's deliberations on the issue.

The 68th World Health Assembly in May *(pic)* was unable to reach consensus on critical issues pertaining to WHO's proposed Framework for Engagement with Non-State Actors (FENSA).

SEVEN days of hectic talks which started on 20 May failed to resolve differences at the 68th World Health Assembly (WHA) on critical issues regarding WHO's Framework for Engagement with Non-State Actors (FENSA). The WHA took place from 18 to 26 May in Geneva.

Instead, the WHA adopted a resolution to continue the negotiations on the outstanding issues.

The resolution welcomes the consensus reflected in many parts of the Framework, including in its introduction, rationale, principles, benefits of engagement, risks of engagement, non-state actors (NSAs), and types of interaction.

The resolution requested the WHO Director-General (DG) 'to convene as soon as possible, and no later than 15 October, an open-ended intergovernmental meeting to finalise the draft framework of engagements with non-State actors on the basis of progress made' during the WHA.

Further, it requested the DG to submit the finalised draft text to the 69th WHA (in 2016) through the 138th session of WHO's Executive Board (EB).

The resolution also requested the DG 'to develop the register of non-State actors in time for the Sixty-ninth World Health Assembly, taking into account progress made on the draft framework of engagement with non-State actors'.

The origin of the policy for engagement with NSAs goes back to a resolution adopted by the 64th WHA in May 2011 which endorsed WHO reform. The resolution requested member states 'to present a detailed concept paper for the November 2012 World Health Forum, setting out objectives, numbers of participants, format and costs, to the Executive Board at its 130th session in January 2012'.

Member states later opposed this provision in the resolution during a November 2011 special session of the EB on WHO reform, and this led to a silent burial of the idea of a World Health Forum. The special session of the EB then set the following rules on engagement:

• the intergovernmental nature of WHO's decision-making remains paramount;

• the development of norms, standards, policies and strategies, which lies at the heart of WHO's work, must continue to be based on the systematic use of evidence and protected from influence by any form of vested interest;

• any new initiative must have clear benefits and add value in terms of enriching policy or increasing national capacity from a public health perspective;

• building on existing mechanisms should take precedence over creating new forums, meetings or structures, with a clear analysis provided of how any additional costs can lead to better outcomes.

The special session requested the DG to further analyse proposals to promote engagement with other stakeholders.

Subsequently the 130th EB in January 2012 agreed on an informal decision which stated: 'Further discussion will be required on WHO's engagement with other stakeholders, including different categories of non-governmental organisations [NGOs] and industry, and the proposals to review and update principles governing WHO relations with non-governmental organisations, and to develop comprehensive policy frameworks to guide interaction with the private-for-profit sector, as well as not-for-profit philanthropic organisations. These will be held during the Sixty-fifth World Health Assembly.'

However, there was no such policy submitted for the consideration of the 65th WHA in 2012. Instead, the WHA requested the DG 'to present a draft policy paper on WHO's engagement with non-governmental organisations to the Executive Board at its 132nd session in January 2013'.

The 132nd EB requested the DG to harmonise the development of the draft policy for engagement with NGOs with the draft policy on WHO's relations with private commercial entities, such development being guided by principles stated by the 65th WHA. It further requested the DG to report on the development of the two draft policies to the EB at its 134th session in January 2014.

The 133rd EB then decided as follows: '(1) noted the outlined approach to engagement with non-State actors, in particular the overarching principles of engagement and the typology of interactions; (2) requested the Director-General to advance the work proposed, taking into account the deliberations of the Executive Board at its 133rd session, particularly in relation to transparency, risk and conflict of interest, towards the development of a more detailed framework of engagement with non-State actors for consideration by the Board at its 134th session in January 2014'.

At the 134th EB session, the WHO secretariat submitted a draft FENSA, which was then forwarded to the 67th WHA in May 2014. Even though a drafting group was formed to draft the policy, the attempt was dropped after three days due to lack of progress. The 67th WHA requested the DG 'to submit a paper to the Executive Board at its 136th session, in January 2015, ensuring that Member States receive it by mid-December 2014 in order to allow them sufficient time to study the content and to be better prepared for discussion and deliberation'.

NGOs speaking at the World Health Assembly pointed to instances of corporate pressure such as lobbying by the sugar and processed food industries against the WHO recommendation of a 5% ceiling on sugar intake.

In response to this, the WHO secretariat submitted a draft FENSA to the 136th EB session. The EB then requested the DG to convene an open-ended intergovernmental meeting from 30 March to 1 April 2015 to discuss member states' textual proposals on the draft. That meeting was followed up with a couple of rounds of informal consultations before the 68th WHA.

Even though consensus has now been achieved on major parts of the text, there is no agreement on crucial issues such as the definition of resources, secondments, the relation of WHO with industries other than the tobacco and arms industries, transparency requirements, oversight mechanism of engagements with non-state actors, ceiling on financial resources etc.

The initiative has not reached a conclusion primarily due to the divergence of views among member states. While the original initiative in 2011 was to facilitate more engagement with stakeholders, it had to take a different direction due to opposition from a large section of member states. Enhanced engagement with NSAs was advocated by developed countries but this was viewed by developing countries as an attempt to facilitate corporate capture of WHO.

The key interventions of member states on the FENSA issue during the 68th WHA are highlighted below.

Zimbabwe spoke on behalf of the African Region (AFRO) and reiterated its commitment on reaching consensus. It wanted to ensure that WHO has a sound engagement framework and expressed its appreciation for the commitment and hard work of member states, particularly Argentina, the chair of the drafting group.

It stressed the importance of having a common understanding of important elements of the framework. It said it was important to explore the possibility of meetings at the earliest possible in order to finalise this issue, and said the final draft document should be ready by the 138th session of the EB.

Indonesia noted that considering the magnitude of global health challenges, it was important to have participation of all stakeholders, and so the formulation of engagement of all actors was welcomed. All stakeholders could positively contribute, it said, while at the same time respecting and preserving the credibility of WHO. However, the process should not be hasty. This was not a delaying approach but rather a cautious approach in addressing this important issue, in view of the scheduled finalisation of the framework by the next WHA. Indonesia also thanked Argentina for facilitating the negotiation process.

Brazil stated its appreciation for Argentina as the chair of the process. It noted that these intergovernmental negotiations highlighted the commitment to seriously discuss the topic and this was crucial for the future of WHO as the directing and coordinating organisation in health work. Brazil said it remained committed to the process and remarked on the progress that had been achieved. It also indicated that it was important to continue moving to reach consensus by the 69th WHA.

The paragraphs where no agreement had been reached were at the core of the framework, and particular caution was necessary, stressed Brazil. The health landscape was changing, and Ebola had shown the growing role of NSAs. Similar emergencies may take place and there was a need to be prepared. There was a need to protect the role of WHO in operations and its norm- and standard-setting role in global health policy. This framework had to be robust to address all these challenges.

Iran joined others in thanking Argentina in the challenging and non-stop negotiations. It said it was committed to finalising this framework, noting that NSAs were increasingly important in WHO's leadership in global health. Saying that further deliberation on this document was now necessary and that the document had long-term implications for the future, Iran supported the draft document that showed progress made until then and prepared for future consensus.

India commended the patience in deliberating on this important subject and said member states made invaluable contributions. It said it saw the work of the drafting group as very positive, and stood strongly committed to the process and looked forward to working together with member states and WHO to conclude and reach agreement.

China thanked Argentina and the secretariat for the tireless efforts over the past few days, and supported the continuation of the reform process. It said it was committed to working with other member states and working actively in this negotiation process.

Malta supported the proposal for the resolution to be adopted by the 68th WHA but also had two comments on the draft presented. It said that paragraph 1 on the issue of consensus seemed to imply there was consensus in the room. Malta wanted the language to clarify that the consensus was reached in the drafting group and proposed to change the language to 'consensus reached in the drafting group'.

Malta's second comment on the resolution was about the implications on implementation and resources. Malta proposed to add an extra paragraph requesting the DG to submit through the 138th EB a report on practical and resource implications of implementation of the proposed framework. Malta considered that it was important to have this information for adopting the framework. It also requested clarification on the third paragraph of the resolution which gave the DG an action regarding a framework that was not yet approved and was still in the process of being drafted.

Colombia thanked Argentina and stressed the importance of the process. It fully supported the draft resolution, which it said established clear responsibilities for member states and the secretariat in view of the conclusion of FENSA at the next WHA.

Regarding the amendments proposed by Malta, Colombia said that all resolutions had a budgetary aspect so a specific mention was not needed; this work was linked to the continued work of WHO and was not a specific budgetary expense.

France said the framework was one of the most important issues for reform of WHO and for its capacity to take action. It noted how close member states had been to adopting it at this WHA. The fact that it did not happen meant it was important to be careful of the message given to people who were not in the drafting group and in the assembly. The message had to be positive. There had been a lot of progress made and France supported the resolution.

Canada remarked on the efforts to work on the framework and how useful it would be for WHO in order to cost-effectively carry on its work. Canada recognised the important role of NSAs and their role on many different fronts in cooperation with WHO. It said the framework would help transparent engagement and help WHO in its role and its world health mandate. There was good momentum for this which needed to continue, and Canada hoped that the work would be completed for the 138th EB.

Switzerland welcomed major progress made in the deliberations on FENSA. It hoped the deliberations would continue at this pace and in a constructive way. WHO must adapt to the changing landscape of public health actors and have a unique normative role, it added. Switzerland hoped that by the 69th WHA the framework would be adopted with a clear basis and transparent engagement with NSAs.

The United States commended the good work done and hoped that an excellent document would be presented to the WHA and the EB next year. The US would like to have the benefits and risks of engagement listed, including for partners and member states. There was a need for updating the policy for engagement with WHO.

It noted the benefit of the process, which made benefits more visible and reaffirmed safeguards as core for WHO's regulating function. The resolution hoped to empower WHO to reinforce its existing mechanisms, for both benefits and risks of engagement with NSAs; risks would be better articulated and benefits highlighted. Risks should be managed and benefits made transparent, for the benefit of public health.

Argentina, as chair of the drafting group, said the draft resolution reflected the spirit of mutual respect and that any proposal was welcome. This was a long process (nine formal sessions and three informal sessions). All were aware of the importance of the issue and every step was taken with great care. The drafting group tried to agree on balanced language and Argentina called on member states to consider the draft resolution.

Regarding Malta's amendments, it said the paragraphs they referred to had taken at least two hours to agree on. But an agreement had been reached that there was a kind of consensus on elements. They reflected a consensus at this assembly. Regarding the budgetary amendment, as mentioned by Colombia, any resolution had a document concerning budgetary implications and Argentina did not think it necessary to state it in the text.

Regarding a register of NSAs, there had already been commitment given by the DG before the draft resolution, and the drafting group decided to include it.

Malta expressed thanks for the explanations, and was supportive of moving forward and not trying to stall the process. It was satisfied with the explanation given for the issue of consensus. On the budgetary issue, Malta said this was a framework that would dictate the way of one of the lifelines of work for WHO, so more explanations on financial implications were still needed. There should be figures on implications of the framework, not only resources but also a report on practical implications. What was being approved? How would it impact the functioning of WHO in the future? These were serious matters that needed serious analysis, said Malta.

Interventions by NGOs

The following are highlights of several NGO statements on the FENSA issue at the WHA.

Health Action International (HAI) said WHO should exercise particular caution when engaging with industries affecting human health or affected by WHO's norms and standards. It recalled recent examples of industry interference on public health, such as 25 pharmaceutical companies having been implicated in a planned campaign to delay South Africa's draft intellectual property policy reforms which aimed to increase access to medicines in the country.

The New York City Board of Health's limit on the size of sugary drinks was thwarted by a campaign funded by the beverage lobby and various legal challenges. And in 2003, the US sugar industry had threatened to slash WHO funding via the US Congress over planned guidelines on sugar intake.

Two months ago, it was revealed that the International Food and Beverage Alliance (IFBA) had engaged in direct lobbying of member states to ensure their industries were not excluded from FENSA. HAI said it advocated for delineating industries up-front in FENSA where WHO should exercise caution.

HAI stressed that private interests could not be allowed to drive policy-making. It urged member states to ensure FENSA created a strong enough 'fence' to safeguard public health against private interests. WHO must be given the mandate to assess conflicts of interest, monitor ongoing risks of engagement, and manage engagements with full transparency.

The International Baby Food Action Network (IBFAN) said the current FENSA draft as it understood it, still raised concerns: it reasserted old channels of undue influence, e.g., it contained a new official relations policy which, instead of re-examining the constitutionality of accrediting business-interest associations as 'NGOs', proposed their wholesale admission. It also legitimised new channels of undue industry influence: 'participation', provision of 'resources', 'evidence' creation and 'advocacy' were all categories of high risk for undue industry influence, usually considered as 'at risk areas' for conflicts of interest, it added.

IBFAN said the draft gave the false impression that risks of interactions with transnational corporations and philanthropies, including conflicts of interest (CoIs), were adequately addressed. The conflict-of-interest section still presented an incorrect CoI concept and continued conflating CoIs, conflicts within a person or institution, with conflicts between actors. Institutional CoIs were situations where WHO's primary interest as reflected in its constitution may be unduly influenced by secondary interests of WHO or its staff in a way that affects, or may reasonably be perceived to affect, the independence and objectivity of WHO's work.

IBFAN called for a re-evaluation of the framework. Concepts needed to be clarified, missing evidence obtained, and a public review of the adequacy of existing relevant WHO policies carried out. This debate should include how best to assure adequate core funding of WHO. WHO's budget was, after all, less than one-third of the budget of the US Centers for Disease Control and Prevention.

Medicus Mundi International and People's Health Movement (PHM) said the present FENSA draft was contested, obscure and complex. It did not provide a robust framework to prevent improper influence. Corporate interests which run counter to public health interests were the pre-eminent risk arising from WHO's engagement with non-state actors. There had been several incidents of improper influence in recent years, all involving large transnational corporations. These included: the IMPACT debate, the EWG process, virus sharing in the context of PIP and lobbying by the sugar industry and related ultra-processed food industries against the WHO recommendation of a 5% ceiling on sugar intake.

Medicus Mundi International and PHM said that the proposed protocols said nothing about the accountability of the member states for protecting WHO's integrity. However, in several of the above cases, member states were involved in initiatives which created risks for the integrity and decision-making of WHO. WHO was under continuing pressure to treat corporations as equal and legitimate 'partners' and 'stakeholders' in public affairs. Proposals for 'multi-stakeholder partnerships' would designate junk food manufacturers as partners in the task of addressing obesity, heart disease and stroke.

The two NGOs urged delegates at the WHA to defend the integrity and independence of WHO and to take such time as was necessary to achieve a robust framework to protect the organisation from improper influence.◆

KM Gopakumar and Mirza Alas are researchers with the Third World Network. This article was written with inputs from the People's Health Movement Global Health Watch team: Susana Barria, Claire Ellise Burdet, Ornella Punzo and Daniel Amoun. It is reproduced from the South-North Development Monitor *(SUNS, No. 8029, 28 May 2015) published by TWN.*

CSOs voice concerns over corporate takeover of WHO

At the World Health Assembly in May, civil society organisations criticised the rich countries for refusing an increase in their assessed contributions to WHO and opposing any action by the agency which would be contrary to the interests of their corporations. *Kanaga Raja* reports.

'Pharmaceutical corporations clearly value shareholders' demand for profits over affordable access to essential medicines and vaccines. For WHO to fulfil its mandate, it must be able to name such threats and barriers.....'

THE Framework for Engagement with Non-State Actors (FENSA), initiated to safeguard the independence, integrity and credibility of the World Health Organisation (WHO), now seems to bear the threat of facilitating and legitimising corporate capture of the organisation, civil society groups have charged.

Ahead of the first meeting of the drafting group that was to consider the latest draft of the framework at the 68th World Health Assembly, some 33 civil society organisations (CSOs) and social movements called on delegates to defend the integrity, independence and democratic accountability of WHO.

In a joint statement, the CSOs called on WHO member states to take such time as is necessary to achieve a robust framework for engagement with non-state actors in order to protect the organisation from improper influence.

The CSOs also called on member states to support WHO Director-General Margaret Chan's proposals to increase the assessed contributions to the organisation. (Assessed contributions are funds provided by governments which can be spent according to WHO's priorities without being tied to specific uses.)

According to the groups, there is strong apprehension that the FENSA negotiations may fundamentally alter the engagement with the private sector and philanthropic foundations and non-governmental organisations (NGOs) sponsored by the private sector in a manner that would compromise the credibility of WHO.

'Many proposals by rich countries in draft FENSA text [are] promoting corporate capture of WHO in the name of promotion of engagements without discussion on any comprehensive mechanism to avoid conflict of interest. These proposals, if accepted, would institutionalise the undue corporate influence on WHO,' said Lida Lhotska of the International Baby Food Action Network (IBFAN) in a press release.

The signatories to the joint CSO statement included Alianca de Combate de Tabagismo/Brasil (ACT/Br), All India Drug Action Network, Corporate Accountability International, Diverse Women for Diversity, Health Action International (HAI), IBFAN, Medico International, NGO Forum for Health, People's Health Movement (PHM), Public Services International, Society for International Development (SID), Third World Network (TWN), Wemos, and World Social Forum on Health and Social Security.

The signatories also expressed concern that rich member-state donors have been deliberately undermining WHO and weakening its capacity to promote global health by underfunding, tight earmarking of donor funding and opening spaces for corporate influence.

'We learnt that many member states are opposing any curb in the existing practices, which facilitate the corporate intrusion in WHO. The opposition of certain member states to ban the secondment from private sectors and other non-state actors as well as using the financial resources from private sector to pay the salary of WHO staff reinforce the status quo and threaten the credibility of WHO,' said KM Gopakumar of the Third World Network.

'The refusal of [an] increase in the assessed contribution is the technique deployed to force WHO to [be] open for corporate influence,' said David Legge of the People's Health Movement. 'The compromised flexibility in financial resources forces the vulnerability of WHO to look for resources from donors with profit motives and endangers the constitutional mandate of WHO.'

At a media briefing in Geneva on 19 May, Gopakumar of the Third

World Network explained that on the following day at the World Health Assembly, the WHO member states would be restarting the negotiations on the Framework for Engagement with Non-State Actors. Non-state actors include NGOs, the private sector, philanthropic foundations and academic institutions.

The idea to have a set of policies to regulate the engagement with non-state actors came about as part of WHO's governance reform programme that was launched in 2011.

Gopakumar noted that many states have raised concerns about the way in which WHO is engaging with non-state actors. There were serious concerns about conflict of interest, as well as on the credibility, integrity and independence of WHO, based on the existing practices.

During the reform process, there was a push to have more engagement with non-state actors, and many member states raised concerns that this may compromise WHO's credibility. The process, he said, is now at the stage where it may legitimise or reinforce the status quo.

According to Gopakumar, it could also bring about a further deterioration of the credibility, integrity and independence of WHO by facilitating greater intrusion by non-state actors, in particular the private sector and philanthropic foundations controlled by the private sector.

Lhotska of IBFAN, referring to the WHO reform process, said that 'we are suddenly faced with the challenge that threatens to undermine all those years of our work, and we are also very concerned that WHO, if things go wrong, may come out of the reform captured by the corporate actors ...'

According to Lhotska, the current draft framework further reasserts old channels of undue influence and contains new policies that open up official relations not only to NGOs but to all the other so-called non-state actors. This means that it would open up official relations to philanthropic foundations, the private sector, in particular business associations, academia and NGOs, without distinguishing the NGOs which may lean far more to the business side than to the public side.

'If the framework is accepted as proposed, we fear that it will lead to the loss of credibility of WHO,' she said.

Legge of the People's Health Movement underlined that the failures in WHO's response to the 2014 Ebola outbreak were in large part a consequence of a funding freeze which has been operating with increasing stranglement over the last 20-30 years.

Over the last 20 years, the proportion of WHO's budget which is met through mandatory assessed contributions has fallen from 75% to 20%. This is a consequence of continuing new functions being added to the organisation and a continuing freeze on assessed contributions, he said.

He pointed out that the remaining 80% is met by voluntary donations, including from the rich countries, the World Bank and the Bill & Melinda Gates Foundation.

Noting that the WHO Director-General has been asking for a 5% increase in assessed contributions, Legge said that at WHO's Programme, Budget and Administration Committee in mid-May, Belgium and the United Kingdom both spoke firmly against the 5% increase. (The Director-General's proposal was eventually withdrawn before the World Health Assembly commenced.)

He said that the UK contributes $24 million in assessed contributions per year to WHO, while its voluntary contributions amount to $65 million a year. And it is refusing to pay an extra $1.25 million, which is the 5% increase that the Director-General is asking for. Belgium contributes $4.65 million in assessed contributions per year, and a 5% increase would amount to $230,000, he added.

In their joint statement, the CSOs and social movements noted that donor funds account for 80% of WHO's budget and 93% of donor funds are tightly earmarked to programmes that the donors support.

'This prevents WHO from implementing programmes that rich countries do not support, even when they are decided by the World Health Assembly. Threats of further funding cuts are held out if attempts are made to implement such programmes.'

According to the joint statement, WHO's compromised ability to intervene effectively during the 2014 Ebola crisis is a tragic illustration of the impact of the budgetary crisis on WHO's capacity to fulfil its mandate.

Over the last four years, WHO has been through a far-reaching reform programme driven in part by arguments that the freeze on assessed (mandatory) contributions should remain in place until the organisation addresses its inefficiencies. 'Such arguments fly in the face of clear evidence that these inefficiencies are largely a function of WHO's financial crisis brought on by the freeze on assessed contributions,' said the groups.

Referring to the Director-General's proposal for a 5% increase in assessed contributions, the statement said that while 5% is a relatively small increase, much less than what the big donors contribute as voluntary contributions, it is of huge symbolic value and a crucial step towards breaking the logjam of a freeze on assessed contributions.

'Predictably, certain large donor countries are gearing up to oppose the increase and refuse to adopt the budget.'

According to the groups, threats to health and barriers to affordable healthcare arise due to the commercial interests of big corporations. The increasing incidence of obesity, diabetes, heart disease and stroke due to intensively marketed cheap, ultra-processed foods is a stark example.

'Pharmaceutical corporations clearly value shareholders' demand for profits over affordable access to essential medicines and vaccines. For WHO to fulfil its mandate, it must be able to name such threats and barriers and develop and implement policies and programmes to manage them.'

However, said the joint statement, rich member states, the US and the UK in particular, have repeatedly opposed WHO taking any action which might run counter to the interests of transnational corporations.

Furthermore, certain rich member states are seeking to force WHO to open up its policy-making and decision-making spaces to the transnational corporations.

The civil society groups argued that proposals for 'multi-stakeholder partnerships' would designate junk food manufacturers as partners in the task of addressing obesity, heart disease and stroke.

They noted that over the last two years, WHO and its member states have been locked in a contentious debate around the rules governing corporate influence over decision-making in WHO. 'Rich countries are seeking to use these rules to clear the way for transnational corporations to buy influence and insert corporate staff into strategic positions within the WHO Secretariat.'

According to the joint statement, the present draft of the Framework for Engagement with Non-State Actors is contested and problematic. 'It is more important to get a good outcome than rush to adopt a document that might further legitimise corporate influence on decision-making in WHO,' said the groups. ◆

Kanaga Raja is Editor of the South-North Development Monitor (SUNS) *published by the Third World Network. This article is reproduced from* SUNS *(No. 8025, 21 May 2015).*

How food, beverage giants influence WHO rules

Rema Nagarajan

A LEAKED mail from the International Food and Beverage Alliance (IFBA) has revealed the hectic lobbying by this alliance of the world's largest food and beverage companies to influence the framing of rules on the World Health Organisation's engagement with the private sector.

Ever since WHO started focusing on the global epidemic of diet-related ailments like cardiovascular diseases and diabetes, food and beverage companies have been trying to be part of the standard-setting and policy-making activities of WHO.

The mail, which referred to the WHO secretariat's ongoing work on its Framework for Engagement with Non-State Actors (FENSA), also revealed how IFBA, which includes Coca-Cola, PepsiCo, Nestle, McDonald's and Unilever, is being backed by the developed world – several countries of Western Europe, Australia, Canada, Israel, New Zealand and the US – who appear to have pledged to not accept any framework which excludes the food and beverage industry.

Over 45 civil society organisations from across the world signed a public statement calling upon delegates at the World Health Assembly (WHA) to defend the integrity, independence and democratic accountability of WHO. The statement said that the mail illustrated the lengths to which the corporations would go to ensure that they get access to policy-making in WHO and the degree to which member states could be 'persuaded' to support them.

Civil society organisations have been objecting to WHO clubbing private for-profit companies and business associations and alliances of such companies, along with big philanthropies, academic institutions and non-profit public interest groups under the head of 'non-state actors'.

The leaked mail referred to alliance representatives having several 'outreach meetings' on FENSA with the missions of the US, the UK, Canada and Latvia (which currently holds the European Union presidency) in Geneva. The WHO secretariat has been working on FENSA in the context of its reform process.

In the mail, Rocco Renaldi, Secretary General of IFBA, thanked the Food and Consumer Products of Canada (FCPC), the largest industry association in Canada representing the food and consumer products industry, and the Grocery Manufacturers Association (GMA), a US-based trade association of the food industry, for helping to drive home what would be an acceptable outcome for the alliance in the tussle to frame the rules for WHO's engagement with the private sector.

The mail proudly announced that following a meeting of the WEOG group (Western Europe, Australia, Canada, Israel, New Zealand and the US), there was 'full alignment among these countries on a position that is essentially equivalent to ours'. It added that while the WEOG would actively work for the framework to be adopted it 'will not accept any document that excludes the food and beverage industry from the framework'.

The mail went on to state: 'The US' forecast is that it will be possible to make sufficient progress for a new draft Framework to be developed in the run up to WHA and to be finalised via drafting groups during the WHA. But this is only one forecast and much will depend on the Chair's (Argentina) ability and willingness to reach an agreement.'

According to the mail, 'helpful outreach' was also conducted by IFBA members, associates and partner organisations in a number of capitals which included several emerging economies and developing countries in Africa and the Asia Pacific. In Brazil's proposal on the draft framework it had taken a clear stance against international business associations and philanthropic foundations being granted 'official relations' status with WHO and had instead suggested that they be given only observer status. From the IFBA email, it appears that there is a targeted effort by the alliance to make Brazil change its stance.

While many of the countries were identified by IFBA as being 'in favour of our positions', some were found amenable to highlighting how incongruent it would be to 'exclude private sector organisations from official relations with WHO'. ◆

This article is reproduced from The Times of India *(22 May 2015).*

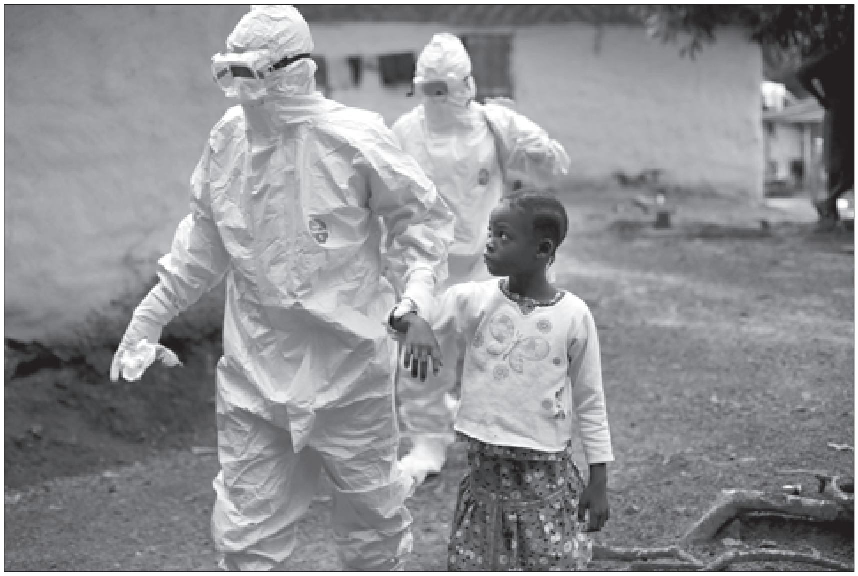
Reforming and restoring WHO to good health

In this trenchant critique of its failings, *German Velasquez* says that the basic starting point of any reform of WHO should focus on how to regain its public and multilateral character.

THE World Health Organisation (WHO), the United Nations specialised agency for health, is slowly dying in the eyes of the international community which is divided among promoters, accomplices and observers of the disaster. The recent World Health Assembly in May did not manage to treat the disease afflicting the organisation.

In the management of the H5N1 avian flu in 2005, at least two flaws, among many others, can be identified. The first flaw was that, in August 2005, the Executive Director of the WHO Director-General's office announced in a press release that 150 million people could die of this global epidemic. Five years later, WHO reported the total deaths due to H5N1 to be 331 people, concentrated mainly in Indonesia and Vietnam.[1] Between 150 million and 331 deaths, the least we can point out is the lack of rigour in epidemiological forecasts.

The second flaw in relation to management of the avian flu was the enormous waste of security stocks of the drug oseltamivir (known under the brandname Tamiflu). Never in the history of medicine were there stocks of a drug whose effectiveness was not known, for a disease that had not yet come and that never came. Some years later, the scientific community proved that, in addition to the resistance created by the drug's overuse, it had no efficacy. The quantities stored were gigantic, for 25% of the population in Canada, 25% in the US, 25% in the UK, 50% in France and other European countries, and 23% in Japan.[2]



A Liberian girl showing signs of Ebola being taken to an ambulance. The Ebola outbreak was announced in March 2014 but WHO began to act only four months later.

In 2009-11 with the H1N1 flu outbreak, WHO sounded a new alarm; it declared the highest global pandemic phase, contrary to the view of internationally recognised experts. Although this disease was characterised by very rapid transmission, mortality rates were very low. While about 500,000 people die each year from the normal seasonal flu, WHO reported only 18,449 deaths over a period of two years for H1N1. The declaration of the highest pandemic phase enabled the vast majority of industrialised countries, with WHO's recommendation, to buy several million vaccines, of which 90% eventually had to be incinerated because they were not used. France, for example, with a population of 66 million, bought 94 million doses, out of which only 6 million were used. The waste in France was of the same proportion as in the US, Germany, Belgium, Spain, Italy, the Netherlands and Switzerland, with regard to the purchase of vaccines and, again, with regard to the stocks of oseltamivir.

It seems that little has been learnt from past mistakes. The Ebola outbreak was announced in March 2014 by Medecins Sans Frontieres and WHO began to act only in July/August of the same year – a delay of four months which was probably one of the reasons the outbreak reached the dimensions of a global threat.

Ebola is a type of haemorrhagic fever that first appeared in Zaire (now the Democratic Republic of Congo) in 1976, almost 40 years ago. In previous periodic outbreaks, an average of 300 deaths per year had been reported. On 25 January 2015, WHO reported 20,689 cases and about 8,626 deaths, mainly in Sierra Leone, Liberia and Guinea. Why this significant jump in the number of cases? The delay in commencing action against this outbreak could have been one cause, but surely not the only one.

In all the documents produced by WHO in the past eight months, no one asked about the causes of the disease and especially the drastic increase in the number of cases. WHO's priority was to raise funds and conduct clinical trials for a vaccine that has been in the hands of the US and Canadian armies for the last 10 years. Some ongoing studies[3] seem to suggest that one of the main causes could be massive deforestation for agriculture and mining, which has changed the balance between the forest animals and man.

This outbreak, which is now dying out, may come back stronger if the possible causes are not studied and if efforts are limited to raising funds to build health infrastructure and to store vaccines. The WHO plan also foresees the training of health personnel. However, the issue of 'brain drain', or what public health expert David Sanders prefers to call 'brain robbery', is unfortunately not mentioned in the WHO resolution approved by the World Health Assembly in May. There are more doctors from Sierra Leone working in the rich OECD countries than in their own country.[4]

In January 2015, WHO announced 'reforms' to better prepare for future epidemics. However, the causes and the roots of the problem have not been addressed – causes that are probably associated with environmental damage due to massive mining activities by foreign companies.

In the case of Sierra Leone, interest in untapped mineral resources has sparked a flood of investment. The country's economic growth rate – 20% last year, according to International Monetary Fund (IMF) data – is among the highest in the world. This exceptional growth appears not to be benefiting the national economy, however. Tax evasion is one of the main causes of revenue losses, especially in the mining sector. In 2010, the country's mining industry contributed nearly 60% of exports but only 8% of government revenues. Of the five major mining companies in Sierra Leone, only one is currently paying taxes.[5]

If the country had benefited from this 'economic boom', some health infrastructure could at least have been built to address the Ebola epidemic. While WHO usually speaks of the social and economic determinants of health, it has failed to do so in relation to the Ebola epidemic in Sierra Leone. It is a pity that the World Health Assembly resolution in May has 'forgotten' to mention this aspect.

In managing Ebola, in addition to the delay in reaction, there are scandalous dimensions from an ethical point of view. For a disease that has been known for nearly 40 years, it is strange that WHO and the media announced that the American army and the Canadian army have had for 10 years a vaccine to protect themselves in case of a biological attack – but not to save the lives of the poor in Africa. This proves once again the failure of the current model of research and development of pharmaceutical products where innovation is dictated more by purchasing power than by the frequency of a disease.

As on other occasions, WHO argues that the problem is due to a lack of funds to address the Ebola epidemic. This may be true to an extent, but the problem is less of a financial than structural nature. What is at stake is the ability of the agency to respond to such problems. The answers are slow, the recommendations are not always clear and enforcement mechanisms for the implementation of strategies and action plans are almost nonexistent.

In national health contexts, deficiencies in managing such problems often lead to the resignation of the health ministers. In the case of WHO's mismanagement of the Ebola epidemic, the World Health Assembly diplomacy preferred to keep in place the WHO high-level staff in Geneva.

Parallel to the repeated failure in handling health problems worldwide, a progressive privatisation of the agency has occurred, led by some industrialised countries with the complicity of the WHO secretariat. At the turn of the century, some 50% of WHO's budget was financed by mandatory contributions from member countries, but now this source constitutes less than 20% of funding. The agency is currently in the hands (more than 80% of its budget) of philanthropic foundations like the Bill and Melinda Gates Foundation, 19 industrialised countries that offer some voluntary contributions, and the pharmaceutical industry. At the WHO Executive Board meeting in May, the US delegation expressed its satisfaction over the 'change in the budget process', i.e., from regular public contributions to voluntary funding. The UK 'welcomed and strongly supported' the US statement.

At the beginning of the reform launched by the present WHO Director-General three years ago, the financial situation of the organisation and the role of 'non-state actors' were discussed together as the two issues are highly interrelated. Definition of the role of non-state actors should precede any change in the way the organisation is funded (whether public or private financing or mixed financing, and if mixed, in what proportion). Strangely, however, the WHO secretariat then decided to delink the two items and proceed with what in the end was called a 'financing dialogue' and, as the US delegate at the WHO Executive Board put it, 'change the budget process' from public to private funding.

The vertiginous loss of control of the budget leads to an inability to set priorities. While the member states may try to outline priority issues, the funds come from the private sector and are allocated towards areas specified by the private (and public) donors, who may be seen as in effect the new owners of the organisation.

At the WHO Executive Board meetings in January and May, the normative role of the organisation was attacked during discussions on the agenda item dealing with 'WHO guidelines: development and governance'. In March 2014, WHO had issued a draft guideline suggesting reduction of the recommended free sugar intake from a maximum of 10% of total energy intake to 5%. This suggestion remained in the final version of the guidelines which was formally published in March 2015.

At the January 2015 Executive Board meeting, a motion from Italy was announced proposing a supplementary item on the agenda aiming to open up WHO's guidelines development processes to interventions by member states. The issue was postponed to the May meeting. The essence of the Italian proposal was that WHO's guidelines protocols 'should be reviewed and updated in order to take into account a different international commitment by stakeholders, in particular Member States, to make them more reliable by increasing the accountability and transparency of the Organisation …'.

While it is true that the protocols do not require the participation of 'member states and other stakeholders' in guidelines development, the sugar guideline in question had been exposed for public consultation for a year before the finalised guideline was published.

It is not clear what the Italian proposal meant by 'a different international commitment', nor what additional involvement of 'stakeholders' in guidelines development is envisaged. It could entail a requirement for formal approval by one of the governing bodies before the draft can be promulgated as a formal finalised guideline. To suggest that the involvement of 'other stakeholders' in the process needs to be strengthened, above and beyond a year of public exposure/consultation, implies a more direct involvement of industry stakeholders in the deliberations leading to the draft and in evaluating consultation feedback.

The Under-Secretary for Health of Italy, Vito De Filippo, described the Italian proposal as a 'generic request', but in fact the aim was very specific: to reopen the guidelines, claiming that 'sugar is an essential nutrient' and arguing that reducing sugar intake as a proportion of total calorie intake to 5% was 'overly restrictive'. (De Filippo did not mention that one of the members of the Italian delegation to the January Executive Board meeting, Luca del Balzo, was senior adviser of Ferrero – the world's largest chocolate producer.)

In response to the Italian intervention, the WHO secretariat prepared a document which provides a useful summary of the core principles of the *WHO Handbook for Guideline Development*, published in 2012. The secretariat's response was a smart political move, but several questions remained open:

- What is the status of the WHO handbook? Is it binding for all WHO programmes?
- Have WHO guidelines published before 2012 been reviewed in line with the criteria and principles of the handbook?
- There was no answer from the chair of the Executive Board or the WHO secretariat concerning the intention of Italy to come back to the item.
- There is no clear information from the secretariat on how it will proceed in the future in relation to the issue of conflicts of interest.
- This issue, like the 'financing dialogue', is necessarily linked to the question of non-state actors, on which consensus among member states still proved elusive during the last World Health Assembly in May.

Concerns over improvisation, delays, lack of independence and conflicts of interest have led, unsurprisingly, to WHO's loss of credibility. The funds for health available in the international community are beginning to be used for other bodies such as the Global Fund to Fight AIDS, Tuberculosis and Malaria, UNITAID, UNAIDS, UNDP and PEPFAR. And now, in the debate regarding delays in WHO intervention, some have suggested the need for a new agency that can respond to global health emergencies.

Suddenly, we find ourselves today with a public multilateral agency that has become a cumbersome bureaucracy, with excess staff of about 3,000 in Geneva (when the World Trade Organisation has fewer than 600 staff). This fact is not being highlighted to support the argument of countries like the Netherlands that are opposed to any increase in WHO's budget on the grounds of 'efficiency gains'; rather, the point being made here is that there is a need for a reorganisation of WHO's bureaucratic structure.

WHO has serious financial problems and this is compounded by the fact that there is an overall disconnect in the hierarchical structure of power between the headquarters in Geneva and the six fully independent WHO regional offices, which do not report to the Director-General but to the ministers of health of each region, who elect the Regional Directors. Over 150 country offices do not report to the regional offices or headquarters but, for some reason, to the health minister of each country. Under this structure, the organisation is like an army without a central command, unable to respond in a timely and effective man-

WHO/Violaine Martin

There is an overall disconnect in the hierarchical structure of power in WHO between the headquarters in Geneva (pic) and the six fully independent WHO regional offices.

ner to problems such as the H5N1, H1N1 and Ebola outbreaks.

Gro Harlem Brundtland, the Director-General of WHO from 1998 to 2003, used the term now in fashion, 'health diplomacy'. Diplomacy has been very useful for finding solutions to border conflicts, military problems or any kind of dispute amenable to negotiated agreements where different parties only make small concessions. However, in public health and medical care, where there is scientific evidence for something, 'prescription' is not negotiable. A drug dose that is less than what is needed will be useless while an excess dosage can become toxic and kill the patient.

In WHO, there are currently several issues being handled through health diplomacy, negotiated by the diplomats from the member states' missions in Geneva, such as: the quality of medicines, how to fund research and development of pharmaceuticals, nutrition, the issue of non-state actors, and Ebola.

The mode of operation of the governing bodies of WHO – an Executive Board composed of representatives of 34 countries (now representatives of governments and not independent experts as in the past) and the World Health Assembly composed of health ministers and delegations from 193 member countries – is totally obsolete. Delegates attend three annual meetings in Geneva (two Executive Board meetings and the Assembly) to discuss the details and language of resolutions that in the end are agreed upon in complicated diplomatic arrangements.

WHO does not have, or rather does not use,[6] mechanisms for implementation of decisions that could be made based on technical evidence. Article 19 of the WHO Constitution, which gives the WHO the authority to negotiate binding treaties and measures, has been used only once in 65 years. The US and the EU reject any kind of decisions that are binding on the member states. How, for example, do we prevent the world from running out of antibiotics because of growing antibiotic resistance in all parts of the world? Resistance which is caused largely by the widespread prophylactic use of antibiotics in animals which are then consumed as human food. To recommend or legislate, this is the dilemma.

Until 1998, WHO was relatively unaffected by the influence of the private sector and the public regular contributions of the member countries represented more than 50% of the budget. In 1998, in her first speech to the World Health Assembly, Gro Harlem Brundtland said, 'We have to go find the private sector ... The private sector has an important role to play both in technology development and the provision of service.'[7]

During the five years of the Brundtland administration, public-private partnerships (PPPs) and, later, product development partnerships (PDPs) grew and developed. This was seen as a 'win-win situation' and any risks or possible negative effects were not considered, because there was little oversight and the rules in this area were not always clear. Today, the pharmaceutical industry and philanthropic foundations participate in meetings of experts on various topics and sit on the board of most PPPs and PDPs.

The PPPs were so heavily promoted that WHO itself is now effectively a large PPP. The owners of 80% of the budget demand more power and participation in decision-making. This debate, which has been going on for three years, was discussed again by the 68th World Health Assembly in May under the rubric of 'framework of engagement with non-state actors'. After long hours of debate which still failed to yield consensus, the Assembly adopted a resolution requesting the WHO Director-General: (1) to convene as soon as possible, and no later than October 2015, an open-ended intergovernmental meeting to finalise the draft framework of engagement with non-state actors on the basis of progress made during the 68th World Health Assembly; (2) to submit the finalised draft framework of engagement with non-state actors for adoption to the 69th World Health Assembly (which will take place in 2016), through the Executive Board at its 138th session; and (3) to develop the register of non-state actors in time for the 69th World Health Assembly, taking into account progress made on the draft framework of engagement with non-state actors. This issue continues, after three years of debate, to be an unresolved fundamental question that has implications for the future of the organisation.

The basic starting point for any reform of WHO should be to focus on how to regain the public and multilateral character of the institution. The choice before the WHO member countries is clear: opt for a PPP to manage projects funded by philanthropic foundations and the private sector, or rebuild a public international agency that can independently steer the health sector. ◆

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5. Sanders and Sengupta, op. cit.
6. In 65 years, Article 19 of the WHO Constitution, which gives WHO the power to negotiate treaties or agreements of a binding nature, has been used only once, in the Tobacco Convention, with an efficiency that we already know.
7. Gro Harlem Brundtland's speech to the 51st World Health Assembly, 13 May 1998.

How a weaker Iran got the hegemon to lift sanctions

The real significance of the recent historic Iran nuclear deal, says *Gareth Porter,* is that it illustrates that despite the power disparity between the US and Iran, a weaker state can secure its vital interests in negotiations with a hegemonic power by exploiting its sources of leverage to the maximum with patience, courage and careful calculation.

NOW that the Iran nuclear deal is completed, the attention of Western news media and political commentators is predictably focused overwhelmingly on the opposition to the agreement within the US Congress and from Israel and the Saudi-led Sunni Arab coalition.

That media lens misses the real significance of the Joint Comprehensive Plan of Action, which is that Iran succeeded in negotiating an agreement with the United States that upheld its national right to a nuclear programme despite the obvious vast disparity in power between the two states. That power disparity between the global hegemon and a militarily weak but politically influential regional 'middle power' has shaped not just the negotiating strategies of the two sides during the negotiations but, more importantly, how they came about in the first place.

Iranian Foreign Minister Javad Zarif shaking hands with US Secretary of State John Kerry in Vienna on 14 July, the day the Iran nuclear deal was agreed.

The news media have adopted the Obama administration's view that negotiations were the result of Iran responding to international sanctions. The problem with that conventional view is not that Iran wasn't eager to get the sanctions removed, but that it was motivated to do so long before the United States was willing to negotiate.

In fact, Iran had long viewed its nuclear programme not only in terms of energy and scientific advancement but also as a way of inducing the United States to negotiate an end to the extraordinary legal status in which Iran has been placed for so long. Even during the Bill Clinton administration Iranian strategists wanted to get the United States to move towards more normal relations, but Clinton was determined to preside over the most pro-Israeli administration in US history, and instead imposed a complete trade embargo on Iran.

Clinton eventually offered a 'dialogue' with Iran but made it clear that he had no intention of giving up the sanctions against Iran. The lesson that Iranian strategists, including then secretary of the Supreme National Security Council and now President Hassan Rouhani, learnt from the Clinton years was that the United States would only negotiate the end of its sanctions against Iran if it was convinced that the cost and risk of refusing to negotiate was too high.

It was during the second Clinton administration that Iranian strategists began to discuss the idea that Iran's nuclear programme was its main hope for engaging the hegemonic power.

Iranian political scientist Jalil Roshandel, who worked on a research project for the Iranian Foreign Ministry's think-tank in 1997-98, recalled in an interview with this writer that influential figures (including an adviser to veteran Iranian foreign minister Ali Akbar Velayati) had told him during that period that they believed a uranium enrichment programme would provide leverage in negotiating a removal of the sanctions.

Iran tried to use what it assumed was US and European concern about its enrichment programme – which had not yet begun enriching uranium – to gain more leverage in negotiations with the British, French and German governments from November 2003 to spring 2005. But those negotiations were fruitless, mainly because the George W Bush administration was interested in regime change in Iran and therefore disdained the idea of actual negotiations over its nuclear programme. The Bush administration ordered its European allies not to respond to a March 2005 Iranian proposal that offered to limit the Iranian programme to a minimum.

The problem was that the Bush

administration still didn't take the Iranian nuclear programme seriously, so the power disparity between Washington and Tehran was still too great.


The Natanz uranium enrichment facility in Iran. Iran had long viewed its nuclear programme not only in terms of energy and scientific advancement but also as a way of inducing the US to negotiate an end to sanctions.

And it wasn't only the neoconservative-influenced Bush administration that believed it was so powerful that it need not reach a compromise with Iran. We now know that President Barack Obama relied on efforts to coerce Iran rather than negotiating with it during his first four years in office. He approved a plan for an unprecedented cyber-attack on Iran's Natanz enrichment facility in 2009 as the first move in a strategy of pressure on Iran aimed at forcing the Islamic republic to give up its enrichment programme.

For the Obama administration, intrusive financial sanctions were not originally conceived as a way to bring about a negotiated agreement with Iran. In fact Clinton publicly presented the 'diplomatic path' with Iran as a way to 'gain credibility and influence with a number of nations who would have to participate in order to make the sanctions regime as tight and crippling as we want it to be'. In other words, diplomacy was actually a gimmick to achieve the administration's real goal of coercion.

In 2012, when Obama was offering talks on Iran's nuclear programme for the first time, he was still committed to the same strategy of coercion. The effort to bring Iran to the negotiating table was accompanied by yet another US cyber-attack – this time on the Iranian oil and gas industry.

Only in 2013, during his second term, did Obama's administration give up the aim of forcing Iran to end enrichment entirely and agree to actually negotiate with Iran on the nuclear issue. That decision came only after Iran had increased the number of centrifuges enriching uranium to more than 9,000, with another 9,000 centrifuges installed but never connected, accumulated a large stockpile of low enriched uranium, and – even more alarming to the United States – began enriching uranium to 20%.

So the main back story of the nuclear agreement is that it was Iranian counter-pressure on the United States through its nuclear programme that finally compelled the Obama administration to change its strategy of relying mainly on coercion and begin the negotiations that Iran had wanted for more than two decades.


US President Barack Obama speaking at a press conference on the Iran nuclear deal. Only during his second term did Obama's administration give up the aim of forcing Iran to end enrichment entirely and agree to actually negotiate with Iran on the nuclear issue.

The most important story of the agreement itself, moreover, is how the Obama administration, supported by its European allies, tried to maintain the sanctions for as long as possible in the implementation process. But in the end US negotiators finally gave up that objective, even though, as Iranian diplomats told me in Vienna, they found the American 'emotional attachment' to sanctions still manifesting itself in the last days of negotiations in the language of the UN Security Council resolution.

The basic inequality of power of the two main protagonists, which would normally have allowed the United States to prevail on the issue, had been reduced dramatically by two factors: the lifting of sanctions was so central to Iranian interests that its negotiators would undoubtedly have walked away from the talks if the United States had not relented, and the Obama administration had become committed to completing the negotiations simply by virtue of having made such an agreement its central foreign policy initiative.

The Iran nuclear agreement thus illustrates the elemental importance of the distribution of power but also the possibility of a weaker state achieving its vital interests in negotiations with the hegemonic power against what might appear to be very long odds by exploiting its source of leverage to the maximum with patience, courage and careful calculation. ◆

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The Israel lobby's $50m campaign against the Iran nuclear deal

If the Iran deal passes, Israel loses. The Israel lobby is spending big on whatever it takes to make sure this doesn't happen.

Richard Silverstein

THE next 60 days offer a fateful window through which the US Congress will review the Iran nuclear deal announced to great fanfare by the P5+1 powers and their Iranian counterparts.

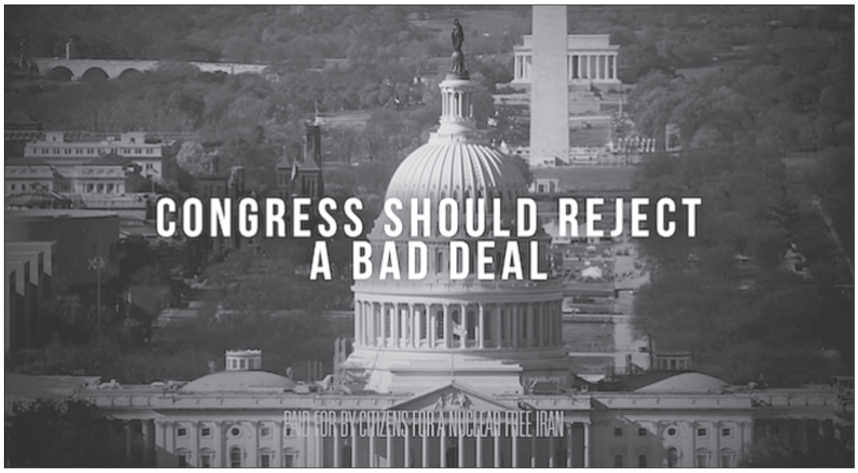
At the end of this period, both the House of Representatives and the Senate will vote on the agreement. Though the Republican Party has a majority in the latter body, it's by no means a given that the vote will go against the deal. The *Los Angeles Times* reports there may be a few Republican senators who can be swayed if public opinion is running in favour.

To that end, the various groups within the Israel lobby have announced a massive PR campaign seeking to move both public opinion and the votes of individual senators against the deal.

The *New York Times* reported on 17 July that the American Israel Public Affairs Committee (AIPAC), a pro-Israel lobby, has created a standalone group, Citizens for a Nuclear Free Iran, for this purpose. It plans to spend $20-40 million on the effort.

The group's website doesn't list staff and a board of directors. Instead it lists an 'advisory board' consisting of the usual hawkish Democratic Party former senators, including Mark Begich, Joe Lieberman, Mary Landrieu, Evan Bayh, and former Representative Shelley Berkley. Clearly, this isn't an independent organisation, but rather one established and controlled by AIPAC. Unlike some of the groups below which are casting their nets wide, AIPAC seems to be targeting Democratic senators on the fence.

So far this year, according to US Senate public records, AIPAC has spent nearly $2 million on direct lobbying, more than it's ever spent in any previous six-month period since 1999. This is a further indication of the group's dead-seriousness in pursuing the defeat of the Iran measure.



The American Israel Public Affairs Committee (AIPAC) has created a standalone group, Citizens for a Nuclear Free Iran, to oppose the Iran nuclear deal. The above is a screen grab from an advertisement produced by Citizens for a Nuclear Free Iran.

Will AIPAC use the 'Doomsday Weapon'?

The Israeli media site Walla even invokes AIPAC's use of a dreaded 'Doomsday Weapon', a massive payback campaign against those who defy the group and vote for the agreement. This would take the matter to a whole new level: It's one thing to advocate against a Congressional bill, it's quite another to spend the tens of millions it would take to fund primary challengers and general election opponents of any Democratic senators defying AIPAC in this vote.

Since the article clearly describes internal organisation deliberations on the subject, this is not idle speculation. If AIPAC feels it's on the cusp of winning, it could wheel out the heavy guns of intimidation and blackmail it utilises in such circumstances.

Of course, if it does make such a major financial and political investment, there is the distinct possibility it could lose, as it did in the fight over the Menendez sanctions resolution. That bill would have torpedoed the Iran negotiations by adding further draconian sanctions against that nation. Democratic support for the measure collapsed amid the hostile fallout from Israeli Prime Minister Benjamin Netanyahu's address to Congress in March. A similar loss in this case would involve considerable loss of prestige and the sense of invincibility which AIPAC exploits to great advantage in Washington backroom politics.

With the recent announcement of restoration of diplomatic ties between the US and Cuba, it's worth contemplating the toll the blockade against the island nation took on both its inhabitants and relations between the two countries. For 50 years, the US relationship with Cuba was held hostage by a powerful domestic lobby which rewarded its political friends and punished its enemies.

President Barack Obama finally

decided enough was enough. He determined that the power of the anti-Castro lobby in Florida had waned sufficiently to take US policy in a new direction. The Israel lobby wields precisely the same sort of power on matters related to Israel. What would happen if a loss on the nuclear deal put America's policy on Israel 'in play' as happened regarding Cuba policy?

Buying airtime

In Seattle, United Against Nuclear Iran aired a TV ad in recent days during prime time. And in June, the group's chairman, Mark Wallace, who served as the US ambassador to the United Nations under President George W Bush, boasted of what he would spend against the deal: 'We have a multi-million-dollar budget and we are in it for the long haul. Money continues to pour in.' The group has also distributed a press release expanding on its plans.

United Against Nuclear Iran is known for exposing companies allegedly doing business with Iran. Their modus operandi has been to approach company executives and threaten to 'out' them as sanctions scofflaws if they didn't stop and, even better, if they didn't donate to the group.

One shipping owner, Victor Restis, challenged United Against Nuclear Iran, and when the group accused him of violating sanctions, he sued them for libel. In an unprecedented intervention by the government in a private commercial lawsuit, the Justice Department in 2014 asked the judge to shut down the case on the grounds that exposure of the documents Restis was demanding would damage national security. Reporters covering the story wrote that much of the material Restis wanted was believed to have been furnished to United Against Nuclear Iran by Israel's Mossad or even the CIA. Such a revelation would have exposed the level of collusion between the two intelligence agencies and their exploitation of purportedly independent, non-partisan non-governmental organisations (NGOs) to advance their political agenda.

The Politico website reported in June that the American Security Initiative had bought $1.4 million worth of TV ad time targeted to the 30 June deadline to complete the agreement. The American Security Initiative is a hawkish national security NGO founded by former Republican senators Saxby Chambliss (who recently said Edward Snowden should be hanged) and Norm Coleman, and Democrat Evan Bayh.

Politico also noted another pro-Israel lobbying group, Secure America Now, founded by push-poll specialists Pat Caddell and John McLaughlin, was pouring $1 million into its own media blitz targeting undecided Democratic senators Richard Blumenthal, Michael Bennett and Chuck Schumer. Secure America Now was launched in the aftermath of the Islamophobic campaign against the building of a mosque 'on holy ground' near the World Trade Center site.

Another group likely to be closely involved is The Israel Project, whose director, Josh Block, was formerly AIPAC's public face. The Israel Project will undoubtedly add its own voice to the media melee.

Meanwhile, the tumult over the deal has entered the Republican presidential primary campaign. South Carolina Senator Lindsey Graham, seeking to bolster his flagging prospects, has made opposition to the deal a cornerstone of his campaign. At a recent press conference in New York, at which he promoted his new website, No Nukes for Iran, he warned that if the deal was ratified New York City would be one of the Ayatollahs' first targets. The Business Insider website reports:

'"Where do you think they'd like to come most outside of Washington?" Graham said. "Right where we're sitting."

'"New York City represents America," Graham added. "This is the place that they'd choose to hit us again if they could."

'Flanked by Sen. John McCain (R-Arizona) and former Sen. Joe Lieberman (D-Connecticut), Graham struck an almost apocalyptic tone when discussing the deal. He frequently drew parallels between Iranian Supreme Leader Ali Khamenei and Adolf Hitler, suggesting that the deal posed an enormous threat to Israel and to the US and that it would lead to a nuclear-arms race in the Middle East.'

Meanwhile, supporters of the bill in Congress have some new allies in Israel itself. Jonathan Alter reports on the Daily Beast website that former Shin Bet chief Ami Ayalon fully supports the measure. The Israeli navy veteran also reeled off the names of other senior military and intelligence figures who support it.

Adelson: The $64-million question

The casino magnate Sheldon Adelson is the great unknown among all the donors in the Israel lobby sphere. He alone could spend many times the $40 million AIPAC plans to spend, should he choose to. Given his status as Benjamin Netanyahu's prime financial backer and the $100 million he spent on Mitt Romney's failed presidential bid, Adelson will likely weigh in on the subject as well. By a conservative estimate, the Israel lobby could spend upwards of $50 million on this campaign. Should Adelson go 'all in' (to use gambling parlance appropriate for him), that figure could climb to $100 million.

There are a few organisations which plan to weigh in on behalf of Secretary of State John Kerry's agreement. Among them are J Street, an American Jewish group dedicated to supporting Obama administration foreign policy. It plans to spend between $2-3 million in support of the deal. The National Iranian American Council, led by Trita Parsi, has long supported the deal. It's not known how much it will invest, but its budget and resources aren't nearly a match for AIPAC.

At a recent National Iranian American Council conference, former Democratic House member Jim Slattery warned of the mind-boggling phenomenon this campaign represents: 'I've been around this town for about 30 years now … and I've never seen foreign policy debate that is being so profoundly affected by the movement of hundreds of millions of dollars in the American political system.'

President Obama has shown himself adept at outmanoeuvring his political adversaries concerning Iran. The failed Menendez bill is just one example. The political math concerning the current legislation also is in the president's favour. Even if the Senate rejects the nuclear agreement, he will veto it. That means the Republican majority will need 13 Democratic votes. Undoubtedly, they will gain a few. But it's exceedingly unlikely they will get all of them. If they don't, the agreement will be ratified and the president wins.

Israel loses if nuclear deal wins

Such a victory has repercussions for AIPAC and the power of the Israel lobby. But it has even more far-reaching implications for Israel and its changing role in the Middle East. Until now, it has been the indisputable power in the region, especially among the frontline states of Egypt, Jordan, Syria, Lebanon and Palestine. What Israel wanted, it got. Having 200 nuclear warheads only reinforced Israeli dominance.

The nuclear agreement could augur an age in which Iran takes its place as a responsible participant in regional politics. Instead of supporting Islamist militants in Lebanon and Syria, it might coordinate efforts with the US to contain the Sunni Islamist threat represented by al-Qaida and the self-proclaimed Islamic State of Iraq and Syria (ISIS). It certainly will allow Iran to become a commercial power, with foreign delegations arriving in Tehran daily to negotiate new business deals that would follow the lifting of sanctions.

Israel could see its stature recede considerably as Iran's rises. That's why Prime Minister Netanyahu has been touting a purported alliance between his nation and the Sunni Gulf states. In fact, the *New York Times*'s editorial endorsing the Iran deal says Netanyahu has taken this one step further: He's said that on Iran, Israel has more in common with the Sunni states than with the US.

It's possible this is precisely the sort of posturing for which Netanyahu is well known. But given the United States's role as Israel's arms guarantor in every major war it has fought, it's extraordinary for the prime minister to claim Arab states are his new go-to allies. During Israel's next war against Hezbollah or Hamas, does he think King Salman of Saudi Arabia will give him the munitions he needs to maul Lebanon or Gaza? ◆

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WORLD AFFAIRS

Nuclear-weapons-free world no lost cause

The 1968 Treaty on the Non-Proliferation of Nuclear Weapons (NPT) has as one of its main goals the realisation of general and complete nuclear disarmament. While it is tragic that an NPT review conference held on the 70th anniversary year of the bombings of Hiroshima and Nagasaki should have ended without an outcome document, it was by no means a total failure. *Jamshed Baruah* explains the positive outcomes of the 2015 NPT review conference.

THE forthcoming 70th anniversary of the atomic bombings of Hiroshima and Nagasaki in August is an appropriate occasion to start developing a legally binding instrument prohibiting nuclear weapons. This, according to experts, is the distinct message emerging from a four-week-long United Nations conference which ended without an outcome document on 22 May.

The failure of the 2015 Review Conference of the Parties to the Treaty on the Non-Proliferation of Nuclear Weapons (NPT) to reach consensus on a substantive outcome has prompted the UN Secretary-General Ban Ki-moon to express his 'disappointment', which is widely shared.

But the conference had two positive outcomes: the Humanitarian Pledge, initiated by Austria, representing a commitment of more than 100 states to work for the prohibition and elimination of nuclear weapons; and recognition of the crucial role of the Vienna-based Comprehensive Nuclear Test-Ban Treaty Organisation (CTBTO) in facilitating steps towards a nuclear-weapons-free world.

The conference failed not only – as the United States, the United Kingdom and Canada claimed – because of the lack of agreement over making the Middle East a nuclear-weapons-free zone. The draft outcome document had also generally been considered deeply flawed on disarmament.

Nuclear-capable missiles on display at a US air force base. The official nuclear weapon states – Britain, France, Russia, China and the US – are faulted for not doing enough for nuclear disarmament.

In a statement, the UN Secretary-General's spokesperson said on 23 May that Ban regretted 'in particular that States parties were unable to narrow their differences on the future of nuclear disarmament or to arrive at a new collective vision on how to achieve a Middle East zone free of nuclear weapons and all other weapons of mass destruction'.

At the same time, Ban appealed to all states to sustain the momentum they had built over the previous five years. These included new initiatives in the pursuit of nuclear disarmament and continuing efforts to strengthen nuclear non-proliferation.

'With respect to the Middle East, the Secretary-General continues to stand ready to support efforts to promote and sustain the inclusive regional dialogue necessary to achieve this goal,' Ban's spokesperson said.

How far this offer would be helpful remains to be seen. Rose Gottemoeller, the US Under Secretary of State for Arms Control and International Security, has described as 'unrealistic and unworkable' the demand from Egypt to set a deadline for the convening of a conference on a zone in the Middle East free of weapons of mass destruction – a conference the last NPT review in 2010 had stipulated must take place by 2012.

Ban hopes that the growing awareness of the devastating humanitarian consequences of any use of nuclear weapons would continue to compel urgent actions for effective measures leading to the prohibition and elimination of nuclear weapons.

The Secretary-General's remarks address the basic issues at the heart of disagreement in the NPT review conference from 27 April to 22 May in New York – and this in spite of the fact that the NPT, which entered into force in 1970 and to which 191 states have subscribed, is regarded as the cornerstone of the non-proliferation regime.

The treaty covers three mutually reinforcing pillars – disarmament, non-proliferation, and peaceful uses of nuclear energy – and is the basis for international cooperation on stopping the spread of nuclear weapons. However, the official nuclear weapon states – Britain, France, Russia, China and the US – are faulted for not doing enough for nuclear disarmament.

Rollback

According to Elizabeth Minor, writing in Open Democracy, the draft document contained no meaningful commitments by the nuclear-armed states and their allies. It set out few clear activities and no deadlines.

'Indeed, in many areas it rolled back on disarmament promises made in 2010 – such as diminishing the role of nuclear weapons in security doctrines, excised from the draft. It also suggested that work on nuclear disarmament at the UN General Assembly be done by consensus, even though that forum has always operated through democratic voting procedures,' argues Minor.

'Overall, the draft strongly reflected the priorities of the NPT's five officially nuclear-armed states (United Kingdom, France, Russia, China, USA) and their nuclear allies, in favour of upholding a status quo which features little activity on disarmament on the one hand and the modernisation of nuclear arsenals on the other,' adds Minor.

The Federation of American Scientists (FAS) says: 'More than two decades after the Cold War ended, the world's combined inventory of nuclear warheads remains at a very high level: approximately 15,700. Of these, around 4,100 warheads are considered operational, of which about 1,800 US and Russian warheads are on high alert, ready for use on short notice.'

Most warheads are many times more powerful than the atomic bombs dropped on Japan in 1945. A single nuclear warhead, if detonated on a large city, could kill millions of people, with the effects persisting for decades, experts say.

'Despite significant reductions in US, Russian, French and British nuclear forces compared with Cold War levels, all the nuclear weapon states continue to modernise their remaining nuclear forces and appear committed to retaining nuclear weapons for the indefinite future,' says FAS.

According to Stephen Young, a senior analyst at the Union of Concerned Scientists, the Barack Obama administration plans to rebuild the entire US nuclear arsenal, including the warheads, and the missiles, planes and submarines that carry them. These plans will cost $348 billion over the next 10 years, according to a Congressional Budget Office estimate beginning of 2015. The National Defense Panel, appointed by Congress, found that the price tag over 30 years could be as much as $1 trillion.

While the US blamed Egypt, others from the Middle East expressed anger that the interests of Israel, a nuclear-armed state outside the NPT, had been prioritised over the interests of NPT member states. 'Their criticisms seemed to be borne out when Israel's Prime Minister Netanyahu reportedly thanked the US, UK and Canadian governments for "blocking an Egyptian-led drive on a possible Middle East nuclear arms ban",' writes Rebecca Johnson in Open Democracy.

Anti-democratic and non-transparent

According to Reaching Critical Will (RCW), the disarmament programme of the Women's International League for Peace and Freedom, 'The process to develop the draft Review Conference outcome document was anti-democratic and non-transparent. Several delegations, including ASEAN [Association of South-East Asian Nations], expressed their sense of frustration with and exclusion from the process ... South Africa lambasted the NPT for denigrating into rule of the minority, where the few have control even when it doesn't make sense.'

RCW points out that, as a large cross-regional group of 47 states argued in a statement delivered by Austria, the discussions during the Conference and resulting text demonstrated the 'urgency to act upon the unacceptable humanitarian consequences of nuclear weapons', but then fell 'dramatically short of making credible progress on filling the legal gap'.

A total of 107 states – the majority of the world's countries (and of NPT member states) – have highlighted this legal gap and have committed to fill it, by endorsing the Humanitarian Pledge issued by Austria. These states have collectively demonstrated their empowerment by demanding that their security concerns be considered equal to those of the nuclear-armed states.

RCW, headed by Ray Acheson, is of the view that these states – and those that endorse the pledge after the Conference – must now use the pledge as the basis for a new process to develop a legally binding instrument prohibiting nuclear weapons. 'This process should begin without delay. The 70th anniversary of the atomic bombings of Hiroshima and Nagasaki has already been identified as the appropriate milestone for this process to commence.'

Observers agree with Acheson that a treaty banning nuclear weapons remains the most feasible course of action for states committed to disarmament. 'This Review Conference has demonstrated beyond any doubt that continuing to rely on the nuclear-armed states or their nuclear-dependent allies for leadership or action is futile.'

As the 47 states represented in the Austrian statement highlighted, 'The exchanges of views that we have witnessed during this review cycle demonstrate that there is a wide divide that presents itself in many fundamental aspects of what nuclear disarmament should mean. There is a reality gap, a credibility gap, a confidence gap and a moral gap.'

These gaps can be filled by determined action to stigmatise, prohibit and eliminate nuclear weapons. 'History honours only the brave,' declared Costa Rica. 'Now is the time to work for what is to come, the world we want and deserve.'

RCW argues: 'Those who reject nuclear weapons must have the courage of their convictions to move ahead without the nuclear-armed states, to take back ground from the violent few who purport to run the world, and build a new reality of human security and global justice.' – *IDN-InDepthNews* ◆

Turkey's dirty war against Syria

Turkey under President Erdogan has been waging a hidden war against Syria – a war which *Jeremy Salt* says is indefensible morally, legally and politically. And now, as *Robert Ellis* points out in the subsequent article, by joining the air campaign against the Islamic State, Erdogan has secured President Obama's support for intensifying and expanding that war, a course of action that fits in with his domestic political agenda.

THE next time Turkey's President Recep Tayyip Erdogan talks to the media, perhaps he should be asked precisely where the Turkish national interest lies in the destruction of Syria.

In the name of bringing down the government in Damascus, Syria is being torn to pieces by groups armed, trained and financed by foreign governments. There is no real distinction between any of them. Jabhat al Nusra – Al Qaida in Syria – has the same ideological roots as the so-called Islamic State and is just as bloodthirsty and vicious. The so-called Free Syrian Army (FSA) is a collection of freebooters sucking up money and weapons from outside and crossing over to Jabhat al Nusra or the Islamic State or other groups with their weapons when it suits them. Jaish al Fatah (Army of Conquest) is a collective of *takfiri* groups that includes Jabhat al Nusra but alliances are fluid and subject to change. Sooner rather than later these groups could be expected to merge with the Islamic State, turning the central lands of the Middle East into one of the cruellest states the world has ever known.

The role played by Turkey in supporting this massive assault on a neighbouring country is pivotal. The story begins with Libya. After hesitating, and declaring that outside military intervention anywhere in the Middle East would be disastrous, Erdogan threw his support behind the attack on Libya by the US, Britain and France. How support by an avowedly Muslim government for an attack on another Muslim country by Western states squares with Islamic law and conventions is something for the scholars to explain.

'In the name of bringing down the government in Damascus, Syria is being torn to pieces by groups armed, trained and financed by foreign governments.' Picture shows members of one of these groups, the Free Syrian Army, at a weapons training session.

The overthrow of the Libyan government seems to have convinced Erdogan and his then Foreign Minister (now Prime Minister), Ahmet Davutoglu, that 'reform' was the wave of the future and they had better ride it: even better, position themselves on the crest of the wave towards the end of taking the lead in shaping the 'new' Middle East.

The next target on the agenda of the US-led collective which destroyed Libya was Syria. In 2012 Erdogan and Davutoglu positioned themselves at the forefront of the attack on the Syrian government, claiming that Syrian President Bashar al Assad had refused to listen to their pleas that he introduce 'reforms'. In fact, what they wanted, according to Syrian Foreign Minister Walid Muallim, was to bring the Muslim Brotherhood, a banned organisation, into the ranks of government. Having failed to bring Bashar around to their way of thinking, Erdogan and Davutoglu decided to back the Syrian National Council (SNC) and its armed extension, the FSA. The SNC, a group of exiles with no known support in Syria, was provided with money and offices in Istanbul and the FSA with a base of operations in the southeast.

All doors were opened to the attack. Thousands of foreign *takfiris* streamed into Syria through Turkey while hundreds of thousands of Syrians trying to escape the fighting streamed into Turkey. Their numbers have now swelled to about 1.7 million, of whom about 300,000 live in refugee camps while the rest fend for themselves as best they can in the southeast and across the country, begging in the streets, sleeping rough and being exploited as cheap labour. The camps are also host to Syrian *takfiris*, crossing the border during the past four years to fight and returning to the relative comforts of accommodation, food and heating provided by domestic and international aid agencies.

Apaydin is a 'refugee' camp only in name as it was set up solely for the senior figures in the FSA. The attacks inside Syria directed by the FSA leadership inside Turkey include the assassination of senior figures in government offices in Damascus, with responsibility being claimed by the then head of the FSA, Riad al Assad, speaking from his base in Turkey.

In May 2014, bands of *takfiris* crossed the border to attack the Syrian Armenian town of Kassab. The people were driven out and their churches desecrated before the Syrian army drove them back across the border. While attacking *takfiri* positions a Syrian fighter jet was brought down by a Turkish missile attack. Turkey claims the jet crossed into Turkish air space but the fact is the pilot ejected and landed seven kilometres on the other side of the Syrian border. Like so much else about this war, the conflicting versions were not reconciled and soon fell out of the headlines.

Kassab was a minor public relations disaster for the Turkish government because of the connection immediately made around the world with the fate of the Armenians in 1915, but in no way did it persuade Erdogan and Davutoglu to back off after all the destruction and seek a peaceful solution to the crisis in Syria.

Turkey is now said to have been closely involved in the recent *takfiri* seizure of the city of Idlib and the town of Jisr al Shughur, a hotbed of religious reaction for decades. In its complaint to the UN Security Council, the Syrian government alleges that the attack on the town was launched with intelligence support from Turkey, Saudi Arabia and Qatar, and says the *takfiris* were provided with weapons and training by Turkey. Thousands of men, many of them not 'rebels' at all but foreign fighters, including Chechens and Saudis, were involved in these attacks. The capture of Jisr al Shughur, in particular, was marked by trademark massacres in the town and nearby villages.

The loss of life and destruction in Syria have been immense but Erdogan and Davutoglu are clearly just as committed to the destruction of the government in Damascus as they were four years ago. They made continuation of their war against Bashar al Assad a condition of their participation in the campaign against the Islamic State. This campaign, such as it is, remains ambiguous and deeply suspect. Turkey is now training 'moderates' for the fight against the Islamic State: whether these armed men will actually serve this purpose once they cross the border remains to be seen. In any event there are no 'moderates' in Syria for them to join. The dominant fighting groups are all *takfiri*. The role played by the FSA is completely peripheral and to have any hope of changing the balance of power in favour of their notional 'moderates', the US and its allies would have to train tens of thousands of men and not just a few thousand. Documents tabled in a Turkish court indicate that the Turkish national intelligence agency MIT has delivered truckloads of ammunition and weapons parts to areas of northern Syria under the control of one or another of these groups. This well-documented evidence has been dismissed out of hand by the Turkish government but reports continue of weapons material being shipped across the border into territory controlled by the Islamic State as well as other groups.

The US treats the Islamic State like an attack dog, restrained in Iraq where its interests (protection of the Kurdish state and its oil wealth) are threatened but let off the leash in western Iraq and Syria. The US did nothing to prevent the capture of Mosul last year and stood by again when the *takfiris* captured Ramadi recently and paraded through the streets in more captured US army pickups. Neither did it take any action to stop IS *takfiris* as they streamed across the desert in the direction of Palmyra. In both cases the *takfiri* columns were an open target which could have been obliterated from the air, yet nothing was done to stop them.

A recently declassified US Defence Intelligence Agency document exposes the truth. Dated August 2012, it points to the possibility of a 'salafist principality' being established in eastern Syria 'and this is exactly what the supporting powers to the opposition want in order to isolate the Syrian regime, which is considered the strategic depth of the Shia expansion (Iraq and Iran)'. In other words the establishment of a *takfiri* state straddling the Iraqi and Syrian borders is part of US strategy, aimed at breaking up Iraq into a Kurdish state in the north, a *takfiri* state in the west and a rump Shia state in the south. Syria is intended to go the same way if the Alawi minority survives the *takfiri* attempt to destroy them.

No surprise here that this strategy is entirely consistent with the longstanding Zionist objective of breaking up the central lands of the Middle East into squabbling ethno-religious mini-states permanently in conflict with each other. Israel is right inside this war. It has signalled its preference for a *takfiri* regime in Damascus instead of the present government and has been giving the *takfiris* battlefield assistance and medical aid. Ehud Barak once fatuously described Israel as a villa in the jungle. In fact, Israel has spent 70 years doing its best to turn the Middle East into a jungle so that it can survive while everything around it dies. What we are witnessing is the complete reshaping of the Middle East in US, Israeli and Saudi interests.

The setbacks suffered by the Syrian army near the Turkish border appear linked to reports of closer collaboration between Saudi Arabia, Qatar and Turkey aimed at blunting the advances of the Syrian army. Aleppo – those quarters infiltrated by the *takfiris*, including Chechens – seemed close to liberation until more forceful intervention by Syria's regional enemies. In Tadmur, the town next to the Palmyra ruins, hundreds of people were massacred as the *takfiris* took over.

It is not hard to understand why Israel, Saudi Arabia and the US want the Syrian government destroyed, but it is very hard to understand how the destruction of the Syrian government and effectively of much of Syria – the destruction of human life, the destruction of cities, towns and villages and the destruction of Syria as a functioning state – ever suited anything that could be described as a Turkish national interest, whatever Erdogan and Davutoglu thought they were doing when they launched their campaign against Syria in 2012. Their apparent dream of a Middle East dominated by a neo-Ottoman Turkish republic has collapsed in the ruins of Iraq and Syria and the emergence of an Islamic State that threatens the stability of all regimes in the region.

The negatives can be ticked off one by one. Last year the border town of Reyhanli was bombed by the same people or the same type of people the government is now supporting in Syria, with great loss of life and destruction. Turkey has had to bear a large part of the cost of maintaining the flood of Syrian refugees. It has an expanding, brutal and extremely violent Islamic state just across its border. Cross-border trade has been killed off and relations damaged with worthwhile friends (Iraq, Iran and Russia) for the sake of relations with questionable ones (Saudi Arabia and Qatar). Border security has been wrecked and an even greater regional crisis could easily develop given Syria's strategic importance to Russia and Iran. Yet Erdogan and Davutoglu appear to want to plunge in even deeper, following reports of friction with the army command over their reported wish for an open attack across the border towards direct and open involvement in Syria.

This war is unprecedented in Turkey's history. Never before has a Turkish government set out to destroy the government in a neighbouring country, using means that would seem to put it in violation of international law. Article 2(1) of the UN Charter stipulates that 'all member states shall settle their international disputes by peaceful means in such a manner that international peace and security and justice are not endangered'. Article 2(4) requires all UN members to refrain 'from the threat or the use of force against the territorial integrity or political independence of any state or in any manner inconsistent with this purpose'. In 1965 the UN General Assembly passed in resolution 2131 (XX) the Declaration on the Inadmissibility of Intervention in the Domestic Affairs of States and the Protection of their Independence and Sovereignty. The text contains the following clauses:

'1) No state has the right to intervene directly or indirectly for any reason whatever in the internal or external affairs of any state. Consequently armed intervention and all other forms of interference or attempted threats against the personality of the state or against its political, economic and cultural elements are condemned.

'2) No state may urge or encourage the use of economic, political or any other types of measures in order to coerce another state in order to obtain from it the subordination of the exercise of its sovereign rights or to secure from it advantages of any kind. Also, no state shall organise, assist or foment, finance or tolerate subversive, terrorist or armed activities directed towards the violent overthrow of the regime of another state or engender civil strife in another state.'

While new concepts have arisen since that time – especially 'responsibility to protect' and 'humanitarian intervention' – direct or indirect intervention in the affairs of other states without the authority of the UN does not have authoritative legal support. This remains the case even with the US-led intervention in Yugoslavia in the 1990s. One can also mention the International Convention Against the Recruitment, Training and Financing of Mercenaries, into which category would have to be put the armed men being trained with the support of the US in Jordan and Turkey. The fact that other states violate international law does not free Turkey from the responsibility of upholding it at every level.

Syria is a manmade catastrophe. Erdogan and Davutoglu had a range of choices before them. They could have chosen to hold Bashar al Assad to his word and make sure that free elections within a multiparty system were held (as they eventually were anyway). They could have chosen to remain in the role of neutral but concerned arbitrators. They could even have chosen to do nothing, but instead of picking up any of these options they chose violence behind the screen of support for 'rebels'. Their companions in the anti-Syrian collective include two of the most reactionary and undemocratic governments in the world, Saudi Arabia and Qatar. This is Erdogan's 'new Turkey'.

This is a wrong war morally, legally and politically. It is a dirty war whose full dimensions remain mostly hidden despite everything that is known about it. It is the most relentless and vicious war waged against an Arab government in the past two centuries. The destruction of Syria has paved the way for the rise of some of the most chillingly brutal people in modern history. There is no perceptible Turkish national interest in this war unless serving the interests of the US, Israel and backward Gulf states (with lots of money) can be described as a national interest.

It is not the war of the Turkish people but the war of two men against one man. This is a war driven by ego, ambition and the macho determination of Tayyip Erdogan to destroy Bashar al Assad. Napoleon dreamt of riding an elephant into Central Asia, a turban on his head and an emerald in the turban. Of what does Tayyip Erdogan dream? Walking into the Umayyad mosque in Damascus to the cheers of the multitudes? If ever he does, behind him will lie the wreckage of Syria and the scattering to the four winds of Ataturk's slogan – 'peace at home and peace in the world'. ◆

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Obituaries

IT is with great sadness that we note that with the deaths of **Peter Gillespie** in May and **Praful Bidwai** in June, *Third World Resurgence* has lost two of its most important contributors this year.

Peter, a Canadian by birth, worked some 30 years with anti-poverty organisations, human rights groups and pro-democracy movements in Asia and Africa. In recent years, he was very involved in bringing public attention to the consequences of the massive illicit outflow of resources from developing countries into the global financial system.

Praful, a committed Indian journalist active on many fronts, was above all a dedicated campaigner for a nuclear-free world. He worked tirelessly for this great cause, using his skills as a journalist to alert the world to the dangers of nuclear power.

We extend our deepest condolences to their respective families. – *The Editors*

Turkey is at war with its own Kurds and ISIL

Robert Ellis

THE bomb attack on the border town of Suruc in southeastern Turkey, targeting a group of activists planning to help rebuild Kobane across the border in Syria, came at an opportune moment for Turkey's interim Justice and Development Party (AKP) government.

Unlike a bombing in another border town, Reyhanli, two years ago, which failed to attract US support for Turkey's campaign against Bashar al-Assad's regime in Syria, this time the bombing has done the trick.

The suicide bomber was a member of an Islamist group linked to the Islamic State of Iraq and the Levant (ISIL), and by pointing the finger at ISIL, Turkey has gained Obama's support for an incursion into Syria, as this falls in with American plans.

After failing three years ago to secure the UN Security Council's support for the creation of a safe zone for refugees and a no-fly zone along the Syrian border, Turkey had lobbied for US backing. Now a formula has been found. In return for allowing American aircraft the use of Incirlik airbase in southern Turkey for sorties against ISIL – instead of the long haul from the Gulf or Iraq and Jordan – an agreement has been reached on creating an 'ISIL-free zone' in northern Syria with US air support.

The plan is to drive ISIL from an area running for 68 miles along the Syrian border and some 40 miles inland and to replace ISIL with 'moderate' Syrian opposition forces such as the Free Syrian Army to allow displaced refugees to return.

On paper, the plan provides welcome leverage for the US in its offensive against ISIL and evidence of Turkey's good intentions, but there are drawbacks.

The suicide bombing in Suruc has been met with widespread Kurdish anger against the AKP government, akin to the anger felt by the Kurds over what they considered the AKP's abandonment of Kobane to ISIL. There have not only been demonstrations but the Kurdistan Workers' Party (PKK) has attacked the Turkish army and murdered two policemen in retaliation.

Turkey's response has been to bomb PKK camps in northern Iraq and after a cross-border exchange of fire to launch air strikes against ISIL. The PKK's reply has been unequivocal. 'The truce has no meaning anymore,' it stated on its website.

The peace process, which began in 2012, is now over, and the Istanbul Police Department and the National Intelligence Organisation (MIT) have warned of impending attacks from both the PKK and ISIL.

Turkey's latest move fits in with the AKP's and, in particular, President Reccep Tayyip Erdogan's domestic agenda. Unable to garner Kurdish support in June's election, the AKP's aim of gaining an overall majority was thwarted by the Kurdish-based Peoples' Democratic Party (HDP), which passed the electoral threshold and gained 80 seats out of the parliament's 550. If the AKP is unable to form a coalition government with the leading opposition party, the secular Republican People's Party (CHP), Erdogan will call for a re-election in the hope that the AKP once again will secure an overall majority and legislate a new constitution to provide him with unbridled power.

Erdogan has also reneged on the Dolmabahce Agreement from the end of February, a 10-point list of priorities for the Kurdish peace process, which was prepared and announced by the Deputy Prime Minister and an HDP deputy. The President has called the HDP a parliamentary extension of the PKK and said it has 'an inorganic link' with the organisation. The HDP has called on the PKK to lay down its arms against Turkey, but it is feared the government may take steps to close the party, thus depriving Turkey's Kurds of legitimate political representation.

On the other hand, there is an overall suspicion among the Kurds that the AKP government is in cahoots with ISIL. Prime Minister Ahmet Davutoglu's claim that 'Turkey and AKP governments have never had any direct or indirect connection with any terrorist organisation' flies in the face of last November's report from the UN Security Council's Analytical Support and Monitoring Team, which identifies Turkey as the primary route for weaponry smuggled to ISIL and the Al-Nusrah Front.

The US State Department's briefing at the beginning of June also stated Turkey is the main route for more than 22,000 fighters who have flocked to Syria to join extremist organisations, mainly ISIL. There are numerous other sources.

After the fall of Tel Abyad in June, Erdogan declared Turkey would never allow the establishment of a Kurdish state in northern Syria, and now the accord with the US has provided an ideal opportunity to drive a wedge between a Kurdish canton to the west and two Kurdish cantons to the east in the form of an 'ISIL-free zone'.

Davutoglu has said Turkey will not send in ground forces, but his foreign minister, Mevlut Cavusoglu, has not ruled out the possibility. Nevertheless, 54,000 Turkish troops, tanks and artillery have been deployed on the Syrian border, if need be.

Such a move will further exacerbate tensions between Kurds on both sides of the border and Turkey's AKP government.

As the HDP has warned in a statement: 'It is a plan to set the country on fire in order for the government to secure a single-party government in a snap election, while creating an impression it is conducting a comprehensive fight against terrorism.' ◆

Robert Ellis is a regular commentator on Turkish affairs in the Danish and international press. This article is reproduced from the Famagusta Gazette *(famagusta-gazette.com).*

Repudiating corruption in Guatemala: Revolution or neoliberal outrage?

Securing the 'rule of law' and purging corrupt politicians will not suffice – only structural transformation will address the roots of Guatemala's democratic malaise, says *Nicholas Copeland*.

FOUR sustained weeks of civil protest sparked by outrage at a corruption ring in the Customs office have brought the Guatemalan government to its knees. Vice President Roxana Baldetti was forced from office amid ongoing investigations into her involvement in a customs tax evasion scheme at the Superintendencia de Administracion Tributeria (SAT). This scandal – known as *La Linea* in reference to a phone number used by individuals to facilitate customs tax evasion – was uncovered by a wiretap placed by the Commission Against Impunity in Guatemala (CICIG), a UN-established investigative body charged with eradicating clandestine criminal organisations infesting the Guatemalan state.

Subsequent revelations and news reports poured gas on the fire: Baldetti owns a giant mansion and has been linked to illegal jade trafficking; key figures in the criminal network were released after bribing judges; and the existence of '*bufetes de impunidad*' – entire law firms that select and bribe judges for a fee. Dozens are under arrest, and Baldetti's personal secretary, Juan Carlos Monzon, a ringleader who was caught on tape, fled the country.

Baldetti's humiliating fall was cheered by thousands of protesters who had been carrying banners, chanting '*Renunciaya!*' (Resign/Give up already!), circulating scathing satire on social media, and heckling candidates from traditional political parties. Emboldened by their victory, protesters continue to demand the resignation of President Otto Perez Molina, an independent investigation, and arrests. Baldetti lost legal immunity when she resigned.

This is the largest, most sustained popular protest since the 'Democratic Spring' of 1944 to 1954, when the modestly redistributive agenda of an elected government was cut short by a coup. Orchestrated by Guatemalan elites and the CIA, the overthrow of President Jacobo Arbenz set the course for decades of armed conflict in which over 200,000 people were murdered. Some observers see a new democratic spring dawning in a rare alliance between the urban middle class and progressive movements forged through common revulsion at outrageous greed and impunity in the current administration. Protesters in Guy Fawkes masks and Anonymous addressing the country over social media conjure the spectre of 'Occupy'. Despite an initial mainstream media blackout, protesters networked over social media and broadcast their message in Mayan languages on community radio.

The $120 million *hueveo* (robbery) of the SAT was despicable even by Guatemalan standards, and touched off a deep well of frustration with Guatemala's young democracy. The 1996 peace accords aimed to address Guatemala's legacies of authoritarianism and colonialism, but they were actually quite moderate. Aggravating their insufficiency, the conservative regimes that dominated subsequent elections blocked their substantive elements, imagining the transition to multicultural democracy as a transition to neoliberal economics – not a radical expansion of citizenship.

Peace brought elections, human rights, tourism and Mayan nationalism, but it also brought privatisation, free trade, austerity, resource extraction, land grabs, kleptocracy, impunity, crime, narco-trafficking and unprecedented violence. Rather than empower Mayan communities, electoral democracy instituted internecine competition for basic resources that weakened grassroots autonomy. Rural villagers face unemployment, abandonment, collapsing subsistence, natural disasters and environmental destruction. The urban poor and working class have bleak economic options and are plagued by crime, while the middle class sees their taxes flagrantly stolen. Conservative politicians ride these frustrations to power; Perez Molina promised to use an iron fist against crime. Ironically, CICIG fingered his administration weeks after he agreed to extend its mandate.

Unable to effectively fight crime, Perez Molina's administration has done the dirty work for foreign capital by declaring states of siege, taking political prisoners and assassinating leaders in various communities that have opposed extractive industries. State security forces opened fire on a crowd of peaceful protesters in Totonicapan in 2012, killing seven. Despite these threats, in 2014, indigenous protests forced the repeal of the 'Monsanto law', which recognised intellectual property claims for genetically modified crops.

Where will this lead?

How far can these protests go towards transforming the unjust structures of Guatemalan society and its authoritarian political culture? What kind of movement will emerge out of this latest political crisis? Mass protest against impunity in Guatemala is cause for celebration, as it cuts to the heart of the nation's social contradictions. However, some reasons for caution can be found in the social composition of the protests, the objectives and conceptions of democracy of different protest factions, and the forces already mobilising to resolve the crisis on terms favourable to dominant sectors.

In contrast to the Democratic Spring, whose major reforms responded to peasant protest, the #Renunciaya movement has been led by primarily *ladino* (non-indigenous) middle class and youth in the capital city, although there are many indigenous participants and 16 May protests spread nationwide. While most Guatemalans may want the Vice President and President to go, beyond this the demands become more diffuse. All groups espouse 'democracy'. But some want major structural transformation, while others seek a restoration of political order and an upholding of the rule of law.

That the scandal broke in high electoral season magnifies the significance of the protests, which quickly morphed into a full condemnation of party politics, not just the Partido Patriota (PP). As if proving the protesters' point, when the PP imploded, many of their congressional representatives and mayors joined the Lider party, whose chief, a millionaire businessman from the Peten, Manuel Baldizon, was already favoured to win the elections. The stench of intra-party collusion sparked protests at Baldizon rallies.

A picture circulated of a lone young man in a crowd of red-shirted Lider supporters, defiantly holding up a sign that read '*No soy estupido! Lider=PP*'. The photo went viral, along with memes ridiculing Baldetti and Perez Molina and the warning 'not to touch' Baldizon. Most protesters decry the systematic corruption of party politics. Some blame corruption for poverty and underdevelopment, and for underfunded nutrition programmes specifically: Perez Molina's signature humanitarian initiative was a 'war' on chronic child malnutrition.

Beneath the call for *renuncia*, however, lay heterogeneous agendas. Not everyone wants radical change, even if they are disgusted with corruption-as-usual. It is telling that just before Baldetti caved, the elite Comite Coordinador de Asociaciones Agricolas, Comerciales, Industriales, y Financieras (CAFIC) joined calls for her resignation, along with the US Embassy, hoping that sacrificing her would ensure stability. Conservative anti-corruption protests in Brazil demonstrate this dynamic.

Anti-corruption reforms rarely seek structural change and disproportionately criminalise the most vulnerable.

Moreover, it is not at all clear that rural Mayas, many of whom support the protests, will heed the call to abandon party politics. Although well aware of endemic corruption, most recognise certain types of corruption, particularly kinds involving more redistribution than self-interest, as morally acceptable. In addition, many view party politics as one of the only means to access scarce resources, through legal and illegal means, and usually by electing corrupt officials. Abstaining from politics and corruption are moral luxuries most villagers cannot afford. Mayas also have the most reason to fear state violence that almost always targets radical movements. Middle-class *ladinos* and elites rarely support rural movements; to the contrary, they often denounce them as violations of the rule of law.

Anti-corruption discourse has a limited political horizon. It tends to focus on the individual immorality of corrupt officials, rather than the structural contradictions that make corruption a ubiquitous feature of political life. At the heights of wealth and power, the law can be bought or intimidated – an extension of Guatemalan inequality's creation in a project of violent dispossession. In the poorest villages, corruption is an inevitable consequence of engaging with these same powerful entities that demand complicity, and who distribute insufficient resources to structurally impoverished communities for political support. Anti-corruption reforms rarely seek structural change and disproportionately criminalise the most vulnerable.

Critiques of corruption figure centrally in neoliberal governance. The World Bank frames corruption as a deviation from the optimal operation of institutions and markets, and, just like protesters, blames corruption for national underdevelopment. Anti-corruption discourse and programmes usually frame it as a symptom of a backward political culture, a problem of mindset and education. But poverty and inequality in Guatemala would persist without corruption, through legal defences of property, however illegally obtained; and it is impossible to imagine a non-corrupt Guatemalan state absent significant redistribution of wealth and power.

The political crisis dramatises structural contradictions at the heart of Guatemalan democracy and presents opportunities to challenge the conformism and impunity that have long plagued the country. Meanwhile, neoliberals view corruption as antithetical to democracy, blame it for underdevelopment, and propose to resolve it via transparency, rather than recognising it as an inevitable feature of a democracy founded on structural and political violence. If liberal, reform-minded, middle-class Guatemalans are serious about ending corruption, they should also support rural movements for redistribution. ◆

Nicholas Copeland is an anthropologist and assistant professor of American Indian Studies and Sociology at Virginia Tech in the US. His manuscript, 'Lost in Transition: Mayan Experiences of Democracy in Post-revolutionary Guatemala', examines how structural and political violence, development and electoral democracy foster grassroots support for authoritarian politics in rural Huehuetenango. The above article is reproduced from nacla.org, the website of the North American Congress on Latin America (NACLA).

Rural women in Latin America define their own kind of feminism

Rural women in Latin America suffer marginalisation and various forms of gender oppression. Yet those who resist such oppression hesitate to call themselves feminist. *Fabiana Frayssinet* explains why.

Fabiana Frayssinet/IPS

A group of indigenous women participating in one of the debates at the Fifth Continent-wide Assembly of Rural Women in Ezeiza, Argentina.

RURAL organisations in Latin America are working on defining their own concept of feminism, one that takes into account alternative economic models as well as their own concerns and viewpoints, which are not always in line with those of women in urban areas.

Gregoria Chavez, an older farmer from the northwest Argentine province of Santiago del Estero, said feminism must include 'the struggles and support of our fellow farmers in defending the land'.

Until recently, feminism was an alien concept for her. But like so many other women farmers around Latin America, she is now a leader in the battles in her province against the spread of monoculture soy production and the displacement of small farmers.

'I think women are important in the countryside because they are braver than men,' she told Inter Press Service (IPS). 'I'm not afraid of anything. I always tell my *companeras* that without courage we won't gain a thing.'

Defining rural feminism is not an easy task for the Latin American Coordinating Committee of Rural Organisations (CLOC)-Via Campesina, which held its sixth congress on 10-17 April in Ezeiza, a district on the outskirts of Buenos Aires. But its members see it as more than just a question of gender equality.

Strengthening feminism in the rural sphere was one focus of debate in the Fifth Continent-wide Assembly of Rural Women, held during CLOC's congress, which drew 400 delegates from 18 Latin American and Caribbean nations and ended on 14 April.

Deolinda Carrizo of the National Indigenous Campesino Movement of Argentina said that in the Assembly an attempt was at least made to 'deepen those furrows'.

The term 'feminism' scares many rural women, said Rilma Roman, a delegate of Cuba's National Association of Small Farmers and one of the members of the coordinating committee of the international peasant movement Via Campesina, where half of the leaders are women, she noted.

'It scares people because many think that feminism means women on their own fighting against men, that it's two different sides,' she told IPS. 'It's practically a new subject in our debates. I think more time is needed to be able to explain it and reach a consensus.'

Carrizo said some aspects have to be explained, such as the question of sexual diversity. 'It used to be very uncommon to find transvestites revealing themselves in rural communities. There was a lot of self-repression and repression, and there still is.

'It's really hard for older people to understand that there are people with different sexual orientations. We're gradually seeing how to address the issue and how to encourage them to accept it,' she said.

The fifth assembly of rural women recognised feminism's 'historic contribution'. But in their critique of 'capitalism', which according to Carrizo causes exploitation – including gender exploitation – they focus on agrarian reform, the dispute against giant agribusiness corporations, the concentration of land ownership and water use rights, agribusiness and the mining industry, where both men and women are marginalised and excluded.

However, Marina dos Santos, of Brazil's Landless Workers Movement (MST), said women, especially in rural areas, have always been excluded the most. And they are also marginalised by public policies in the areas of health and education, she told IPS.

'Rural schools are closing in Brazil,' she said. 'Health posts, when there are any, don't have doctors, nurses or medicine. Many women in the countryside go into labour and because of the lack of hospitals and transportation, they end up dying.'

Women are also excluded when it comes to land titling or access to credit in rural areas.

'Women work the most but they are the last to have access to land and are exploited more as cheap labour. The rural exodus means men increasingly go to other parts of the country to work, and the women are left to support their families,' Santos said.

'Land first goes to men. We women who are heads of household, who have no husbands, don't stand a chance because we need to have a man as a reference,' added Luzdari Molina, with Colombia's Federacion Nacional Sindical Unitaria Agropecuaria (FENSUAGRO-CUT) rural union.

'Another particularity, in Colombia for example, is that rural women still have little formal education, because we have to take care of everything at home,' she told IPS.

The participants in the fifth assembly stressed that on top of the household and care-giving tasks, women have to produce food for the family.

'In Santiago del Estero, there are times when they have to go out to the corral to take care of the goats or cows. When the men leave [to find seasonal work in other provinces], women are left to run the household and work the land,' Carrizo said.

'Women farmers aren't recognised as workers. In my region [the Colombian department of Boyaca] we get up at 3:00 in the morning to milk the cows, clean the house, make breakfast for the farmhands, take care of our own production, and our days are just so full of work,' Molina said.

Rural women, according to Carrizo, have also historically played the role of 'guardians of the seeds', which is why they see attempts to 'privatise seeds' as 'violence'.

Another form of violence, the Argentine rural leader said, is spraying with pesticides, because it affects 'the health of our children and our own health, and causes miscarriages, malformations, and accumulation of poisons in breast milk'.

Santos also stressed that gender problems that are common among women in urban areas are even worse for rural women. She mentioned domestic violence, for example, which is a more difficult problem because the special police units for women are in the cities.

In Colombia, said Molina, 'there is no one to guarantee women the right to leave the place where they have been the victims of violence,' which prevents them from reporting domestic abuse. 'The neighbours say "I'm not getting involved, problems between a couple are worked out in bed". But when things reach an extreme, the community goes to the funeral and holds a mass to save the soul of the poor husband. It's sad but true,' she said.

The question is how to tackle these problems, which are often just seen as a normal part of life.

'In the countryside there's a lot of machismo and many women grow up with that from birth,' said Roman, from Cuba. 'There are women and men who think we want to break up families, or encourage divorce.'

For that reason, Carrizo said, 'the different cosmovisions of the people of each country should be taken into consideration.'

'Rural women in Colombia, for example, don't identify as feminists. What makes it hard for them to understand [urban women] is a question of class, that they have certain conveniences and activities that are different from their lives,' Molina said.

Carrizo said, 'Sometimes we have that concept of feminism which we have learnt, that to fight sexism you also have to take an oppressive stance. But that's not what we're trying to encourage – we want feminism to be an act of solidarity between women and men.' – *IPS* ◆

Inequality in numbers

According to the United Nations Food and Agriculture Organisation (FAO), 58 million women live in the rural areas of Latin America, representing a key element in the region's food security, preservation of biodiversity and production of healthy food.

But despite the fact that they produce half of the region's food, rural women suffer inequality on the social, political and economic fronts. Only 40% of rural women over 15 have an income of their own, and women have titles to only 30% of the land and receive only 10% of the credit and 5% of the technical assistance.

Fabiana Frayssinet/IPS

Rural women in Latin America produce half the region's food. Picture shows three generations of rural women harvesting carob pods in San Geronimo, Argentina.

VIEWPOINT

A resurgent Right

After their triumph in the British general elections in May, the Conservatives, says *Jeremy Seabrook*, are continuing with their project of dismantling 150 years of work of the labour movement, philanthropists and reformers against unbridled capitalism.

THERE has been much discussion since the election in Britain (which resulted in a small Conservative overall majority) about whether the Labour Party has now served its historic purpose. Will Labour, formed when more than two-thirds of the workers of this country were engaged in industrial production, ever come to power again, particularly now that Scotland has turned to a nationalism which is not going to be quickly reversed? [The Scottish National Party (SNP) won 56 of Scotland's 59 seats.]

This apocalyptic view of Labour is not new. Half a century ago, in 1959, after the third Conservative electoral victory in a row, the *Daily Mirror* asked whether Labour had not become redundant in the modern world. In 1978, I wrote a book called *What Went Wrong?*, which asked how the Labour movement's vision of fairness and sufficiency had become indistinguishable from capitalism's demand for permanent growth. After Margaret Thatcher won three consecutive elections in the 1980s, it was widely assumed that Labour had, once again, had its day. If it returned in 1997, the legend goes, this was because Tony Blair had captured 'the centre ground' and Labour had shed its roots and forsworn its own radical instincts.

Will the obituaries of the Labour Party prove premature once more? Manufacturing industry in Britain is now a residual activity; services – including financial services – account for three-quarters of economic activity. The party of Labour, which came into existence to challenge, even to replace, the power of capital, has been swallowed up by its enemy, so that the only ideological dispute left in a rich post-industrial country is between Conservatives and Liberals. The greatest 'radical' threat comes from a xenophobic, nationalistic Far Right.

The faltering of Labour this time is reinforced by the prolonged process of finding a successor to party leader Ed Miliband: during the four months this requires, the Conservatives have expressed their new invasion of a 'centre ground' which, even in the golden era of Thatcher, would have been seen as well to the right. While invoking their 'mandate' from the British people, triumphal and barely concealing their contempt for an electorate so easily frightened into accepting their view of the world, they have audaciously proclaimed themselves the new party of the workers, with promises to raise the minimum wage by almost a third during the term of this parliament. (They have rebranded it 'a living wage'.) At the same time, they are cutting benefits to the low-paid, which will leave a majority of those they claim to have befriended, worse off. Benefits are to be cut for people with disability, the young and asylum-seekers. Only the over-65s, of whom a great majority vote Conservative, are to be spared the rigours of further sacrifice. They have declared war on the BBC (a nest of pinko liberals), sought to reintroduce fox-hunting with dogs, and expressed their intention of withdrawing from the European Convention on Human Rights (this has been 'postponed', following dissent among Tory MPs). They are also making it harder for trade unions to go on strike: where Thatcher hit the unions by abolishing the industrial base, the new government aims to destroy public sector unions by privatising yet more of the public sector. The referendum on continued adherence to the European Union is to proceed; an institution which has also managed to alienate the Left in Britain, with its disgraceful humiliation and ideologically driven punishment of Greece.

The Conservatives appear effortlessly to have resumed their age-old role as 'natural leaders' of the country. But of course, nothing stands still in the world. Old struggles yield, new ones define themselves. Globalisation brings other actors into play. It may be that the future of Britain lies between a parochial, nostalgic nationalism, characterised by the United Kingdom Independence Party (or some version of it), which won four million votes, and the internationalism of Green parties (the Greens received 1.1 million votes), dedicated to social justice and environmental integrity which no other political formation can match. Epochal change is in the air; existing parties are perhaps no match for the issues of the age. Instead of lamenting the passing of archaic conflicts, should progressives concentrate upon defining the new ones emerging from a world of planetary overheating – both material and social – the abuse of resources, unsustainable inequality and a form of development that exacerbates it?

There is no doubt that Britain is deeply divided. The gulf between rich and poor has reverted to that of the late 19th century, but political attitudes towards this cleavage have changed dramatically. It is no longer a matter of the arrogant rich grinding the faces of the poor. Wealth has become an object of universal veneration, so that many have-nots vote for parties ostensibly against their own interests, in the hope, perhaps, that some of the wealth they do not possess may reach them if they display due deference to the rich. Today's 'possessing classes' are neither the landed interests of a traditional aristocratic ruling elite nor the class of industrialists who grew rich on the workers of the industrial heartlands of Scotland, Wales and the North. Rich now are significant cohorts of people who have 'come up from no-where', who leapt to fame through some spectacular talent – singers, actors, sportsmen and women, social celebrities, TV 'personalities', as well as entrepreneurs in the service sector who have assumed many functions formerly carried out by public bodies. Lucre has lost the epithet 'filthy', while the 'rich', no longer stinking, now exude an angelic fragrance.

This has been possible because the poor are no longer a majority, and it is now easy to mobilise vengeful majorities against those who live 'on welfare', 'state handouts', what is widely seen as the misplaced largesse of the welfare state. The political consequences of these developments cannot be overestimated, any more than can the emergence of Scottish, Welsh and English nationalisms (Ireland has its own turbulent history in this connection). These ideologies quickly occupy spaces evacuated by vanquished socialist, secular visions of social improvement and progress. It is one thing to say that the SNP is 'to the left of Labour', but what is the mystical content of 'Scottishness', shorn of the encumbrance of its English neighbour? That the exaltations of nationalism should have appeared in the heart of a sometime United Kingdom, given the damage these have wrought in Europe over time, scarcely encourages a belief that the SNP is a harbinger of equality, justice and peace.

If belief in 'social' progress has receded, this is because its place has been taken by faith in technology, considered a more reliable and tangible indicator of improvements. And indeed, the air is full of panegyrics to the technical possibilities of the future – not only the wonders of communication, but promises of longevity unheard of, miracle cures for ancient diseases, interplanetary travel, an end of pain and indefinite postponement of death. Against such miracles, who is going to be moved by such pallid social programmes as distributive justice and greater equality? Popular imagination is, it seems, more susceptible to the promises (and even the superstitions) of technology than to any dull policies of social betterment. Technology has seized the imagination of a new generation as a source of personal self-betterment; even when it does create networks and communities dedicated to social action, this is a far cry from older solidarities committed to social transformation.

The politics of fear

Although the election was conducted on a level of breathtaking superficiality, underlying it are deeper economic and social mutations. This Conservative 'coup' was achieved by 37% of the popular vote (24% of all potential electors) against a meagre 30% for the Labour opposition. The politics of fear lay at the root of this apparent endorsement of inequality, punitive policies towards the poor, the casualisation and de-securitisation of the labour force. But fear of what precisely? Not of terrorism, which scarcely figured in the election; not fear of the waves of migrants rescued or perishing in the Mediterranean, where the privileged of Europe meet the casualties of globalisation in cerulean seas running with blood and golden beaches tainted by corpses; not fear of Britain's social and moral subsidence in the world. The scare tactic of the Conservatives was the spectre of a coalition between an aggressive Scottish National Party and the mild leftish proposals of Ed Miliband, son of a Jewish Marxist refugee intellectual. The leitmotif was that Labour had 'ruined' Britain by its profligacy in government. The collapse of the global financial system had been successfully laid at Labour's door, so that to entrust 'the economy' – that fragile convalescent – to the hands of Labour and Scottish nationalists would jeopardise everything the Conservative-Liberal Democrat coalition had achieved with such pain between 2010 and 2015.

Two things impeded what might have been an even more resounding triumph for David Cameron – the European Union and immigration. In 2010, Cameron had promised to reduce immigration to 'the tens of thousands'. In the event, 2014 saw a net gain of 300,000 immigrants, most from the European Union. The theory was that by reducing the number of people 'on benefit' and compelling them to work, there would be no need to recruit foreigners for jobs British people could adequately perform. The resolve to reduce immigration went hand in hand with drastic cuts in welfare spending. This was, in theory, the economic 'miracle': if not the dead, then at least the disabled, the sick and the weak would rise from their beds and walk into work; and the number of migrants would dwindle accordingly.

The cuts were duly implemented: benefits of those who refused to comply with draconian rules for showing their readiness to work, were stopped. More than a million people had recourse to food banks and other charitable relief. Many took up a bogus 'self-employment', which led to a convenient diminution in the unemployment figures; others threw themselves on the mercy of relatives and friends. A few, declared by private companies appointed to assess their capability for work, died soon after being told they were fit. Some killed themselves. But the employment of 'immigrants', mainly from the EU, increased, ironically feeding the very 'success' Cameron claimed.

In its welfare cuts, the government astutely deployed a rhetoric of 'reform'. Now reform has a long and honourable tradition in Britain. It suggests extension of the franchise, government legislation to reduce the hours of labour, to protect people from poverty, exploitative labour and insecurity; and the greatest reform of all, which was the establishment of the welfare state. But the coalition of Conservatives and Liberal Democrats meant liberating people not from slums, misery and deprivation, but from the very institution that was to have eliminated these things. Conservative rhetoric was about delivering people from 'welfare dependency', a stultifying reliance on 'handouts', a debilitating existence on 'benefits'. They spoke the language of 'reform', but their project was precisely the dismantling of 150 years of work of the labour movement, philanthropists and reformers against the economic violence of unbridled capitalism. Theirs is a work of restoration; and now, free of troublesome Liberal Democrat partners, they can pursue this noble ambition unhindered.

In this celebration of our highest freedom, we learnt that the percentage of voters who actually went to poll was 66%; given seven million or so unregistered, this probably means that a little over 50% of those eligible actually bothered to vote. Non-voters, the dead souls of democracy, if they combined, could form a majority party. Who can say whether its policies would be more baleful than those boasting of their triumph and its illiberal, regressive and narrow prospectus?

The Conservatives were as astonished as everyone else by their own victory. Elected for alleged 'economic competence', they have been quick to indicate how they will continue to 'balance the books'. Some £12 billion more in welfare cuts were disclosed in July: they involve 13 million families losing about £300 a year, and three million losing more than £1,000. Some of the migrants perishing in the Mediterranean will be 'rescued', but none will be offered asylum in Britain. Britain will contribute nothing to the 'bailout' of Greece. A narrowing of horizons with a widening of rhetoric about Britain 'punching above its weight' has set the tone for the next five years.

The offer of 'more devolution' to Scotland is unlikely to satisfy the SNP. The promise to 'renegotiate' terms on which Britain will remain in the EU will not appease many Conservative backbenchers and may be voted down by the electorate. It is possible that the legacy of David Cameron will be a truncated United Kingdom and a mutilated Europe; an England adrift, nurtured by imperial nostalgia, and kept afloat by secretive cabals of transnational companies, banks, hedge funds and financial manipulators; Downton Abbey occupied by the gangsters of globalism. ◆

Jeremy Seabrook is a freelance journalist based in the UK. His latest book is The Song of the Shirt *(published by Navayana).*

Nazim Hikmet (1902-1963), whose 52nd death anniversary was commemorated in June, was a poet, playwright, novelist, screenwriter, director and memoirist. Although acclaimed as a giant of modern Turkish literature, he suffered, on account of his radical political views, long years in prison – an experience which he immortalised in his poetry.

Letters from a man in solitary

Nazim Hikmet

It's spring outside, my dear wife, spring.
Outside on the plain, suddenly the smell
of fresh earth, birds singing, etc.
It's spring, my dear wife,
the plain outside sparkles…
And inside the bed comes alive with bugs,
the water jug no longer freezes.
and in the morning sun floods the concrete…
The sun –
every day till noon now
it comes and goes
from me, flashing off
and on…
And as the day turns to afternoon, shadows climb the walls,
the glass of the barred window catches fire,
and it's night outside,
a cloudless spring night…
And inside this is spring's darkest hour.
In short, the demon called freedom,
with its glittering scales and fiery eyes,
possesses the man inside
especially in spring…
I know this from experience, my dear wife,
from experience…

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Sunday today.
Today they took me out in the sun for the first time.
And I just stood there, struck for the first time in my life
by how far away the sky is,
how blue
and how wide.
Then I respectfully sat down on the earth.
I leaned back against the wall.
For a moment no trap to fall into,
no struggle, no freedom, no wife.
Only earth, sun and me…
I am happy.

Translated by Randy Blasing and Mutlu Konuk

Credit: Anne-Marie Grobet

Berber women from a village in Tunisia.