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The Paris Agreement

A **small** step towards
averting climate disaster

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Editor's Note

FEW international agreements have been greeted with such widespread acclaim as the Paris Agreement on climate change. This UN climate change accord was hailed as a landmark agreement which has at last put the world on course to tackling the most critical crisis facing humanity.

The general euphoria that greeted the agreement when it was concluded in December at the UN climate change conference in Paris is understandable. After the collapse of the 2009 Copenhagen climate talks, there was apprehension that Paris might result in another debacle. As evidence continued to mount of the worsening state of the climate crisis, the urgency of securing fresh commitments to cut greenhouse gas emissions following the scheduled expiry in 2020 of existing commitments under the Kyoto Protocol had become paramount. That 1997 Protocol was the last successfully concluded climate agreement since the 1992 UN Framework Convention on Climate Change (UNFCCC) set in motion the process of international climate change negotiations.

What made the Paris Agreement even more significant was that it brought the US on board. The point is that while the US ratified the UNFCCC and even signed the Kyoto Protocol in 1998, the George W Bush administration rejected the Protocol in 2001 and refused to ratify it. The fact that the US – the world's second largest emitter of greenhouse gases – has now joined 195 other nations in adopting the new climate treaty is certainly cause for cheer.

But the price the US has exacted for its accession to the new climate treaty is a heavy one. It has been nothing less than a jettisoning of two of the defining features of the Kyoto Protocol. The first of these is the mandatory approach of the Protocol. Under the Protocol, the obligation to cut greenhouse gas emissions is mandatory and legally binding. Already in February 2002, when President Bush enunciated the US alternative to the Protocol, he made it clear that any emissions reduction, to be acceptable to the US, would have to be *voluntary*.

Under the Kyoto Protocol's underlying concept of 'common but differentiated responsibilities', the obligation to reduce greenhouse gas emissions was only on the industrialised nations, with the developing countries exempt. This differentiation between rich and poor nations, based on the historical responsibility of the former for the planet's carbon emissions, has been the major grouse of the US. In his February 2002 speech, Bush had also articulated US opposition to this differentiation by contending that 'developing nations such as China and India already account for a majority of the world's greenhouse gas emissions, and it would be irresponsible to absolve them from shouldering some of the shared obligations'.

The sustained attack by the US on these two principles bore fruit with the introduction of the concept of Intended Nationally Determined Contributions (INDCs) at the 2013 Warsaw climate conference. Under

the new framework for the global treaty, every signatory (regardless of whether it is a developed or developing country) would be obliged to outline the steps it plans to take to reduce emissions. Such voluntary national pledges, with no legal force to sanction their enforcement, were to be the bedrock of the new treaty to be signed in Paris.

Unfortunately, Paris did not prove that such an approach really works in getting nations (especially the rich ones) to undertake their fair share of the burden. While the 196 nations gathered at the conference pledged to keep the global average temperature rise to below the tipping point of 2°C (and even to attempt to limit it to 1.5°C), their INDC pledges, which will only take effect in 2020, would result (even if they are fully honoured) in a global temperature increase of 3°C or more (with some estimates suggesting a figure as high as 3.7°C). How, on the basis of these pledges, the global temperature rise is to be kept below the critical 2°C mark to save the planet is an issue that has not been squarely faced. Instead, it has been left to future conferences (the accord provides for five-yearly reviews) to sort out.

As for the general framework of the Paris Agreement, developing countries wanted an agreement that would cover not only mitigation but all elements including adaptation, loss and damage, finance, technology transfer and capacity-building too. Securing an agreement which was not mitigation-centric (the main thrust of developed-country efforts) was a win for developing countries.

However, on the issue of climate finance, i.e., the financial resources to be provided by developed countries to developing countries to assist them in mitigating and adapting to climate change, Paris proved to be a crushing disappointment. In Copenhagen, the rich countries had already pledged to mobilise \$100 billion per year by 2020. Beyond a vague suggestion that they 'intend to continue' until 2025 in pursuit of this non-legally binding target sum, the rich countries, despite their historical and continuing culpability for the climate crisis, promised no new moneys in Paris. This was a cruel blow to developing countries facing the full ravages of climate change and, in some cases, threats to their very survival.

In view of all this, claims that the Paris Agreement has set us on course to combating the problem of climate change may be premature. What we can safely say is that we have a long way to go before we can entertain such hopes.

Our cover story focuses on the Paris conference. After a broad overview of the agreement, we provide a more detailed analysis of some of its key provisions. We conclude with a report on the civil society response.

— *The Editors*

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Participants at the UN climate change conference in December celebrate the adoption of the Paris Agreement. While the Agreement marks a step forward, more drastic measures will be needed to combat the problem of climate change. 24

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Ecuador's quest for food sovereignty and land reform

Indigenous groups and social movements in Ecuador seek to translate the concept of *buen vivir* into policy.

'*ES la etica del estado* – It's the state's moral obligation,' Ecuadorian state legislator Miguel Carvajal told an audience at the National Assembly's legislative Committee for Food Sovereignty this past summer. He was referring to the importance of supporting and protecting Ecuador's small and medium-scale agricultural and livestock producers at a time when the Committee for Food Sovereignty was hosting a series of public forums in each province of Ecuador – an attempt to bring civil society leaders, representatives of indigenous communities, agricultural associations and trade unions together to debate a draft proposal for land reform in the country.

Ecuador's land reform project, known as the Ley de Tierras Rurales y Territorios Ancestrales (Rural and Ancestral Land Law), aims to replace an earlier piece of land legislation, the Ley de Desarrollo Agrario (Agrarian Development Law), which was passed in 1994. In theory, the initiative would radically transform land tenure and property rights in the Andean country. As the consultation process between indigenous communities and the National Assembly concludes, the committee is reviewing the suggestions and critiques they have received. However, questions persist about when the proposal will be approved, as well as how – and if – the state will incorporate the diversity of demands put forth by participants and broader social movements.

Via Campesina, a transnational movement of peasant organisations and NGOs, first introduced the concept of food sovereignty at the 1996 World Food Summit. As the movement has long contended, food sovereignty represents an alternative to the food security paradigm. While

Karla Pena

food security affirms each person's right to sustenance, food sovereignty goes a step further, seeking to also democratise access and control over resources like land, water and seeds.

The food sovereignty movement has been a vocal advocate of redistributive land reform in several countries of Latin America, while also championing a system of international exchange based on fair trade principles and democratised and decentralised food systems. Moreover, Via Campesina has long promoted agroecology, an ecosystem-based approach to managing agricultural systems that includes traditional forms of knowledge and practices. Each of these goals involves an overriding commitment to ethnic, racial and gender equity. However, in practice, food sovereignty remains contentious and elusive, even as countries such as Venezuela, Bolivia and Ecuador have made it a central feature of their own land redistribution projects.

'Living well'

In Ecuador, social activists have been key in institutionalising the principles of food sovereignty. They successfully advocated for the concept's inclusion in the country's 2008 Constitution, for example, and activists helped transform the ideal into national law in 2009. Since then, the Ecuadorian government has created state agencies, organised legislative committees and approved local ordinances with the goal of making food sovereignty a reality. Both national and international non-governmental organisations are also involved in promoting projects on food security,

agroecology and local food systems in the name of food sovereignty.

The concept has particular resonance in Ecuador as it's often invoked as a means towards attaining *sumak kawsay* – a Kichwa indigenous cosmovision that translates roughly to *buen vivir*, or 'to live well'. *Buen vivir* refers to an alternative framework of development focused on building a harmonistic and synergetic relationship between diverse peoples, nature and local communities, based on principles of social justice as well as more participatory forms of democracy. In 2008, the notion was also incorporated into Ecuador's Constitution.

Together, *sumak kawsay* and food sovereignty encapsulate a diverse set of demands and opportunities for bringing about alternative development policies and practices in Ecuador – and in Latin America, more broadly. Indigenous and peasant-based movement organisations such as Coordinadora Campesina-Eloy Alfaro (CNC), CONAIE, Confederacion Nacional de Organizaciones Campesinas, Indigenas y Negras (FENOCIN) and Federacion Ecuatoriana de Indios (FEI) have employed food sovereignty and *sumak kawsay* initiatives to mobilise grassroots support to gain greater access and voice in the National Assembly. In the last three years, movement leaders have also attended meetings and debated with legislators. However, as Romelio Gualan, president of CNC-Eloy Alfaro, has noted, many still worry that their participation will fall short once the land law is approved. Among the chief concerns of movements is what role – if any at all – indigenous communities and peasant associations will have in the implementation of the land law.

Thus far, the most prominent way that food sovereignty advocates have been included in land negotiations in Ecuador has been through public hearings, known as the *consulta pre-legislativa* (pre-legislative consultation) process. Created in 2012 in accordance with Ecuador's 1998 ratification of the International Labour Organisation's Convention 169, the consultation process encourages the participation of historically excluded communities – including indigenous, Afro-Ecuadorian and Montubios (an ethnic minority in the Coast) – in writing laws that could impact their collective rights. The process was implemented most recently in the drafting of the country's 2014 Water Law. It was also used to review the content of the land reform proposal and a new environmental law. To date, the Committee for Food Sovereignty has reported that at least 6,000 individuals and over 300 civil society organisations and institutions have participated in the public forums to debate and discuss the issue of land reform.

While many NGOs supported the consultation process, CONAIE, Ecuador's indigenous confederation, boycotted the land reform's *consulta* in 2015. They argued that their central demands for the 2014 Water Law were ignored, and thus were sceptical about the consultation process and the material impact that their participation would have. In particular, CONAIE has argued that a requirement forcing organisations involved in the *consulta* to register with the state excluded certain groups from participating in the process altogether.

CONAIE's refusal to participate explains the low participation numbers in forums that were held in the Amazonian region; there, forums included 50-100 participants, a far cry from similar assemblies held in other regions of Ecuador, which often included several hundred attendees.

While several participants shared specific critiques of the land reform law, most participants of the forums shared their experiences with unequal and exploitative patterns of agrarian land ownership. For example, at the public forum in Riobamba, in the

highlands of Ecuador, over 500 individuals attended, voicing their concerns in their native Kichwa language. Participants reflected on the legacies of the land tenancy systems of the mid-20th century, called *huasipungos*; they also articulated how and why previous agrarian reform efforts in the 1960s and 1970s had been so ineffective in equitably redistributing land. In Riobamba specifically, participants contended that many problems arise because *wachifundios* – small land holdings – do not qualify for state credits or subsidies.

On the northern coast of Esmeraldas province, in the town of San Lorenzo, a different narrative emerged. The participants of debates in San Lorenzo were concerned with the further expansion of African oil palm production, which has displaced hundreds of farmers and families from their ancestral territories. In the Amazon, meanwhile, participants expressed anxiety about how the state would protect the autonomy of indigenous communities as neo-extractivist development projects and urban zoning policies encroach on their access to communal lands.

In general, these public forums highlighted how the stakeholders in the *consulta* process have differing demands based on each region's unique history and geography. This raises a major question for those advocating land reform in Ecuador: Will the initiative be able to win the support – and respond to the needs – of a socially and culturally heterogeneous agrarian landscape?

Despite the spectrum of concerns facing various communities in rural Ecuador, a common thread throughout the public forums was the demand for fairer land distribution. In Ecuador, land ownership is highly unequal: Land holdings larger than 500 hectares represent less than 1% of all properties, yet account for 18% of land ownership in the Highlands and in the Coast, and 12% in the Amazon. Through these public forums, citizens have made demands for a land reform project in which the state expropriates land and redistributes it to the landless, sets limits on the amount

of land both nationals and foreigners can own, and expedites the process of land titling. As it currently stands, small landowners face significant obstacles as they seek access to land titles, which has often made it impossible for them to receive credits, subsidies and state technical assistance.

In its current form, Ecuador's land reform proposal seeks to decentralise the process of soliciting land titles to municipal governments, and would shorten the time it takes to file and receive land titles. Moreover, land left idle – and thus not serving its social or environmental function – would be subject to expropriation.

NGOs criticise the law for not including clauses that prohibit the use of genetically modified organisms or mechanisms that will empower communities to have greater autonomy in the implementation of land reform. They also argue the draft, as it currently stands, opens the door to new land markets, the expansion of flower production in the Highlands and banana production on the Coast. Despite these tensions, however, there is growing consensus among organisations and the state that land reform is long overdue in Ecuador.

What remains unclear is how these broad and heterogeneous claims to land and territory can be translated into a national law. What role will community-based organisations play in making decisions over their local food systems? And what will happen to the large-scale agricultural export producers if land reform advances? To date, the answers to these questions remain far from straightforward. The law is scheduled for approval in early 2016. The way that the state responds to civil society's demands for reform will be instructive of the opportunities and challenges facing those who seek to turn the ideals of food sovereignty and *sumak kawsay* into public policy – be it in Ecuador or elsewhere in the region. ♦

Karla Pena is a doctoral student in Development Sociology at Cornell University in the US. Her work focuses on food sovereignty, agrarian change and state-society relations in Ecuador. This article is reproduced from the website of the North American Congress on Latin America (NACLA) (nacla.org).

The next threat from climate change? Mosquito-borne Zika

As Latin America reels from the outbreak of Zika, and the World Health Organisation responds to the crisis by declaring a global state of emergency, *Brian Moench* warns that global warming will only help to spread the disease further.

A HOTTER, more humid world is already becoming a world of more serious virulent infectious diseases. West Nile, dengue fever, Chagas disease, Lyme disease, yellow fever, chikungunya, Rocky Mountain spotted fever, Rift Valley fever, Japanese encephalitis and malaria are just a few of the many infectious diseases spreading far beyond their previous geographic confines.

Global temperatures aren't the only things that broke records in 2015. The number of victims of dengue fever in Brazil reached 1.58 million, an all-time high, 20 times more than in 1990. Heat, precipitation and humidity augment the life cycle, reproduction and even biting activity of mosquitoes and other insects that carry these diseases. Even the viruses, bacteria and parasites carried by the insects can have their survivability exponentially enhanced by warmer temperatures.

In the West, where drought is the ugly twin sister of global warming, one gramme of blowing desert dust can harbour a billion microorganisms capable of spreading SARS, influenza, meningitis and foot and mouth disease. Valley fever (coccidioidomycosis), spread by fungal spores in Western dust, has seen the number of cases increase 850%, afflicting hundreds of thousands.

Many insect-borne diseases never before seen in the United States have arrived at our doorstep. One of these is a truly frightening new kid on the infectious disease block called Zika. It is spread by mosquitoes, and erupted last year in Brazil after an unusually hot and rainy El Niño summer and the worst flooding in 50 years.

One in five people infected with

Zika will develop symptoms, the most common of which are mild fever, rash, joint pain and conjunctivitis typically lasting about a week. All these other infectious diseases are bad enough, so why all the new fuss about Zika? If a pregnant mother contracts Zika, her baby can develop a freakish, devastating deformity called microcephaly – i.e., unusually small skull and brain, the result of incomplete brain development.

Panic mode

The first case of Zika in the Western Hemisphere was reported in Brazil last May. In less than eight months, Zika has infected between 500,000 and 1.5 million Brazilians. Since October, 3,530 microcephalic babies have been born in Brazil, over 24 times more than all of 2014. An explosive and terrifying epidemic is under way. Most mothers whose babies were born with the defect reported Zika symptoms during pregnancy. The virus has been isolated from placentas, amniotic fluid, and from brains of two of the babies that died from it. Brazilian health authorities state there's no question Zika is the cause. The US Centers for Disease Control and Prevention (CDC) has said, 'The evidence is becoming very, very strong of the link between the two.'

Brazil is in full-blown panic mode. The country's health ministry declared Zika a national emergency even though its connection with microcephaly is not completely understood or conclusively proven. The Brazilian government has deployed thousands of army troops and inspectors making door-to-door searches for mosquito breeding grounds like stag-

nant pools of water. Brazilian officials have even gone so far as to advise women to avoid getting pregnant if at all possible. The director of the South American Institute of Government in Health predicted 15,000 babies will be born with microcephaly in Brazil in 2016.

Zika is one immigrant we should be frightened of crossing our border. The virus has reached 14 Latin American and Caribbean countries including Mexico and Puerto Rico. The CDC has warned Zika will reach the US and there is now a confirmed case in Texas and another in British Columbia. The mosquito species that transmits the Zika virus is found throughout the world, and common in Florida and along the Mexican border.

Global warming deniers are already in a scientific no man's land, in defiance of physics, atmospheric chemistry and climate science – if not the scientific method itself. To brush off the rise in infectious diseases, they are increasingly in defiance of medical and biologic science as well.

At the top of the list of reasons to act with urgency on the climate are the public health consequences if we don't. You can add Zika, and the epidemic of microcephaly, to that long and growing list.

With every passing month, the stakes for humanity's future are rising in lockstep with temperatures and sea levels. For years, the mascot of climate change has been a polar bear stranded on a floating patch of ice. The new mascot should be the heartbreaking picture of a baby with microcephaly. ♦

Dr Brian Moench is president of Utah Physicians for a Healthy Environment. This article is reproduced from the Salt Lake Tribune (15 January 2016).

Doha 'single undertaking' not dead and is retrievable

There were claims after the December WTO conference in Nairobi that the Doha Round of negotiations (also described as the 'Doha single undertaking' as all the subjects under negotiation have to be treated as an integral whole, to be agreed on as a single package) has now been abandoned. *Chakravarthi Raghavan* takes issue with this claim.



The WTO's Nairobi Ministerial Conference (pic) adopted a declaration which reflected deep divisions between member states on the Doha Work Programme.

WHEN the WTO's 10th Ministerial Conference (MC10) ended in Nairobi on 19 December, WTO Director-General Roberto Azevedo and the Kenyan Cabinet Secretary for Foreign Affairs were beaming that they had pulled off a coup of sorts in a successful conference with a declaration and decisions (with the US and the EU acclaiming both of them).

The *Financial Times* carried a report by its World Trade Editor headlined 'Trade talks lead to "death of Doha and birth of new WTO"', while another piece had the title 'The Doha round finally dies a merciful death'. And even some columnists in Indian media have dutifully taken this as gospel and echoed it (column by Vivek Dehejia in *Mint*, 21 December).

'The report of my death was an exaggeration,' Mark Twain famously said in a cable from Europe to the Associated Press (published in the *New York Journal* of 2 June 1897).

The *FT*, which once promoted the Doha Work Programme (as the WTO's Doha Ministerial Conference of November 2001 characterised the programme of multilateral trade negotiations it launched, deciding it would be a 'single undertaking'), has for some time now declared it to be dead and advocated its formal closure – since it no longer suited the US, the EU and US-British financial interests behind the *FT* (and more recently, Japan's, after ownership of the newspaper passed from the Pearson publishing company to the Japanese

Nikkei group).

Challenging the *FT* view in a letter to the paper published on 22 December, Timothy Wise of the Global Development and Environment Institute at Tufts University in the US has said: 'In fact, Kenyan chair [of the Nairobi conference] Ms. Amina Mohamed, in her post-closure press conference, went out of her way to say quite the opposite. She was asked if this meant that the Doha round is over and new issues can be brought on to the agenda. She stated quite clearly that the language of the declaration specifically prioritised "outstanding Doha issues" and that no new issues, such as investment and public procurement, could be taken up unless all WTO members agree. She pre-

sented that language as a firewall intended to keep new issues from supplanting the many outstanding Doha issues – domestic support, manufacturing and so on.’

The Indian Commerce Minister Nirmala Sitharaman, on her return from Nairobi, has sought to reassure her domestic constituencies, including the more nationalistic party faithful, via social media by posting therein the letter from the Indian Permanent Representative to the WTO Anjali Prasad to the Director-General on India’s disagreement with parts of the Nairobi Ministerial Declaration (NMD). Some of her own party supporters in Twitter comments appeared to question its utility and asked whether it was before or after the declaration had been declared adopted.

However, newspaper headlines and social media posts aside, former trade negotiators and long-time trade observers, in comments to this writer, suggest that when the trade delegations and ambassadors return to the WTO in Geneva and begin to consider the NMD with a view to reaching consensus, they can still retrieve ground.

Behind all the hype (of the US and the EU) and the doom and gloom elsewhere, a careful reading of paragraphs 30, 31 and 34 of the NMD (see below) as published on the WTO website seems to bear out these views.

The three paragraphs suggest that neither side has walked away from Nairobi with success, but that they have merely acknowledged the stalemate and reflected the reality of their deep divides; and both sides return to Geneva to continue their fight – whether on the single undertaking’s negotiating agenda of the Doha Work Programme (DWP) or the ‘new issues’. Nor can any conditional (non-MFN) plurilateral deals (as envisaged by the US and the EU) be incorporated into the WTO treaty framework, except when there is a consensus on it at a Ministerial Conference.

True, key developing countries, particularly the major ones of Asia and Africa, have returned from Nairobi empty-handed, insofar as their efforts at rectifying the inequities of the Marrakesh accords, in particular

on agriculture, through decisions at Nairobi have not borne fruit.

While WTO Director-General Azevedo and, to some extent, Kenyan Foreign Affairs Cabinet Secretary and MC10 Chair Amina Mohamed have flaunted the various ‘decisions’ out of Nairobi on the so-called ‘deliverables’, these are not enforceable at the WTO unless and until a protocol is adopted incorporating all the results into the WTO framework and accepted by all member states.

And Brazil, which joined hands with or was a silent supporter of the US and the EU in the final days of the Nairobi negotiations, against its own G-20 group, will soon realise the wisdom of Raul Prebisch. In 1963 and 1964, around the time of the first session of the UN Conference on Trade and Development (UNCTAD I), Prebisch repeatedly advised Brazil and other Latin American countries not to view themselves as stronger or superior compared to the African and Asian countries, saying that they needed the support of the Afro-Asian groups and not the other way round, since politically Africa and Asia collectively had more clout.

It was this wisdom of Prebisch that Brazil (under President Lula and Foreign Minister Celso Amorim) remembered and understood in 2003, on the eve of the WTO’s Cancun Ministerial Conference. At that time, the US and the EU had joined hands to ditch the entire WTO agriculture reform agenda (a treaty commitment), accommodate each other’s farm subsidy programmes and prevent future competition from developing countries’ agriculture sector. Lula, Amorim and Brazil’s then Ambassador to the WTO Luiz Felipe de Seixas Correa fell back on the Prebisch advice and approached China, India and South Africa to form the G-20 alliance with some other developing countries, which tabled alternative proposals.

Recognition of the need to maintain this alliance prevailed in Brasilia and Itamaraty (the Brazilian foreign office) during the tenure of Amorim and his successor Antonio Patriota. However, on the eve of Nairobi, Brazil unilaterally abandoned the G-20

alliance to join the US and the EU, in trying to act against China and India. In time it will find this ‘a costly error’.

Upholding the single undertaking

Shorn of verbiage and self-praise of the WTO’s achievements in its 20 years of existence (virtually minuscule if not nil, vis-a-vis the developing nations and the billions of their poor and hungry), the core of the Nairobi Ministerial Declaration is in paragraphs 30, 31 and 34. And the three paragraphs merely reflect the existing deep divisions within the membership, including on the DWP and its single undertaking, where negotiations are at an impasse. There is no roadmap or agreed way forward out of Nairobi on the impasse.

The status of the DWP (the formal name of the agenda of the Doha Ministerial Declaration and the agenda of the multilateral trade negotiations launched in Doha, though since then it has acquired other names such as the Doha Development Agenda or the Doha Development Round) remains the same. However, its status as a single undertaking (legal concept) has been considerably diminished, though not altogether buried for good. There is still some scope to retrieve ground lost and uphold the single-undertaking character. The text in paragraph 31 of the NMD, notwithstanding the disagreement on that score in the text of paragraph 30, gives scope to breathe some life into the single undertaking.

Undoubtedly, there is a bit of a contradiction between paragraphs 30 and 31.

However, for the fight to uphold the single undertaking of the DWP, it is not material that paragraph 31 mentions ‘Doha issues’ rather than ‘Doha Development Agenda’ or ‘Doha Round issues’.

The real problem for developing countries is that they gave up the single most effective leverage they had in the negotiations by conceding, at the 2013 Bali Ministerial Conference, the Trade Facilitation Agreement

(TFA) as a separate accord, and agreed at Geneva in 2014 to a protocol for its incorporation into the family of WTO agreements without resolving other issues of concern to them or tying it into the single undertaking.

If developing countries don't band together now to enforce the single-undertaking nature of the mandate of the Doha Declaration, the developed countries will have managed to change the basic character of the multilateral trading system as it has been known since 1948 [when the General Agreement on Tariffs and Trade (GATT) 1947 came into being as a provisional agreement arising out of the Havana Charter].

It was rather strange and difficult to explain why, in the five-nation 'green room' discussions at Nairobi on 18-19 December, India and China seemed unable to say 'no' and to refuse to make any concessions to the US-EU, aided by Brazil, the Kenyan chair and the WTO Director-General. If China, India and South Africa at least now do not stand together and mobilise other developing countries, particularly in Asia and Africa, against the neo-mercantilist onslaughts of the US and the EU, they will have betrayed their people.

If the WTO and the multilateral trading system are allowed to take on the new 'shape' that the US, the EU and their media skills are now pushing, the major players will only pick up issues of interest to them one by one from now onwards.

If and when that happens, the legitimacy of the WTO, which it sought to establish at its second Ministerial Conference in Geneva in 1998 by claiming lineage from Havana, will also be at an end ('Birthday party that hosts didn't plan', in Chakravarthi Raghavan, 2014, *The Third World in the Third Millennium CE*, Vol. 2, pp. 183-187). And one more nail will have been hammered into the coffin of the postwar order, an order whose principal pillars in the UN Charter the US and the EU have been so busy dismantling (in their regime change interventions around the world).

A collapse of the multilateral trad-

ing system would hit the US and the EU too. For, in this 21st century, no trade and investment rights can be enforced anywhere through exercise of military power or gunboat diplomacy, unlike in the 18th and 19th centuries, but only through international accords – negotiated, concluded and implemented in good faith. At the WTO, this last has been lacking on the part of the US, the EU and the WTO secretariat acting to promote their interests rather than the interests of the membership as a whole.

Developing countries thus have to ensure that no consensus gets developed at the WTO on new issues – through taking up such issues for study or on the agenda of the WTO General Council, or through negotiations being allowed to begin at the WTO – until the successful conclusion of the DWP agenda. They also have to resist the temptation to get their issues addressed by paying a further price for them through new issues. Developing nations have since Marrakesh paid enough to the US, the EU and their coattail allies, whether in developed or developing nations.

They have to use their leverage in the various processes at the WTO in Geneva, including budget processes, to call the secretariat to order and ensure it does not continue with its partiality and advocacy role on behalf of the US.

As stated earlier, the only conclusion from paragraphs 30, 31 and 34 of the NMD is that the single undertaking is diminished, but not dead, though China, India and others have a strong fight on their hands in Geneva.

At Nairobi, Kenya's Foreign Affairs Cabinet Secretary Mohamed hyped up the benefits of the TFA and more trade, and repeatedly appealed to all those nations which have not yet done so, to ratify the TFA protocol. However, Kenya's leading newspaper, *The Daily Nation*, in an article on the Nairobi outcome, said the TFA 'would allow Africa and other developing nations to access markets in Europe and the United States. On paper, this would be a boost to the developing world, but, in reality, it is not.

Most exports from Africa are largely agricultural and raw. They hardly fetch good prices on the international market. At any rate, agricultural subsidies in the West mean products from Africa have little chance to compete in those markets. Not surprisingly, the West has resisted attempts to eliminate subsidies because they give their farmers a competitive advantage.'

As noted earlier, the developing nations have given away the leverage they had on the TFA and, as China said before Nairobi at Geneva, enabled the US and the EU 'to pocket the TFA' and walk away. However, they can withhold depositing instruments of ratification/acceptance of the TFA to prevent its coming into force until they secure their own demands and include all the results (including the decisions on the Nairobi 'deliverables') into a single protocol incorporating the outcomes of the DWP, and ensure that the two protocols are accepted by a sufficient number of members to bring them both into force.

It is a difficult task, like trying to catch an elephant by its tail, but not impossible.

Operative paragraphs

The NMD stipulates in its operative paragraphs 30-34:

'30. We recognise that many Members reaffirm the Doha Development Agenda, and the Declarations and Decisions adopted at Doha and at the Ministerial Conferences held since then, and reaffirm their full commitment to conclude the DDA on that basis. Other Members do not reaffirm the Doha mandates, as they believe new approaches are necessary to achieve meaningful outcomes in multilateral negotiations. Members have different views on how to address the negotiations. We acknowledge the strong legal structure of this Organisation.

'31. Nevertheless, there remains a strong commitment of all Members to advance negotiations on the remaining Doha issues. This includes advancing work in all three pillars of agriculture, namely domestic support,



WTO Director-General Roberto Azevedo and the Chair of the Nairobi Ministerial Conference, Kenyan Cabinet Secretary for Foreign Affairs Amina Mohamed, during proceedings at the conference.

market access and export competition, as well as non-agriculture market access, services, development, TRIPS and rules. Work on all the Ministerial Decisions adopted in Part II of this Declaration will remain an important element of our future agenda.

'32. This work shall maintain development at its centre and we reaffirm that provisions for special and differential treatment shall remain integral. Members shall also continue to give priority to the concerns and interests of least developed countries. Many Members want to carry out the work on the basis of the Doha structure, while some want to explore new architectures.

'33. Mindful of this situation and given our common resolve to have this meeting in Nairobi, our first Ministerial Conference in Africa, play a pivotal role in efforts to preserve and further strengthen the negotiating function of the WTO, we therefore agree that officials should work to find ways to advance negotiations and request the Director-General to report regularly to the General Council on these efforts.

'34. While we concur that officials should prioritise work where results have not yet been achieved, some wish to identify and discuss other issues for negotiation; others do not. Any decision to launch negotia-

tions multilaterally on such issues would need to be agreed by all Members.'

Paragraphs 30 and 31 are in effect contradictory. Paragraph 30 merely records the differences of positions and views on the Doha Development Agenda and its reaffirmation. Paragraph 31 notes that despite the differences, members are committed to 'advance negotiations on the remaining Doha issues'.

As pointed out earlier, whether the remaining issues are referred to in terms of the Doha Work Pro-

gramme, Doha Development Agenda, Doha Development Round or only as 'Doha issues' remains irrelevant. The single undertaking can end only if and when the outcomes of all the negotiations and decisions since 2001 are incorporated into a protocol for ratification and acceptance by members and the protocol is accepted by all, before any of the decisions becomes enforceable under the WTO.

In sum, as a result of the Nairobi Ministerial Declaration, the multilateral trade negotiating agenda of the Doha Work Programme as a single undertaking remains

somewhat diminished, but not dead. China, India, South Africa and other developing nations can still retrieve it and prevent any new issues from being brought onto the agenda for study or discussion, by withholding consensus in the General Council, and can block negotiations, which under paragraph 34 of the NMD need the agreement of all members. ♦

Chakravarthi Raghavan is Editor Emeritus of the South-North Development Monitor (SUNS), from which this article is reproduced (SUNS, No. 8162, 23 December 2015). SUNS is published by the Third World Network.



WTO headquarters in Geneva. The post-Nairobi discussions in Geneva will see renewed debate over the status of the WTO's Doha Work Programme.

South suffers humiliating setback at Nairobi

The 10th ministerial meeting of the World Trade Organisation held in Nairobi last December proved to be a major setback for the developing countries. *D Ravi Kanth* reports.

INDIA, China, Indonesia, South Africa and other developing countries suffered a humiliating setback at the WTO's 10th ministerial meeting in Nairobi.

The setback came after they nearly surrendered their negotiating space to the United States, the European Union and other developed countries to start the process of bringing new approaches that could eventually lead to 'graduation', several ministers and trade officials told the *South-North Development Monitor (SUNS)*.

The US, the EU and Brazil were ably assisted by the WTO Director-General Roberto Azevedo and Kenya's Cabinet Secretary for Foreign Affairs Amina Mohamed in their efforts to bring about this result and effectively close the Doha Development Agenda (DDA) negotiations on African soil.

The Nairobi Ministerial Declaration provided unambiguous language for the trans-Atlantic trade elephants to pursue their new issues. To be sure, the final paragraph (paragraph 34) of the declaration appears to leave a small chink for developing countries to mount a resistance to 'negotiations' on the new issues. The paragraph says: 'While we concur that officials should prioritise work where results have not yet been achieved, some wish to identify and discuss other issues for negotiation; others do not. *Any decision to launch negotiations multilaterally on such issues would need to be agreed by all Members.*' (Emphasis added)

The US, the EU and Brazil managed to secure a substantive agreement on agricultural export competi-



NGOs stage a demonstration in Nairobi on the occasion of the WTO Ministerial Conference. The Nairobi Ministerial Declaration that was eventually adopted provided language for the major developed countries to pursue new issues in WTO talks.

tion without having to pay for the balancing issues covering a permanent solution for public stockholding programmes for food security, the special safeguard mechanism (SSM) for facing unforeseen surges in imports of agricultural products supplied by heavily subsidising countries, and, more crucially, the reaffirmation to continue the DDA negotiations.

India and China failed to stop the aggressive push by the US and the EU, who were silently supported by Brazil, at a closed-door marathon meeting that ended on early 19 December.

The two major developing countries yielded ground on one issue after another in the so-called Nairobi 'deliverables' on agriculture that included the outcomes on export competition, SSM and public stockholding programmes for food security.

Finally, the two representatives of the developing world at the high table conceded their negotiating ground by agreeing to vague and ambiguous language that merely said work on the outstanding 'Doha' issues will continue, instead of saying clearly the remaining DDA issues.

The Nairobi Ministerial Declara-

tion (NMD) has created an ugly situation where there will be protracted battles on whether there is a mandate to pursue the DDA negotiations at all or to commence work on the outstanding issues with new approaches and new issues.

'Absolutely disappointed'

The Indian trade minister Nirmala Sitharaman

cut a sorry figure at the final concluding plenary meeting when she said, 'I'm absolutely disappointed that the ministerial declaration doesn't mention the Doha Round.'

She went on to say that some of the amendments mentioned by her were not contained in the final results. 'I was surprised that a few amendments that we have given have not gone through. I very clearly had mentioned that under cotton we shall not accept that date. 2017 is completely unacceptable to me.'

'What is the use in making such a statement when India is not able to firmly stand up to pressure from the US and seek changes in the final Nairobi Ministerial Declaration?' asked an African delegate present at the meeting.

India and China, though resisting the belligerent moves by the dominant powers, finally agreed to language on agriculture and the post-Nairobi work programme in which the WTO Director-General and his secretariat played a crucial role, said another African minister.

Despite holding marathon meetings with the US, the EU and Brazil, the two major developing countries

were unable to secure credible language, if not concrete outcomes, on the SSM and public stockholding programmes while agreeing to a substantive agreement on export competition.

More disturbingly, they let the trans-Atlantic trading partners have their say on the future negotiating function of the WTO by ensuring the entry of new approaches that could eventually terminate the existing DDA negotiating architecture based on special and differential treatment (SDT) and 'less than full reciprocity' (LTFR)-based tariff and subsidy reduction commitments in agriculture and tariff reduction commitments in industrial goods, an African trade minister lamented.

From now on, the two major developing countries will have to wage a grim battle for stopping 'graduation' – which could result in losing their SDT flexibilities and LTFR-based trade commitments.

At the concluding press conference in Nairobi, EU Trade Commissioner Cecilia Malmstrom suggested that Brussels strongly believes in 'differentiation' – suggesting that China and India cannot be treated like other developing countries despite some problems of underdevelopment in certain areas.

While the Indian minister seemed disturbed with the outcome she negotiated, the US Trade Representative (USTR) Michael Froman celebrated the final Nairobi outcome. Froman pointedly captured the shift that he along with the EU, WTO Director-General Azevedo and the conference chairperson Mohamed had brought about at Nairobi.

'As WTO members start work next year, they will be freed to consider new approaches to pressing unresolved issues and begin evaluating new issues for the organisation to consider,' he said in a statement issued by the USTR's office.

Froman's message reflects a victory for the US which has, since 2008, pushed for a change in the negotiating approaches. His deputy, Ambassador Michael Punke, gets the credit for decisively changing the entire negotiating framework by resorting to

constant diversionary tactics to shift the focus from the central farm subsidy issues in the DDA negotiations, according to several trade envoys.

Key paragraphs

The crucial paragraphs in the NMD that gave the US and the EU a decisive victory are paragraphs 30, 31 and 34.

Paragraph 30, for example, reads: 'We recognise that many Members reaffirm the Doha Development Agenda, and the Declarations and Decisions adopted at Doha and at the Ministerial Conferences held since then, and reaffirm their full commitment to conclude the DDA on that basis [language proposed by China, India, South Africa, Ecuador, Venezuela and the African Group of countries]. Other Members [the US, the EU, Japan and a handful of other countries] do not reaffirm the Doha mandates, as they believe new approaches are necessary to achieve meaningful outcomes in multilateral negotiations. Members have different views on how to address the negotiations. We acknowledge the strong legal structure of this Organisation.'

In the face of the divide between the two sides, paragraph 31 says ambiguously and vaguely: 'Nevertheless there remains a strong commitment of all Members to advance negotiations on the remaining Doha issues. This includes advancing work in all three pillars of agriculture, namely domestic support, market access and export competition, as well as non-agriculture market access, services, development, TRIPS and rules. Work on all the Ministerial Decisions adopted in Part II of this Declaration will remain an important element of our future agenda.'

Effectively, by saying 'Doha issues' and not the DDA issues, the NMD has created an ugly situation for the WTO members who will now spend their time interpreting the Nairobi mandate. They will know the debilitating/destructive effects of the NMD when they resume work in Geneva to pursue the remaining 'Doha' issues, according to a capital-based

trade official who asked not to be quoted.

The Nairobi meeting had been extended by one more day beyond the originally scheduled closing date of 18 December to enable the US, the EU, China, India and Brazil to reach an agreement on export competition that includes the elimination of farm export subsidies and diluted disciplines on export credits. It also includes best-endeavour outcomes on food aid and new disciplines on state trading enterprises. The meeting among the five also witnessed several stalemates on the night of 18 December, a source said.

The deal was ultimately reached only after India and China conceded ground on the language pushed by the US, the EU and Brazil, said several participants familiar with the meeting.

The agriculture package mentions the special safeguard mechanism for developing countries with a reference to the Hong Kong Ministerial Declaration but not the DDA negotiations. Both the SSM and the permanent solution for public stockholding programmes for food security do not have a definite timeframe. The cotton outcome for the four West African countries contains immediate elimination of export subsidies, enhanced market access and modest commitments to reduce trade-distorting domestic subsidies.

The package of issues for the least developed countries (LDCs) includes non-binding rules for preferential rules of origin and implementation of preferential treatment in favour of LDC services and services suppliers in services trade.

In short, the Nairobi ministerial meeting opened 'the road to a new era for the WTO', as claimed by USTR Froman. The future for the developing countries at the WTO remains utterly bleak as they failed to assert their priorities when push came to shove in Nairobi. ♦

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Bleak prospects for Latin America under Trans-Pacific Partnership

While the Trans-Pacific Partnership may well serve the interests of some of the world's biggest corporations, it is likely to be a disaster for the Latin American states that have become members of this free trade pact, says *Ian Gustafson*.

THE Trans-Pacific Partnership (TPP), agreed to on 5 October 2015 by the 12 participating countries, is likely to prove disastrous for the Latin American states – Chile, Mexico and Peru – that have joined the pact up to now. Multinational economic interests based in the United States have exerted extraordinary influence over the accord, inserting language that will arguably serve to damage Latin American interests.

Though the TPP has often been presented as a disinterested effort to stimulate basic economic growth and development in the Pacific Rim, the economic principles that underlie the TPP may instead serve to advance the interests of the world's leading corporations. US President Barack Obama promised in a statement that the TPP would slash over 18,000 foreign taxes that the US faces for its exports.¹ Despite being heralded as a path to prosperity for developing countries, eliminating protectionist measures in countries like Chile, Mexico and Peru could prove to be very harmful.

The great 19th-century German economist Friedrich List argued that developed countries calling for expanded free trade in less developed countries is hypocritical as well as misleading. As List put it, 'it is a very common clever device that when anyone has attained the summit of greatness, he kicks away the ladder by which he has climbed up, in order to deprive others of the means of climbing up after him.'²

Britain and the United States, which historically have been unflagging proponents of free trade for developing countries, both adopted free trade policies only after they were technologically advanced enough not



Representatives of the Trans-Pacific Partnership member states pose for a photograph after signing the agreement in Auckland, New Zealand, on 4 February. The TPP is likely to prove disastrous for the Latin American states that have joined the pact.

to need protectionist policies.³ Britain adopted free trade in the mid-19th century, while the United States eliminated its highly protectionist policies only in the early 20th century.

The unprecedented productivity gap that exists today between developed and developing countries makes high tariffs and other support for infant industries even more necessary to provide protection and foster the conditions under which today's advanced countries developed, according to Cambridge economist Ha-Joon Chang.⁴

The United States' promotion of free trade in the Trans-Pacific Partnership ignores its own history and could set a troubling course for the Latin American states involved, which will now have an even more difficult time competing in global markets. The TPP, whose 12 members represent some 40% of the global economy, pits two of the world's three

biggest economies (the US and Japan) against much smaller states in a productivity battle.⁵ It will not be a fair fight, but neither is it guaranteed that any adjustment of the free trade zone will necessarily bring economic justice to some of the poorest countries in the world.

Even the most ardent defenders of free trade ideology acknowledge that there are certain conditions under which protectionism is the better policy, conditions that are present in the Latin American countries taking part in the TPP. Economists of international trade agree that improving a country's terms of trade – the ratio of the price of goods it exports to the price of goods it imports – is unequivocally beneficial.⁶ Tariffs improve a country's terms of trade, because a tariff will lower demand for the imported good and increase demand for the now relatively less expensive domestically produced product. Latin

American states generally export lower-priced goods and thus have quite a bit to gain from improving terms of trade; the TPP hampers the potential for these gains by eliminating tariffs on goods from more developed states.

Pro-corporate regulations

Besides promising some potential macroeconomic difficulties for the Latin American countries involved, the TPP also includes provisions to allow big corporations to undertake more unrestricted and potentially predatory behaviour.

One part of the agreement that has been generating quite a bit of criticism from the left is the investor-state dispute settlement programme, or ISDS. ISDS permits companies to sue governments directly if they believe any TPP country has legislation that could restrict their potential future profits, with the hearing before a tribunal of three private sector lawyers operating under United Nations guidelines.⁷ US Senator Elizabeth Warren has argued that this provision will violate the sovereignty of individual countries' legislative bodies and provide far too much leverage for corporations.

Warren also condemned the TPP's ISDS programme for not providing adequate safeguards for impartiality. 'ISDS could lead to gigantic fines, but it wouldn't employ independent judges,' she noted. 'Instead, highly paid corporate lawyers would go back and forth between representing corporations one day and sitting in judgment the next.'⁸

The investor-state dispute settlement programme, which also exists in other trade agreements, does not directly override laws, but imposes a financial penalty for regulations that are restrictive to big business.⁹ This provides a financial incentive for states to be lax in their regulations, and will likely force smaller states to give in to corporate demands or else risk stiff financial penalties. For less developed Latin American states which do not have the discretionary government funds that some other countries do, this issue will be partic-



The Mexican port of Veracruz. By eliminating import tariffs on goods from more developed states, the TPP hampers the potential for improving the terms of trade in its Latin American member countries like Mexico.

ularly acute. Further, taxpayers will have to pay the legal defence bills when their nations decide to take on the corporate titans.

ISDS is not the only section of the Trans-Pacific Partnership that will potentially provide corporate interests with ruinous power at the expense of less developed nations. Language from the trade pact suggests that it will be far more difficult for generics to challenge brand-name pharmaceuticals abroad, and that there is a serious possibility for monopolistic competition in that industry with the passing of the TPP.¹⁰

The TPP's treatment of the pharmaceutical industry has sparked controversy because it requires eight years of data exclusivity for all prescriptions for all countries except Australia.¹¹ This lack of transparency for drug companies would make it impossible for TPP countries to make a generic version of new drugs. Language from the TPP also suggests that negotiating bulk purchases of drugs from these companies will be significantly more expensive for governments that use such bulk purchases for aid programmes and prisoners.¹²

Doctors Without Borders suggested in a press release that, 'The TPP agreement is on track to become the most harmful trade pact ever for access to medicines in developing countries.'¹³ Restriction of access to

affordable drugs will deny a fundamental human right to the poor, and could become a devastating burden for the people in the TPP's Latin American countries. Preventing generic medicines from entering the market is particularly devastating in light of the ascension of India's revolutionary generics programme that has made life-saving medicines accessible to even its poorest citizens, a model that could be implemented in Latin America if not for these regulations.

Some commentators have suggested that the TPP is at its core a geopolitical manoeuvre by the US and any economic benefit from the agreement is really a secondary consideration. There certainly is some truth to this statement. The United States is desperate to follow through on President Obama's 'pivot to Asia' and establish a foothold there to combat growing Chinese geopolitical power. The TPP provides just the vehicle for them to do so.

Many analysts agree that Obama's argument that the trade pact will be a stanchion against China's power in South-East Asia will be an effective cudgel in his efforts to get the US Congress to pass the deal.¹⁴ Another important geopolitical consideration that likely motivated US leadership in this endeavour was the tension between the US and Japan in recent decades over trade policy. The

TPP is meant to assuage any concerns that Japan, one of the US's most vital allies, might have about future trade wars with the US.¹⁵

Despite all the rhetoric that the US espouses about lifting countries out of poverty with free trade and economic union, a significant reason for the US to lead the way in establishing the Trans-Pacific Partnership was geopolitical concerns. It is manipulative for the US to involve poor Latin American countries in Washington's global political ambitions, especially when that involvement comes with a potential hit to economic health.

NAFTA's foreboding example

An illuminating example of how seemingly well-intentioned free trade agreements can end up exacerbating inequality within designated countries and unfairly benefiting US corporations, as the TPP seems poised to repeat, is the North American Free Trade Agreement (NAFTA), which was enacted in 1993 and implemented in 1994.

In the aftermath of NAFTA's inception, two million Mexican agricultural labourers lost their jobs and eight million farmers were forced to sell off their land at firesale prices.¹⁶ They simply could not compete with more technologically advanced American farming, especially in producing corn, which remained heavily subsidised in the United States. The suffering of Mexican farmers under free trade terms is a stirring example of Friedrich List's 'kicking away the ladder' thesis, and should provide a cautionary note for additional Latin American countries joining the TPP.

In fact, the World Bank's poverty headcount ratio metric for Mexico displays a higher proportion of people in poverty there today than before NAFTA's passage in the early 1990s, and inequality has widened in the country by several metrics.¹⁷ It is easy to imagine the TPP having similar results for its Latin American members.

Further, the regulations that NAFTA eliminated in Mexico had served as a valuable safety net for many poor Mexicans. Provisions of

the agreement forced the liquidation of the Compania Nacional de Subsistencias Populares (CONASUPO), or the National Company of Popular Subsistence, which for years had prevented monopoly control and price speculation to protect basic commodities and staple foods. In early 2007, a 67% increase in the price of tortillas left many impoverished Mexicans hungry and desolate without the price guarantees CONASUPO had offered.¹⁸ The ISDS portion of the TPP threatens to spell doom for protective regulations like CONASUPO that would restrict corporations from exploitative practices that would jeopardise the welfare of Latin America's poorest residents.

The Trans-Pacific Partnership's terms have only recently been fully disclosed by the participating countries, and early indications suggest that this could be a very harmful agreement for the Latin American states involved. Creating a favourable climate for business to operate in was clearly a major goal, as was slashing trade barriers to force nascent Latin American industries to compete with more developed economies. Only time will tell what the practical repercussions will be, but additional Latin American states should exercise caution while considering joining the Trans-Pacific Partnership. Certainly more profound dialogue is needed. ♦

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Companies sue developing states through Western Europe

Regional free trade agreements such as the Trans-Pacific Partnership and the US-EU Transatlantic Trade and Investment Partnership have acquired notoriety because they will, among other things, enable corporations from the contracting countries to sue governments. What is perhaps more scandalous is that some of the corporations involved may be so-called 'mailbox companies' that may not even have organic links with the contracting country in which they are supposed to be based. *Frank Mulder* highlights the mechanism in such free trade agreements – investor-state dispute settlement or ISDS – and the seamy arbitral process which make such abuse possible.

MANY Europeans fear the proposed US-EU Transatlantic Trade and Investment Partnership (TTIP) because it could enable American companies to file claims against their states. The strange thing, however, is that Western Europe is becoming a big hub in this mechanism, called investor-state dispute settlement (ISDS), leading to billion-dollar claims against poorer countries.

Imagine this: a country is in the middle of the worst economic crisis in decades. One in four people is unemployed. Tens of thousands are homeless. Four presidents have been replaced in two weeks. To halt the downward spiral, the government decides to nationalise previously privatised sectors and companies. In response, dozens of companies sue the government, because they feel disadvantaged by the new policy. The government is forced to pay hundreds of millions in financial compensation in the years after.

Surreal? It happened to Argentina after the economic crisis early this millennium. Argentina had signed dozens of bilateral investment treaties (BITs) meant to attract foreign direct investment (FDI). The treaties gave investors the right to sue the Argentine government in case of a conflict. Argentina became easy prey. With 56 claims to date, it is the most sued country in the world.

ISDS is a mechanism by which a company can sue a state without actually going to court. The investor can

bring his dispute before a panel of arbitrators, which acts as a kind of privatised court. The hearings often take place at the World Bank. Both parties appoint one arbitrator each, and these two appoint a third one, the chairman. They are usually investment lawyers. The trio then will decide if the state treated the investor unfairly and, if so, what it has to pay. There is no possibility to appeal.

The world of investment arbitration is very untransparent. After a few months' research, journalists working for the Dutch magazines *Oneworld* and *De Groene Amsterdammer* have published a number of stories about the hidden world of ISDS. The stories are accompanied by an interactive map showing all ISDS claims ever filed against a state. The database behind this map contains information about the disputes, the awards and the members of the tribunals.

What is remarkable is the rise in the popularity of ISDS. Whereas in 2000 just 15 claims were filed, in 2014 alone nearly 70 new claims came up. By 2014, there were a total of 629 ISDS cases filed. This may turn out to be even more, because not all cases are made public. The number of billion-dollar claims is growing.

Canada, the US and Mexico are on the top list of most sued states. The reason is NAFTA, the free trade agreement of which they are the members and which contains ISDS provisions. However, the US has never lost a case. If we exclude the cases won

by the state, a completely different picture emerges: Argentina, Venezuela, India, Mexico, Bolivia. In other words, developing and emerging countries. Many of these countries have now come to the conclusion that this arbitration system is unfair, or even neo-colonial.

Where do the claims originate from? In the list of home countries of investors, the US is still number one, but in the last few years they have been surpassed by Western Europe. In 2014, more than half of all claims were filed by Western European investors. Claimant country number one is the Netherlands, with more claims than the United States.

However, a closer look at the companies involved shows that more than two-thirds of all Dutch claims have actually been filed by so-called mailbox companies. They choose to settle in the Netherlands for its attractive network of investment treaties, 95 in total, which are deemed investor-friendly.

'This is known as the Dutch sandwich,' says George Kahale III, a top American lawyer who defends states in large investment cases. 'You put a Dutch holding in between, and you can call yourself Dutch. This is how the system is misused.'

In 88% of the cases, the researchers found the names of the arbitrators involved. From this a picture emerges of a highly select club of men – and two women – who are assigned time and again to judge. The top 15 arbi-

trators have been involved in a striking 63% of all cases. In 22% of the cases, two members of the top 15 were involved, which means that they have been able to make or break the case.

'This is not strange,' says Bernard Hanotiau, a Belgian arbitrator who is one of the top 15. That a few arbitrators dominate the scene, he says, is just because they are the best ones. 'If you look for lung cancer specialists in Belgium, you also end up with a small group. We are specialists.'

Yet this is problematic. After all, the arbitrators are not judges who have sworn an oath and have been appointed publicly. Most of them are commercial lawyers, who even continue to act as counsel next to their work as arbitrators. It is possible for a state to be condemned by a judge whose law firm partner is a lawyer for an investor in a comparable case. The possibility of conflicts of interest is big.

According to Kahale, this leads to too many legal mistakes. 'Their business background shines through in their decisions. Their background is commercial arbitration. The aim there is not to create correct legal precedents, but to get parties back to business again as soon as possible. Which is very bad. This is not about some little disputes, this is about multi-billion-dollar claims, about principles that are crucial for countries, many of which have just a small GDP.'

Criticism against the current system of investment arbitration is rising, as a growing number of countries decide to terminate the investment treaties behind ISDS. Not only countries like Venezuela, but also Indonesia, South Africa, Ecuador and India. Brazil is working on a model in which only states can file a claim on behalf of an investor.

Even the European countries, in their TTIP negotiations with the United States, have now decided to plead for an independent investment court, in which investment cases are handled by former judges. The Dutch government has announced it will renegotiate existing investment treaties and make it harder for mailbox companies to abuse the system.

Whether these good intentions will be translated into real policy remains to be seen. – IPS

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RIO+20 and BEYOND (Volume 1)

Reaffirming Sustainable Development Commitments

This is a compilation of Third World Network's reports on the Rio+20 intergovernmental negotiation process as well as some broad analysis of the progress that has been made in implementing the original 1992 Rio Summit commitments on sustainable development. We highlight the fact that there has been weak implementation, with considerable regression on the agreed principles and commitments by developed countries. Though the 1992 Rio Principles were ultimately reaffirmed after considerable debate, unless the regression process is arrested and progress renewed, the future for the planet and its inhabitants will be a bleak one. In Volume 2 the reports on the negotiations on Sustainable Development Goals, a major follow-up from Rio+20, are compiled.



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The hidden wealth of nations

Since the 1960s, tax havens have morphed into 'offshore financial centres' (OFCs) and expanded their roles. Apart from accumulating illicit capital (in the tax haven role), channelling this capital back onshore dressed up as foreign investment (in investment hub role) and deploying it to engage in destructive financial speculation (in OFC role), these strongholds of finance capital also serve a political function: they undermine democracy by enabling financial capture of the political levers of democratic states. *G Sampath* explains.

THIS could be a bumper year for the ever-lucrative tax avoidance industry. The 2015 final reports of the Organisation for Economic Co-operation and Development (OECD)-led project on Base Erosion and Profit Shifting (BEPS) – which refer to the erosion of a nation's tax base due to the accounting tricks of multinational enterprises (MNEs) and the legal but abusive shifting out of profits to low-

tax jurisdictions respectively – lay out 15 action points to curb abusive tax avoidance by MNEs. As a participant of this project, India is expected to implement at least some of these measures. But can it? More pertinently, does it have the political will?

The BEPS project is no doubt a positive development for tax justice. If India's recent economic history tells us anything, it is that economic growth without public investment in social infrastructure such as health care and education can do very little to better the life conditions of the majority. Which is why curbing tax evasion to boost public finance is part of the United Nations' Sustainable Development Goals (SDGs).

However, notwithstanding the BEPS project, MNEs and their dedicated army of highly paid accountants are not about to roll over and comply. Again, if past history is any indication, the cat-and-mouse game between accountants and taxmen will continue, with new loopholes being unearthed in new tax rules.



Tax havens like the Cayman Islands (pic) offer low taxes, high secrecy and little regulation.

Empowering tax dodgers

The primary cause of concern here is the quality of India's political leadership, which has consistently betrayed its own taxmen. All it takes – regardless of the party in power – is for the stock market to sneeze, and the Indian state swoons. We've seen it happen time and again: the postponement of the enforcement of General Anti-Avoidance Rules (GAAR) to 2017, and more spectacularly, on the issue of participatory notes, or P-notes.

Last year, the Special Investigation Team (SIT) on black money had recommended mandatory disclosure to the regulator, as per Know Your Customer (KYC) norms, of the identity of the final owner of P-notes. It was a sane suggestion because the bulk of P-note investments in the Indian stock market were from tax havens such as the Cayman Islands. But the markets threw a fit, with the Bombay Stock Exchange's Sensex index crashing by 500 points in a day. The

National Democratic Alliance (NDA) government, which had come to power promising to fight black money, promptly issued a statement assuring investors that it was in no hurry to implement the SIT recommendations. Given such a patchy record, what are the realistic chances of India actually clamping down on tax dodging?

Let's take, for instance, Action No. 6 of the OECD's BEPS re-

ports: it urges nations to curb treaty abuse by amending their Double Taxation Avoidance Agreements (DTAA) suitably. The obvious litmus test of India's seriousness on BEPS is its DTAA with Mauritius. By way of background, Mauritius accounted for 34% of India's foreign direct investment (FDI) equity inflows from 2000 to 2015. It's been India's single largest source of FDI for nearly 15 years. Now, is it possible that there are so many rich businessmen in this tiny island nation with a population of just 1.2 million, all with a touching faith in India as an investment destination? If not, how do we explain an island economy with a GDP less than one-hundredth of India's GDP supplying more than one-third of India's FDI?

We all know the answer: Mauritius is a tax haven. While not in the same league as the Cayman Islands or Bermuda, Mauritius is a rising star, thanks in no small measure to India's patriotic but tragically tax-allergic business elite. In *Treasure Islands:*

Tax Havens and the Men Who Stole the World, financial journalist Nicholas Shaxson notes how Mauritius is a popular hub for what is known as ‘round-tripping’. He writes, ‘A wealthy Indian, say, will send his money to Mauritius, where it is dressed up in a secrecy structure, then disguised as foreign investment, before being returned to India. The sender of the money can avoid Indian tax on local earnings.’

In other words, it appears that India’s biggest source of FDI is India itself. Indian money departs on a short holiday to Mauritius, before returning home as FDI. Perhaps not all the FDI streaming in from Mauritius is round-tripped capital – maybe a part of it is ‘genuine’ FDI originating in Europe or the US. But it still denotes a massive loss of tax revenue, part of the \$1.2 trillion stolen from developing countries every year.

What makes this theft of tax revenue not just possible but also legal is India’s DTAA with Mauritius. It’s a textbook example of ‘treaty shopping’ – a government-sponsored loophole for MNEs to avoid tax by channelling investments and profits through an offshore jurisdiction.

For instance, as per this DTAA, capital gains are taxable only in Mauritius, not in India. But here’s the thing: Mauritius does not tax capital gains. India, like any sensible country, does. What would any sensible businessman do? Set up a company in Mauritius, and route all Indian investments through it.

India signed this DTAA with Mauritius in 1983, but apparently ‘woke up’ only in 2000. India has spent much of 2015 ‘trying’ to renegotiate this treaty. But with our Indian-made foreign investors lobbying furiously, the talks have so far yielded nothing. Meanwhile, China, which too had the same problem with Mauritius, has already renegotiated its DTAA, and it can force investors to pay 10% capital gains tax in China.

Changing profile of tax havens

Tax havens such as Mauritius

thrive parasitically, feeding on substantive economies like India. Back in 2000, the OECD had identified 41 jurisdictions as tax havens. Today, as it humbly seeks their cooperation to combat tax avoidance, it calls them by a different name, so as not to offend them. The same list is now called – and this is not a joke – ‘Jurisdictions Committed to Improving Transparency and Establishing Effective Exchange of Information in Tax Matters’. Distinguished members of this club include the Cayman Islands, Bermuda, Bahamas, Cyprus, and, of course, Mauritius.

Today the function of tax havens in the global economy has evolved way beyond that of offering a low-tax jurisdiction. Shaxson describes three major elements that make tax havens tick. First, tax havens are not necessarily about geography; they are simply someplace else – a place where a country’s normal tax rules don’t apply. So, for instance, country A can serve as a tax haven for residents of country B, and vice versa. The US is a classic example. It has stringent tax laws and is energetic in prosecuting tax evasion by its citizens around the world. But it is equally keen to attract tax-evading capital from other countries, and does so through generous sops and helpful pieces of legislation which have effectively turned the US into a tax haven for non-residents (see following article).

Second, more than the nominally low taxes, the bigger attraction of tax havens is secrecy. Secrecy is important for two reasons: to be able to avoid tax, you need to hide your real income; and to hide your real income, you need to hide your identity, so that the booty stashed away in a tax haven cannot be traced back to you by the taxmen at home. So, even a country whose taxes are not too low can function as a tax haven by offering a combination of exemptions and iron-clad secrecy – which is the formula adopted by the likes of Luxembourg and the Netherlands.

Third, the extreme combination of low taxes and high secrecy brought about a new mutation of tax havens in the 1960s: they turned themselves

into offshore financial centres (OFCs). The economist Ronen Palan defines OFCs as ‘markets in which financial operators are permitted to raise funds from non-residents and invest or lend the money to other non-residents free from most regulations and taxes’. It is estimated that OFCs are recipients of 30% of the world’s FDI and are, in turn, the source of a similar quantum of FDI.

Such being the case, all India needs to do to attract FDI is to become an OFC or create an OFC on its territory – bring offshore onshore, so to speak. That’s precisely what the US did – it set up International Banking Facilities (IBFs) ‘to offer deposit and loan services to foreign residents and institutions free of ... reserve requirements’. Japan set up the Japanese Offshore Market (JOM). Singapore has the Asian Currency Market (ACU), Thailand has the Bangkok International Banking Facility (BIBF), Malaysia has an OFC in Labuan island, and other countries have similar facilities.

OFCs, as Palan puts it, are less tax havens than regulatory havens, which means that financial capital can do here what it cannot do ‘onshore’. So every major hedge fund operates out of an OFC. Given the volume of unregulated financial transactions that OFCs host, it is no surprise that they were at the heart of the 2008 financial crisis.

Apart from accumulating illicit capital (in the tax haven role), channelling this capital back onshore dressed up as FDI (in investment hub role) and deploying it to engage in destructive financial speculation (in OFC role), these strongholds of finance capital also serve a political function: they undermine democracy by enabling financial capture of the political levers of democratic states.

It is well known that political parties in most democracies are amply funded by slush funds that would not have accumulated in the first place had taxes been paid. But today, not least in the Anglophone world, global finance’s capture of the state appears more like the norm.

A lone exception seems to be Ice-

land, which began the new year on a rousing note – by sentencing 26 corrupt bankers to a combined 74 years in jail. Meanwhile in India, we continue to parrot long-discredited clichés about the need for more finan-

cial deregulation and a weird logic that mandates a smaller and more limited role for public finance. ♦

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Rothschild proves that elite bankers rule the world – by establishing billionaire tax haven inside the US

Jay Symopoulos

THE US is quickly becoming known as the new Switzerland of international banking, due to its refusal to sign on to new global disclosure standards issued by the Organisation for Economic Co-operation and Development (OECD), a government-funded international policy group.

The process of moving massive amounts of international capital from typical tax havens into the US is being driven by a familiar name in the world of international finance – Rothschild & Co.

Rothschild, a centuries-old European financial institution, manages the wealth of many of the world's most wealthy families and has been instrumental in helping move the global elite's wealth from traditional tax havens like the Bahamas, Switzerland and the British Virgin Islands to the US.

Driving the phenomenon of international capital flow into the US is its refusal to agree to the new international disclosure standards that it essentially wrote. After coercing almost 100 countries to sign on to the OECD disclosure standards, the US now refuses to become a signatory.

'How ironic – no, how perverse – that the USA, which has been so sanctimonious in its condemnation of Swiss banks, has become the banking secrecy jurisdiction du jour,' wrote Peter A Cotorceanu, a lawyer at Anaford AG, a Zurich law firm, in a recent legal journal, as cited by *Bloomberg Businessweek*. 'That "giant sucking sound" you hear? It is the sound of money rushing to the USA.'

The US Treasury Department has

proposed similar standards to the OECD's for foreign-owned US accounts, but those proposals have failed due to political and banking industry opposition.

According to *Bloomberg Businessweek*: 'For decades, Switzerland has been the global capital of secret bank accounts. That may be changing. In 2007, UBS Group AG banker Bradley Birkenfeld blew the whistle on his firm helping US clients evade taxes with undeclared accounts offshore. Swiss banks eventually paid a price. More than 80 Swiss banks, including UBS and Credit Suisse Group AG, have agreed to pay about \$5 billion to the US in penalties and fines...

'The US was determined to put an end to such practices. That led to a 2010 law, the Foreign Account Tax Compliance Act, or Fatca, that requires financial firms to disclose foreign accounts held by US citizens and report them to the IRS [the US Internal Revenue Service] or face steep penalties.

'Inspired by Fatca, the OECD drew up even stiffer standards to help other countries ferret out tax dodgers. Since 2014, 97 jurisdictions have agreed to impose new disclosure requirements for bank accounts, trusts, and some other investments held by international customers. Of the nations the OECD asked to sign on, only a handful have declined: Bahrain, Nauru, Vanuatu – and the United States.'

After opening a trust company in Reno in the US state of Nevada, Rothschild & Co. began ushering the massive fortunes of the world's most wealthy individuals out of typical tax

havens, now subject to OECD international disclosure requirements, and into the Rothschild-run US trusts, which are exempt from the international reporting requirements.

The impetus for the wealthy to put their money in the US is the promise of confidentiality, which in itself is interesting – considering how little of it Americans actually have at this point.

In an odd twist of fate, the US Treasury Department takes a very strong stand against international tax evasion – unless you put that money into a US trust account – which coincidentally is being helmed by Rothschild & Co.

The words of Andrew Penney, a managing director at Rothschild & Co., are extremely clear to international investors. In a draft for a presentation in San Francisco, Penney wrote that the US 'is effectively the biggest tax haven in the world'.

Penney, 56, is now a managing director based in London for Rothschild Wealth Management & Trust, which handles about \$23 billion for 7,000 clients from offices including Milan, Zurich and Hong Kong, according to *Bloomberg Businessweek*. A few years ago he was voted 'Trustee of the Year' by an elite group of UK wealth advisers.

For decades, Switzerland was the global capital for confidential bank accounts. But, in what seems like some kind of odd parallel universe, the US has now become one of the only countries in the world where financial advisers actually promote that accounts will remain secret from international authorities.

So let's be clear – if you are part of an international uber-elite with vast amounts of wealth you can hide that capital in the US to evade taxes, but if you are an average American citizen that refuses to pay your taxes, expect to be locked in a cage. ♦

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The Davos Club: Meet the people who gave us a world in which 62 people own as much as 3.6 billion

The global elite held its annual World Economic Forum meeting in the Swiss Alpine resort of Davos this year under the shadow of an Oxfam International report which reveals a shocking level of growing global inequality. *Vijay Prashad* comments.

GLOBAL elites meet in the remote Swiss town of Davos each year for the World Economic Forum. The conclave began in 1971, but it became an essential destination in the 1990s. When globalisation became the buzzword, Davos became its headquarters. Big business, politics and the media meet, exchange business cards and go away better connected to each other. Deals are sometimes struck, but more than anything harmony among the world's elite is established. This is what the Davos summit is intended to do, to create a Davos civilisation for the important people of the planet.

Each year, before the summit, Oxfam International publishes a report on global wealth. This year's report (see following article) came out with some shocking news. In 2010, 388 individuals owned as much wealth as half the world's people, around 3.6 billion people. The obscenity then was dramatic. Last year, the number fell to 80 human beings who own as much as 3.6 billion people. This was getting to be too much.

The data this year is even more shocking. Only 62 people own as much as 3.6 billion people. Sixty-two! Inequality has been on a steady march forward.

It is very likely that these 62 people or their representatives were at Davos. They are the core of Davos civilisation. Champagne corks will pop, caviar will drip to the floor; the wealthy have much to celebrate. Even the slowdown in China will not slow them down. The 62 make as much money in the bear market as in the bull market.

What will the 62 discuss at



Global elites meet in Davos, Switzerland, each year for the World Economic Forum's annual meeting. Picture shows participants at this year's meeting gathering for dinner on the eve of the opening.

Davos? The theme for this year is how to 'master the fourth industrial revolution'. What is the fourth industrial revolution? The first industrial revolution is seen as the move from human power to machine power in the early 19th century. By the late 19th century, science had been harnessed by industry to produce the technological or second industrial revolution. Into the mid-20th century, computers made their appearance and opened up the digital or third industrial revolution. The fourth one is about robots and mechanisation – the displacement of workers by machines.

The 62 want to figure out how to master the new revolution. Swiss bank UBS did a study of the economic impact of the fourth industrial revolution. It released its report just before Davos opened. The report suggests

that those who are already wealthy and own property are likely to gain from the fourth industrial revolution. They will 'benefit from holding more of the assets whose value will be boosted by the fourth industrial revolution', wrote the analysts from UBS.

So, the tendency to mechanisation will increase inequality, not decrease it. This theme itself was sugar in the cup for the 62. They will get richer. The poor will get poorer. That is what the analysts of the rich say.

The Davos people talk about poverty and pledge money to charity. But this is just the spare change that sits idly on their bedside tables. Talk of charity merely makes the rich feel less uneasy about their hardened morals. They are on tax strike. They refuse to put their share of wealth into the state's hands to deliver social pro-



'The rich invest in gated communities and security to protect them...'

grammes. That is anathema. Their horizon for liberalism is their miserable charity, which of course is not entirely charitable: the cheque comes with a large signpost that tells the world they are the ones who have donated the money.

The poor worry the 62. If you produce a world where the bulk of the population live in wretched conditions, they will certainly not be happy and could even get angry. If they get angry, they might rebel in ways that are not easy to control. When the slums rise up, what do the rich do? Charity is not going to hold that flood back. Which is why the rich invest in gated communities and security to

protect them, as well as security to encage entire countries that live in the belt of poverty. Which is why the world's largest employer is the US Department of Defence, with 3.2 million people on its staff.

It is also no wonder that the third largest private employer in the world is the security firm G4S. It follows Walmart and Foxxconn; Foxxconn uses Chinese labour to make cheap products, which are sold to indebted American consumers at Walmart. When there is any unrest among either the workers or the indebted consumers, G4S arrives to calm things down or to take someone to prison. G4S is growing like wildfire.



Refugees and migrants awaiting registration on the Greek island of Lesbos. 'When you don't allow people to build safe and productive lives in their own lands, they will flee for other places.'

What is the refugee crisis in the West, other than a crisis of Davos civilisation? When you don't allow people to build safe and productive lives in their own lands, they will flee for other places. They will come to your homes and ask to live like you. But what they find is that even in the West, there are islands of affluence and vast oceans of misery. Refugees flee military conflicts and aerial bombardment to arrive in places where the police resemble the military and where drones have begun to fly overhead as well. They will meet the workforce of G4S, whom they also met in their home countries. One of the topics in Davos is the use of robots in the military and policing. The days of Robocop are not far off. The 62 can trust a machine far more than they can trust a police officer, who in class terms shares more with the slum dweller than with the 62.

The Davos 62 would like to believe that terrorism and rogue states are ancient problems that can be solved by a steady dose of capitalism. They would like to imagine that what people in Iraq and Syria or North Korea most want is a mall and a credit card. But it is precisely the civilisation of malls and credit cards that reproduces inequality, forcing ordinary people to go into debt so they can buy an endless chain of commodities that were produced with pitiful wages.

When debt drives them to distraction, they are disaffected, disillusioned, in search of an alternative. Because the left is weak, that alternative has frequently been in the demagoguery of religious politics or ethnic politics. And because the rhetoric of religious and ethnic politics is undisciplined, the strategy slips hastily into violence.

Terrorism is not produced by ancient animosities, but by the social conditions of our present, the Davos civilisation that gives the world's wealth to the 62 and denies it from the 3.6 billion. —

AlterNet ◆

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62 people own the same as half the world – Oxfam

RUNAWAY inequality has created a world where 62 people own as much as the poorest half of the world's population, according to an Oxfam report published on 18 January, ahead of the annual gathering of the world's financial and political elites in Davos. This number has fallen dramatically from 388 as recently as 2010 and 80 last year.

'An Economy for the 1%' shows that the wealth of the poorest half of the world's population – that's 3.6 billion people – has fallen by a trillion dollars since 2010. This 38% drop has occurred despite the global population increasing by around 400 million people during that period. Meanwhile the wealth of the richest 62 has increased by more than half a trillion dollars to \$1.76 trillion. Just nine of the 62 are women.

Although world leaders have increasingly talked about the need to tackle inequality, the gap between the richest and the rest has widened dramatically in the past 12 months. Oxfam's prediction – made ahead of last year's Davos World Economic Forum (WEF) meeting – that the 1% would soon own more than the rest of us by 2016, actually came true in 2015, a year early.

Oxfam is calling for urgent action to tackle the inequality crisis and reverse the dramatic fall in wealth of the poorest half of the world. It is urging world leaders to adopt a three-pronged approach – cracking down on tax dodging, increased investment in public services, and action to boost the income of the lowest-paid. As a priority, it is calling for an end to the era of tax havens which has seen increasing use of offshore centres by rich individuals and companies to avoid paying their fair share to society. This has denied governments valuable resources needed to tackle poverty and inequality.

Mark Goldring, Oxfam GB Chief Executive, said: 'It is simply unacceptable that the poorest half of the

world population owns no more than a small group of the global super-rich – so few, you could fit them all on a single coach.

'World leaders' concern about the escalating inequality crisis has so far not translated into concrete action to ensure that those at the bottom get their fair share of economic growth. In a world where one in nine people go to bed hungry every night we cannot afford to carry on giving the richest an ever bigger slice of the cake.

'We need to end the era of tax havens which has allowed rich individuals and multinational companies to avoid their responsibilities to society by hiding ever increasing amounts of money offshore.'

Globally, it is estimated that super-rich individuals have stashed a total of \$7.6 trillion in offshore accounts. If tax were paid on the income that this wealth generates, an extra \$190 billion would be available to governments every year.

As much as 30% of all African financial wealth is estimated to be held offshore, costing an estimated \$14 billion in lost tax revenues every year. This is enough money to pay for healthcare for mothers and children that could save four million children's lives a year and employ enough teachers to get every African child into school.

Nine out of 10 WEF corporate partners have a presence in at least one tax haven and it is estimated that tax dodging by multinational corporations costs developing countries at least \$100 billion every year. Corporate investment in tax havens almost quadrupled between 2000 and 2014.

Allowing governments to collect the taxes they are owed from companies and rich individuals will be vital if world leaders are to meet their new goal, set last September, to eliminate extreme poverty by 2030.

Although the number of people living in extreme poverty halved between 1990 and 2010, the average annual income of the poorest 10% has

risen by less than \$3 a year in the past quarter of a century. That equates to an increase in individuals' daily income of less than a single cent a year.

Had inequality within countries not grown between 1990 and 2010, an extra 200 million people would have escaped poverty.

One of the other key trends behind rising inequality set out in Oxfam's report is the falling share of national income going to workers in almost all developed and most developing countries and a widening gap between pay at the top and the bottom of the income scale. This particularly affects women, who make up the majority of low-paid workers around the world.

By contrast, the already wealthy have benefited from a rate of return on capital via interest payments, dividends, etc that has been consistently higher than the rate of economic growth. This advantage has been compounded by the use of tax havens, which are perhaps the most glaring example set out in the report of how the rules of the economic game have been rewritten in a manner that has supercharged the ability of the rich and powerful to entrench their wealth.

Action to recover the missing billions lost to tax havens needs to be accompanied by a commitment on the part of governments to invest in healthcare, schools and other vital public services that make such a big difference to the lives of the poorest people.

Governments should also make sure that work delivers an acceptable standard of living for those at the bottom as well as for those at the top – including moving minimum wage rates towards a living wage and tackling the pay gap between men and women.

Goldring added: 'Ending extreme poverty requires world leaders to tackle the growing gap between the richest and the rest which has trapped hundreds of millions of people in a life of poverty, hunger and sickness.'

'It is no longer good enough for the richest to pretend that their wealth benefits the rest of us when the facts show that the recent explosion in the wealth of the super-rich has come at the expense of the poorest.' – Oxfam

The heavy price of economic policy failures

As the world economy falters and economic growth slows down, a host of explanations which locate the problem outside the economic system are being offered. *Jayati Ghosh* argues that such explanations evade the fact of the failure of the traditional economic policy model and that there are alternatives to it.

A LOT of the media discussion on the global economy nowadays is based on the notion of the ‘new normal’ or ‘new mediocre’ – the phenomenon of slowing, stagnating or negative economic growth across most of the world, with even worse news in terms of employment generation, with hardly any creation of good-quality jobs and growing material insecurity for the bulk of the people.

All sorts of explanations are being proffered for this state of affairs, from technological progress, to slower population growth, to insufficient investment because of shifts in relative prices of capital and labour, to ‘balance sheet recessions’ created by the private debt overhang in many economies, to contractionary fiscal stances of governments that are also excessively indebted.

Yet these arguments that treat economic processes as the inevitable results of some forces outside the system that follow their own logic and are beyond social intervention, are hugely misplaced. Most of all, they let economic policies off the hook when attributing blame – and this is massively important because then the possibility of alternative strategies that would not result in the same outcomes is simply not considered.

In an important new book (*Failed: What the ‘experts’ got wrong about the global economy*, Oxford University Press, New York, 2015), Mark Weisbrot calls this bluff effectively and comprehensively. He points out that ‘Behind almost every prolonged economic malfeasance there is some combination of outworn bad ideas, incompetence and the malign influence of powerful special interests’ (p. 2). Unfortunately, such night-



The European Central Bank building in Frankfurt. Design flaws in the European monetary union meant that the ECB did not behave like a real central bank to all the member countries during the eurozone crisis.

mares are prolonged and even repeated in other places, because even if the lessons from one catastrophe are learnt, they are typically not learnt – or at least not taken to heart – by ‘the people who call the shots’.

The costs of this failure are indeed huge for the citizenry: for workers who face joblessness or very fragile insecure employment at low wages; for families whose access to essential goods and social services is reduced; for farmers and other small producers who find their activities are simply not financially viable; for those thrown by crisis and instability into poverty or facing greater hunger; for almost everyone in the society when their lives become more insecure in various ways. Many millions of lives across the world have been ruined because of the active implementation of completely wrong and unnecessary economic policies.

Yet, because the blame is not apportioned where it is due, those who are culpable for this not only get away

with it, but are able to continue to impose their power and their expertise on economic policies and on governing institutions. For them, there is no price to be paid for failure.

Weisbrot illustrates this with the telling example of the still unfolding economic tragedy in the eurozone. He describes the design flaws in the monetary union that meant that the European Central Bank (ECB) did not behave like a real central bank to all the member countries, because when the crisis broke in 2009-10 it did not behave as a lender of last resort to the countries in the European periphery that faced payment difficulties. Instead, the most draconian austerity measures were imposed on these countries, which simply drove these countries further into economic decline and made their debt burdens even more burdensome and unpayable.

It took two years of this, at a point when the crisis threatened to engulf the entire EU and force the monetary

union to collapse, for the ECB Governor Mario Draghi to promise to 'do whatever it takes to save the euro'. And then, when the financial bleeding was stemmed, it became glaringly evident that the European authorities, and the ECB, could have intervened much earlier to reduce the damage in the eurozone periphery, through monetary and fiscal policies. In countries with their own central banks, like the US and the UK, such policies were indeed undertaken, which is why the recovery also came sooner and with less pain than still persists in parts of Europe.

Why could this not have been done earlier? Why were the early attempts at restructuring Greek debt not more realistic so as to reduce the debt levels to those that could feasibly be repaid by that country? Why was each attempt to solve the problem so tardy, niggardly and half-hearted that the problem progressively got worse and even destroyed the very fabric of social life in the affected countries? Why was the entire burden of adjustment forced upon hapless citizens, with no punishment for or even minor pain felt by the financial agents who had helped to create the imbalances that resulted in the crisis?

Weisbrot notes that this entire episode 'should have been a historic lesson about the importance of national and democratic control over macroeconomic policy – or at the very least, not ceding such power to the wrong people and institutions' (p. 4). Unfortunately, the opposite seems to be the case, with the lessons being drawn by the media and others still very much in terms of blaming the victim. Indeed, Weisbrot makes an even stronger point, that this crisis was used by vested interests [including those in the International Monetary Fund (IMF)] to force governments in these countries to implement economic and social reforms that would otherwise be unacceptable to their electorates.

The significance of vested interests – finance and large capital in particular – in pushing economies to the edge to force neoliberal reforms that operate to their favour, has been noted

in many countries before, especially developing countries facing IMF conditionalities. The standard requirements: fiscal consolidation led by budget cuts in pensions, health and social spending; reductions in public employment; making labour markets more 'flexible' by effectively reducing labour protection; cutting subsidies that benefit the poor like food subsidies while providing more tax cuts and other fiscal incentives to the rich, etc.

Weisbrot notes that such policies are neither necessary to emerge from a crisis (in fact in most cases they are counterproductive) nor are they conducive to long-term development. He provides concrete examples of countries that did things very differently, and were successful as a result. The most important such example he provides is that of China, a country that systematically followed a state-led heterodox strategy for industrialisation, with the state controlling the banking system and a huge role for state-owned enterprises. The unorthodox policies it followed brought about the fastest growth in history, lifted hundreds of millions of Chinese people out of poverty and also pulled along other developing countries because of its rapidly growing demand for imports.

Weisbrot identifies other successful examples of heterodox policies that helped countries to emerge from crisis and improve living standards for their people, such as Argentina in the mid-2000s and a range of other explicitly progressive governments in Latin American countries that followed alternative approaches to increase wage incomes and formal employment through active state intervention.

One important reason they were able to implement unorthodox economic policies was the relative decline in the power of the IMF in this period. Weisbrot argues that the IMF began to lose influence in the wake of the Asian crisis of 1998, when it so clearly got both its assessment of the problem and its proposed solutions completely wrong. The geopolitical and economic changes that this loss

of IMF influence enabled were hugely beneficial for the citizenry in these countries – and point to the huge costs still being paid by those forced to live under neoliberal economic orthodoxy.

Weisbrot ends his book on a positive note (other than for the eurozone, where he forecasts continued pain for the near future). He believes that 'in the developing world, economic policy and the rate of increase of living standards are likely to show improvement in the foreseeable future' (p. 236). This is largely because of his belief that the existing multilateral arrangements and institutions that forced orthodox policies upon developing countries will continue to decline, and they will have freedom and ability to pursue heterodox policies that served them well in the recent past.

Unfortunately, this belief now seems over-optimistic. In the past year we have witnessed 'emerging markets' in retreat as global finance has pulled out of them, and the reinforcement of institutions and arrangements (in trade and investment treaties and other financial agencies) designed to dramatically reduce the autonomy of national policymaking. We are seeing political changes in several countries that suggest a renewed dominance of neoliberal market-driven economic approaches that privilege the interests of large capital. And even in China, there are signs of confusion, as the growth process runs out of steam, with recent moves towards more financial liberalisation that could have huge implications in terms of future viability of independent economic strategies.

This is somewhat depressing, but it makes Weisbrot's main argument even more important and compelling. The standard economic policy model fails, and the costs of such failure are huge – so it is critically important for more people across the world to be aware of them and to demand that their governments opt for more democratic and just economic strategies. ♦

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At long last, a climate change agreement

After a fortnight of protracted and tense negotiations in December, the United Nations climate talks in Paris finally resulted in an accord. While it offers a glimmer of hope in tackling the critical problem of global warming threatening planetary survival, the new climate treaty fails to impose legally binding obligations on developed countries to curb carbon emissions to limit global temperature rise below the critical threshold of 2°C and to provide financial assistance necessary for developing countries to meet the challenges of climate change. *Gurdial Singh Nijar* appraises the Paris Agreement.

PERHAPS the newly minted climate change agreement will immortalise Paris as the 1942 Humphrey Bogart movie did Casablanca. This city of love delivered where Copenhagen and others failed. On 12 December, after two weeks of intense and often rancorous overnight negotiations, the French presidency overseeing the negotiations at the 21st meeting of the Parties to the UN Framework Convention on Climate Change gavelled the Paris Agreement.

It took four years to realise the 2011 Durban mandate to craft this legally effective document to enhance the implementation of the Convention. It could not have come any earlier.

Scientists have long warned that fossil fuel burning has to be cut. Otherwise the global warming the carbon emissions cause would see the manifold increase of even greater calamities and havoc and destroy the world as we know it. Melting glaciers will swallow small island states, and threaten agriculture and food security.

The emissions have been accumulating since the developed world embarked on the Industrial Revolution beginning in the 1700s, burning fossil fuels to produce energy to power their prosperity.

A compass

To be sure, the Paris Agreement is not an instant panacea for global warming. It will only come into ef-



The UN climate change conference in December adopted the Paris Agreement to tackle global warming.

fect if 55 countries representing 55% of the world's present-day emissions of greenhouse gases ratify it. And it will enter into force only in 2020.

But it has perhaps provided a compass, a future direction, to render Mother Earth more – not less – habitable. And slow down the calamities that we see increasing in both frequency and space.

What does the Paris Agreement require? Firstly, it requires average global temperature rise to be kept to well below 2°C above pre-industrial levels – with a future target of 1.5°C. Developed countries – historically responsible for the accumulated carbon in the atmosphere – have to do more and lead the way. They are also

to provide finance and other means (technology and capacity-building) to assist developing countries to switch to renewable energy sources. Otherwise the economic growth of developing countries could be adversely affected in a major way, impairing their efforts to eradicate poverty and develop sustainably.

Secondly, all countries must provide their nationally determined contributions for mitigation (reducing emissions) and adaptation, with developed countries providing more ambitious absolute economy-wide targets; developing countries can choose the sectors in which to reduce emissions.

Thirdly, developed countries

Photo by IISD/Kiara Worth (www.iisd.ca/climate/cop21/enb/5dec.html)

must also indicate the support they are going to provide. An amount of \$100 billion per year until 2025 has been agreed to in an accompanying decision. After that it will be enhanced further as agreed.

Fourthly, all countries are to provide information to ensure that they have followed through with their commitments – in mitigation and adaptation. Developed countries must also inform of the support they have provided to developing countries, which in turn must inform of the amount received. A global stocktake is also planned to assess the collective progress towards achieving the temperature target. This will be done every five years beginning from 2023. This will inform the efforts by countries to update and enhance their individual targets.

Developing-country measures

Developing countries must now embark on fulfilling their obligations to reduce carbon emissions by a plethora of ways. Basically they have to reduce reliance on fossil fuels for the production of energy and switch steadily to renewables such as solar and wind power. They will need to accelerate research and investment in technologies that reduce reliance on fossil fuels. They should also institute other measures such as reducing the use of cars (through wider use of pub-



Children play at a plaza flooded with seawater in Funafuti, the capital of Tuvalu. Small island states like Tuvalu are under increasing threat from rising sea levels caused by climate change.

lic transport, for example) and altering consumption and lifestyle patterns – through regulatory as well as softer incentivised schemes.

Consonant with the Paris Agreement, it is imperative that developed countries provide financial support, primarily through a key channel for climate finance – the Green Climate Fund – to achieve the ‘conditional’ mitigation and adaptation targets set out in the developing countries’ Intended Nationally Determined Contributions (INDCs), and to fund access to expensive Northern-owned technologies for the gradual switch to renewables.

Past experience shows that the money may not be readily forthcoming. A 2010 Cancun decision requiring developed countries to provide \$100 billion a year up to 2020 has yielded only a paltry \$10 billion to date!

There are wider concerns. The Paris Agreement does not place any serious, ambitious and binding restrictions on the developed countries to reduce emissions. This sanctions their continuing appropriation of the global commons and ignores their historical responsibility for creating the problem of global warming in the first place.

The future also looks bleak for developing countries. Because their access to adequate carbon space has shrunk significantly, the energy costs for their development will rise.

So unless the cumulative emissions limit – especially of developed countries – is addressed seriously, there is little prospect of limiting global warming to below the 2°C threshold, let alone the 1.5°C aim of the Paris Agreement. The price for this will be paid by the vulnerable populations across the planet, the bulk of which are in the developing world. ♦

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Workers install solar panels at a power station in Jiangsu, China. Developing countries have to reduce reliance on fossil fuels for the production of energy and switch steadily to renewables such as solar power.

The climate change battle in Paris

In this analysis of the Paris climate change conference, *Meena Raman* highlights some of the main issues which featured at the conference and the key provisions of the accord that emerged.

THE Paris Agreement adopted by the 21st Conference of the Parties (COP 21) to the United Nations Framework Convention on Climate Change (UNFCCC) on 12 December was the outcome of major battles on a multitude of issues, especially between developed and developing countries.

Developing countries by and large had the following negotiating objectives: (a) defend the Convention and not let it be changed or subverted; (b) ensure that the Agreement is non-mitigation-centric, with all issues (including adaptation, loss and damage, finance and technology, besides mitigation) addressed and in a balanced manner; (c) ensure that differentiation in all aspects is reflected, with the principles of equity and common but differentiated responsibilities (CBDR) and respective capabilities; (d) ensure that developed countries enhance the provision of finance and technology transfer; (e) ensure that 'loss and damage' is recognised as a separate pillar apart from adaptation; and (f) legally binding provisions, especially on the developed countries.

The United States and allies (especially those under the so-called Umbrella Group) wanted the opposite. They mounted an onslaught on the Convention, seeking to weaken the provisions and their obligations; wanted to redefine differentiation so as to blur the different obligations of developed and developing countries; and sought a legal 'hybrid' (in terms of what clauses are and are not legally binding), mainly to suit the US administration's relations with the US Congress which is hostile to the climate change issue.

COP 21 was thus a battleground that involved an onslaught (with both defensive and offensive interests) of the US and its allies versus the resistance and offensive by the developing-country Group of 77 (G77) and China,



With UNFCCC Executive Secretary Christiana Figueres beside him, COP 21 President and French Foreign Minister Laurent Fabius gavels the adoption of the Paris Agreement. The Agreement represents an international accord to enhance individual and collective actions to avert climate catastrophe.

and especially the Like-Minded Developing Countries (LMDC) that had comprehensive negotiating positions and a well-operating machinery.

A major concern was how the French presidency of COP 21 would behave in light of the polarised positions.

Towards the end, an important meeting took place between the LMDC and the French presidency (who were crafting the final compromise) during the night of 11 December, where the LMDC presented its 'super-redlines'. These included that the purpose of the Agreement is to enhance the implementation of the Convention in accordance with the principles and provisions of the Convention; reflection and operationalisation of equity and CBDR across all elements; clear differentiation between developed and developing countries on mitigation efforts; and commitment by developed countries on provision of finance, technology transfer and capac-

ity-building, with no transfer or extension of obligations to developing countries to provide finance.

The LMDC conveyed the message that, with 30 countries in its grouping representing more than 50% of the population of the world and 70% of the poor, it wanted the COP to be a success but the outcome must be balanced and not depart from its super-redlines. In the end, the French took the LMDC points and got the US to agree.

The COP 21 presidency was generally viewed as playing a fair and difficult role in securing a delicate and balanced outcome, except for an incident in the final plenary of the conference that somewhat marred the process.

This was the 'should incident' where the US wanted the word 'shall' to be replaced with 'should' in Article 4.4 of the Agreement relating to the mitigation efforts of Parties. The US wanted developed and developing countries to be treated in a like

Photo by IISD/Kiara Worth (www.iisd.ca/climate/cop21/enb/12dec.html)

manner legally, when the original version referred to 'shall' for developed countries and 'should' for developing countries. Instead of the issue being raised from the floor of the plenary, the US request was accommodated by the COP presidency through what was termed a 'technical correction' and 'shall' was then replaced with 'should' and read out by the secretariat. This was viewed with dismay by some LMDC delegations, but as there was no formal objection, the US-inspired amendment stood.

Another incident was when the Nicaraguan delegation raised its flag to speak in the final session of the Paris Committee that approved the Paris Agreement but it was ignored by the Chair. After the agreement had been passed, to be forwarded to the COP to be adopted, the Nicaraguan minister made a strong statement protesting against his being ignored.

Highlights of the Paris Agreement

To understand the COP 21 outcome, it is important to reflect on the key clauses of the Paris Agreement and the decision that adopted it. Below is an initial assessment of the issues that form the context of the clauses, and the final outcome, with an assessment as to whether the views of developed or developing countries (or both) prevailed.

Given that the Agreement is a new legal instrument, it will have to be ratified by Parties for it to come into effect. It will enter into force after at least 55 Parties to the Convention, accounting for at least an estimated 55% of the total global greenhouse gas emissions, have deposited their instruments of ratification or acceptance. (The Agreement is expected to come into effect post-2020.)



Representatives of the Like-Minded Developing Countries (LMDC) in discussion on the final day of COP 21. The LMDC had comprehensive negotiating positions and a well-operating machinery at the Paris conference.

Photo by IISD/Kiara Worth (www.iisd.ca/climate/cop21/enb/12dec.html)

The Agreement (12 pages) was adopted as an annex of a COP 21 decision (19 pages).

Purpose of the Agreement (Article 2)

Article 2 of the Agreement states in paragraph 1: 'This Agreement, in enhancing the implementation of the Convention, including its objective, aims to strengthen the global response to the threat of climate change, in the context of sustainable development and efforts to eradicate poverty, including by:

- (a) Holding the increase in the global average temperature to well below 2°C above pre-industrial levels and to pursue efforts to limit the temperature increase to 1.5°C above pre-industrial levels, recognising that this would significantly reduce the risks and impacts of climate change;
 - (b) Increasing the ability to adapt to the adverse impacts of climate change and foster climate resilience and low greenhouse gas emissions development, in a manner that does not threaten food production;
 - (c) Making finance flows consistent with a pathway towards low greenhouse gas emissions and climate-resilient development.'
- Paragraph 2 states that 'This

Agreement will be implemented to reflect equity and the principle of common but differentiated responsibilities and respective capabilities [CBDR-RC], in the light of different national circumstances.'

The purpose of the Agreement was a major area of contention between developed and developing countries. In the four years of negotiations, the common refrain of developing countries under the G77 and China was for the Agreement not to 'rewrite, replace or reinterpret the Convention'. The G77 and China, including its sub-groupings especially the LMDC and the African Group, constantly stressed that the purpose of the Agreement is to enhance the implementation of the Convention on the elements of mitigation, adaptation, finance, technology transfer, capacity-building, and transparency of action and support.

Developed countries, on the other hand, appeared to focus more of their attention on the 'objective' of the Agreement, which was perceived by developing countries as a mitigation-centric approach linked only to the temperature goal, with an attempt to weaken the link to the Convention provisions and the obligations of developed countries under the Convention, especially on the means of implementation (finance, technology transfer and capacity-building).



Developing countries have held that developed countries should take the lead in carbon emission reductions, given their historical emissions.

Hence, the reference to ‘enhancing the implementation of the Convention’ is seen as a positive win for developing countries.

Although the goal of limiting temperature rise to well below 2°C above pre-industrial levels is clear, reference to the pursuit of efforts to limit the increase to 1.5°C is seen as a major victory for many developing countries, especially the small island developing states, the least developed countries, African countries and the countries of ALBA (Bolivarian Alliance for the Peoples of Our America, which comprises several Latin American and Caribbean states).

Developing countries also wanted the focus to also be on adaptation and finance and to ensure that the global response is in ‘the context of sustainable development and efforts to eradicate poverty’.

Several senior developing-country delegates did express their unhappiness over the reference in Article 2.1(c) of the Agreement to ‘finance flows’ rather than to the provision of financial resources from developed to developing countries, the commitment language of the Convention.

A major win for developing countries is Article 2.2, which states that the Agreement will be implemented to reflect equity and the principle of CBDR-RC, in the light of different national circumstances.

A key issue throughout the negotiations before and at COP 21 was

whether and how the principle of CBDR-RC will be operationalised in all the elements of the Agreement. Developed countries had been insisting that the agreement must reflect the ‘evolving economic and emission trends’ of countries in the post-2020 timeframe, while developing countries continued to argue that given the historical emissions of developed countries, developed countries continue to bear the responsibility in taking the lead in emission reductions and in helping developing countries with the provision of finance, technology transfer and capacity-building as provided for under the UNFCCC.

At COP 20 in Lima in 2014, where the issue of differentiation was also hotly contested, Parties underscored their commitment to reaching an ambitious agreement in Paris that reflects the principle of CBDR-RC, in light of different national circumstances. This was eventually the ‘landing zone’ arrived at in the Paris Agreement.

Nationally determined contributions (NDCs) (Article 3)

Article 3 states: ‘As nationally determined contributions to the global response to climate change, all Parties are to undertake and communicate ambitious efforts as defined in Articles 4, 7, 9, 10, 11 and 13 with the view to achieving the purpose of

this Agreement as set out in Article 2. The efforts of all Parties will represent a progression over time, while recognising the need to support developing country Parties for the effective implementation of this Agreement.’

Article 3 symbolises the ‘battle’ over the nature of the agreement to ensure that the NDCs are not viewed only as being mitigation-centric (Article 4 refers to the element of mitigation, Article 7 to adaptation, Article 9 to finance, Article 10 to technology development and transfer, Article 11 to capacity-building and Article 13 to a transparency framework for action and support).

The LMDC was the major proponent for all Parties to regularly prepare, communicate and implement their intended NDCs (INDCs) towards achieving the purpose of the Agreement. It also proposed that INDCs will represent a progression in light of Parties’ differentiated responsibilities and commitments under the Convention.

It was an uphill task during the negotiations to get developed countries to see the viewpoint of the LMDC in this regard. The proposal was to ensure that the contributions of Parties are viewed in a comprehensive manner, reflecting the respective obligations they have under the provisions of the Convention, and not to confine the contributions only to mitigation as desired by the developed countries.

Mitigation (Article 4)

The following paragraphs of Article 4 are among the main highlights in relation to mitigation:

‘1. In order to achieve the long-term temperature goal set out in Article 2, Parties aim to reach global peaking of greenhouse gas emissions as soon as possible, recognising that peaking will take longer for developing country Parties, and to undertake

rapid reductions thereafter in accordance with best available science, so as to achieve a balance between anthropogenic emissions by sources and removals by sinks of greenhouse gases in the second half of this century, on the basis of equity, and in the context of sustainable development and efforts to eradicate poverty.

‘2. Each Party shall prepare, communicate and maintain successive NDCs that it intends to achieve. Parties shall pursue domestic mitigation measures, with the aim of achieving the objectives of such contributions.’

The US was against any reference that each Party shall implement the NDCs that it has communicated, as this would make it an obligation for the US and others to implement the emissions reduction target communicated. To accommodate the US ‘problem’, all Parties have to do is to ‘pursue domestic mitigation measures, with the aim of achieving the objectives of such contributions.’ What this means is that there is an obligation to take the measures necessary, *with the aim of achieving* the emissions reduction target, but not to achieve the target itself.

‘3. Each Party’s successive NDC will represent a progression beyond the Party’s then current NDC and reflect its highest possible ambition, reflecting its common but differentiated responsibilities and respective capabilities, in the light of different national circumstances.’

‘4. Developed country Parties should continue taking the lead by undertaking economy-wide absolute emission reduction targets. Developing country Parties should continue enhancing their mitigation efforts, and are encouraged to move over time towards economy-wide emission reduction or limitation targets in the light of different national circumstances.’

Article 4.4 was another major paragraph of contention between developed and developing countries. Many developing countries wanted the nature of the mitigation efforts to be differentiated between developed and developing countries, reflecting the existing provisions of the Convention that are based on historical re-

sponsibility and CBDR.

The US and its allies in the Umbrella Group were opposed to any form of differentiated efforts, preferring that Parties ‘self-differentiate’ among themselves, while recognising that those who have undertaken absolute emission reduction targets before should continue to do so in the post-2020 timeframe.

While this paragraph continues to provide the policy space for developing countries in undertaking any type of enhanced mitigation efforts (including relative emission reduction targets which are economy-wide and non-economy-wide actions), over time, developing countries will have to move to economy-wide targets, in light of their different national circumstances.

The term ‘over time’ is not precisely defined and there is also no reference that developing countries have to undertake ‘absolute’ emission reduction targets, which was what developed countries and some developing countries were pushing for during the negotiations.

Adaptation (Article 7)

In paragraph 1 of Article 7, Parties agreed to ‘establish the global goal on adaptation of enhancing adaptive capacity, strengthening resilience and reducing vulnerability to climate change, with a view to contributing to sustainable development and ensuring an adequate adaptation response in the context of the temperature goal referred to in Article 2’.

Developing countries had been pushing for a long-term goal or vision on adaptation to ensure that there is parity between adaptation and mitigation and to avoid having only a mitigation-centric goal linked to the temperature goal. This goal also links the adaptation response to the temperature goal.

In relation to the global goal on adaptation, developing countries had during the negotiations proposed ‘an assessment of the adequacy of support’ from developed countries to developing countries as well as the ‘recognition of increased adaptation needs

and associated costs in the light of mitigation efforts...’.

What eventually found its way to the adaptation section (in paragraph 14 of Article 7) is reference to a global stocktake (in Article 14 – see below) which states that the stocktake ‘shall ... review the adequacy and effectiveness of adaptation and support provided for adaptation’ as well as ‘review the overall progress made in achieving the global goal on adaptation...’.

According to paragraph 3, ‘the adaptation efforts of developing country Parties shall be recognised...’, with the modalities to be developed for such recognition.

Developing countries during the negotiations wanted to ensure that the adaptation efforts they are undertaking with or without international support are recognised as their contribution to climate action.

Loss and damage (Article 8)

One major victory for developing countries is the recognition of ‘loss and damage’ in a separate article in the Paris Agreement, distinct from ‘adaptation’. Developing countries had been arguing very hard for ‘loss and damage’ to be separately recognised.

(The term ‘loss and damage’ refers broadly to the entire range of damage and permanent loss associated with climate change impacts in developing countries that can no longer be avoided through mitigation or adaptation.)

The anchoring of ‘loss and damage’ as a distinct article in the Agreement came at a costly price, however, when a deal was made behind closed doors between the US, the European Union and some small island developing states and least developed countries in the final hours prior to the draft agreement being released to Parties for consideration and adoption.

The compromise reached is found in paragraph 52 of the COP 21 decision text, which provides that Parties agree ‘that Article 8 of the Agreement does not involve or provide a basis for any liability or com-

pensation’.

According to one source, the deal was between the US, the EU and five small island states. It seems that most developing countries were completely unaware of the deal being done. The deal might have also been linked with getting the reference to 1.5°C into Article 2.1(a) of the Agreement.

According to several experts who have been following the UNFCCC negotiations, the clause in paragraph 52 on exclusion of liability and compensation does not preclude financial resources from being allocated to developing countries seeking funds to address the adverse impacts related to loss and damage.

Finance (Article 9)

Prior to the final outcome in the Paris Agreement, the thrust of the developed countries’ position on the issue of finance was to increase the scope of countries – to include developing countries – who should be ‘donors’ of climate finance. This was sought to be achieved by proposing provisions in the text that call for ‘all Parties in a position to do so’ to provide financial resources or that the mobilisation of climate finance is a ‘shared effort’ of all Parties.

The key paragraphs on finance which were eventually agreed to include paragraph 1 of Article 9: ‘Developed country Parties shall provide financial resources to assist developing country Parties with respect to both mitigation and adaptation in continuation of their existing obligations under the Convention.’

This paragraph continues to ensure that developed countries are not absolved from their existing financial commitments under Articles 4.3 and 4.4 of the UNFCCC.

However, the G77 and China had, during the negotiations, pressed for the provision of these resources to be ‘new, additional, adequate, predictable, accessible and sustained’ but these terms did not find a place in the Agreement, except for a reference in paragraph 4 on ‘the provision of scaled-up resources’.

Paragraph 2 states that ‘Other

Parties are encouraged to provide or continue to provide such support voluntarily’.

Instead of the reference to ‘all Parties in a position to do so’ also having to contribute to climate finance (which was opposed by many developing countries), the above paragraph was agreed to, which stresses the ‘voluntary’ nature of such support.

Paragraph 3 provides that ‘As part of a global effort, developed country Parties should continue to take the lead in mobilising climate finance from a wide variety of sources, instruments and channels, noting the significant role of public funds through a variety of actions ... and taking into account the needs and priorities of developing country Parties. Such mobilisation of climate finance should represent a progression beyond previous efforts.’

Many developing countries including the LMDC preferred the reference to the provision of financial resources by developed countries instead of the focus on the ‘mobilisation’ of climate finance. The Paris Agreement provides for both the provision of support by developed countries and the mobilisation of climate finance.

In an earlier version of the draft agreement, there was a reference that the provision and mobilisation of climate finance ‘shall represent a progression beyond previous efforts from a floor of USD100 billion per year...’ and ‘towards achieving short-term collective quantified goals for the post-2020 period to be periodically established and reviewed...’.

It is notable that the reference to the \$100 billion per year as a floor did not make it to the final Agreement but is found in paragraph 54 of the COP 21 decision, which states as follows: ‘Also decides that, in accordance with Article 9, paragraph 3, of the Agreement, developed countries intend to continue their existing collective mobilisation goal through 2025 in the context of meaningful mitigation actions and transparency on implementation; prior to 2025 the Conference of the Parties serving as the meeting of the Parties to the Paris

Agreement shall set a new collective quantified goal from a floor of USD100 billion per year, taking into account the needs and priorities of developing countries.’

At COP 16 in Cancun in 2010, Parties had agreed to developed countries mobilising \$100 billion per year by 2020. With the Paris Agreement, a five-year extension has been obtained to reach this target and a new quantified goal will be set for the period after 2025. Senior developing-country negotiators also point out that the mobilisation of existing climate finance as stated above is conditional on ‘meaningful mitigation actions and transparency on implementation’, which was actually previously agreed to under the Copenhagen Accord (in 2009) and later affirmed in the decision in Cancun.

Developed countries, the US in particular, were against the indication of any quantified target on the scale of resources in the Paris Agreement.

Developing countries, through the G77 and China, on the other hand, pressed for clear ‘pathways to annual expected levels of available resources towards achieving short-term collective quantified goals for the post-2020 period to be periodically established and reviewed’ and for ‘financial resources to be scaled up from a floor of USD100 billion per year, including a clear burden-sharing formula, and in line with needs and priorities identified by developing country Parties...’.

Technology transfer (Article 10)

In the negotiations on technology transfer, the LMDC had called for the establishment of a global goal on the transfer of technologies by developed countries and know-how as well as for the provision of financial resources for collaborative research and development (R&D) of environmentally sound technologies and enhancing access of developing countries to such technologies that match their technology needs.

There was also a proposal from India for developed countries to pro-

vide financial resources to address barriers related to intellectual property rights (IPRs) and facilitate access to technologies.

The African Group of countries proposed a technology framework to be adopted that will provide direction and guidance in relation to technology assessments, including in identifying options for enhancing access and to address barriers.

These proposals were opposed by developed countries.

The real value for developing countries is the establishment of the technology framework that includes ‘the assessment of technologies that are ready for transfer’ (as reflected in paragraph 68 of the COP 21 decision).

In addition, there is now a link established between the Technology Mechanism and the Financial Mechanism to allow for collaborative approaches in R&D and for facilitating access to technologies, which somewhat reflects the call by India to provide financial resources to address barriers related to IPRs and facilitate access to technologies.

The IPR issue has long been a battleground between developed and developing countries in the UNFCCC process, with strong opposition by developed countries, led by the US in particular, to even mentioning the words ‘intellectual property rights’.

Transparency of action and support (Article 13)

With a ‘bottom-up’ system in place for countries to nationally (not multilaterally) determine their contributions to climate change efforts under the Agreement as advanced primarily by the US, there was a push by developed countries to have a common and unified system in place (which is not differentiated between developed and developing countries) on ‘transparency of action’— which is a ‘top-down’ rules-based system in providing clarity on the content and information regarding those efforts.

Developing countries, on the other hand, were pressing for a transparency framework which is differentiated between developed and de-

veloping countries and better rules on ‘transparency of support’, which relates to information from developed countries on the means of implementation (finance, technology transfer and capacity-building).

The main bone of contention therefore was whether such a transparency framework should be differentiated between developed and developing countries.

What was agreed to is a transparency framework with flexibilities taking into account the different capacities of countries and which builds on the existing transparency arrangements (that are currently differentiated between developed and developing countries).

Global stocktake (Article 14)

During the negotiations, the main issue concerning the global stocktake revolved around its purpose and scope. (‘Stocktake’ is code for taking stock of the implementation by Parties collectively of their progress.) The idea was for a periodic stocktake of the implementation of the Agreement and there were options as to the purpose of the stocktake: whether to assess the overall/aggregate/collective progress towards achieving the objective of the Convention or the Agreement’s long-term goal.

On the scope, for developed countries, the stocktaking was primarily for considering the aggregate effect of the mitigation contributions of Parties in light of the long-term mitigation goal linked to the temperature goal. For developing countries, it was to consider the overall implementation of obligations of Parties (consistent with the differentiated responsibilities) in relation to mitigation, adaptation and the means of implementation.

Under the Agreement, the global stocktake, which will be conducted every five years, is to be comprehensive, considering mitigation, adaptation and the means of implementation and support, and undertaken in the light of both equity and the best available science. This will avoid a mitigation-centric process and also takes

into account considerations of equity. Thus the developing countries’ viewpoints prevailed in this clause.

In a related matter, in the COP 21 decision, paragraph 17 under the section on INDCs notes with concern that ‘the estimated aggregate greenhouse gas emission levels in 2025 and 2030 resulting from the INDCs do not fall within least-cost 2°C scenarios but rather lead to a projected level of 55 gigatonnes in 2030, and also notes that much greater emission reduction efforts will be required than those associated with the INDCs in order to hold the increase in the global average temperature to below 2°C above pre-industrial levels by reducing emissions to 40 gigatonnes or to 1.5°C above pre-industrial levels by reducing to a level to be identified in the special report referred to in paragraph 21 below’.

In paragraph 20, Parties agreed that a facilitative dialogue among Parties will be convened in 2018 ‘to take stock of the collective efforts of Parties in relation to progress towards the long-term goal referred to in Article 4, paragraph 1, of the Agreement [which relates to the long-term temperature goal and the mitigation goal] and to inform the preparation of nationally determined contributions pursuant to Article 4, paragraph 8, of the Agreement [which relates to the communication of the NDCs]’.

The ‘facilitative dialogue’ above appears to be an ex ante process to inform the preparation of the NDCs, and is only about mitigation, unlike the global stocktake.

The EU has been a major proponent of a review process every five years to assess if Parties’ mitigation contributions are on track towards meeting the long-term mitigation goal and of enhancing (or ratcheting up) the contributions of Parties accordingly.

Many developing countries, especially from the LMDC, were worried about such a ratcheting-up process due to concern that, with developed countries not doing their fair share of the effort (taking into account their historical emissions), the pressure would be on developing coun-



Civil society demonstrators at COP 21. The Paris Agreement forms a baseline from which more ambitious actions to curb climate change must flow.

tries to plug the emissions gap to limit the temperature rise. Due to this concern, they had been opposed to any ex ante process to review the INDCs prior to their communication by Parties.

Clearly, the EU has got its way, against the concerns of the LMDC.

Conclusion

The developing countries started the Paris talks with some clear objectives and principles. Though some aspects were diluted, it got its redlines protected, though it did not get some of its offensive points accepted (for example, clearer targets on finance or a reference to IPRs as a barrier to technology transfer). Some of the important points gained by developing countries were:

- The Paris Agreement is not mitigation-centric as desired by developed countries, although in some aspects mitigation does get pride of place.
- The developing countries to a significant extent successfully defended the Convention and stopped the plans of developed countries to drastically rewrite it.
- Differentiation between developed and developing countries was retained in the main, although weakened in some areas.
- The principles of equity and CBDR were mentioned in a specific clause in the important Article 2 on

the purpose of the Agreement, and operationalised in some key areas of the Agreement.

- Sustainable development and poverty eradication as important objectives of developing countries were referred to as the context of actions by developing countries in some key areas.

- Developed countries taking the lead in mitigation and finance is referred to in the Agreement.

- Although the temperature goal is to limit temperature rise to well below 2°C from pre-industrial levels, the reference to pursuing efforts to limit temperature rise to 1.5°C (the target called for by small island states, least developed countries, and African and ALBA countries) is significant.

True, the Paris Agreement also means that big pressures will be put on developing countries, especially the emerging economies, to do much more on their climate actions, including mitigation. But these enhanced actions need to be taken, given the crisis of climate change that very seriously affects developing countries themselves.

The Agreement also fails to provide actions that would realise the 2°C goal, let alone 1.5°C. The emissions gap between what countries in aggregate should do and what they pledged to do in their INDCs up to 2030 is very large. This has led many commentators to condemn COP 21 as a failure.

However, another perspective is that COP 21 is only a start, and that the Paris Agreement represents an international agreement to enhance individual and collective actions to avert climate catastrophe. A real failure would have been a collapse of the Paris negotiations, Copenhagen-style, or an outcome that only favours the developed countries with the rewriting of the Convention.

The Agreement, from this perspective, has laid the foundation on which future actions can be motivated and incentivised, a baseline from which more ambitious actions must flow. There are mechanisms in place in the Paris Agreement, such as the global stocktake, that can be used to encourage countries to raise their ambition level.

However inadequate and flawed, international cooperation remains intact, from which much more cooperation can flow in future.

The outcome represented by the Paris Agreement – that a bottom-up approach is taken on enabling each country to choose its ‘nationally determined contribution’, with presently very weak or even no compliance – was the only possibility, given that many governments (including the US) are generally not ready, willing or able to undertake legally binding targets.

It can be expected that developed countries will pile pressure on developing countries, especially emerging economies, and also try to shift or avoid their obligations. For the developing countries, they should invoke the overall context of what will make a low-carbon pathway a reality: finance, technology transfer, capacity-building plus adaptation, loss and damage, all in the context of sustainable development and poverty eradication. They must also remain firm and united in the negotiations and other processes ahead, starting from now, even before the signing and ratification of the Paris Agreement. ♦

Meena Raman is Senior Legal Advisor and Coordinator of the Climate Change Programme of the Third World Network. The contribution of Martin Khor is gratefully acknowledged. This article has also been published in the Economic and Political Weekly (9 January 2016).

Photo by IISD/Klara Worth (www.iisd.ca/climate/cop21/enb/11dec.html)

The Paris Agreement and the last-minute 'technical corrections'

In the negotiations leading up to the Paris accord, there was no lack of chicanery by the developed countries in securing an agreement on their terms. In this account of the final day's proceedings, *Meena Raman* and *Hilary Chiew* reveal how the ruse of 'technical corrections' was employed to make some significant changes to the final text.

THE Paris Agreement under the United Nations Framework Convention on Climate Change (UNFCCC) was finally adopted on the evening of 12 December, some four years since the launch of the process to develop the legal instrument under the Ad Hoc Working Group on the Durban Platform for Enhanced Action (ADP).

The adoption of the Agreement was heralded as 'historic' by the President of the 21st meeting of the Conference of the Parties (COP 21) to the UNFCCC, French Foreign Minister Laurent Fabius, as well as several countries which spoke at the final plenary.

However, there was some disquiet over how the Agreement was adopted in the final two hours, which marred the process that, until then, had been viewed as exemplary since the Copenhagen fiasco (where the then Danish COP presidency tried to impose a deal struck behind closed doors between a few countries upon all Parties, leading to the collapse of the talks).

The French presidency sought compromises among Parties over polarised positions between developed and developing countries, especially in the areas of how differentiation was to be reflected in the agreement, as well as finance and ambition (in relation to the temperature goal).

The concern was over some 'technical corrections' to the draft agreement which were presented orally by the secretariat at the meeting of the Comit de Paris (or Paris Committee, which was responsible for finalising the agreement) prior to its transmission for adoption to the



Nicaraguan minister Paul Oquist (*right*) said that the Paris Agreement 'weakens multilateralism in particular for small countries'.

Photo by IISD/Kiara Worth (www.iisd.ca/climate/cop21/enb/12dec.html)

COP, which convened immediately after and was gavelled through by Fabius, in what seemed to many observers to be a very rushed adoption.

The Paris Committee convened on 12 December at 5.30 pm to transmit the draft agreement for adoption to the COP, but it was not until 7.15 pm that the Agreement was finally adopted.

The draft agreement had been distributed to Parties earlier in the day at around 1.30 pm, following the convening of the Paris Committee by the COP President at around noon, where he informed Parties that the draft agreement was the best possible balance that could be struck and that it was a 'delicate balance'.

French President Francois Hollande and UN Secretary-General Ban Ki-moon were also present and made speeches at this noon meeting of the Paris Committee, in what ap-

peared to be an effort to cajole all Parties to adopt the agreement without further changes.

There was thunderous clapping in the conference hall even before Parties had seen the text, let alone adopt it.

Fabius then informed Parties that the Paris Committee would convene again at 3.45 pm, after Parties had had a chance to see the text. The Committee finally convened at around 5.30 pm.

When Parties gathered for this final Paris Committee meeting at 5.30 pm, many were wondering why the meeting had not begun.

News was floating around that the United States had issues with the draft agreement. This related to Article 4.4 of the draft agreement as regards 'mitigation' and which read as follows: 'Developed country Parties shall continue taking the lead by un-

dertaking economy-wide absolute emission reduction targets. Developing country Parties should continue enhancing their mitigation efforts, and are encouraged to move over time towards economy-wide emission reduction or limitation targets in the light of different national circumstances.'

According to sources, the US wanted the word 'shall' in the first sentence to be replaced with 'should', so that developed and developing countries would be treated in a like manner legally. This matter was not raised from the floor of the plenary, however; the US request was instead accommodated by the COP presidency by means of what was termed a 'technical correction' – the word 'shall' was then replaced with 'should' in the Article which was read out by the secretariat.

This approach was not viewed favourably by some developing-country Parties, although this was not expressed during the COP plenary, given the rousing and jubilant mood in the hall with thunderous clapping and standing ovation over the adoption of the Agreement.

Spokesperson for the Like-Minded Developing Countries (LMDC) grouping, Professor Gurdial Singh Nijar, spoke to the Third World Network later over this marring of the process. He explained that on the morning of 12 December, when the LMDC met with the COP presidency, the latter pointed out some key elements of the text which seemed to have accommodated somewhat the LMDC redlines especially in relation to differentiation between developed and developing countries. The presidency read out orally to the LMDC representatives the contents of Article 4.4 as was presented to the Paris Committee prior to the 'technical correction'.

'We found the text [in this regard] a little convoluted, but we felt we could consider it. We agreed with it and so did the Group of 77 and China,' said Nijar. He added further that 'we felt there was balance and our redlines were somewhat preserved'.

'Then when we went to the hall, we were shocked to find that the US

was objecting to Article 4.4. They came up with this [incredible] thing that it was a mistake. The European Union approached us and said that there is a problem and asked us if we could change the "shall" to "should".'

'When we asked them why, they responded that the Americans had told them that if the word "shall" was introduced, the [US] Congress would not pass it. We said that we have done so many things to get the US on board and they were diluting everything. In this case they were diluting something which was our super-redline. We said if the US has a problem with Congress they have to sort it out.

'Then we said fine; we can consider this and let the US raise this problem from the floor and resolve this. It was holding up the meeting. They were trying to suggest that we were the ones holding up the process. We said no and that we were ready to approve the draft. If anyone had an objection with the text, they must raise the issue and get the presidency to resolve it and we were happy to participate in any resolution. Before that, there was no indication from the US delegation of this problem.

'Suddenly the meeting was called and the decision was gavelled. The French presidency then asked for the editorial mistakes to be read out and then the applause started. Nicaragua was raising its flag and shouting to be heard but they were ignored and the gavel came down and their voice was lost in the applause.'

Following the adoption of the Agreement, several countries spoke, including Nicaragua.

Nicaraguan minister Paul Oquist expressed surprise that the COP 21 presidency did not acknowledge his country, despite him raising his flag before the closing of the Paris Committee. He said he wanted to take the floor before adoption of the Agreement.

Oquist said that 'the agreement weakens multilateralism in particular for small countries. [Therefore] it dilutes the value of the agreement. I did not intend to block the agreement but rather to work to finetune. I wanted to make suggestions on some cross-

cutting matters which have to be corrected to move forward for humanity. I wanted to explain why we are not able to support the consensus.'

Nicaragua supported the goal of limiting future temperature rise to 1.5°C. He said that the results of the intended nationally determined contributions (INDCs) would lead the world to 55 gigatonnes (Gt) of emissions in 2030 rather than the 40 Gt that is necessary to achieve the 2°C target. 'We need to go further because the level of ambition is leading to a 3°C world,' said Oquist further.

He also recommended the deletion of paragraph 52 in the COP 21 decision text in relation to Article 8 of the Agreement (on loss and damage). Paragraph 52 reads: 'Agrees that Article 8 of the Agreement does not involve or provide a basis for any liability or compensation.' (This clause was introduced by the US as a quid pro quo to have 'loss and damage' anchored in the Paris Agreement.)

'This would mean giving 3°C temperature increase to our grandchildren and they are not able to ask for compensation and we strip them of any legal rights for legal action for the liability of other countries that caused the damage,' said Oquist.

To this, COP 21 President Fabius simply said Nicaragua's statement would be included in the report of the meeting.

South African Environment Minister Edna Molewa said that the text was not perfect, but believed that it represented a solid foundation from which enhanced action could be launched with renewed determination. She added that the Agreement was balanced and the best that could be done at this historic moment, and was a turning point to a better and safer world. It should be recognised that the Paris Agreement represented a major leap forward for developing countries, creating new legal obligations that they did not have before, she said.

'Again, developing countries have been asked to take this leap without the firm commitments to provide the support that will enable us to contribute our fair share. For our efforts

to combat climate change to be successful, it is critical that developed countries significantly enhance the ambition of their actions and ensure that the enhanced actions of developing countries are adequately supported. In the build-up to this conference we have noticed and welcomed the pledges of support made by a number of developed-country Parties. This support has to be sustained if we wish to have any meaningful action,' said the South African minister further.

Molewa also said that 'the closing of the pre-2020 ambition gap is essential and the work of the COP in this regard must remain our focus. We have been focusing strongly on the creation of a post-2020 climate agreement and therefore spent less time on major tasks that would enhance our implementation pre-2020. We must now refocus our attention to the urgent tasks at hand. A number of key issues related to the COP finance agenda unfortunately could not receive the appropriate consideration, particularly issues related to long-term finance and the guidance to the Standing Committee on Finance. We expect to come back in Morocco [the venue of the next COP] with substantive discussions on increasing finance ambition pre-2020.'

Indian Minister of Environment, Forests and Climate Change Prakash Javadekar said that the Paris Agreement acknowledged and recognised the development imperatives of India and other developing countries. The agreement supported their right to development and their efforts to harmonise development with environment, while also protecting the interests of the most vulnerable, he said.

He also said that the agreement had unequivocally acknowledged the imperative of climate justice and based itself on the principles of equity and common but differentiated responsibilities (CBDR). The agreement also acknowledged the importance of sustainable lifestyles and sustainable consumption patterns, he added.

The minister said India was happy that the agreement differenti-

ated between the actions of developed and developing countries across its elements. 'India has consistently said that the path to climate ambition must be paved with equity. I am happy that the Agreement has recognised this,' said Javadekar.

He added that while give and take was normal in negotiations, India was of the opinion that the agreement could have been more ambitious. 'We share the concern of several friends that this Agreement does not put us on the path to [limit] temperature rise below 2°C and that the actions of developed countries are far below their historical responsibilities and fair shares. We have in the spirit of compromise agreed on a number of phrases in the Agreement.'

China's Vice-Minister of the State Development and Reform Commission Xie Zhenhua welcomed the adoption of the Paris Agreement. Acknowledging that the agreement was not perfect and that there were some areas in need of improvement, he nevertheless said it did not prevent the historic step forward from being taken. 'The Paris conference is a critical point in the global effort against climate change. Its success is critical to the global future in response to climate change and achievement of a sustainable future. After relentless efforts, the Paris Agreement that we achieved today is an agreement that is fair and just, comprehensive and balanced, highly ambitious, enduring and effective with legally binding force. It reflects a strong and positive signal that the world is going to achieve low-carbon, green development and sustainable development,' he added.

Xie further said the Agreement was based on the UNFCCC and was built on a series of achievements such as the Kyoto Protocol and the Bali Roadmap following the principle of CBDR and respective capabilities, fairness and justice. It intended to further enhance the comprehensive, effective and sustainable implementation of the UNFCCC, he said, stressing that enhancing ambition in the pre-2020 period was compatible with actions post-2020.

'It is our hope that all Parties implement the outcome of the Agreement and to be better prepared for the entry into force of the Agreement, I hope all will take active action in enhancing efforts before 2020 and I would like to emphasise the need for developed countries to honour their commitments in providing finance, technology transfer and capacity-building to lay down a solid effort for enhanced actions after 2020,' said Xie.

US Secretary of State John Kerry said the Paris Agreement was 'a tremendous victory that will empower us to chart a new path'. He said that it 'will help the world prepare for the impacts of climate change that are already here and also for those we know are headed our way inevitably. We reached an agreement that if globally implemented will help us transition to a global clean energy economy and prevent the worst, most devastating consequences of climate change from ever happening.'

Kerry said that 'we are sending a critical message to the global market place. Many of us here know that it would not be governments that actually make the decision or find the products or the new technologies ... it will be the genius of the American spirit; it will be the businesses unleashed because 196 nations are saying to global business that we need to move in this direction that will create the research and development and the next great products that will come and change our lives'.

Kerry said, 'We took a critical step forward but what we do next, how we implement our targets and build this agreement and how we strengthen it in times ahead ... that will determine how we actually address one of the most complex challenges humankind has ever faced.'

Australia, speaking for the Umbrella Group of countries, congratulated the COP 21 presidency for producing a global agreement that created the global framework for all nations to play their part to ensure a safe and prosperous world for future generations.

'Our work here is done and now

we can return home to implement this historical agreement. This is a pivotal moment of new global agreement which will see all countries committed to taking ambitious steps in accordance to national circumstances and capabilities.

'It certainly does not include everything that we envisage but it does give us the strategy to work together over coming years and decades to build strong and effective actions that the world needs. The Agreement is clear that we will do this on the basis of actions by all in line with national circumstances. Each country will progress our efforts to the best of our capabilities and no countries will step back,' it added.

It said the Agreement critically provided for all Parties to come back every five years to update on their emissions reduction efforts and ensured Parties build ambition over time. It added that the Agreement delivered a strong transparency and accounting system which would establish a common basis for all countries to track their efforts, building in flexibility for countries with different capacity and recognising that countries may cooperate through international mechanisms to achieve high mitigation ambition through market and other means.

It further said that the Agreement confirmed that developed countries would continue to lead in providing support for climate actions and recognised the important role that others could play in mobilising support and financial flows for low-emission and climate-resilient development initiatives.

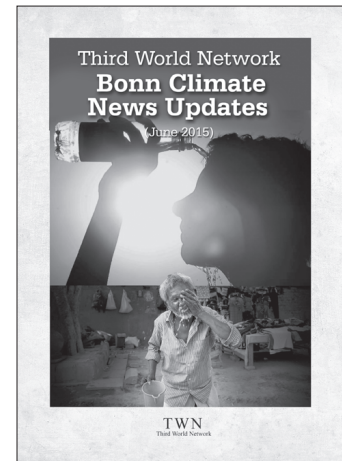
The European Union noted that the Agreement was a real feat of the COP 21 presidency in holding a fragile balance. It said this was a landmark agreement, adding that Europe was strongly committed to its financial commitments and to translating the Agreement into concrete actions to transform societies. ♦

Meena Raman is Senior Legal Advisor and Coordinator of the Climate Change Programme of the Third World Network. Hilary Chiew is a senior researcher with TWN. Indrajit Bose contributed inputs to the above article.

Bonn Climate News Updates

(June 2015)

This is a collection of 22 News Updates prepared by the Third World Network for and during the recent United Nations Climate Change Talks – the forty-second sessions of the Subsidiary Body for Implementation (SBI 42) and the Subsidiary Body for Scientific and Technological Advice (SBSTA 42), as well as the ninth part of the second session of the Ad Hoc Working Group on the Durban Platform for Enhanced Action (ADP 2-9) – in Bonn, Germany from 1 to 11 June 2015.



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COP 21 decision on enhanced action prior to 2020

As the commitments under the Paris Agreement are only due to take effect in 2020, to ensure that there was no let-up in measures in the interim to limit global warming, a decision was taken at the conference on 'enhanced action' prior to 2020. *Indrajit Bose reports.*

BESIDES the Paris Agreement, Parties to the UNFCCC's 21st meeting of the Conference of the Parties (COP 21) also adopted a decision on enhanced action prior to 2020.

Since the Paris Agreement focuses on actions post-2020, the COP 21 decision on pre-2020 enhanced action is important for climate action to continue in the current timeframe between 2016-20, even as Parties have to continue further work pending the entry into force of the Paris Agreement.

There were several fights in the run-up to and during the Paris climate talks under the Durban Platform process on pre-2020 actions (known then as negotiations under workstream 2, with workstream 1 focused on the Paris Agreement).

Developing countries focused much of their attention on ensuring that developed countries fulfil all their existing commitments under the various decisions from Cancun (2010) under the Bali process and the Kyoto Protocol, step up ambition on emission reductions as agreed and fulfil their commitments on the mobilisation of climate finance of \$100 billion a year by 2020. (The COP 21 decision has extended this finance timeframe to 2025, with a new collective goal to be set post-2025.)

The focus of the developed countries for the pre-2020 period was largely on technical expert meetings and high-level events, often termed by developing countries as 'talk-shops that do not focus on any real action'.

Also, developed countries tried to outsource climate action to 'non-state' actors and initiatives outside of the UNFCCC to plug their emissions gap in the pre-2020 period in relation to the pledges of countries and what



Developing countries want the second commitment period of the Kyoto Protocol for emissions reduction by developed countries to come into effect. Picture shows delegates at the 1997 climate conference which adopted the Kyoto Protocol.

countries must do to keep temperature rise below the 2°C goal agreed in Cancun.

While the Paris decision adopted a mix of developed and developing countries' proposals, one of the big wins for developing countries is the launch of a technical expert process on adaptation (see below).

However, the call, especially by the Like-Minded Developing Countries (LMDC), for a strong mechanism to accelerate the implementation of current obligations (under the Bali process and the Kyoto Protocol) has been watered down in the decision to the conduct of a 'facilitative dialogue' at COP 22 in 2016 to assess the progress in implementation. This was due to the resistance by developed countries, especially in not wanting to raise their mitigation ambition any further.

Below are some of the key highlights of the COP 21 decision on pre-2020 enhanced actions.

Ratifying and implementing the Doha Amendment to the Kyoto Pro-

tol has been a key demand of developing countries, as that would give effect to the second commitment period of the Kyoto Protocol for emissions reduction by developed countries. The relevant parts of the decision are as follows:

'106. Resolves to ensure the highest possible mitigation efforts in the pre-2020 period, including by:

(a) Urging all Parties to the Kyoto Protocol that have not already done so to ratify and implement the Doha Amendment to the Kyoto Protocol;

(b) Urging all Parties that have not already done so to make and implement a mitigation pledge under the Cancun Agreements;

(c) Reiterating its resolve, as set out in decision 1/CP.19, paragraphs 3 and 4, to accelerate the full implementation of the decisions constituting the agreed outcome pursuant to decision 1/CP.13 and enhance ambition in the pre-2020 period in order to ensure the highest possible mitigation efforts under the Convention by all Parties;

(d) Inviting developing country

Parties that have not submitted their first biennial update reports to do so as soon as possible;

(e) Urging all Parties to participate in the existing measurement, reporting and verification processes under the Cancun Agreements, in a timely manner, with a view to demonstrating progress made in the implementation of their mitigation pledges.’

The provision in sub-paragraph 106(a), however, only ‘urges’ countries to ratify the Doha Amendment to the Kyoto Protocol without specifying a deadline for this, due to resistance from developed countries.

Sub-paragraph (c) refers to paragraphs 3 and 4 of the Warsaw decision (1/CP.19) and the Bali Action Plan (1/CP.13). Developing countries have said in the past sessions that these decisions provide a comprehensive mandate in relation to the pre-2020 actions, and do not have just a mitigation-centric focus.

The paragraphs below provide how the existing technical examination process on mitigation would be strengthened and also assessed in 2017:

‘110. Resolves to strengthen, in the period 2016-2020, the existing technical examination process on mitigation as defined in decision 1/CP.19, paragraph 5(a), and decision 1/CP.20, paragraph 19, taking into account the latest scientific knowledge, including by:

(a) Encouraging Parties, Convention bodies and international organisations to engage in this process, including, as appropriate, in cooperation with relevant non-Party stakeholders, to share their experiences and suggestions, including from regional events, and to cooperate in facilitating the implementation of policies, practices and actions identified during this process in accordance with national sustainable development priorities;

(b) Striving to improve, in consultation with Parties, access to and participation in this process by developing country Party and non-Party experts;

(c) Requesting the Technology

Executive Committee and the Climate Technology Centre and Network in accordance with their respective mandates:

(i) To engage in the technical expert meetings and enhance their efforts to facilitate and support Parties in scaling up the implementation of policies, practices and actions identified during this process;

(ii) To provide regular updates during the technical expert meetings on the progress made in facilitating the implementation of policies, practices and actions previously identified during this process;

(iii) To include information on their activities under this process in their joint annual report to the Conference of the Parties;

(d) Encouraging Parties to make effective use of the Climate Technology Centre and Network to obtain assistance to develop economically, environmentally and socially viable project proposals in the high mitigation potential areas identified in this process...

‘114. Also decides to conduct in 2017 an assessment of the process referred to in paragraph 110 above so as to improve its effectiveness.’

Another key issue for developing countries was finance, i.e., to have a roadmap for the \$100 billion annually by 2020. Paragraph 115 takes care of that to an extent, but developing countries wanted the roadmap to be spelt out in the decision itself but this did not materialise. Paragraph 115 reads:

‘Resolves to enhance the provision of urgent and adequate finance, technology and capacity-building support by developed country Parties in order to enhance the level of ambition of pre-2020 action by Parties, and in this regard strongly urges developed country Parties to scale up their level of financial support, with a concrete roadmap to achieve the goal of jointly providing \$100 billion annually by 2020 for mitigation and adaptation while significantly increasing adaptation finance from current levels and to further provide appropriate technology and capacity-building support.’

The above paragraph must also be read with paragraph 54 of the COP 21 decision which states as follows: ‘Also decides that, in accordance with Article 9, paragraph 3, of the [Paris] Agreement, developed countries intend to continue their existing collective mobilisation goal through 2025 in the context of meaningful mitigation actions and transparency on implementation...’

As pointed out above, the decision in paragraph 54 has extended the timeframe for the mobilisation of finance through to 2025, instead of concluding in 2020.

Paragraph 116 of the decision reads: ‘Decides to conduct a facilitative dialogue in conjunction with the twenty-second session of the Conference of the Parties to assess the progress in implementing decision 1/CP.19, paragraphs 3 and 4, and identify relevant opportunities to enhance the provision of financial resources, including for technology development and transfer and capacity-building support, with a view to identifying ways to enhance the ambition of mitigation efforts by all Parties, including identifying relevant opportunities to enhance the provision and mobilisation of support and enabling environments.’

There will thus be a facilitative dialogue in 2016 to assess the progress in implementing paragraphs 3 and 4 of the Warsaw decision, which relates to accelerating the full implementation of the decisions constituting the agreed outcome pursuant to the Bali Action Plan (in particular in relation to the provision of means of implementation, including technology, finance and capacity-building support for developing-country Parties) and the Kyoto Protocol.

However, paragraph 116 is a compromise. The LMDC had called for the launch of an accelerated implementation process to give effect to paragraphs 3 and 4 of the Warsaw decision. The developed countries were against such a process.

In the draft decision presented on 9 December by COP 21 President Laurent Fabius, there were three options with respect to accelerating the

implementation of paragraphs 3 and 4 of the Warsaw decision. These were as follows:

Option 1:

‘123. Decides to launch an accelerated implementation process starting in 2016 and continuing until 2020, to give effect to decision 1/CP.19, paragraphs 3 and 4, inter alia, by:

(a) Assessing the progress of the implementation of decision 1/CP.19, paragraph 4;

(b) [Reviewing and] assessing the adequacy of financial, technological and capacity-building support to enable increased mitigation and adaptation ambition by developing country Parties in accordance with decision 1/CP.19, paragraphs 3, 4(e) and 4(f);

(c) Developing and implementing measures to identify and address the adaptation and means of implementation gaps in the pre-2020 period;

(d) Developing ways and means to address the implementation gaps identified in the paragraph 123(c) above in accordance with the principles and provisions of the Convention;

(e) Sharing experiences, assessing the adequacy and addressing economic diversification as well as the adverse social and economic impacts of response measures on developing country Parties;

123bis. Requests the secretariat to organise the process referred to in paragraph 123 above and disseminate its results;

123ter. Decides that the process referred to in paragraph 123 above should be conducted under the Subsidiary Body for Implementation and take place annually until 2020.’

Option 2:

‘123. Decides to conduct a facilitative dialogue in conjunction with the twenty-third session of the Conference of the Parties (November 2017) with a view to identifying ways to enhance the ambition of mitigation efforts by all Parties, including identifying relevant opportunities to enhance the provision and mobilisation of support and enabling environments.’

Option 3:

‘123. Decides to conduct biennial facilitative dialogues starting in 2016, through 2020, to assess the progress in implementing decision 1/CP.19, paragraphs 3 and 4, including identifying relevant opportunities to enhance the provision of financial resources, including for technology development and transfer and capacity building.’

It is clear therefore that in the decision eventually adopted, paragraph 116 is a compromise – instead of an accelerated implementation mechanism, there is a facilitative dialogue.

Progress was made on adaptation with the following agreed paragraphs:

‘125. Decides to launch, in the period 2016-2020, a technical examination process on adaptation;

‘126. Also decides that the technical examination process on adaptation referred to in paragraph 125 above will endeavour to identify concrete opportunities for strengthening resilience, reducing vulnerabilities and increasing the understanding and implementation of adaptation actions;

‘127. Further decides that the technical examination process referred to in paragraph 125 above should be organised jointly by the Subsidiary Body for Implementation and the Subsidiary Body for Scientific and Technological Advice, and conducted by the Adaptation Committee;

‘128. Decides that the process referred to in paragraph 125 above will be pursued by:

(a) Facilitating the sharing of good practices, experiences and lessons learned;

(b) Identifying actions that could significantly enhance the implementation of adaptation actions, including actions that could enhance economic diversification and have mitigation co-benefits;

(c) Promoting cooperative action on adaptation;

(d) Identifying opportunities to strengthen enabling environments and enhance the provision of support for adaptation in the context of specific policies, practices and actions;

‘129. Also decides that the technical examination process on adaptation referred to in paragraph 125 above will take into account the process, modalities, outputs, outcomes and lessons learned from the technical examination process on mitigation referred to in paragraph 110 above;

‘130. Requests the secretariat to support the technical examination process referred to in paragraph 125 above by:

(a) Organising regular technical expert meetings focusing on specific policies, strategies and actions;

(b) Preparing annually, on the basis of the meetings referred to in paragraph 130(a) above and in time to serve as an input to the summary for policymakers referred to in paragraph 112(c) above, a technical paper on opportunities to enhance adaptation action, as well as options to support their implementation, information on which should be made available in a user-friendly online format;

‘131. Decides that in conducting the process referred to in paragraph 125 above, the Adaptation Committee will engage with and explore ways to take into account, synergise with and build on the existing arrangements for adaptation-related work programmes, bodies and institutions under the Convention so as to ensure coherence and maximum value;

‘132. Also decides to conduct, in conjunction with the assessment referred to in paragraph 120 above, an assessment of the process referred to in paragraph 125 above, so as to improve its effectiveness;

‘133. Invites Parties and observer organisations to submit information on the opportunities referred to in paragraph 126 above by 3 February 2016.’

A positive outcome was thus the launch of a technical expert process on adaptation. During the negotiations, Parties had had serious differences over the mandate of workstream 2. While the developed countries said that the mandate was just mitigation, developing countries said the mandate extended to adaptation and wanted to launch a technical expert process on adaptation under workstream 2. ♦

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Greater emission cuts needed to avert disaster – NGOs

The carbon emission cuts pledged at the Paris conference and embodied in the climate treaty that emerged are wholly inadequate to meet the grave threat from global warming facing the planet. This was the consensus view of civil society groups at the Paris conference. *Chee Yoke Heong* examines a civil society report released before the conference which articulated this concern.

THE world is moving towards a climate disaster unless countries around the world commit to cutting their carbon emissions beyond what has so far been pledged under the United Nations climate regime.

Based on the Intergovernmental Panel on Climate Change (IPCC) scenarios, there is a global carbon budget that will be consumed in 10-20 years at current emission levels. A large number of civil society groups working with scientists and economists stress that a commitment to keep at least within this limited budget, and to share the effort of doing so equitably and fairly, has to be at the heart of the international debate around climate change.

Ambitious targets to reduce greenhouse gas emissions are urgently needed, but without an equitable sharing of the efforts and the recognition of the right of development of developing countries, a climate disaster cannot be avoided. Negotiations of the Paris Agreement did not include any clear reference to a global carbon budget as a basis for targets and effort sharing. Instead, governments were invited to put forward voluntary pledges in 2015 in the form of 'intended nationally determined contributions' (INDCs).

A report on 'Fair Shares: A Civil Society Equity Review of INDCs' was released in June 2015 by an unprecedented group of civil society organisations from around the world. The review assessed the voluntary climate target commitments by countries in their respective INDCs which were submitted under the UN Framework Convention on Climate Change



An NGO demonstration at the venue of COP 21 in Paris. A civil society report finds that all major developed countries' climate commitments fall well short of their fair share of the effort needed to keep global warming below 1.5°C-2°C.

(UNFCCC) in the lead-up to the meeting of Parties last December. A total of 146 countries, representing about 87% of global greenhouse gas emissions, have so far submitted their climate targets to the UNFCCC. These are to be implemented under the newly concluded Paris Agreement that is expected to enter into force in 2020.

The conclusion is that there is still a big gap between what it will take to avoid catastrophic climate change, and what countries have put forward so far in terms of their commitments.

'Together, the commitments captured in the INDCs will not keep temperatures below 2°C, much less 1.5°C, above pre-industrial levels. Even if all countries meet their INDC commitments, the world is likely to warm by a devastating 3°C or more,'

with the danger of tipping the world's climate into catastrophic runaway warming.

The current pledges also represent only about half of the reduction in emissions required by 2030 and this is a 'tiny fraction' of what is needed to avoid such a catastrophe.

The report assesses countries' INDCs by judging their commitments against their 'fair share' of the global mitigation effort needed to maintain a minimal chance of keeping warming below 1.5°C-2°C.

The method used by the report to determine the 'fair share' that each country needs to contribute is based on historical responsibility and capacity, which correspond directly with the core principles in the UNFCCC of 'common but differentiated responsibilities and respective capabilities'

Photo by IISD/Kiara Worth (www.iisd.ca/climate/cop21/enb/7dec.html)

and the right to sustainable development.

Based on this benchmark, the report finds that all major developed countries fall well short of their fair shares. Those with the widest gap between their climate commitment and their fair share are: Russia, whose commitment represents zero contribution towards its fair share; followed by Japan, which committed about one-tenth of its fair share; the US at one-fifth; and the European Union at just over a fifth.

On the other hand, the majority of developing countries have made mitigation pledges that exceed or broadly meet their fair share, but they also have mitigation potential that exceeds their pledges and fair share. These include China, India, Indonesia, Kenya and the Marshall Islands. Brazil's commitment represents slightly more than two-thirds of its fair share. However, these countries still have the potential to take on greater mitigation efforts with commitments beyond their fair share subject to international support.

'Even if countries' pledges exceed their fair share, they will have to do more – with international support' – if the world is to avoid a climatic breakdown, according to the report.

It added that 'most developed countries have fair shares that are already too large to fulfil exclusively within their borders even with extremely ambitious domestic actions.' As such, in addition to domestic reductions, the remainder of their fair shares that account for almost half of the reductions that need to take place globally must come from reductions in developing countries. This will require a vast expansion of international finance, technology and capacity-building support (collectively referred to as means of implementation) for developing countries.

However, the report noted that 'there is a striking lack of clear commitments' in terms of climate finance from developed countries to support developing countries to meet their commitments. In addition, there is a great need for increased public climate finance to meet the cost of ad-



Cooling down during a heatwave. The world cannot afford to proceed with the collective ambition contained in countries' current climate change mitigation pledges, which will see a catastrophic 3°C level increase in world temperature.

aptation and to cover loss and damage in developing countries.

For a fully equitable climate agreement, the report said, substantial finance for mitigation must be delivered both to fulfil developed countries' fair share and to enable greater commitment from developing countries.

The report called for the Paris Agreement to include a strong mechanism to increase the pledges made thus far, as the world cannot afford to proceed with the collective ambition contained in the current INDCs, which will see a catastrophic 3°C level increase in world temperature.

Importantly, the climate agreement must come up with a framework that ensures that domestic commitments and global targets are set in accordance with science and equity, the report stressed.

In the final agreement, Article 2.2 states, 'This Agreement will be implemented to reflect equity and the principle of common but differentiated responsibilities and respective capabilities, in the light of different national circumstances.'

Article 4.1 provides that 'Parties aim to reach global peaking of greenhouse gas emissions as soon as possible, recognising that peaking will take longer for developing country Parties, and to undertake rapid reductions thereafter in accordance with best available science, so as to achieve a balance between anthropogenic emissions by sources and removals by sinks of greenhouse gases in the sec-

ond half of this century, on the basis of equity, and in the context of sustainable development and efforts to eradicate poverty.'

Article 4.3 further states, 'Each Party's successive nationally determined contribution will represent a progression beyond the Party's then current nationally determined contribution and reflect its highest possible ambition, reflecting its common but differentiated responsibilities and respective capabilities, in the light of different national circumstances.'

So while equity has been reaffirmed as an operating principle, the voluntary nature of the Paris Agreement emissions reduction commitments continues to provide an 'escape' for developed countries from doing their fair shares. An Ad Hoc Working Group on the Paris Agreement has been set up and its work that begins in May 2016 will include the development of modalities, procedures and guidelines for reviewing all climate actions of Parties.

Separately, a 'facilitative dialogue' among Parties will take place in 2018 to take stock of mitigation efforts of Parties – whether developed countries will take on their fair shares and commit themselves to providing the required international support to developing countries remains to be seen.

The full report and summary is available at <http://civilsocietyreview.org/>. ◆

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Between terror and tyranny

Political Islam in the shadow of the Arab uprisings

As politics in the Arab world becomes increasingly polarised between forces of resurgent authoritarianism and unbending militant extremism, longstanding conservative movements in the mould of the Muslim Brothers have increasingly found themselves violently repressed or politically marginalised. *Abdullah Al-Arian* explains their predicament.



The Muslim Brotherhood banner hung at a demonstration in Cairo. The Brotherhood and movements inspired by its ideology now find themselves in a precarious position across the Arab region.

of conservative, pro-Western autocracies by suppressing popular calls by Arab protest movements to forge their political destinies reverberated loudly within the Islamist opposition. By casting their lot with this restored Saudi agenda, mainline Islamists aim to regain the grudging acceptance of the region's power brokers, even if it means endorsing economically exploitative policies, exclusionary politics, the alarming rise of sectarian rhetoric, and costly wars in Syria and Yemen. In the minds of Islamist leaders from Rabat to Sanaa, anything less would see their movements doomed to irrelevance.

From 'Arab spring' to 'Islamist winter'

NEARLY a year after Egypt's first democratically elected president was overthrown by a military coup led by Field Marshal 'Abd al-Fattah al-Sisi, a spokesperson for the Islamic State in Iraq and al-Sham (ISIS) released a video statement that reserved harsh words for Muhammad Mursi. In the May 2014 video, ISIS spokesperson Abu Muhammad al-'Adnani called the imprisoned Muslim Brother leader 'a tyrant apostate', charged Mursi with 'fighting monotheists in Sinai' during his shortlived presidency and called for retribution against him. A year later in a Cairo courtroom, an Egyptian judge sentenced over one hundred Muslim Brother leaders, including Mursi, to death. On this matter at least, it seems Sisi and ISIS are in agreement.

Five years since the Arab uprisings and two and a half years on from

the coup in Egypt, the Society of Muslim Brothers and movements inspired by its ideology across the region find themselves in as precarious a position as any they have faced in the past half-century. With politics in the Arab world being forged by the forces of resurgent authoritarianism and unbending militant extremism, longstanding conservative movements in the mould of the Muslim Brothers have increasingly found themselves violently repressed or politically marginalised.

Already uncomfortable with the prospect of revolutionary change, these movements have responded to the setbacks to democratic openings since 2013 by desperately attempting to recover some semblance of the old order. The swift reaction by Saudi Arabia and its regional allies to preserve the prevailing regional system

Despite the democratic openings they supposedly offered, the 2011 Arab uprisings presented an awkward historical moment in the trajectory of Islamist movements. Having spent the better part of the previous three decades deflecting the charge that they sought to overthrow the reigning political order in the region, Islamists were suddenly thrust into a revolutionary moment for which they were unprepared and subsequently condemned for failing to embrace wholeheartedly. In truth, the Muslim Brothers and their offshoots cannot be faulted for what they have never purported to be. The movement has no history of revolutionary ambitions, and the rare instance in which it did attempt to topple a regime outright, as in Syria during the early 1980s, stands as a model of abject failure.

Islamist organisations played a minimal role in the mass mobilisations that erupted in Tunisia, Egypt, Syria, Libya, Yemen and elsewhere. In Egypt, the Muslim Brothers refused to endorse the protests scheduled for 25 January 2011 before famously reversing course three days after the uprising had taken on a life of its own. In Tunisia, Syria and Libya, Islamist groups had been subject to severe repression, mass imprisonment and exile, and were therefore tactically not well positioned to call their supporters into the streets. The role played by Islamist groups in Yemen was secondary to that of non-Islamists, while in Bahrain, Morocco and Jordan Islamists were actually deployed by the monarchical regimes to stem the rising tide of opposition.

The real opportunity for mainstream Islamist groups emerged not in the uprisings themselves, but in the political transitions that followed. As a reformist movement, the Muslim Brothers made their peace with the modern nation-state soon after the group's inception in the late 1920s. Despite frequent allegations to the contrary, the Brothers have never sought a fundamental reshaping of the state's institutions. Based in the intellectual school of Islamic modernism, the Brothers' political vision does not challenge the existence of modern instruments of governance, even in its efforts to 'Islamise' them by reconfiguring the ethical and legal bases upon which they function. When it had the opportunity to do so, the organisation pursued its inclusion into the state, and when it did not, it existed in parallel to the state with the aim of gradually wedging its way through the door.

That opening arose in several states following the overthrow of aging dictatorships. Riding the wave of 'revolution', the Egyptian Muslim Brothers' Freedom and Justice Party (FJP), the Tunisian Ennahda Movement, and Libya's Justice and Construction Party (JCP) aspired to replace one-man rule with democratic



'Abd al-Fattah al-Sisi (pic) came to power in Egypt after leading a military coup against the country's first democratically elected president, Muslim Brotherhood leader Muhammad Mursi.

legitimacy, while the various organs of the state remained effectively unchanged or subject to ill-defined long-term reforms.

For all of the hysteria over the FJP's supposedly impending imposition of archaic interpretations of Islamic law, it is actually the institutional continuity of the prior regime that warrants far greater scrutiny. From the affirmation of the Egyptian military's continued privileged status to the wholesale acceptance of institutionalised economic and social inequality, the Brothers' 2012 constitution deserved greater criticism for what it retained from the old order than what it changed.

In Tunisia, Ennahda's decision to withdraw its support for a political isolation law targeting remnants of the Ben Ali regime was at once hailed as a necessary and judicious step to preserve the revolution and criticised as an abandonment of a chief demand.¹ Unlike in Egypt, where the exclusion of former regime figures from the political transition added them to the ranks of the counterrevolution, the pragmatists within Ennahda hoped to avoid a fate similar to Mursi's by giving potential spoilers incentives to participate in the emerging order, even if it meant the continuation of politics as usual on a number of fronts. The rise of Nida' Tunis, a political coalition made up of many former regime figures, is emblematic of this strategy.

By contrast, the Libyan Islamist party's efforts to preserve some kind

of continuity were dramatically overshadowed by the total breakdown of the Libyan state and the resort to violent street politics by rival factions. Its poor showing in the July 2012 elections resulted in part from the JCP's inability to offer tangible responses to the challenges faced by Libyans, from the impact of foreign military and economic intervention to the collapse of the security sector.

Encompassing tribal and other ideological factions in addition to its roots in the Muslim Brothers, Yemen's Islah Party, too, rode the wave of popular protest only to embrace a Saudi-mediated resolution in late 2011. The Gulf Cooperation Council transition plan allowed for the continuation of the Salih regime, albeit without its titular head. The agreement even permitted the family members of 'Ali 'Abdallah Salih, notorious for their political and economic corruption, to retain positions in government. In the political and military conflict that ensued, Islah Party leaders became increasingly associated with efforts to preserve the strength of the former regime despite their declared sympathies with the revolution.²

In essence, if the 'Arab spring' was conjured up in the imagination of Western commentators hopeful about the spread of liberal values to a dark corner of the world, the 'Islamist winter' that supposedly followed was equally a mirage constructed to allow for the reimposition of an authoritarian regional order.

The coup and its discontents

Two years removed from one of the most devastating events in their almost-nine-decade history, the Egyptian Muslim Brothers have yet to come to terms with the military coup that sought not only to end their pursuit of political power but also to eradicate them as a social force. Comparisons to the wave of repression that marked the Nasser era fall short in part because the moment of reevaluation

and self-reflection that the movement underwent in the 1950s and 1960s occurred quietly and privately. The very public internal debates currently taking place online and in international forums have reverberated with destructive effect within the movement, across Egyptian society and among Islamists abroad.

The defensive posture taken up by the organisation, as seen in its singular focus on the coup regime and its supporters as responsible for the revolution's failure and casting itself simultaneously as chief victim and presumptive saviour, has not led to a serious reassessment of its present state let alone possible future. Much has been made of the supposed internal divisions within the Muslim Brothers.³ Developed along generational lines, these divisions centre on the nature of the 'revolutionary tactics' the movement should endorse and whether they should include more confrontational acts such as resistance to regime violence and sabotage of public facilities and infrastructure.

For all of the tumult this tactical disagreement has caused both publicly and privately, it serves to highlight that the Muslim Brothers have yet to confront the deep-seated issues that have plagued it since the fall of Hosni Mubarak. What future does an insular organisational structure have in a post-authoritarian order? How is it supposed to shift its longstanding ideological commitment to gradual change and reformism to the wholesale adoption of revolution? How can it balance its desire to dominate the political scene and impress its Islamist vision upon society with the need to embrace democratic pluralism?

The July 2013 coup and the Sisi regime's subsequent ruthlessness have backed the Muslim Brothers into a position they cannot sustain. A movement uncomfortable with revolutionary politics has no choice but to continue on that track or submit to the coup and legitimise a dictatorship that seeks to destroy it. Sisi has banked on the idea that his zero-sum game will leave no room for the accommodations that marked Mubarak's relationship with the Muslim Brothers. In-



Supporters hold a poster of Muhammad Mursi at a march two months after his ouster in the July 2013 coup. The coup and the Sisi regime's subsequent ruthlessness have backed the Muslim Brothers into an unsustainable position.

stead, the logic goes, the organisation will be pushed underground where it may resort to armed resistance or become suppressed entirely. In either case, the current impasse suggests a bleak future for the Muslim Brothers in Egyptian society.

Moreover, the organisation has found itself increasingly isolated from like-minded groups in the region. Due to the strong backing it received from Gulf regimes led by the United Arab Emirates and Saudi Arabia, the Egyptian coup has served as a cautionary tale for Islamists around the region. The Ninth Annual Al Jazeera Forum in May, featuring activists and political figures from across the Arab world, shed light on the shifting agenda of Islamists. A keynote speaker at the conference, Moroccan Prime Minister Abdelilah Benkirane of the Justice and Development Party had recently committed his country's military to fighting alongside the Saudi coalition in Yemen. In her remarks, Nobel Peace Prize winner Tawakkul Karman of Yemen's Islah Party endorsed the Saudi intervention in her country and cautioned against Iranian expansionism.⁴ Other speakers argued for the development of a 'stabilising coalition' of Sunni Arab states to confront Iran's regional machinations.⁵

Not to be outdone, in the lead-up to the forum, the exiled leadership of Egypt's Muslim Brothers also issued statements in support of Saudi Arabia's policy in the region, presumably

in a bid to end its isolation at the hands of a regime that had declared it a terrorist organisation just one year earlier. The head of the group's political bureau told the *Wall Street Journal*, "I support any action that would restore democracy in Yemen and ensure security" of the Gulf monarchies.⁶

Weeks later, at a meeting in Tunis, leaders from Islamist parties in Libya, Tunisia and Algeria reflected on the region's changing landscape. Muhammad Sawan of the JCP spoke candidly about the effects of the Egyptian coup, contending that a similar plan was drawn up for Libya. With support from Sisi and the UAE, Gen. Khalifa Haftar announced the dissolution of the transitional government and plunged the country into civil war. Sawan credited the Libya Dawn Coalition, made up largely of Islamist militias, with foiling Haftar's plot, though neither side has managed to successfully subdue the other in the ongoing conflict.

Several Ennahda leaders I spoke with expressed similar sentiments, affirming that 'a plot such as the one that occurred in the Egyptian scenario was also devised for Tunisia, but we avoided it'. Following the success of the coup in Egypt, and in the shadow of political assassinations that threatened to destabilise the transition in Tunisia, Ennahda relied on its trademark pragmatism to end the political deadlock and stem the rising tide of opposition to the troika government it headed. Prime Minister Ali

Laayaredh resigned from office in January 2014, paving the way for new elections later that year which Ennahda lost to the secular Nida' Tunis coalition. Since then, Ennahda's political manoeuvring has been characterised as being little more than 'risk avoidance', in a bid to secure its position within the country's developing political establishment.⁷ In the summer's mass protests over allegations of corruption within Tunisia's oil sector, Ennahda courted further criticism for refusing to question the state's official reporting of oil reserves.

And just five days following the 2013 coup, with all eyes still on Egypt, the Syrian National Coalition, the civilian face of the opposition to the regime of Bashar al-Asad, quietly underwent an overhaul. Following the expansion of its membership to include an influx of figures supported by the Saudi government, the ensuing elections ensured that the Coalition's new leadership would be more closely aligned with the Saudi position on Syria, including the adoption of far more sectarian language by some of the Coalition's leading figures. The massacre of 'Alawis in Ladhqiyya by rebels in August 2013 reflected the alarming rise of sectarian incitement by members of the opposition. For his part, Farouq Tayfour of the Syrian Muslim Brothers defied critics of the proposed move and provided crucial support for the changes to the Coalition.⁸

The devil they know

In a moment of cruel irony that served to symbolise the fate of the Arab uprisings, Sisi cancelled Egypt's planned celebrations of the fourth anniversary of the 25 January revolution to mourn the passing of King 'Abdallah of Saudi Arabia.

Subsequent media analyses were teeming with allusions to a new era of Saudi leadership with the accession of King Salman, whose animosity towards Islamists was reportedly far tamer than that of his predecessor.⁹ Whether this notion was merely wishful thinking on the part of groups ea-

ger to turn the page on their fraught relationship with the monarchy or in fact an accurate reflection of a shift in Saudi policy remains to be seen. Over the course of 2015, though, movement leaders have striven to ensure that in the increasingly destructive conflict between a resurgent authoritarianism attempting to reassert the traditional regional order and the forces of militant extremism seeking to redraw the political boundaries of the Middle East, mainline Islamists are perceived as dependable allies in the struggle for stability.

At the Tunis meeting, party leaders repeatedly warned that the rising tide of extremist violence from militants loyal to ISIS posed the foremost threat to stability in their respective countries. In the wake of several devastating attacks in Tunisia, the one supposed success story of the Arab revolutions, this line has resonated with Muslim Brother movements across the region. In the face of ISIS, a movement that attempts to challenge mainstream Islamists on their own terms by offering both an alternative activist frame as well as a competing ideological current, Islamist political parties have preferred to deal with the old foe of secular autocracy and not the new rival of transnational religious militancy.

In July, Ennahda's parliamentary bloc backed new counterterrorism measures that human rights groups have criticised as a threat to the freedom of Tunisians. Moreover, amid allegations that the UAE government sought to destabilise the political situation in Tunisia, Ennahda has been wary of taking on a greater role in governance, even as a split in the ruling Nida' Tunis Party has left the Islamist party as the largest bloc in Parliament.

In Libya, despite Sawan's assertion that the Gulf-backed militias had failed in their attempted power grab, the JCP eventually signed an agreement that effectively legitimised Haftar's government in Tobruk. Meanwhile, as Saudi-led military forces continue to impose a new political reality on Yemen with devastating consequences on the civilian

population, the region's most organised opposition groups have offered little more than uncritical endorsement of a war in sectarian guise that has rolled back the modest gains of Yemen's 2011 uprising.

Even movements that are usually left out of the discussion of the Arab revolts are not immune to regional developments. Facing the deepest crisis in memory, in March the Jordanian Muslim Brothers announced a split of its own, with a small faction renouncing the group's ties to its international affiliates and declaring its staunch loyalty to the monarchy. The state exploited the rift by endorsing the new group, awarding it assets belonging to the original Society of Muslim Brothers, and moving to repress the larger organisation.

In July, in its first visit to Saudi Arabia in several years, the Hamas leadership stressed 'the importance of the Saudi role in the Arab region'.¹⁰ In seemingly acknowledging the rise of a new power bloc along geopolitical and sectarian lines, the Palestinian movement went to great lengths to ensure it was not left out of the emerging calculus. Saudi Arabia's 15 December announcement of a 34-member Islamic counterterrorism bloc, which also includes Hamas' rivals in the Palestinian Authority, was intended to consolidate Saudi control over the regional agenda and head off attempts by rivals such as Iran to exert their influence. Having already neutralised the prospects for successful democratic transitions, Saudi authorities have essentially compelled Islamist opposition groups in various countries to get behind the respective autocratic regimes or risk being branded as terrorists subject to the full extent of the bloc's counterterrorism policies.

Revolution without revolutionaries

It is quite telling that in certain Islamist quarters from Tunisia to Kuwait, the quiet critique of Mursi's presidency faults him for having challenged the Egyptian military too aggressively and gotten too cosy with

Iran. Reality aside, that perception mobilised Egypt's counter-revolutionary forces against Mursi and has since left its mark on the region's Islamists observing from the sidelines. Five years since the mass mobilisations that shook the region, the sobering truth according to these opposition movements is that revolutionary action only yields chaos and electoral legitimacy rings hollow in the face of brute force. In the ensuing conflict between resurgent authoritarianism and insurgent militancy, Sisi and ISIS, there is no room for bystanders.

Though initially inspired by the pan-Islamist message of Hasan al-Banna, over the past half-century, Islamist movements throughout the Arab world became increasingly likely to adapt their missions to local conditions. As Islamist parties continue to reshape their priorities as the ground beneath them shifts in favour of a return to autocracy, there remains the question of the future of the original movement in Egypt. Statements released by the exiled remnants of Egypt's Muslim Brothers reveal an organisation trapped in an endless cycle of condemnations alternating in focus from Sisi's continued assault on Egyptian civil society to attacks on the Egyptian state by ISIS-affiliated groups.

Its internal divisions now threaten to rupture the organisation outright. In a sign of the challenges that confront Muslim Brother movements across the region, the conservative senior leadership that maintains its control over the Egyptian group's insular structure also represents the faction most likely to reach a pragmatic settlement with the Sisi regime in a bid to reclaim its traditional place in society. Meanwhile, the middle- and lower-ranking leadership has called for a reformation that replaces the rigid internal hierarchy with an organisation that works openly with all segments of Egyptian civil society and adopts a decisively revolutionary orientation. If the latter contingent succeeds in forming its own movement to challenge the Sisi regime, it would not only bring an end to the Muslim Brothers' traditional organisation, but it would also

find itself isolated from similar groups across the region.

Further complicating this internal dispute is the relentless external pressure on the Muslim Brothers that has only intensified since the coup. While Sisi has imprisoned more than 40,000 Egyptians since July 2013, his Gulf allies have ensured that life in exile remains ever precarious for the banned movement's leaders. After pressuring Qatar to expel the Egyptian exiles it hosted, Saudi Arabia and the UAE proceeded to press the British government to investigate the Muslim Brothers and called on the prime minister to declare them terrorists. The ensuing investigation stopped just short of doing so, but it remained highly critical of the movement's activities and appeared to have sharpened the discord among the Brothers themselves. In anticipation of publication of the British government's report, the group's London-based spokesman announced that Muhammad Muntasir, one of the most vocal critics of the Sisi regime among the Brothers, would be removed from his post, presumably in response to international pressure.

By widening the clampdown on the organisation and creating yet another bargaining chip with which to bring the Muslim Brothers to heel, the Saudi regime has employed a tried-and-true tactic. Whenever its legitimacy is threatened, whether by radical Arab nationalists or by *salafi* jihadis, the Saudi regime looks for a convenient temporary ally in mainline Islamists.

In that regard, the current predicament within the Egyptian Muslim Brothers reflects the wider challenge facing similar groups throughout the region and the degree to which they can exercise their own agency in an increasingly fraught political landscape. Though its most immediate implications are for the outcome of the continued instability plaguing the Sisi regime, this internal dispute carries implications far beyond Egypt.

While the elders within the Egyptian movement seek to reclaim the space for autonomous action, other movements from Tunisia to Yemen

continue to shape their reformist agendas cautiously, casting themselves as agents of stability and order. But if the dissenters on the margins of Egypt's Muslim Brothers successfully unite behind a revolutionary platform, other movements will have to confront the question of what became of their own forgotten ambitions. How the Muslim Brothers' identity crisis plays out over the course of the coming months will determine whether the mainline Islamist camp in the Arab world has simply chosen sides in the bitter conflict between tyranny and terror, or whether it can forge a third way forward. ♦

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Five years on: Was democracy the answer for Tunisia?

Tunisia's five-year experience with democracy serves to confirm that while it can invigorate civil society and freedom of speech and assembly, it is not a panacea to socio-economic ills and governance failures. *Tallha Abdulrazaq* explains.

IT is now five years since the ouster of Zine El-Abidine Ben Ali, Tunisia's long-time dictator and the first of the Arab despots to be successfully challenged and toppled in the mass uprising of the Arab Spring. Back then, what seemed like an epochal event, ushering in a new era of freedom from suppression, oppression and corruption, was celebrated all over the Arab world and beyond. Inspired by the Tunisian example, the people of Libya, Egypt, Syria and Yemen rose up against their leaders with varying degrees of success, with yet other Arab populations making threatening noises of revolution against their rulers to extract some concessions and reforms. But has democracy been as sweet-scented as the hopes carried by many who took part in the Jasmine Revolution? The reactions of Tunisians and the atmosphere in the country would suggest partially, though not entirely.

When Ben Ali fell, there was a sense that things could change, and that the humiliation and degradation of the Tunisian people that had gone on since the days of French dominion would finally end. The Tunisian revolutionaries felt that, for the first time in over a century, they would finally be masters of their own fate, bowing neither to the will of a foreign occupier nor to strongmen like Ben Ali (it is worth bearing in mind that France tried to prop up the ill-fated dictator). Ben Ali's ironically named Democratic Constitution Rally party was banned and, in anticipation of a new pluralistic political environment, new parties were formed and previously forbidden movements such as the Islamist Ennahda were allowed to have a voice in their country's future.



Demonstrators in front of the government palace in Tunis, January 2011. In that month, Tunisia's long-time leader Zine El-Abidine Ben Ali was ousted, the first of the region's dictators to be successfully challenged and toppled in the Arab Spring uprising.

In the first free and fair elections of the new Tunisia in late 2011, Ennahda won 37% of the overall vote, beating the other parties. Having been crowned the winners, Ennahda wanted to show that, although it was an Islamist party, this was a new era and Tunisians had nothing to fear from them. As such, Ennahda made a power-sharing agreement with left-wing socialists and secularists from the Congress for the Republic and Ettakatol parties, with veteran Tunisian politician Moncef Marzouki being appointed as president and Mustapha Ben Jafar taking control of the Constituent Assembly. In turn, Hamadi Jebali, then of Ennahda, was appointed prime minister, and so began the very first government since the days of dictatorship.

What is clear to see from the normal Tunisians I spoke to during the anniversary celebrations of the Jasmine Revolution held on Habib Bourguiba Avenue in central Tunis is an unmistakable sense that people feel significantly freer. Irrespective of

problems afflicting the country, including high unemployment, terrorism and political struggles, Tunisians largely felt free to fully express themselves, and this is the defining characteristic of post-Ben Ali Tunisia.

This sense of freedom was perhaps best personified by a man named Reda Bensalha who, along with his small family, took over a small patch of pavement outside the imposing Ministry of Interior building. Bensalha had brought with him a large banner denouncing the political parties of Tunisia, with well-drawn depictions of the two main parties' logos, inversions on what they were supposed to represent. Ennahda's dove was dead on the floor, and Nidaa Tounes' palm tree was broken in half. As Bensalha was at pains to point out, he was just a normal man who was angry with the politicians for allowing 'an Israeli agent to be appointed as the foreign minister'. When I challenged him to prove his accusations, his evidence was that Khemaies Jhinaoui, the foreign minister, had

spearheaded a Tunisian diplomatic mission in Israel.

Bystanders heard our conversation and joined in energetically, with some either opposing Bensalha or supporting him. As he said to one critic, 'I represent myself and not any party. I'm saying this in front of the Ministry of Interior building, report me if you want to.' Whatever the accuracy of his opinions, he undoubtedly felt he had the freedom to express them.

Apart from a few notable exceptions, the anniversary demonstrations were less about today's politics, and more about remembering the victory of the Tunisian people over their dictator. Clusters of people were marching together with no particular organisation, each shouting slogans from the revolution including the now well-known '*Degage!*', with others still calling for freedom, dignity and work.

However, far from the thronging crowds described in some news agencies' reporting, the scenes on Habib Bourgiba Avenue were rather muted. Although many parties are keen to maintain their association with the revolution, only a few seemingly bothered to turn up. Ennahda, for instance, held the largest event, complete with rallies, speeches and even a music show including performances from Mahir Zain.

Nidaa Tounes, on the other hand, was simply not there. This may seem bizarre, particularly as they are technically the ruling party, but they have been suffering from a series of resignations that has now debilitated the parliamentary majority that helped Beji Caid Essebsi win his presidency. A young Tunisian activist, Asma Charfeddine, told me that they were 'too busy' with their own internal strife to be able to put on a show.

This can be judged to be a clear sign of weakness, as a ruling party should at least turn up to commemorate the anniversary of the revolution,



A woman sweeping the street in Sidi Bouzeid, the birthplace of Tunisia's 2011 Jasmine Revolution. Five years since the revolution, Tunisians are enjoying greater political freedom but many are suffering economically.

and may in turn lead to them facing the accusation of paying only lip service to the revolution while having designs on a return to despotism. This is in light of the accusations levelled against President Essebsi by the resigning MPs of Nidaa Tounes who say that he is attempting to empower his son, Hafedh Essebsi.

When the question of Essebsi placing Hafedh in positions of power was put to Salem Hamdi, MP for Nidaa Tounes, he responded with scepticism, claiming that Essebsi 'wouldn't place his son on the front-line' in a still revolutionary environment, but admitted that he is sure that the president would like to make his son 'comfortable'.

When asked about this, Charfeddine scoffed that the only things that unite the MPs of Nidaa Tounes are a desire for power and their shared dislike of Ennahda. 'Some of us now call them Daa' Tounes,' said Charfeddine, alluding to an Arabic wordplay that mocks the party's name by rebranding it as 'Tunisia's disease'.

Naoufel El Jammali, the Ennahda MP for Sidi Bouzeid, the cradle of the revolution, maintained that his constituents are becoming disillusioned as they feel they have not benefited. Jammali told me, 'Tunisian citizens have conflicting emotions. On the one hand they are happy because they have gained many rights ... however, Tunisians are now suffering economically.'

According to Jammali, MPs found it difficult to deal with this

sense of hopelessness as Tunisians were 'still unaccustomed to democracy', expecting MPs to have the kind of strong powers they may have enjoyed during the corrupt dictatorship of Ben Ali. Cryptically, Jammali warned that 'democracies ... cannot flourish or even survive in difficult economic circumstances', perhaps suggesting that things must change soon and for the better for Tunisians to

stay wholly behind the transitional process of moving from dictatorship to democracy.

This idea was supported by former foreign minister Rafik Abdesselam, who told me that although much political progress had been made in the past five years, 'in the next five years, we ought to focus on economic and social achievements'. Only time will tell if such ambitions will bear any fruit.

By revisiting the Tunisian experience with democracy, perhaps the most important lesson that the Arab Spring has imparted upon us is that democracy is not the panacea to the social ills and governance failures afflicting the downtrodden, weak and destitute that many thought, or indeed claimed, that it would be. Far from it; Tunisia provides us with compelling evidence that nepotism, corruption and a troubled economy can easily go hand in hand with democracies. Like with any other ideology, its proponents can sometimes let down the very beliefs they intend to espouse.

Although there have been some improvements, primarily with the activism of the newly reinvigorated civil society, freedom of speech and freedom of assembly, it seems that Tunisians' search for a solution that guarantees them freedom, prosperity and dignity as a holistic package is still ongoing. ♦

This article is reproduced from the Middle East Monitor (MEMO) website (www.middleeastmonitor.com).

How false stories of Iran arming the Houthis were used to justify war in Yemen

The Saudi-led war in Yemen has been conducted on false pretences, says *Gareth Porter*.

PEACE talks between the Saudi-supported government of Yemen and the Houthi rebels ended in late December without any agreement to end the bombing campaign started by Saudi Arabia and its Gulf allies with US support last March. The rationale for the Saudi-led war on Houthis in Yemen has been that the Houthis are merely proxies of Iran, and the main alleged evidence for that conclusion is that Iran has been arming the Houthis for years.

The allegation of Iranian arms shipments to the Houthis – an allegation that has often been mentioned in press coverage of the conflict but never proven – was reinforced by a report released last June by a panel of experts created by the UN Security Council: The report concluded that Iran had been shipping arms to the Houthi rebels in Yemen by sea since at least 2009. But an investigation of the two main allegations of such arms shipments made by the Yemeni government and cited by the expert panel shows that they were both crudely constructed ruses.

The *Mahan 1*

The government of the Republic of Yemen, then dominated by President Ali Abdullah Saleh, claimed that it had seized a vessel named *Mahan 1* in Yemeni territorial waters on 25 October 2009, with a crew of five Iranians, and that it had found weapons on board the ship. The UN expert panel report repeated the official story that authorities had confiscated the weapons and that the First Instance Court of Sana'a had convicted the crew of the *Mahan 1* of smuggling



Houthi rebel fighters in Yemen. An investigation of two main allegations of Iranian arms shipments to the Houthis shows that they were both crudely constructed ruses.

arms from Iran to Yemen.

But diplomatic cables from the US Embassy in Yemen released by WikiLeaks in 2010 reveal that, although the ship and crew were indeed Iranian, the story of the arms on board the ship had been concocted by the government. On 27 October 2009, the US Embassy sent a cable to the US State Department noting that the Embassy of Yemen in Washington had issued a press statement announcing the seizure of a 'foreign vessel carrying a quantity of arms and other goods...'. But another cable, dated 11 November 2009, reported that the government had 'failed to substantiate its extravagant public claims that an Iranian ship seized off its coast on October 25 was carrying military trainers, weapons and explosives destined for the Houthis'.

Furthermore, the cable continued, 'sensitive reporting' – an obvious reference to US intelligence reports on

the issue – 'suggests that the ship was carrying no weapons at all'.

A follow-up Embassy cable five days later reported that the government had already begun to revise its story in light of the US knowledge that no arms had been found on board. 'The ship was apparently empty when it was seized,' according to the cable. 'However, echoing a claim by Yemen Ambassador al-Hajj, FM [Foreign Minister] Qaairbi told Pol Chief [chief of the US Embassy's political section] on 11/15 the fact that the ship was empty indicated the arms had already been delivered.'

President Saleh had hoped to use the *Mahan 1* ruse to get the political support of the US for a war to defeat the Houthis, which he was calling 'Operation Scorched Earth'. But as a December 2009 cable noted, it was well known among Yemeni political observers that the Houthis were awash in modern arms and could obtain all

they needed from the huge local arms market or directly from the Yemeni military itself.

The *Jihan 1*

Unlike the government's story of the *Mahan 1* and its phantom weapons, the official claim that a ship called the *Jihan 1*, seized on 23 January 2013, had arms on board was true. But the totality of the evidence shows that the story of an Iranian arms shipment to the Houthis was false.

The ship was stopped in Yemeni waters by a joint patrol of the Yemeni Coast Guard and the US Navy, and an inspection found a cache of weapons and ammunition. The cargo included man-portable surface-to-air missiles, 122-millimetre rockets, rocket-propelled grenade launchers, C-4 plastic explosive blocks and equipment for improvised explosive devices (IEDs).

Some weeks later, the UN expert panel inspected the weaponry said to have been found on board the *Jihan 1* and found labels stuck on ammunition boxes with the legend 'Ministry of Sepah' – the former name of the Iranian military logistics ministry. The panel report said the panel had determined that 'all available information placed the Islamic Republic of Iran at the centre of the *Jihan* operation'.

But except for those labels, which could have been affixed to the boxes after the government had taken possession of the arms, nothing about the ship or the weapons actually pointed to Iran. All of the crew and the businessmen said to have arranged the shipment were Yemenis, according to the report. And the expert panel cited no evidence that the ship was Iranian or that the weapons were manufactured in Iran.

The case rested on the testimony of the Yemeni crew members of the *Jihan 1* – then still in government custody – who said they had sailed from Yemen to the Iranian port of Chabahar, had been taken to another Iranian port and then ferried by small boat to the *Jihan 1* sitting off the Iranian coast. But although the panel said it had access to 'waypoint data retrieved from Global Positioning System (GPS) de-

vices', it did not cite any such data that supported the crew members' story. In fact, the panel acknowledged that it had 'no information regarding the location at which the *Jihan* was loaded with arms...'.

A crucial fact about the cargo, moreover, points not to Iran but to Yemen itself as the origin of the ship: The weapons on the ship were hidden under diesel fuel tanks and could be accessed only after those tanks had been emptied. The expert panel referred to that fact but failed to discuss its significance. But the June 2013 report of a UN Security Council Monitoring Group on Somalia and Eritrea said that the *Jihan 1*'s crew members had 'divulged to a diplomatic source who interviewed them in Aden that the diesel was bound for Somalia'. An unnamed Yemeni official confirmed that fact, which the crew members had kept from the Security Council expert panel, according to the UN Monitoring Group report.

The fact that the *Jihan 1* was headed for Somalia indicates that the ship was engaged in a commercial smuggling operation – not a politically motivated delivery. The lucrative business of smuggling diesel fuel from Yemen to Somalia had long been combined with arms smuggling to the same country across the Gulf of Aden from Yemen, as the Monitoring Group report made clear. The Monitoring Group report explained that the reason authorities in the Puntland region of Somalia had made it illegal to import petroleum products was that arms had so often been smuggled into ports on its coast hidden under diesel fuel.

The same UN Monitoring Group report also revealed that a series of arms shipments had been smuggled to Somalia in late 2012 – just before the *Jihan 1* was seized – in which rocket-propelled grenade launchers were the primary component and IED components and electrical detonators were also prominent. Those were also major components of the *Jihan 1* weapons shipment. The report said information received from the Puntland authorities and its own investigation had 'established Yemen as a principal source of these shipments'.

A key piece of evidence confirming that those arms had originated in Yemen was a communication from the Bulgarian government to the UN Monitoring Group indicating that all the rocket-propelled grenade rounds and propellant charges in one lot manufactured in Bulgaria and seized in Somalia had been delivered to the Yemeni armed forces in 2010.

The information in the Monitoring Group report thus points to Yemeni arms smugglers as the source of the cargo of weapons and diesel fuel aboard the *Jihan 1*. When the arms were seized by the joint US-Yemen patrol, the Yemeni government evidently decided to exploit it by creating a new story of an Iranian arms shipment to the Houthis, and later used the Yemeni crew to provide the details to the UN expert panel.

The Somalia and Eritrea Monitoring Group's report created an obvious problem for the official story of the *Jihan 1*, and the Yemeni government's anti-Iran, Western backers sought to give the story a new twist. Reuters quoted a 'Western diplomat' as citing the *Jihan 1* arms shipment as evidence that Iran had actually been involved in supplying arms to al-Shabaab terrorists in Somalia. The anonymous source noted that the cargo had included C-4 explosives such as were used by al-Shabaab for terrorist bombings, whereas the Houthis were not known to carry out such operations. But that claim was hardly credible, because al-Shabaab had close ties to al-Qaeda and was therefore an enemy of Iran. It has not been repeated except in pro-Saudi and pro-Israeli media outlets.

The *Jihan 1* story and the broader narrative of intercepted Iranian arms shipments to the Houthis, as recycled by the UN Security Council expert panel, have nevertheless become key pieces of the widely accepted history of the regional conflicts involving Iran. ♦

Gareth Porter is an independent investigative journalist and historian writing on US national security policy. His latest book, Manufactured Crisis: The Untold Story of the Iran Nuclear Scare, was published in February 2014. The above article is reproduced from the Truthout website (www.truthout.org/news/item/34240-how-false-stories-of-iran-arming-the-houthis-were-used-to-justify-war-in-yemen). Copyright, Truthout.org. Reprinted with permission.

The US is the biggest arms supplier to the developing world, says Congressional report

A new US Congressional report reveals that the US not only controls the global arms market but is the largest weapons supplier to developing nations.

Ramesh Jaura

‘EVERY gun that is made, every warship launched, every rocket fired signifies, in the final sense, a theft from those who hunger and are not fed, those who are cold and are not clothed,’ declared US President Dwight D Eisenhower in April 1953. A new report shows that these remarks remain relevant and yet unheeded 62 years later.

While hunger, poverty and deprivation continue to stalk developing lands, the report by the prestigious Congressional Research Service (CRS) finds that the United States remains the single largest weapons supplier to developing nations, controlling more than 50% of the global arms market. From 2011 to 2014, Washington made arms supply agreements worth nearly \$115 billion with developing nations.

The report says that though global arms sales were on the decline since 2011, the US arms exports rose to \$36.2 billion in 2014 from \$26.7 billion the year before, boosted by multi-billion-dollar agreements with Qatar, Saudi Arabia and South Korea.

Titled ‘Conventional Arms Transfers to Developing Nations, 2007-2014’, the study was delivered to the US legislators less than 10 days before the start of 2016.

According to the report, Russia followed the United States as the leading arms supplier, chasing \$10.2 billion in sales, compared with \$10.3 billion in 2013. Sweden ranked third with roughly \$5.5 billion in sales, followed by France with \$4.4 billion and China with \$2.2 billion.



US-manufactured missiles on display at an arms exhibition in Washington. The US controls more than half of the global arms market.

The report reveals that a key US ally – South Korea – was the world’s top weapons buyer in 2014, finalising \$7.8 billion in contracts. Pitted against North Korea, Seoul has faced continued tensions with its belligerent neighbour in recent years particularly over the latter’s nuclear weapons programme.

The bulk of South Korea’s purchases, worth more than \$7 billion, were made with the US and included transport helicopters and related support, as well as advanced unmanned aerial surveillance vehicles.

The report, authored by Catherine A Theohary, Specialist in National Security Policy and Information Operations at the CRS, further reveals that Iraq followed South Korea, with \$7.3 billion in purchases aimed at building up its military in the wake of the American troop withdrawal there and combating the extremist Islamic State.

Another developing nation, Brazil, was third, with \$6.5 billion worth of purchase agreements, primarily for Swedish aircraft.

The Congressional reports have been informing legislative debate in the US since 1914. The latest, published in December 2015, is considered among the most detailed ‘official, unclassified data from US government sources’ on global arms exports, made available to the public. It updates and revises the CRS report ‘Conventional Arms Transfers to Developing Nations, 2003-2010’ by Richard F. Grimmert.

Grimmett was the chief author of CRS reports on international weapons transfers. Since his retirement in 2012, Washington had not documented ‘one of its biggest and most deadly weapons’, remarked World Beyond War, ‘a global nonviolent movement to end war and establish a just and sustainable peace’.

Greater competition

According to the current report, total global arms sales rose slightly in 2014 to \$71.8 billion, from \$70.1 billion in 2013. Despite that increase, the report concludes, ‘the international arms market is not likely growing over all,’ because of ‘the weakened state of the global economy’.

2014 was the second successive year that worldwide weapons sales remained steady, an indication that the market has begun to stabilise after several years of extreme fluctuation.

The report finds that the lack of market expansion has led to greater competition among suppliers. Some arms producers have in fact adopted measures like flexible financing, counter-trade guarantees and co-production and co-assembly agreements to try to secure sales.

Theohary, author of the report, says: ‘A number of weapons-exporting nations are focusing not only on the clients with which they have held historic competitive advantages due to well-established military-support relationships, but also on potential new clients in countries and regions where they have not been traditional arms suppliers.’

The principal focus of the report, says Theohary, is the level of arms transfers by major weapons suppliers to nations in the developing world – ‘where most analysts agree that the potential for the outbreak of regional military conflicts currently is greatest, and where the greatest proportion of the conventional arms trade is conducted’.

For decades, during the height of the Cold War, providing conventional weapons to friendly states was an instrument of foreign policy utilised by the United States and its allies, adds Theohary.

This was equally true for the now defunct Soviet Union and its allies. The underlying rationale given for US arms transfer policy then was to help ensure that friendly states were not placed at risk through a military disadvantage created by arms transfers by the Soviet Union or its allies.

‘Following the Cold War’s end,



A US weapons adviser trains Iraqi soldiers to clean machine guns. Iraq was the world’s second largest weapons purchaser in 2014.

US arms transfer policy has been based on maintaining or augmenting friendly and allied nations’ ability to deal with regional security threats and concerns.’

Data in the report illustrate global patterns of conventional arms transfers, which have changed in the post-Cold War and post-Persian Gulf War years. Relationships between arms suppliers and recipients continue to evolve in response to changing political, military and economic circumstances.

‘Whereas the principal motivation for arms sales by key foreign suppliers in earlier years might have been to support a foreign policy objective, today that motivation may be based as much, if not more, on economic considerations as those of foreign or national security policy,’ writes Theohary.

During the period covered by the report, 2007-14, conventional arms transfer agreements (which represent orders for future delivery) with developing countries comprised 77.2% of the value of all international arms transfer agreements.

The portion of agreements with developing countries constituted 75.5% of all agreements globally from 2011-14. In 2014 arms transfer agreements with developing countries accounted for 86% of the value of all such agreements worldwide.

Sales of conventional arms to developing nations from 2011 to 2014 constituted 62% of all international arms deliveries. In 2014, arms exports to developing nations constituted 44% of the value of all such arms sales worldwide, says the Congressional report.

However, as Eisenhower said: ‘This world in arms is not spending money alone. It is spending the sweat of its labourers, the genius of its scientists, the hopes of its children. The cost of one modern heavy bomber is this: a modern brick school in more than 30 cities. It is two electric power plants, each serving a town of 60,000 population. It is two fine, fully equipped hospitals. It is some fifty miles of concrete pavement.’

These figures have changed over the decades. But the message remains relevant and urgent – coming from a man who was commanding general of the victorious forces in Europe during World War II, obtained a truce in Korea and worked incessantly during his two presidential terms (1953-61) to ease the tensions of the Cold War.

In his farewell speech, he warned of the menace of ‘the military-industrial complex’, which is meanwhile entrenched not only in the US but also in Russia, China and other leading arms suppliers of the world. – *IDN-InDepthNews* ◆

UN Special Rapporteur on Occupied Palestine resigns

Makarim Wibisono, the UN Special Rapporteur on Occupied Palestine, has announced his resignation because Israel has frustrated his efforts to discharge his duty 'every step of the way'. *Richard Falk*, his predecessor, comments.

MAKARIM Wibisono has announced his resignation as UN Special Rapporteur on Occupied Palestine, to take effect on 31 March. This is the position I held for six years, completing my second term in June 2014.

The prominent Indonesian diplomat says that he could not fulfil his mandate because Israel has adamantly refused to give him access to the Palestinian people living under its military occupation in the West Bank and Gaza Strip. 'Unfortunately, my efforts to help improve the lives of Palestinian victims of violations under the Israeli occupation have been frustrated every step of the way,' Wibisono explains.

His resignation reminds me in a strange way of Richard Goldstone's retraction a few years ago of the main finding in the UN-commissioned Goldstone report, that Israel intentionally targeted civilians in the course of Operation Cast Lead, its massive attack on Gaza at the end of 2008.

At the time I responded to media inquiries by saying that I was shocked, but not surprised. Shocked because the evidence was overwhelming and the other three distinguished members of the UN fact-finding commission stuck by the finding. Yet I was not surprised because I knew Goldstone – a former judge of the South African constitutional court – to be a man of strong ambition and weak character, a terrible mix for public figures who wander into controversial territory.

In Wibisono's case I am surprised, but not shocked. Surprised because he should have known from the outset that he was faced with a di-



Makarim Wibisono will resign as UN Special Rapporteur on Occupied Palestine, after saying Israel refused to give him access to the Palestinian people living under its military occupation in the West Bank and Gaza Strip.

lemma between doing the job properly of reporting on Israel's crimes and human rights abuses and gaining Israel's cooperation in the course of gathering this evidence. Not shocked, indeed grateful, as it illuminates the difficulty confronting anyone charged with truthful reporting on the Palestinian ordeal under occupation, and by his principled resignation Wibisono doesn't allow Israel to get away with neutering the position of Special Rapporteur.

It is worth recalling that when Wibisono was selected as my successor, several more qualified candidates were passed over. Although the selection guidelines stress expert knowledge of the subject matter of the mandate, Wibisono apparently gained the upper hand along with the acquiescence of Israel and the United States precisely because of his lack of any relevant background.

I can only hope that now the UN Human Rights Council (HRC) will redeem its mistake by reviving the candidacies of Professor Christine Chinkin and Phyllis Bennis, both of

whom possess the credentials, motivation and strength of character to become an effective Special Rapporteur.

The Palestinians deserve nothing less.

Honesty

When I met with Wibisono in Geneva shortly after his appointment as Special Rapporteur was announced, he told me confidently that he had been assured that if he accepted the appointment the Israeli government would allow him en-

try, a reassurance that he repeated in his resignation announcement. On his side, he pledged objectivity and balance, and an absence of preconceptions.

I warned him then that even someone who leaned far to the Israeli side politically would find it impossible to avoid reaching the conclusion that Israel was guilty of severe violations of international humanitarian law and of human rights standards, and this kind of honesty was sure to anger the Israelis.

I also told him that he was making a big mistake if he thought he could please both sides, given the reality of prolonged denial of fundamental Palestinian rights. At the time he smiled, apparently feeling confident that his diplomatic skills would allow him to please the Israelis even while he was compiling reports detailing their criminality. He told me that he was seeking to do what I did but to do so more effectively by securing Israel's cooperation, and thus short-circuiting their objections. It was then my turn to smile.

It is correct that the mandate itself is vulnerable to criticism as it does not include an assessment of the responsibility of Palestinian administering authorities for violations of human rights, and only looks at Israeli violations. I tried, unsuccessfully, to persuade the HRC to have the mandate enlarged to encompass wrongdoing by the Palestinian Authority and Hamas.

The arguments against doing so were that it had been difficult to get agreement to establish the mandate, and opening up the issue of its scope was risky, and also that the overwhelming evidence of Palestinian victimisation resulting from the occupation resulted from Israel's policies and practices. Hence, it was argued by several delegations at the HRC that attention to the Palestinian violations would be diversionary and give Israel a way to deflect criticism directed at the occupation.

Facing the heat

What I discovered during my six years as Special Rapporteur is that you can make a difference, but only if you are willing to put up with the heat.

You can make a difference in several ways. Above all, by giving foreign ministries around the world the most authoritative account available of the daily realities facing the Palestinian people. Also important is the ability to shift the discourse in more illuminating directions instead of limiting discussion to 'the occupation', address issues of de facto annexation, ethnic cleansing and apartheid, as well as give some support within the UN for such civil society initiatives as the boycott, divestment and sanctions (BDS) movement and the Freedom Flotilla.

By so doing, you have to expect ultra-Zionist organisations and those managing the 'special relationship' between Israel and the United States to react harshly, including by launching a continuous defamatory campaign that seeks by all means to discredit your voice and will mount inflammatory accusations of anti-



The UN Special Rapporteur can provide foreign ministries an authoritative account of the daily realities facing the Palestinian people in the Occupied Territories. Picture shows Palestinians at an Israeli checkpoint.

Semitism and, in my case, of being a 'self-hating Jew'.

What both shocked and surprised me was the willingness of both the UN Secretary-General and US diplomatic representatives (Susan Rice, Samantha Power) at the UN to bend in Israel's direction and join the chorus making these irresponsible denunciations focused on a demand for my resignation.

Although periodically tempted to resign, I am glad that I didn't. Given the pro-Israel bias of the mainstream media in the United States and Europe, it is particularly important, however embattled the position, to preserve this source of truth telling, and not to give in to the pressures mounted.

My hope is that the HRC will learn from the Wibisono experience and appoint someone who can both stand the heat and report the realities for what they are. It is hampering the performance of a Special Rapporteur to be denied Israeli cooperation with official UN functions, which is itself a violation of Israel's obligations as a member of the UN. At the same time, Israel's behaviour that flaunts international law is so manifest and reliable information easily available that I found it possible to compile reports that covered the main elements of the Palestinian ordeal. Of course, direct

contact with people living under occupation would have added a dimension of validation and witnessing, as well as giving some tangible expression of UN concern for the abuses being committed under conditions of an untenably prolonged occupation with no end in sight.

Until the day that Palestinian self-determination arrives, the least that the UN can do is to keep open this window of observation and appraisal. After all, it is the UN that undertook back in 1947 to find a solution to the Israel/Palestinian struggle that acknowledged the equal claims of both peoples. Although such an approach was colonialist and interventionist in 1947, it has plausibility in 2016 given the developments in the intervening years.

The UN may not be guilty in relation to what went wrong, but it certainly has failed to discharge its responsibilities with regard to Palestinian fundamental rights. Until these rights are realised, the UN should give this remnant of the colonial era as much attention as possible. ♦

Richard Falk is Professor Emeritus of International Law at Princeton University in the US. Among dozens of books, he is the author of Palestine: The Legitimacy of Hope. The above is reproduced from his 'Global Justice in the 21st Century' blog (richardfalk.wordpress.com). It is a slightly modified and extended version of an article which appeared under a different title on the Electronic Intifada website (electronicintifada.net).

Child marriages will increase without action, warns UNICEF

A recent United Nations report calling for action to combat the phenomenal increase in child marriage in Africa warns that it is 'the poorest and most marginalised girls' who are at greatest risk.

Tharanga Yakupitiyage

IF current trends continue, the number of child brides in Africa could more than double by 2050, the United Nations Children's Fund (UNICEF) warned in a recent report.

The report, *A Profile of Child Marriage in Africa*, launched on 26 November at the first African Girls' Summit on Ending Child Marriage in Africa, exposes current rates of child marriage in the continent and around the world.

Globally, more than 700 million women and girls were married before their 18th birthday. Within this population, 17% live in Africa.

'The sheer number of girls affected – and what this means in terms of lost childhoods and shattered futures – underline the urgency of banning the practice of child marriage once and for all,' said UNICEF Executive Director Anthony Lake at the launch of the report.

Though child marriage rates have been declining, UNICEF noted that slow progress and rapid population growth in the African continent will put millions more girls at risk of child marriage.

Without action, the number of child brides is projected to increase from 125 million to 310 million in Africa by 2050, surpassing South Asia's rate of women aged 20 to 24 who were married as children. This will also constitute almost half of all child brides in the world.

Nigeria is currently home to the largest number of child brides in Africa, with 23 million girls and women who were married in childhood.

UNICEF also noted that high levels of child marriage are especially



If current trends continue, the number of child brides in Africa could more than double by 2050.

prevalent among rural, poor communities. In Guinea, child marriage rates are more than two times higher in rural areas than in urban areas, and three times higher among poorest households than among the richest.

'The data is also clear that ending child marriage requires a much sharper focus on reaching the poorest and most marginalised girls – those in greatest need and at greatest risk,' said Lake.

During the summit, organised by the African Union (AU), Chairperson of the AU Commission Nkosazana Dlamini-Zuma highlighted the issues around child marriage, stating: 'Child marriage generates norms that have become increasingly difficult to exterminate – norms that undermine the value of our women.'

Participants also underscored other effects of child marriage, including maternal mortality and impeded access to education.

UNICEF and the AU called for accelerated progress, warning that only doubling the rate of reduction

will not be enough to reduce the number of child brides in Africa.

'Through greater awareness, teamed with a collaborative approach, the crippling effects of child marriage can be eradicated,' Dlamini-Zuma remarked.

In May 2015, the AU launched a continent-wide campaign to 'End Child Marriage'. It included an action plan to reduce child marriage rates by increasing girls' access to birth registration, education and reproductive health services as well as strengthening and enforcing policies protecting girls.

'[Girls'] lives, and the futures of their communities, are at stake,' Lake warned. 'Each child bride is an individual tragedy. An increase in their number is intolerable,' he concluded.

The globally adopted Sustainable Development Goals (SDGs) commit member states to numerous targets including the elimination of all harmful practices such as child, early and forced marriages. – IPS

A radical fervour, forged in the forests

As fresh controversy surrounds the death of the great Chilean poet Pablo Neruda, his biographer *Adam Feinstein* recalls the writer's twin passions – love and Nature.

ONE of the greatest ironies in the history of 20th-century poetry is concealed in the forests of southern Chile. Pablo Neruda's train driver father, Jose del Carmen, was initially appalled to find that his son was writing poems. But in taking the young boy – then called Neftali Reyes – on magical train journeys through those woods, he was unwittingly filling him with the overwhelming passion for Nature that would later infuse so much of his Nobel Prize-winning verse.

Neruda wrote in the poem 'The Frontier – 1904' (the year of his birth) from his 1950 book, *Canto general*:

*The first thing I saw was trees,
ravines,
decorated with flowers of savage
beauty,
moist land, forests ablaze,
and behind the world lay winter,
overflowing.
My childhood was wet shoes,
shattered tree trunks
toppled in the forest, swallowed
by lianas
and beetles, days of resting gently
on beds of oats.*

Neruda was not religious, but those haunting Chilean forests were his sacred space. He said as much in his wonderfully life-affirming memoirs, published posthumously in 1974, a year after he died from cancer. (That is the official version of his death. His body was exhumed in 2013 to investigate claims that he might have been poisoned in hospital by his political enemies – namely, agents of the military dictatorship of General Augusto Pinochet – and remains above ground to this day. The poet's bones have



Pablo Neruda often insisted that his main driving forces were love and Nature.

been examined in Chile, North Carolina in the United States, Murcia in southern Spain, and Switzerland. In June 2015, the forensic team in Murcia announced that it had found a mysterious protein toxin from the *Staphylococcus aureus* bacterium, whose source was unclear. In a remarkable development in November 2015, the Chilean government conceded, for the first time, that it was 'highly likely' his death was brought about by a third party.)

Neruda wrote that, when he was a child, Nature filled him with 'a kind of intoxication. I must have been around ten years old but I was already a poet. I wasn't yet writing verse, but I was attracted to the birds, the beetles, the perfection of insects, partridge eggs.'

Natural beauties

The thrice-married Neruda often insisted that his main driving forces were love and Nature. Almost all of his books contain poems dedicated to

the beauties of the natural world around him. It was no coincidence that he adopted as his false identity 'Antonio Ruiz Lagorreta, ornithologist' before escaping across the Andes from Chile into Argentina on horseback in 1949. (He had been forced into hiding for a year after courageously standing up in the Senate in the Chilean capital, Santiago, and condemning his own President, Gabriel Gonzalez Videla, for behaving like a fascist.)

In 1966, he published a delightful volume entitled *The Art of Birds*. In it, real birds alternate with imagi-

nary ones bearing a politically satirical message – for example *Tontivuelo – Autoritarius Multiformis* ('The Stupid Winged Military Dictator Bird'), which

*couldn't fly, just couldn't fly,
but gave orders for others to fly.*

Julio Escamez, the Chilean artist who illustrated this book, recalled that he and Neruda would set out at the crack of dawn and settle down for long hours to observe the birds at a distance. 'For a painter, working with Pablo means forging a contact with a whole world of stimuli...', Escamez said.

Neruda's friend Tomas Lago remembered the poet suddenly asking the driver of his car to stop while being driven down to Temuco (the southern Chilean town where he grew up). It turned out that Neruda had seen two *loicas* (long-tailed meadowlarks) in a tree and was compelled to halt the journey to observe them at close quarters.

Neruda was not merely lured to natural objects by the physical beauty

all around him in his beloved Chile, the homeland he memorably called a 'long petal of sea and wine and snow'. He also loved the sound their names made in Spanish. Indeed, it is perhaps in so many of his deceptively simple odes (he wrote 225 of them) that we see the enchantment of Nature's nomenclature in its most crystalline clarity.

In the 'Ode to the Birds of Chile', from his first collection of odes, the *Odas elementales* (1954), Neruda refers to the indigenous *diuca* (finch), the *queltehue* (lapwing), the *canastero* (passerine), the *chirigue* (canary) – names that sing off the page. Neruda, like his great friend Pablo Picasso, made the ordinary extraordinary and the extraordinary ordinary. He wrote odes to the tomato, the onion and the artichoke, but also to a dog, an elephant, several to flowers, and a little-known and extremely beautiful ode to a carob tree still throbbing after being felled during a storm. Neruda feels its death as keenly as if it were a brother: *I left the wind/keeping watch and weeping*.

Complex tension

There is, however, a rich and complex tension running through much of Neruda's poetry, between the call of the natural world and the need for radical social and political change,



In Neruda's *The Art of Birds*, real birds alternate with imaginary ones bearing a politically satirical message.

a tension George Handley has called 'the twin pulls of the biocentric and the anthropocentric'. The aesthetic values Neruda fervently treasures can run contrary to his praise for human labour.

In one of Neruda's most famous poems, 'Walking Around' – written in Buenos Aires in 1933 and ostensibly describing the sterility of bureaucracy – he declares:

*All I want is to rest among stones
and wool,
all I want is to see no more es-*

tablishments or gardens...

These lines should not be tritely interpreted as the poet's drawing an opposition between Nature and society, between natural simplicity and urban artifice. The ambivalence is far more profound. For Neruda, stone is a life force. Which is why 10 years later his visit to the Incan fortress, Machu Picchu, high up in the Andes, had such a potent effect on him. It was not just that he was lured back to the time of early humans, to his pre-Columbian ancestors who had built the site. Stone itself exerted its magic on him – and can there be anything more representative of the origins of Nature than stone? As for wool, it does indeed form a contrast with the synthetic, while gardens are human-made constructions, not the wild forests of his childhood.

At the same time, unlike for Walt Whitman – one of his great literary heroes – Neruda's repeated encounters with Nature were often nostalgic, bittersweet reunions with solitude, reminders of those years as a lonely, sickly child in Temuco, but also of his desolate early diplomatic postings in Asia in the late 1920s and early 1930s. Indeed, he wrote back from the Far East, 'between nature and me, there remains a veil, a subtle cloth.'

Ultimately, Neruda was one of the great humanist poets. His dual compulsions – for contact with Nature, on the one hand, and with his friends and loved ones, on the other – were not only equally powerful, but also inseparable. As his close friend Jorge Edwards – his second-in-command when Neruda was Chilean Ambassador in Paris in the early 1970s – astutely noted, a poet of Nature is not simply a creator of bucolic songs. 'Neruda's poetry was more vigorous the closer it came to nature. Yet nature does not just mean the landscape, as some critics would have you believe, but man himself.' ♦

Adam Feinstein's biography, Pablo Neruda: A Passion for Life, was reissued by Bloomsbury in an updated edition in 2013. All translations by the author. This article is reproduced from Resurgence & Ecologist (No. 294, January/February 2016).



The Pablo Neruda National Railway Museum in Temuco, the Chilean town where the poet grew up. Neruda's father was a train driver who took his son on train journeys through the forests of southern Chile.

‘Rhyming for my ancestors’

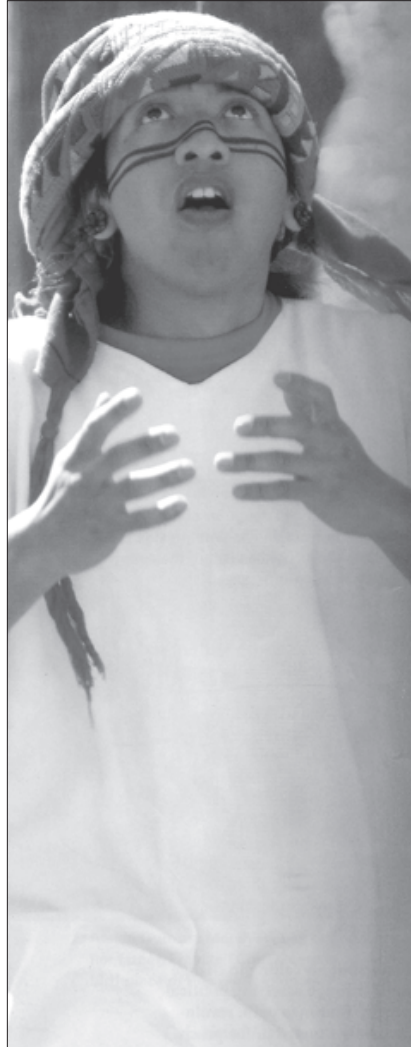
Tz’utu Kan, a Mayan hip-hop artist, explains how he and his cultural group are attempting to revitalise his community’s ancient cultural forms with sounds and intercultural borrowings from Native American, Andean and other sources.

HAILING from what the Maya consider the bellybutton of the Universe – Lake Atitlan in the central Guatemala highlands – Tz’utu Kan is a hip-hop artist who lays down rhymes in the ancient Mayan languages of Tz’utujil, Kakchikuel and Quiche. He is also a member of the group Balam Ajpu, which means ‘Jaguar Warrior’ or ‘Warrior of Light’. Balam Ajpu represents duality, the balance of light and dark, male and female energy, and the return to a relationship with the cycles of nature. The group imbues modern culture with meaning through its relationship to ancestral wisdom in the arts and music.

‘Language in itself is music. The ancestral sound of languages is music. About six years ago I felt the urge to communicate in my language,’ Kan recalls. ‘I would only speak the language at home, but I felt the need to communicate with my friends, with the people. [So] five years ago I started to work on this project, Cosmovision Maya hip-hop. I began to work with producers and we created a demo with five songs. We haven’t finished this project yet because of a lack of resources, but at the same time we started another project, the 20 Nawales [spirits], and I worked on this with Balam Ajpu, the group I am working with now.’

Balam Ajpu’s members work to revitalise and share their cultures. In Guatemala, there are approximately 23 Maya cultures, most of which speak their own languages. ‘Our spiritual guides asked us to make a tribute to the nawales in 2012, because it was the change of an era, it was the end of Ba’ak’tun 13 and the start of the *jun* ba’ak’tun. That was the start, what we based our project on, and now we are touring in Europe,’ Kan says.

Balam Ajpu’s lyrics convey interpretations of the ancient Maya cal-



Hip-hop artist Tz’utu Kan lays down rhymes in ancient Mayan languages.

endar through Maya sounds and intercultural borrowing from Native American, Andean, Rastafarian, hip-hop and dancehall rhythms. They work to instil in youth pride for their culture through their Hip-Hop Cosmovision School in Quetzaltenango, Guatemala.

‘[The Mayan language] holds thousands of years of knowledge that little by little we are uncovering, as more people study it and more people practise it, write poetry, compose music, write anthologies, poems,

books. The album we are promoting is what we call the “real” time, because we use a bad calendar, the mechanical calendar ... this is separating us from the calendar of the world’s natural cycles. And that is what we propose, a calendar which has been always used, closer to the exact, closer to the natural,’ says Kan.

Kan also works closely with Canal Cultural, a collective of artists in Guatemala that aims to bring about social, political and economic transformation in rural Maya communities through visual, musical and performance arts. ‘We are making a small contribution to music. There are many artists trying to revive ancestral knowledge by way of the arts, through painting, theatre and music,’ Kan says. ‘Through Canal Cultural, we are giving grants to young people so they can learn and grow, cultivate their talents, their art.’

Over the past five years, the group has also worked with children through Escuela Caza Ajaw, a free school of cosmovision hip-hop. ‘We are not purists; that is why we create a fusion with other things, like hip-hop with reggae, *cumbia* ... that is what we are trying to do, stay afloat with everything that is happening in the world, globalisation. We have an advantage, because there aren’t many who are singing in Mayan, not many who promote the Mayan languages,’ Kan says.

In a country plagued by environmental degradation and economic exploitation, violence and political instability, Kan sees music as an instrument to teach young people to live in harmony with others and nature by returning to the Maya traditions. ‘Through art,’ he says, ‘we can contribute to changing humanity, and ourselves.’ ♦

This article is reproduced from Cultural Survival Quarterly (December 2015).

The vicissitudes of Al Jazeera

The Doha-based Al Jazeera media group recently announced that it will be closing its US network (Al Jazeera America) in April this year. *Barbara Nimri Aziz* reflects on the changing complexion and role of the media group since its emergence in 1996.

NO one need be surprised by news of the demise of Al Jazeera America (AJAM). In 2013, people unfamiliar with the history and politics of the Doha-based Al Jazeera media group welcomed the American edition as a valued addition to international(ised) news sources. Early enthusiasm was likely based on an outdated reputation of the original Al Jazeera satellite network, launched in 1996 and funded by Qatar's rulers. That Arabic language service dazzled the world when it arrived, its reputation for hard-hitting news stories reinforced by Jehane Noujaim's 2004 film *Control Room*.

The original (mother) Al Jazeera offered news coverage and commentaries by non-Europeans, talents generally unheard and unimagined from Arabs, concerning their world affairs.

Why AJAM was set up is a mystery. The American public could benefit from wider perspectives but AJAM did not offer that; it exhibited no enlightened Arab or Muslim viewpoints in its productions and editorials. Neither were Arab and Arab American staff in evidence in its productions.

If American viewers don't tap international sources like Euronews, France 24, Press TV (the Iranian English language channel) or Russia's RT, to name the major English sources beyond CBC (Canada) and the UK's BBC, why subscribe to AJAM? Long before, in 2006, Al Jazeera English (also Doha-based) was launched and it has established itself as an innovative and distinctive network. Originally accessible in the US online and by satellite, it boasts a strong international team who produce hard-hitting programmes like *Witness* and *Empire*, with a network of correspondents across the globe. It attracts left-leaning audiences for its critical approach to American policies and its support for the Palestinian struggle, with cov-



'The American public could benefit from wider perspectives but [Al Jazeera America] did not offer that.'

erage from Occupied Palestine unseen on American networks. Its website also carries insightful opinion pieces, many by well-informed American Arab writers whose perspectives you are unlikely to find elsewhere.

(With the founding of AJAM, Al Jazeera English became unavailable in the US online.)

The original Al Jazeera (Arabic) news channel has changed dramatically since its spectacular arrival in 1996. Then it was marked by a high professional standard of journalism and an aggressive approach to international affairs previously unknown in the Arab lands. Its exclusively Arab staff equalled – no, excelled – those of British and French Arabic language channels. (Al Jazeera Arabic initially drew its technical and editorial staff largely from the BBC.) It attracted Lebanese, Palestinian, Algerian and Egyptian expatriate journalists whose homelands either were in turmoil or offered limited opportunities and facilities.

Al Jazeera tapped the most dynamic, creative and courageous Arab

journalists in the world; its work generated new pride among the Arab public, encouraged by quality public dialogue happening among their own ranks. The Arabs' economic resources were finally being put to good use. By 2003 the network boasted 70 correspondents and 23 bureaus around the world, from Cairo to Jakarta, Islamabad to Kabul, London to Moscow.

Initially Al Jazeera Media Network, although funded and managed by Qatar's ruling family, seemed to be independent of government control; it appeared to be beyond US interference too. Indeed Washington suggested the network was a mouthpiece for terrorists when, for example, after 2001, it regularly aired videos produced by Al-Qaida. American military attacks were launched on Al Jazeera twice. Al Jazeera's Baghdad office was bombed and its correspondent Tarek Ayoub was killed in American strikes during the 2003 invasion of Iraq. Before that, in the early days of the US assault on Afghanistan, a Sudanese Al Jazeera camera-

man was held by US authorities at the Guantanamo prison.

Although Qatari and other Gulf area leaders escape criticism by Al Jazeera, other regional dictators do not; at times, in Algeria and Jordan for example, its correspondents were banned. By 2003 satellite TV was ubiquitous and every Arab home has had access to Al Jazeera news, which also sent reports direct from Jerusalem (with a sympathetic eye to Palestinian aspirations). Its broadcasts brought Israeli officials and commentators into Arab homes for the first time.

As the company grew in popularity – a reputation that's declined since the Arab Spring – it greatly expanded its services. Al Jazeera Media Network is now a vast communications empire with several sports channels, a children's channel and a documentary channel, all commercial-free. Before it opened AJAM, Al Jazeera established a Balkan unit and a Turkish unit.

Al Jazeera's appeal for its early presentations of regional political issues waned among Arabs as the US occupation of Iraq turned ugly, and after 2011 when, with the rise of the so-called Arab Spring, Qatar's policy towards Libya and Syria moved in sync with Washington's. Indeed, the Doha news channel explicitly advocates regime change in Syria and Libya.

Meanwhile Al Jazeera enjoys considerable soft power through its sports and documentary channels. Screened documentaries, many produced by US filmmakers critical of American policies, are popular with the Arab public. But the sports channels likely draw most viewers. As a depressing political status quo settles across the Arab world, the public's desire for escapist entertainment is stronger than ever, and Al Jazeera is there to help. ♦

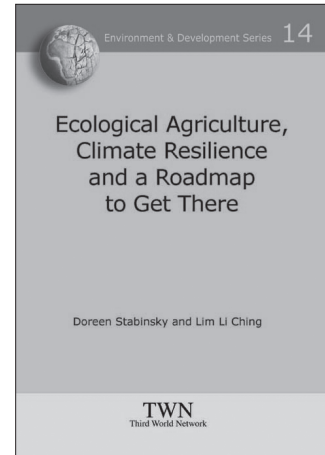
Barbara Nimri Aziz is a New York-based writer, anthropologist and journalist. CounterPunch.org regularly carries her articles. See RadioTahrir.org – from which the above article is reproduced – for more of her work. Her latest book is Swimming Up the Tigris: Real Life Encounters with Iraq (University Press of Florida).

Ecological Agriculture, Climate Resilience and a Roadmap to Get There

Doreen Stabinsky and Lim Li Ching

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

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



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

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Europe and the decline of Britishness

As the 'Brexit' (whether Britain should exit from the European Union) debate rages on, with claims that the country has lost its sovereignty as a result of the Union, *Jeremy Seabrook* argues that Britain's sovereignty is indeed compromised, but that the elements which are fretted over are highly selective.

THE rhetoric of the Right against the decline of 'British values' and the sense of national cohesion is firmly directed against Europe: ancient foes have combined in the guise of a European Union in an assault upon British 'sovereignty', and have deprived us of our capacity for independent decision-making. Our laws, according to the UK Independence Party (UKIP) and many in the Conservative Party, are largely framed in Brussels, and erode that self-determination of which we are so proud that we generously bestowed it upon others at the end of the long imperial moment. This has reduced us to the position of outlying province in an 'ever-closer political union' of the dissolving European project. The free movement of labour is an affront to the character of a nation impaired by the presence of those whose languages we cannot understand and who are 'taking our jobs'.

This has overtaken earlier hostility towards non-European immigration, previously seen as the principal source of dilution of national character. Many – not all – on the Right are anxious to demonstrate that racism has no part in their distaste for European immigrants, since the majority of these are white, and still unwelcome for all that. Here is a clear illustration of the distinction between 'racism' and 'xenophobia'. Racism has not, of course, gone away, but is now focussed on Islamophobia, which also feeds continuing concern with an 'alien presence' in Britain.

The referendum pledged by Prime Minister David Cameron on Britain's continued membership in the European Union revives nostalgia for the time when we were masters, not only of our own destiny but also of



The UK and EU flags hang outside the EU's headquarters in Brussels. The rhetoric of the UK Right against the decline of 'British values' and the sense of national cohesion is firmly directed against Europe.

the fate of millions of imperial subjects across the globe. This is sometimes referred to as 'punching above our weight in the world'. Cameron's 'renegotiation' of our relationship with the EU concentrates on four issues: a guarantee that Britain would not have to contribute to 'bailouts' of countries which share the euro currency, a reduction of the 'burden' of excessive regulation (a want of which led to the banking crisis and subsequent crash), and a rejection of 'ever-closer union', of which there is small danger in the present state of discord between the EU's component countries. His most passionate concern, however, is not with these questions, but with his desire to exclude migrants from any welfare benefits (whether in or out of work) for the first four years of their stay in Britain.

Thus we see the chilling spectacle of the Prime Minister racing through European cities to save small

amounts of 'taxpayers' money', while the great upheavals caused by indiscriminate slaughter, war and the ruin of whole countries threaten to overwhelm the continent. Tides of humanity, set in irreversible movement to which our own actions have made no small contribution, leave a Mediterranean floating with corpses, humiliated refugees behind barbed wire reminiscent of prison camps and cliffs of stone that mimic the Berlin Wall, while their 'valuables' are confiscated by Denmark, and the deportation orders are stamped in the appropriate departments of capital cities.

Echoes of familiar experience are unmistakable. We have been here before, and not only in the aftermath of the war against Nazism. Britain rejected membership of the Coal and Steel Community in the early 1950s, precisely because it rejected any 'supranational authority'. It wanted no part of the Treaty of Rome in 1957,

because Britain still retained grandiose fantasies about its ‘world-role’, in the shape of an empire that had mutated into something called a ‘Commonwealth’. This, naturally, failed to live up in any way to its name, since it comprised some of the richest countries in the world and some of the poorest, and redistribution of any ‘common wealth’ was emphatically not part of its remit.

By 1963, Britain applied to become a member of the then Common Market, but France’s leader, Charles de Gaulle, vetoed it on the grounds of British hostility towards European integration; a refusal repeated four years later. Britain joined in 1973 – a policy confirmed by referendum in 1975 – but always as a faintly condescending participant. ‘After all, we won the war’ has remained part of the subtext.

All this is fascinating, but it scarcely engages with the real forces undermining what we like to think of as our uniquely British identity. These have affected the national psyche far more profoundly than the bureaucrats of Brussels, who are presently accused of ‘taking our country from us’. Yet they are not subject to the vitriol reserved for those we call our ‘European partners’.

The principal agent of our faltering identity is Britain’s subservience to the United States. This is no new thing, but it has intensified in recent decades, and Britain’s mimicry of the US is no longer confined to support for that power’s elective wars (with Iraq the enduring evidence of our voluntary surrender of autonomy). Our festivals, culture, idiom and way of living are all now inflected by forces emanating from the US. The power of ‘political money’ and the revolving door between politicians and the private sector (especially in armaments, pharmaceuticals, banking and energy) were lessons eagerly acquired through the high tutelage of those we used to refer to as our ‘American cousins’, a kinship that has become dangerously incestuous in recent decades.

Falling public confidence in the electoral system, a growing army of



British soldiers in Basra, Iraq, in 2004. Britain’s support for the US war in Iraq was ‘the enduring evidence of [its] voluntary surrender of autonomy’.

non-voters, the disengaged and dropped-out of democracy, pioneered in the US, is faithfully reproduced in Britain, where transnational entities now also ‘negotiate’ their feather-light tax burdens with the authorities; and rich ‘anti-establishment’ politicians like Donald Trump and Nigel Farage offer remedies for loss of faith in ‘establishments’ with promises to make America/Britain ‘great again’. The current ‘welfare reforms’ are a version of experiments conducted in the US for the past 20 years. The government is also keen to dismantle the BBC for the sake of the market-driven news favoured by the US. This largely uncommented passage into a foreign culture is rarely seen as a forfeit of identity; certainly the alleged ‘diktats’ of Brussels have nothing to do with it.

The growing power of the US over our public discussion is evident in our language – euphemisms like ‘collateral damage’ (the death of innocents in war), ‘enhanced coercive interrogation techniques’ (torture), ‘friendly fire’, ‘surgical strikes’, ‘special rendition’ (kidnapping). Entities we had never dreamed existed spring into our consciousness: whoever heard of an ‘intelligence community’, ‘undocumented migrants’, ‘hard-core unemployed’, ‘underperforming assets’? It was not the EU which presented us with such elegant concepts as ‘reduced headcount’, ‘vocational relocation’, ‘the elephant in the room’, ‘embedded media’ or ‘right-

sizing’ – an extensive lexicon of obfuscation and jargon to render palatable what would, in straight human communication, be unacceptable.

Our traditions and culture are also voluntarily surrendered in favour of more urgent festivals: Hallowe’en, which lends itself to a lot of fancy dress, trick-or-treat being far more commercially fulfilling than shabby Guy Fawkes celebrations. And whoever heard of ‘Black Friday’, the day after Thanksgiving, as a day of frenzied discounted shopping? We were innocent of such practices as ‘bridal showers’ and ‘baby showers’ until initiated into these (money-making) rites by our betters. Many schools now regularly have a ‘prom’ for ‘graduates’, while young men spend the whole year in defiance of meteorological reality dressed for a Californian climate. The whoops and screams of TV audiences are also borrowed reactions, a far cry from what used to be known as British restraint. Formerly, when some unheard-of criminal act – drive-by shootings, mass slayings in places of education, sieges at the headquarters of religious cults – was reported in Britain, people used to say ‘It couldn’t happen here.’ Now, we look on in grim awareness that we are looking at our own future.

This is not, of course, the only source of our weakening sense of self. There may be subdued grumbling over the foreign ownership of what used to be considered ‘quintessentially’ British companies, brands and in-

stitutions, but external economic control of these is considered inevitable, and not an assault upon our sense of who we are. The Qataris own the Shard, parts of Canary Wharf, Harrods, One Hyde Park, 20% of the London Stock Exchange, 20% of Camden Market and much of the natural liquid gas imported into Britain. The Saudis own builders the Berkeley Group and Prince Al-Waleed bin Talal owns the Savoy Hotel; much of the wealth of the Saudis in Britain is in discreet holding companies. Abu Dhabi is less reticent: the royal family is the largest landowner in Mayfair. The Abu Dhabi Investment Authority owns New Scotland Yard, 16% of Gatwick Airport, 9.9% of Thames Water. China has interests in Barclays, BP, drinks conglomerate Diageo and Thames Water, Weetabix and Lloyds. It owns 10% of Heathrow, the port of Felixstowe, much student accommodation and Drapers Gardens in the City of London. Agreement was reached recently between Electricite de France and the China General Nuclear Power Corporation to build the new power station at Hinckley Point in Somerset. The cost of electricity – at £92.50 per megawatt hour – is twice the current rate. An undertaking has also been made for China to build and operate two nuclear power stations at Sizewell and Bradwell.

This is perceived as a necessary functioning of globalisation and not as a diminution of Britain's independence, although whether we are enhanced by these realities is difficult to say. Business Secretary Sajid Javid, speaking in the House of Commons on 20 October 2015, seemed to admit that our capacity to control our destiny is circumscribed, when he said, apropos of the loss of jobs in three steel industry plants (two of them owned by Thai and Indian companies): 'There are limits to what the government can do in response. No government can change the price of steel in the global market; no government can dictate foreign exchange rates; and no government can simply disregard international regulations on free trade and state aid – regulations that are regularly used to protect Brit-



Many of what used to be considered 'quintessentially' British companies, brands and institutions, such as the Harrods department store, are now under foreign ownership.

ish workers and British industry.'

The government makes a virtue of its own powerlessness in this context, while in every other circumstance it is keen to display its ability to control everything. It takes noisy credit for its 'delivery' of rising employment, zero inflation, accelerating economic growth, cuts in welfare and the curtailment of the activities of potential terrorists: an assertion of national dignity that leaves shrouded in silence its failure to protect what many regard as much of our heritage.

Perhaps this is why we cling to the outer symbols of our sometime supremacy, our 'sovereignty' and independence. The monarchy, for all its modernising impulse, still means the Queen, archaic and imperishable figure of unflinching and dutiful rectitude. The (literally) crumbling Houses of Parliament take on a more ponderous role as their actual power slips away. 'Traditions' become corporate events – the shooting season, Henley Regatta, Wimbledon, Cowes Week, Ascot and all the rest confer a sense of changeless stability, although beneath there is continuous churning and change; while the division of labour witnessed the end of manufacturing and the rise of services, finance and retail, without any acknowledgement of the profound shift in popular sensibility this entailed. Britain is a museum cocooned in a shopping mall, and yet we play at continuities as though we had something to offer the world other than a language – rebranded as American – in which to discuss the true meaning of contem-

porary life, which is our ability to turn every object, experience, feeling and every human thing into some tradeable commodity.

Britain's sovereignty, it is clear, is compromised, economically, culturally, socially. But the elements over which we fret are highly selective. Europe, migrants and refugees are blamed for our abandonment of much we claim to hold dear, while we are asked to bless the passing over of power – nuclear power at that – water and public services (including care of the elderly and most vulnerable) to unanswerable entities domiciled in the ethereal, untraceable regions in which finance is now transacted; while in London, whole streets of shuttered mansions testify to 'inward investment' of the super-rich. In the silence of these deserted thoroughfares all you can hear is the soft sound of assets appreciating.

We voluntarily exchange what we championed as our most cherished British characteristics – our reserve, sense of fair play and justice – in favour of shallow displays of emotion, abandonment of our own culture and sensibility. At the same time, we are to teach British values to those at risk of becoming 'disaffected' from our enduring ideals; none of which bear much resemblance to daily reality, apart, perhaps, from one abiding quality which foreign ownership and external dominance have not so far dispelled – the accomplished practice of hypocrisy. ♦

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

Huang Zunxian (1848-1905) was a Chinese official, scholar and writer active during the late Qing dynasty, the last imperial dynasty. As a poet, he published more than a hundred poems.

To send away melancholy

Huang Zunxian

Flowers bloom, flowers fall,
 I bolt my gate and sleep.
 Wasting fine spring days?
 How could I help it?
 Affairs of this world
 seldom turn out as we wish;
 People before my eyes
 die off more and more each day.
 The patterings of evening rain
 a rustling tune
 Of flowing, fleeting time
 an immortal treads and sings.
 This day, this hour,
 and there's this 'I';
 Tea mists, a meditation couch,
 and a sick Vimalakirti.*

Translated by An-Yan Tang

* Vimalakirti (Sanskrit: 'stainless reputation') is the central figure in the *Vimalakirti Sutra*, which presents him as the ideal practitioner of Mahayana Buddhism and a contemporary of the Buddha.