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WTO: The question of e-commerce

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Double issue

Editor's Note

ALMOST every ministerial conference of the World Trade Organisation (WTO) has been preceded by a controversy over its agenda. The controversy has a familiar pattern. The developed member states often try to stack the agenda with new issues in respect of which they enjoy some advantage and for which they seek more market openings. Developing countries, on the other hand, are more concerned to ensure that the developmental dimensions of the WTO (such as the Doha Development Agenda) to which member states have committed themselves have been fully adhered to and implemented before any new issue is introduced into the agenda.

In this regard, the WTO's 11th Ministerial Conference, held in Buenos Aires, Argentina, on 10-13 December, proved no different. The prelude to the conference was marked by strong differences over the agenda along the lines delineated above. It soon became apparent that the developed countries were intent on bringing onto the agenda new issues such as electronic commerce (e-commerce) and investment facilitation. They displayed little concern for the issues which mattered most to developing countries, such as food security.

India had a particular stake in the issue of food security as the country's public food stockholding programme had come under scrutiny at the 9th Ministerial Conference in Bali in 2013. A temporary compromise was worked out then under which there would be no challenge by any WTO member state against such food security measures if these measures met certain conditions. Meanwhile it was agreed that a permanent solution to make public food stockholdings consistent with WTO rules would be adopted by the 11th Ministerial.

Nobody would have anticipated at that time that a regime change in Washington DC would muddle everything up. With the election of Donald J. Trump, an avowed foe of multilateralism, the US had little interest in ensuring a successful outcome for the Buenos Aires Ministerial.

This was reflected in the uncompromising stance adopted by the new US Trade Representative Robert Lighthizer. Ridiculing what he felt were the developing-country pretensions of India (which in his opinion was one of the four or five richest countries in the world), he made it clear during the negotiations at Buenos Aires that he would not countenance any mention of the Doha Development Agenda or any reference to one of the core principles of the WTO, 'special and differential treatment' of developing countries. He also made it clear that he was not prepared to accept any proposal for a permanent solution to the issue of food security.

It is a measure of the disdain the Trump administration has for the WTO that the US Trade Representative left a day before the conference closed. This was in addition to the fact that the US has somewhat paralysed the WTO dispute resolution mechanism by withholding consensus on filling the vacancies that have arisen in the appellate body.

With the US reneging on the commitment made by the Bali conference to find a permanent solution on food security and riding roughshod over the rules of a rules-based organisation, the fate of the Ministerial was sealed. The Indian trade minister was left with no choice but to stand his ground by refusing to agree to any work programme on the new issues until the issue of food security was resolved.

Faced with a deadlock, the Ministerial ended in total disarray with not even a customary ministerial declaration. A desperate attempt was made by some of the developed countries to salvage the wreck by embodying the new issues within the framework of plurilateral initiatives. Thus it was reported that several groups of 'friends' would push ahead independently, with some 70 members including the US and the European Union taking steps to 'initiate exploratory work together toward future WTO negotiations on trade-related aspects of electronic commerce'. But as WTO veterans have cautioned, taking the plurilateral instead of the multilateral path is not without its legal pitfalls.

While the Ministerial had little to show by way of results, one fruitful outcome was that it triggered a lively debate online in the run-up to the conference on one of the new issues, e-commerce. Although developing countries have won a temporary reprieve as a result of the collapse of the Ministerial, e-commerce will likely re-emerge as a proposed subject for WTO rules. Already the informal, plurilateral processes in and around the WTO – especially the plurilateral work on e-commerce and a newly launched 'Enabling E-Commerce' initiative between the WTO, the World Economic Forum and Alibaba founder Jack Ma's Electronic World Trade Platform – indicate that it will continue to be a major issue. However, the scope of the proposed WTO e-commerce rules that have triggered controversy goes beyond the common understanding of electronic transactions and includes new areas of deregulation. Hence it is of vital importance for the developing countries to be familiar with what all this entails.

It is for this reason that we have devoted much of our cover story to the issue of e-commerce in the WTO. We hope it proves useful to those seeking to understand the implications of bringing the issue more firmly into the WTO ambit and who it is that will really benefit from such a move.

– The Editors

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Proposals to negotiate binding rules on electronic commerce in the World Trade Organisation (WTO) would only benefit multinational technology giants such as Amazon at the expense of the nascent domestic digital industry in developing countries. 15

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

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ECOLOGY

The Mekong, dammed to die

Two completed dams and 11 scheduled ones along the Mekong River come at a high environmental cost, imperil food security and risk increasing poverty for the millions of people dependent upon it. Despite warnings from environmentalists, the governments of Laos and Cambodia have been adamant on pursuing these projects.

Pascal Laureyn

The Mekong River supports the world's largest freshwater capture fishery.

IN Laos, the lush forests are alive with the whines of drills that pierce the air. On the Mekong, a giant concrete wall rises slowly above the trees. The Don Sahong dam is a strong symbol, not only for a power-hungry Asia but also for what critics fear is a disaster in the making.

Landlocked Laos wants to become 'the battery of Southeast Asia'. The mountainous country with swirling rapids has the ideal geography for hydropower production and Don Sahong is just one of nine dams that Laos wants to build on the mainstream Mekong, claiming that this is the only way to develop the poor country.

But there are serious drawbacks. The Don Sahong dam is being built with little or no consideration of the impact on ecosystems and communities along the Mekong. According to the Food and Agriculture Organisation of the United Nations (FAO), the Mekong is the second most biodiverse river in the world, after the Amazon. It supports the world's largest freshwater capture fishery. The Lower Mekong Basin provides a wide variety of breeding habitats for over 1,300 species of fish. But damming the Mekong will block fish migration towards these habitats.

FAO calculated that about 85% of the Lower Mekong Basin's population live in rural areas. Their livelihoods and food security are closely linked to the river and vulnerable to water-related shocks – not just for fishers but for thousands more who sell food products or provide hundreds of related services, says FAO. Millions of people in Laos, Cambodia, Thailand and Vietnam could lose the fish they rely on for food.

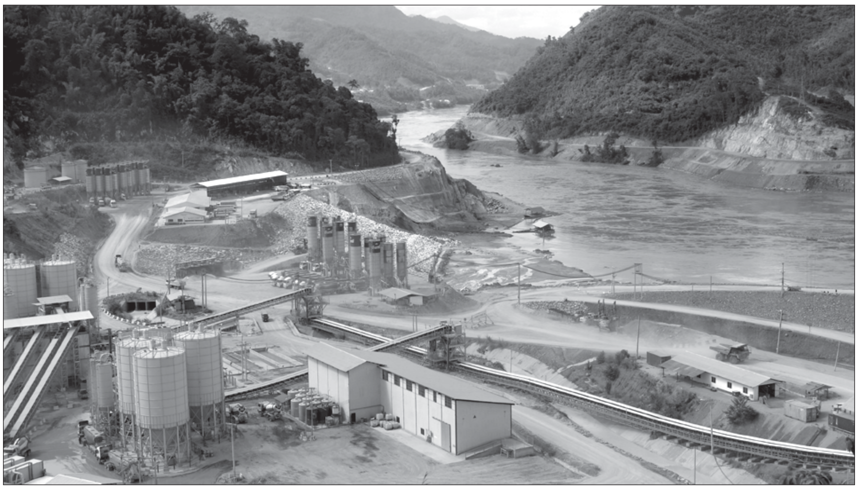
Chhith Sam Ath, the Cambodian director of the World Wildlife Fund (WWF), claimed in *The Diplomat* that the Don Sahong dam is 'an ecological time bomb'.

'It threatens the food security of 60 million people living in Mekong basin,' he said. 'The dam will have disastrous impacts on the entire river ecosystem all the way to the delta in Vietnam.' This is particularly devastating for downstream Cambodia because more than 70% of the protein consumed there comes from fish.

The 260-megawatt dam can also endanger the Irrawaddy dolphins, which are an important source of ecotourism on the Cambodian side of the Mekong. There are only 80 dolphins left. Some live just a few miles from the Don Sahong dam site. WWF warns that damming the Mekong will soon drive all the remaining dolphins to extinction.

Laos is going forward with the dam all the same, without approval from the Mekong River Commission (MRC) – the intergovernmental body charged with coordinating the river's management – and in defiance of protests from non-governmental organisations (NGOs) and downstream countries. Lao officials say that they cannot stop the country from pursuing its right to development. They argue that they will address some of the concerns with 'fish-friendly turbines' and fish ladders. But critics are not convinced that these measures are sufficient.

Downstream, Cambodia is making things much worse. On a Monday morning in September, Prime Minister Hun Sen pushed a symbolic button. For the first time the floodgates of Lower Sesan 2 dam closed and an artificial lake started to fill. Cambodia now has its own $800 million battery, built with Chinese funds and knowhow.



The Don Sahong dam is being built with little or no consideration of the impact on ecosystems and communities along the Mekong.

In the opening ceremony, Hun Sen praised the technological miracle and the Chinese investors. He pointed out that the need for electricity is growing rapidly. Cambodia has the most expensive electricity in South-East Asia. That will change with this 400-megawatt dam on the Sesan River, close to its confluence with the Mekong.

In Kbal Romeas, upstream the Sesan, fishermen waited in vain for the yearly migration in May and June. No more fish to catch. The villagers have moved elsewhere, escaping the rising water and increasing poverty. The only reminder of a once lively Kbal Romeas is the roof of a pagoda that seems to float on the empty water.

'The river Sesan is blocked by the dam,' Maureen Harris of NGO International Rivers writes in her report. 'That's a problem for the 200 species that migrate from the Mekong to their breeding grounds in the Sesan.'

The American National Academy of Sciences predicts that the fish population in the Lower Mekong Basin will decline by 9.3%. That's just one dam. More dams are on the drawing board. The MRC recently released provisional but alarming results of their research. The two finished dams and the 11 scheduled dams will decimate the fish population in the Lower Mekong Basin by half.

By blocking the flow of nutrient-rich sediments needed to make soil suitable for cultivation, dams would affect millions in the Mekong Delta in Vietnam.

The dams would also affect roughly 20 million Vietnamese people in the Mekong Delta, an area that accounts for more than a quarter of the country's GDP. Dams block the flow of sediments, rich with nutrients needed to make soil suitable for cultivation. In Vietnam eroded riverbanks and houses tumbling in the water have become a common spectacle.

Cambodia's Hun Sen dismissed these environmental concerns, criticising 'radical environmentalists'. 'How else can we develop?' he said. 'There is no development that doesn't have an effect on the environment.'

The international NGO Mother Nature mapped the environmental consequences of the Lower Sesan 2 dam. Consequently, the Cambodian government revoked its licence. One of the founders, Alejandro Gonzalez-Davidson, has been banned from the country.

The dams come at a high environmental cost, imperil food security and risk increasing poverty for millions of people. Moreover, the river's potential is overestimated by dam developers, says the MRC. Dams will meet just 8% of the Lower Mekong Basin's projected power needs. The MRC proposes a 10-year moratorium on dam building. But few governments are listening.

The MRC valued the combined fisheries for the Mekong Basin at $17 billion. Energy from the 13 dams may yield $33.4 billion, according to an international study by Mae Fa Luang University in Chiang Rai, Thailand. But a denuded river system carries a price tag of $66.2 billion, the same study predicts.

The real costs of hydropower seem to outweigh the benefits. But the projects still go ahead. The thump of jackhammers will become more common. The mother of all rivers will have to face an army of men with safety hats that want to stop her from flowing freely. – *IPS* ◆

Cuba *verde*

As the long-isolated Caribbean nation opens up to global markets, will its low-carbon ecological adaptations endure?

Bill Weinberg

BICYCLE-TAXI driver Yeral García has a detailed mental map of his city and a keen sense of the events on the world stage that led to him pedalling tourists like me around Old Havana this spring. Before becoming a *bici-taxista* a few years ago, the 34-year-old worked as a longshoreman on the Havana docks. García says he pays the equivalent of $10 a month for his licence, as well as $3 a day to rent the trike from its owner. Still, in spite of the expenses, García views his new job as a step up, one that allows him to support his young daughter. He makes about three times as much pedalling tourists around the city than he did on the docks. 'It's hard work, but it pays well,' he said. 'Not to get rich, but to survive.'

I listened on as he deftly manoeuvred through a tangle of traffic. He spoke of the hardship after 1991, the year that the Soviet Union collapsed. 'The country was paralysed. Those were terrible years. But the government began importing bicycles. That's where this came from,' he added, gesturing to his sturdy pedal-cab.

Indeed, Havana's bike-taxis are not merely convenient means of transportation in an increasingly crowded and hectic city – they can also be seen as potent symbols of that post-Soviet era. Years before they were retrofitted to shuttle tourists around town, these rugged, muscle-powered vehicles served a more pressing purpose: carrying food and other goods around the city during the interval of crisis and scarcity known among Cubans as the 'Special Period'.

After the fall of the Soviet Union, Russia cut off the flow of cheap oil and ended the guaranteed prices for Cuban sugar, devastating the island's economy. In Havana, storefronts were shuttered, gas stations were closed, and the infrequent public buses became dangerously overcrowded. As food supplies dwindled, malnutrition became alarmingly common.

The agony of the Special Period was deepened by US policy. With Cuba already hit hard by the implosion of the Soviet Union, Washington severely tightened the embargo it had put in place in 1962. The 1992 Torricelli Act and 1996 Helms-Burton Act imposed sanctions on foreign countries and non-US companies trading with Cuba.

The country's leaders responded by implementing a number of petroleum-free alternatives aimed at making the country self-sufficient. With cars few and far between, bicycles became nearly ubiquitous on Havana's streets. Urban gardens sprang up on unused patches of land. In rural areas, there was an official push for organic methods, in the absence of petrochemical fertilisers. With the old economy breaking down, these alternatives at least got people to work in the morning and put some food on the table. Amid the suffering and emergency conditions of the Special Period, Cuba became a kind of unlikely ecological laboratory.

Although Cuba's ecological revolution was a response to suddenly imposed austerity, environmentalists from around the world took inspiration from the sustainable, low-cost, low-carbon adaptations the country developed to cope with energy scarcity. Many looked to this model as an exemplar of the changes critical for human survival in the coming century, faced as we are with global climate disaster from fossil fuel emissions, the decline of soils from over-dependence on petrochemical fertilisers, and endless wars in the Middle East driven by the imperative to control oil resources. Such measures, they argued, could be instructive for countries of the developed world that might, someday soon, be faced with energy crises of their own.

The Special Period largely came to an end when Hugo Chávez came to power in Venezuela in 1999 and began providing Cuba with subsidised oil. The economy gradually recovered, and became considerably more open in 2006, after Raúl Castro took over executive powers from his ageing brother Fidel. President Barack Obama restored US diplomatic ties with Cuba in 2015, anticipating an end to the embargo. Today, Cuba has all but weathered the crisis, and is opening to the world economy in ways not seen since before the 1959 revolution. The government is wooing foreign investment, particularly in the tourism sector.

This economic transformation is obvious in Havana. Public buses now run regularly and are not as overcrowded. In the historic district of Old Havana, a kind of quasi-gentrification has taken hold. Brand new double-decker tourist buses idle in front of hotels bustling with foreign visitors. Many of the iconic 1950s Detroit model cars, kept roadworthy through years of embargo by endless improvisation, sport shiny new paint jobs – though most still lack catalytic converters for pollution control.

Meanwhile, the *bici-taxis* are coming under heavier regulation. Under a new rule issued by Havana provincial authorities, *bici-taxistas* can be fined if they venture out of the municipality in which they are registered. Since metropolitan Havana is a single province, and each district its own municipality, this will certainly cut back on fares. None of these so-called signs of 'progress', it seems, bode well for the survival of Cuba's eco-friendly alternatives.

This is how I ended up in Yeral García's bike-taxi in April, wending through Havana's traffic. I wanted to see for myself Cuba's recent economic transformation and how the ecological adaptations put in place during the Special Period were faring. As necessity erodes, will the ecological models developed during the Special Period wither along with it?

This was not my first trip to Cuba. The changes in the country since my first visit 24 years earlier have been drastic. That year, 1993, I was invited for a conference on urban bicycle transportation. It also marked the very worst of the Special Period. Food shortages had reduced the average daily caloric intake of Cubans to a fraction of what it had been a few years earlier, and rolling blackouts turned large sections of Havana into an eerie ghost city at night. I remember bicycling back to my hotel after dark through streets of utter blackness, unable to see the pavement under my wheels. At the Havana convention centre where the conference was held, a banner over the stage read '*La bicicleta llegó para quedarse*' (the bicycle has come to stay). Foreign attendees joked that we were witnessing the 'Velorution in the Revolution', a tongue-in-cheek reference to the neologism coined by bicycle advocates for the consciousness shift leading to their mass acceptance, and to Régis Debray's *Revolution in the Revolution?*, the 1967 book on Cuba's challenge to Latin America's traditional left.

One of the organisers of the event was Gina Rey, then the director of an advisory think-tank to Havana's government. In an interview with her after the conference, I asked if she was confident the bicycle would survive the eventual end of the crisis. She admitted she wasn't sure. 'The threat exists that when we overcome this difficult stage there will be a move back to automobiles,' she said. 'It depends on what we can do to develop social awareness of the advantages of the bicycle apart from the economic situation.'

I caught up with Gina Rey again on my latest trip, almost a quarter-century after our first visit. Today she is an urban planning specialist and a professor at the University of San Gerónimo in Havana. Where bicycles were concerned, the threats she had described to me all those years ago had come to pass. At the height of the Special Period there were nearly one million bicycles in Havana. 'Today it can't be more than 100,000,' she said, citing lack of road safety and the disappearance of bicycle lanes, as well as other policies that have prioritised motorised transportation.

While the country's bicycle programmes did not fare well after the Special Period, other legacies of the ecological model have continued to flourish – such as urban farms and gardens. In Central Havana, fruit and vegetable stands are found every few blocks. The *buhoneros*, or street hawkers, sell organic bananas, pineapples, peppers, cabbage, carrots, onions and garlic – often from bike-mounted carts. The vast majority of these crops are grown on the island – much of it on urban farms within Havana itself.

Rey said that these farms 'are now part of the national urban agriculture programme, which has continued its growth and development in a sustainable manner. In Havana, the results have been good, and this can continue improving at the community level, with an ever-more participatory process in the city's neighbourhoods.'

To get a better sense of just how these urban farms, or *organopónicos,* work, I took a taxi out to Vedado, a once-upscale district west of downtown Havana. At the heart of Vedado sits the Plaza of the Revolution, Cuba's centre of administrative power. Here, Che Guevara's iconic face looks down from the wall of the interior ministry building. Just a couple of blocks from this expansive square, housing projects stand alongside faded mansions.

On one of these streets, I met with Isbel Díaz Torres, a handsome man whose clean-cut appearance belies his heretical politics. In addition to teaching literature at Havana's Casa de Cultura, he's one of Cuba's handful of leftist dissidents. His network, the Cuban Critical Observatory, was founded after Raúl Castro's assumption of power in 2006, with the goal of bringing an anti-capitalist voice to the agitation for greater freedom.

Díaz took me for a walk just a few blocks from his apartment. We passed big lots planted with bright-green rows of spinach, lettuce, chives, celery, parsley and cauliflower. Workers with hoes tilled the ground behind fences intertwined with fruit-bearing vines. At one farm of no more than a few acres named Organopónico Plaza after the municipality that encompasses Vedado, I spoke with a few workers. One was Director Jorge Albertini, who told me he quit his job as a police officer to oversee the farm. 'I like this better,' he said, smiling. I asked about the agricultural methods being used to generate such yield and he quickly responded, 'One hundred percent organic! Chemicals are prohibited.'

The workers explained to me that many of these farms began spontaneously, yet often under the informal direction of bureaucrats who worked in the nearby government office buildings and were looking to feed their own employees during the Special Period. Soon after, they were formally recognised, and organised as collectives. But to this day, Vedado's *organopónicos* remain closely linked to the bureaucracy, with some selling produce to the Council of State, the highest governing body in Cuba, which has its headquarters near by.

The *organopónicos* are all on state lands that stood vacant at the time of the Special Period. Overseen by Havana's Empresa Agropecuaria Metro, or Metropolitan Agriculture Company, the farms are the product of a decree issued by the Council of Ministers in 1993, known as Law 142, which opened state-owned lands to local cooperatives. Some consider this Cuba's 'third agrarian reform' following those decreed in 1959 and 1963, which effectively abolished large private plantations, known as *latifundios*. Law 142 broke up the big state-run farms in the countryside into smaller entities called Basic Cooperative Production Units, or UBPCs. By the mid-1990s, there were around 3,000 UBPCs across the country comprising three million hectares or nearly 60% of Cuba's agricultural lands. As they were institutionalised, the urban farms were incorporated into the country's system of UBPCs, accounting for a total of 35,902 hectares in Havana alone, and more than one million hectares across Cuba's cities and towns.

It's not just the scale of the experiment that has grown; yields, too, have steadily increased, as horticultural methods for increasing output on small plots have improved.

Part of this same thrust of reform was the establishment of a system of free farmers' markets in 1994, which allowed residents to buy local produce from private stands outside the official system of distribution and rationing.

In 2000, the Havana-based Alexander Humboldt Institute of Fundamental Research on Tropical Agriculture issued the *Technical Manual of Organopónicos and Intensive Gardens*, to encourage the urban farming movement. And state institutions such as the Centre for Genetic Engineering and Biotechnology in Camaguey began developing biofertilisers and biopesticides that utilise insectivores and natural compounds instead of industrially manufactured toxins. All of these developments were critical in the emergence and flourishing of the UBPCs.

Sinan Koont, who wrote the most in-depth study of the *organopónicos* in English, *Sustainable Urban Agriculture in Cuba*, described their positive impact: 'When vacant lots that have turned into garbage dumps are reconstituted as green spaces full of trees, flowers, vegetables, and ornamental plants, the result is not only aesthetic improvement – although urban beautification is certainly a desirable end in itself. In urban agriculture, however, these sites typically also become focal points in the community. Whereas formerly they avoided the unsightly unofficial garbage dump and site of criminal activity, people now come to the new neighbourhood parcels or *organopónicos* to buy vegetables, fruits, and medicinal and spiritual plants, and to interact with their neighbours.'

However, in spite of the thriving *organopónicos*, Díaz expressed doubt about the long-term survival of community agriculture. Contrary to official claims, he said, the informal family gardens are being abandoned around the city. He noted that two how-to books on gardening and household self-sufficiency – *El Libro de La Familia* (The Book of the Family) and *Por Nuestras Propias Esfuerzas* (By Our Own Efforts) – both immensely popular during the Special Period, have been all but forgotten today and are out of print. 'The perspective of growing your own food on plots proved temporary, now that we have oil and chemicals again.'

Moreover, though this model has found a niche in the cities with the *organopónicos*, Díaz said that the industrial-scale, chemical-intensive model of agriculture that predominated before the Special Period has re-emerged in the countryside. He pointed to growing areas of land under control of CubaSoy, a military-owned company, which is using its own brands of genetically modified seeds to produce soy for animal feed.

'In the '90s, there was a diversification of crops and a move to organic methods, because it became necessary,' Díaz said. The irony, Diaz noted, is that 'experts are going to seminars around the world to talk about this, while Cuba is moving away from this model'.

Diaz's scepticism notwithstanding, there are some places in the countryside where the organic model has proven resilient – and that's where I headed next.

After my stay in Havana, I travelled west, following what is now an established tourist trail to Viñales, a town of some 30,000 residents nestled at the foot of the spectacular Sierra de los Órganos range. Limestone monoliths known as *mogotes* rise dramatically here, walls of bare rock creeping and crowned with lush vegetation.

Declared a UNESCO World Heritage site in 1999, Viñales has parlayed its impressive scenery and the cachet of organic agriculture into an ecotourism boom – a parallel economy overlaid atop the traditional *campesino*, or peasant, sector. In the countryside outside town, straw-hatted peasants driving oxen-drawn ploughs can be seen alongside tourists on mountain bikes. Nearly every house in town has been turned into a bed-and-breakfast, which has been permitted by the government since 1997.

The organic agriculture model instituted during the Special Period remains deeply rooted in Viñales – as it is in much of the surrounding province of Pinar del Río. For years, cultivation of the 'intensive' crop tobacco, better suited to small plots than sugar, has allowed the survival of small landholders. More recently, these small farms have been producing large quantities of fruits, vegetables and staples such as the root crop *malanga* for the local market. I asked one young *campesino* who gave me a ride in his horse-drawn buggy how his family came to own its land. He answered proudly, 'El Barbudo' – The Bearded One, Fidel Castro. Another I spoke to, working his field as I was hiking past, had a Che Guevara tattoo on his chest.

Despite increasing liberalisation, the *campesino* sector is still largely protected. While the big state farms are mostly dedicated to export crops, the *campesino* sector in large part feeds the country, and has been key in Cuba's push for 'food sovereignty'. Limits on the size of private agricultural holdings are still in place, and restrictions on the sale of agricultural lands are only being lifted tentatively. Small landholders can sell to the state or each other, or merge their lands in private cooperatives. However, mortgages, leases and liens are prohibited.

One of the valley's biggest tourist draws is Finca Agro-Ecológica El Paraíso, the Paradise Agro-Ecological Farm. Every day, tourists arrive by the busload to sit at long tables on the big porch for a multi-course lunch of dishes made from various greens, tubers and legumes – all organic and all grown on the Finca – followed by a tour of the vegetable beds and fruit trees.

Wilfredo García Correa, owner and founder of the Finca, told me some of the history as he led me around the grounds. 'Organic agriculture began here in the Special Period, and it has been expanding little by little since then,' he said. 'The Special Period provided the impetus, but we came to realise the benefits. Every year more *campesinos* in Viñales go organic. The Russian advisers encouraged petrochemicals in the old days, but now they have been almost completely abandoned in the Sierra de los Órganos.'

García said he began with a small private plot. Then, in the early 2000s, the government granted parcels of unused adjacent state land. Some areas were heavily overgrown with *marabú*, an invasive weed. Over the last decade and a half, García has turned these unloved swaths of land into a thriving, self-contained organic farm. He showed me one vital part of the outfit, its vermiculture operation, which uses earthworms to break down organic waste into humus. Fat rabbits munched leaves in suspended cages, their droppings collected below to fertilise the beds that grow more greens for both rabbit and human consumption. Eventually the rabbits themselves are also eaten. 'It's a completely closed system,' García said.

Nearby, he reached into a honeycomb with his knife to scrape out a taste for me – produced by a local variety of bee, the *melipona*, that does not sting. He showed me non-chemical pest-control methods perfected through years of experimentation. Different-coloured flowers are planted to attract insects, then coated with grease to trap them or treated with *tabacina* – water infused with tobacco, fatal to the pests but harmless to the plants.

García proudly pointed out the framed certificates of achievement he has received from the Agriculture Ministry and the National Association of Small Farmers, which hung on the porch of the Finca. He expressed his belief that the successful experiment in Viñales is ultimately a fruit of the agrarian reform. 'Land to those who work it,' he said, quoting the slogan of *campesino* movements across Latin America. 'This is very important.'

Despite the successful melding of farming and tourism here in Viñales, there are few similar models elsewhere in the country. Like most Caribbean countries, Cuba must import more than two-thirds of its food – although now more than half the vegetables consumed on the island are grown inside the country. The state still formally owns nearly 80% of Cuba's arable rural land, some 5 million hectares. Since 2009, about 1.5 million hectares of idle state lands have been leased to private farmers on 10-year terms. Of what remains under direct state control, some 700,000 hectares are still dedicated to sugar production.

Such realities underscore present-day Cuba's vulnerabilities, said Samuel Farber, the Cuban-born author of *Revolution and Reaction in Cuba* and several other books critical of the Castro regime from a leftist perspective. 'Current economic prospects do not presently look good for Cuba,' Farber told me over coffee back in New York, where he lives. 'In spite of a boom in tourism, low growth rates and low productivity continue to plague the Cuban economy. Low commodity prices in the world market have affected nickel, an important Cuban export.'

External events also pose a threat. Venezuela's political crisis has clearly been felt, and deep cutbacks of Venezuelan oil shipments recently halted operations at Cuba's Cienfuegos refinery. Last year, at the start of an eight-month cessation of Venezuelan oil shipments, Cuba's then economy minister Marino Murillo even warned of possible blackouts – an implicit invocation of the Special Period, when widespread power outages were commonplace in Havana.

And yet, in some ways, today's Cuba is better positioned to weather a potential future crisis – for instance, due to growth in the country's alternative energy sector. Gina Rey noted that Cuba is closer to self-sufficiency in many ways than before the Special Period. 'New models have emerged, such as the use of solar energy,' she told me. 'There already exist several photovoltaic fields in [Havana], and this is expected to continue expanding.'

Cuba stands at an economic crossroads today. It could build on the legacy of its Special Period adaptations, expanding the ecological model developed a generation ago to deepen its self-sufficiency. Or it could further open to foreign capital – seeking investment at any cost and joining global capitalism's 'race to the bottom'.

Left-dissidents like Díaz and Farber agree with Cuban officialdom on at least one thing: opposition to the US embargo. But the end of the embargo (certainly less likely under President Trump) would also mean new contradictions and challenges. More foreign dollars would likely mean a diversification of oil sources to ride out interruptions from Venezuela. That in turn would likely lead to more development, more cars on the roads and more carbon in the atmosphere. In such a scenario, it's not hard to imagine organic agriculture being further marginalised, or reduced to small-scale tourist attractions in places like Viñales.

Caught between the pull of global capitalism and the centralist ideas inherited from the days when the nation emulated Soviet Russia, it is unclear whether Cuba faces renewed crisis or greater prosperity. But one thing is certain – the ecological ethic it developed during the Special Period has survived as a third alternative. Its core ideas have been gaining wider acceptance far beyond Cuba's shores. Bicycle transportation, urban horticulture and chemical-free agriculture – the key adaptations of the Special Period – underpin the 'no growth' policies and organic farming methods on the rise across much of the world today.

The dark nights of Cuba's crisis are still, paradoxically, shedding light to help guide humanity away from its present dystopian course. ◆

Bill Weinberg writes widely on Latin America and ecological issues, including for his website CounterVortex.org. The above article is reproduced from Earth Island Journal *(Autumn 2017).*

Food sector consolidation 'threatens' food security

Food sector consolidation represents a growing threat to global food security, a new report suggests.

Katy Askew

A study has argued that the proposed mega-merger between agribusiness giants Bayer and Monsanto would raise prices and increase farmer dependency on the combined entity.

ACCORDING to the Agrifood Atlas – compiled by the Heinrich Böll Foundation, the Rosa Luxemburg Foundation and Friends of the Earth Europe – the monopolisation of the food chain by 'ever-fewer, ever-larger' corporations has far-reaching consequences for the global food system.

The researchers stressed that the rate of consolidation in the agri-food space is accelerating. Between 2015 and 2016, five of the 12 largest mergers between publicly traded companies came in the agri-food sector, with a total value of almost $500 billion.

This activity is being driven by growing private equity interest in food and beverage companies, stressed Benjamin Luig, coordinator of the food sovereignty programme at the Rosa Luxembourg Foundation.

'The report reveals a largely ignored dimension of agri-food sector restructuring. Private equity firms – rather than companies' shareholders – are increasingly driving concentration in the agri-food sector. Since 2004, one investment group, 3G Capital, has led or accompanied mergers which have created the world's largest beer company (AB InBev), the third-largest fast-food company (Burger King), and the fifth-largest food processor (Kraft-Heinz). Massive job cuts and the closing of bottling stations in the beverage industry are part of the plan.

'We urgently need regulations that limit the grip of the financial sector over the agri-food sector.'

Competition, choice and the environment at risk

According to the report's authors, job losses are just one dimension of the threat posed by food sector consolidation. They suggest that large buying cartels enable food retailers and processors to exert price pressure on their suppliers, squeezing out smaller companies and leading to poor working conditions and low pay throughout the food chain.

Consolidation also reduces consumer choice, the report argued, with 10 supermarkets accounting for almost half of all food sold in the European Union and 50 food processing companies generating half of global food sales.

Oliver De Schutter, co-chair of the International Panel of Experts on Sustainable Food Systems (IPES-Food), noted that consolidation is shaping the food chain and called for a public debate on the topic. 'We are seeing an unprecedented surge in mergers and acquisitions in the food and farm sectors that will have major impacts on what we eat and what food we grow in the future. We need an urgent debate and the proactive involvement of regulators to protect the public interest, workers and the environment,' he said.

Most significantly, perhaps, the report suggests that merged agri-food corporations are driving industrialisation along the whole food chain. With 20% of the world's agricultural land now degraded, this represents a 'risk to future food production'.

'Mergers and market concentration in the agricultural sector are skyrocketing – land concentration, monocultures and an almost complete dependency of farmers and consumers on corporate decisions are the alarming consequences,' Barbara Unmüssig, president of the Heinrich Böll Foundation, argued. 'As a result, global biodiversity and the variety and independence in our food chain are at risk. Activists fighting for the right to access to water, land and seeds are met with ever more violent public or private repressions all across the world.'

EC urged to reject consolidation

The report comes as the EU's executive European Commission faces a decision on whether to authorise the potential Bayer-Monsanto mega-merger. The EC has faced growing pressure to intervene and block the formation of the agri-food giant on competition grounds.

In October, a study from University College London argued that the deal would raise prices and increase farmer dependency on the combined entity. If the deal were to get the go-ahead, the researchers said, just three companies – ChemChina-Syngenta, DuPont-Dow and Bayer-Monsanto – would own and sell about 64% of the world's pesticides and 60% of the world's patented seeds.

The academics, Professors Ioannis Lianos and Dmitry Katalevsky, also urged the EC to extend its investigation to take account of the social and environmental costs of the proposed merger.

Speaking following the publication of the Agrifood Atlas, Mute Schimpf, food campaigner at Friends of the Earth Europe, said: 'The increasing size and power of agri-food corporations threatens the quality of our food, the working conditions of the people producing it, and our ability to feed future generations. The EU can play a leading role in rejecting these consolidations. An alternative food system is possible and is being built by local food producers and citizens across Europe, creating safe jobs and greener farms.' ◆

Katy Askew is Senior Editor at FoodNavigator.com, from which this article is reproduced.

Why we need to confront the billionaires' paradise

The national and global growth of wealth concentration and inequality and the proliferation of tax havens have led to the emergence of political oligarchies the world over. *Richard Eskow* emphasises the urgency of fighting this trend.

THE concentrated wealth of the global plutocracy is the dark matter of the world economy: it is rarely glimpsed and difficult to measure, yet it reshapes everything around it.

Two recent reports – the UBS/PwC report on the 'new Gilded Age' of the international billionaire class, and the 'Paradise Papers' released by the International Consortium of Investigative Journalists (ICIJ) – reveal ways corporations and the ultra-wealthy avoid taxes. In doing so, they offer a glimpse into this darkness.

Together, these releases tell us a lot about the wealthy few who run the world.

We now know that the British royal family have been less than open with the people they rule, who preserve their dubious privilege to monarchy. And we have learnt that, by investing in a Lithuanian shopping centre as an end run around taxes, U2's Bono may have finally found what he's looking for.

But these reports also help us see how much we still don't know about the powerful few. In an era when, according to the Institute for Policy Studies, only three Americans – Bill Gates, Jeff Bezos and Warren Buffett – own more wealth than half of the entire US population, we need to do more to understand – and confront – the super-concentration of resources.

The Paradise Papers comprise documents leaked from Appleby, one of the world's leading law firms specialising in offshore accounts. Picture shows the offices of Appleby in Hamilton, Bermuda.

Billionaire boom

The Swiss bank UBS and the American accounting firm PricewaterhouseCoopers weren't looking to write an exposé when they prepared their annual 'Billionaires Insights' report for 2017. On the contrary. So-called 'very high net worth individuals' are the financial industry's most sought-after clients. The report is entitled, without any apparent irony, 'New value creators gain momentum'.

And gain momentum these billionaires did. As the report notes, 'Globally, the total wealth of billionaires rose by 17% in 2016, up from USD5.1 trillion to USD6.0 trillion.'

Did your net worth grow by 17% last year? Unless you're one of the world's 1,542 billionaires, chances are it didn't.

In the US, wealth for most households grew at a much slower rate, while racial disparities in wealth persist in middle-class households.

Analyses from economists Thomas Piketty, Emmanuel Saez and Gabriel Zucman show a dramatic gain in income for the very wealthy – and no one else – in recent decades. In a useful explainer, David Leonhardt of *The New York Times* concluded: 'Yes, the upper-middle class has done better than the middle class or the poor, but the huge gaps are between the super-rich and everyone else. The basic problem is that most families used to receive something approaching their fair share of economic growth, and they don't anymore.'

Meanwhile, the US Federal Reserve reports that millions of Americans continue to struggle. Thirty percent of adults, roughly 73 million people, are finding it difficult to make ends meet or are barely getting by. Just under one-fourth of all adults said they could not pay all their bills for the current month. Forty-four percent said they could not cover an emergency expense of $400, and one-fourth of all adults reported that they had to forgo medical treatment during the past year because of the cost.

As of last report, America's 10 wealthiest men – they are all men –

are collectively worth more than $633 billion. The combined wealth of these 10 men has risen by nearly $116 billion since the start of this year alone.

The explosive growth of billionaire wealth, at a time when the middle class is dying and millions of Americans are struggling, has implications for democracy as well as the economy. The work of political scientists Martin Gilens and Benjamin Page has shown that the preferences of the majority have very little effect on government policy, while the political wishes of the wealthy few are far more likely to become reality.

As history teaches us, centralised wealth often leads to political oligarchy. The US is no exception. Expand this oligarchical effect across the globe, and you get a sense of the global reach of the billionaire class. As Oxfam International reported earlier this year, just eight men possess as much of the world's wealth as half the global population.

The authors of the UBS/PwC report commented that 'We are now two years into the peak of the second Gilded Age', with levels of inequality not seen since 1905. They also say that 'this is something billionaires are concerned about', leading to fears that the world's population could 'strike back'.

It's a rational fear.

How they hide

The report lists some of the ways the billionaire class spends its money. Art collections, sports clubs and philanthropy all rate a mention. Recent political events in the US demonstrate that they're also using their power to further enrich themselves and keep the majority from 'striking back'.

One thing the wealthy are apparently not doing with their money is paying much in taxes. The ICIJ's Panama Papers revealed that many people are using illegal means to avoid taxation.

The Paradise Papers now reveal something equally important: how billionaires and corporations can dodge taxation – and public scrutiny of their wealth – through legal means. These documents were obtained from Appleby, one of the world's leading law firms specialising in offshore accounts.

The New York Times recently profiled two billionaire political donors, one Democratic and one Republican, in an article about the papers that also cited an Appleby publication on the ultra-wealthy's problem of 'motivating children with means'.

It's time to strike back – not against wealthy individuals, but against oligarchy itself.

The Appleby brochure includes the picture of a small boy in a three-piece suit; apparently that counts as cute to the super-rich. Another handout shows 'a handsome couple' rushing to board a private jet, while another is captioned 'wealth seeks out safe harbours'.

Appleby clients include prominent Democrats like Penny Pritzker, Commerce Secretary under President Obama, George Soros and the aforementioned donor, James Simons. They also include prominent Republicans like Sheldon Adelson, Carl Icahn and billionaire Robert Mercer, who used some of the money he saved avoiding taxes to set Steve Bannon up with a media empire. When it comes to disseminating their ideas, it's striking how many hardcore conservatives don't trust the 'free market' to get the job done.

US Senator Bernie Sanders has called for an investigation into the papers, noting that corporations such as Wells Fargo, Citigroup, Apple and Nike are implicated in the documents.

Offshore havens do more than just help clients avoid taxes. They also help them avoid responsibility. As the *Times* reports, 'another offshore firm … advertises that it helps clients "preserve wealth from the ravages of litigation", political tumult and divorce.'

Pop stars also availed themselves of Appleby's services, including the aforementioned Bono, who took advantage of Malta's generous tax rates for foreign investors when he funnelled money into that Lithuanian shopping centre.

But then, the self-satisfied singer has a long history of giving high-minded speeches while failing to deliver for the poor, either personally or politically.

In his book *The Frontman*, author Harry Browne writes that Bono's politics are 'broadly … conservative' and can be seen as 'fundamentally non-threatening to the elites that have wreaked havoc on the world'. To Browne, Bono is 'a slick mix of traditional missionary and commercial colonialism, in which the poor world exists as a task for the rich world to complete'.

In an oligarchical world, figures like Bono matter. They provide the singer's 'friends', who range from Bill Clinton to George W Bush to Jesse Helms, with a veneer of conscience. They inoculate members of the global elite from the guilt that is rightfully theirs.

Speaking of 'frontmen': the papers also show that Britain's Prince Charles invested millions of pounds offshore. His estate insisted that the investment, which may have indirectly benefited from the prince's environmental campaigns, be kept secret. The Queen also invested heavily in offshore companies, including one that has been criticised for exploiting poor families.

The royals insisted that they obtain no tax advantage from these investments, which suggests that the public face of Britain's government may well have been trying to hide its wealth from Britain's people.

The network

The authors of the UBS/PwC report probably didn't intend these words to sound as ominous as they do: 'Billionaires are leveraging their

Only three Americans – Bill Gates *(left)*, Jeff Bezos and Warren Buffett (right) – own more wealth than half the entire US population.

networks. They have always worked with groups of peers for business, investment and philanthropic ends. But they are using them more, for example to access significant funding outside the capital markets. Better connectivity is helping them to work together more effectively.'

They are undoubtedly correct. Americans need look no further then Donald Trump's cabinet and circle of advisers, where billionaires gather to plot everyone else's future while the rest of the Republican Party dutifully falls in line. Treasury Secretary Steve Mnuchin, Commerce Secretary Wilbur Ross and Chief Economic Advisor Gary Cohn were among those implicated by the Paradise Papers.

The effect of billionaire 'networks' may also be found in the Democratic Party's struggle to develop a platform that reflects the needs of working Americans without alienating very many high-net-worth donors. Hint: It can't be done.

Thirty percent of adults in the US are finding it difficult to make ends meet or are barely getting by.

The response

Concentrated wealth tends to be amoral, and the ultra-wealthy are growing more powerful all the time. And since small businesses usually can't afford the services of firms like Appleby, legalised tax evasion increases inequality among both individuals and businesses.

How can the United States and the world respond before it's too late? Economists like Piketty and Zucman have called for a global wealth tax, although that would be difficult to enforce.

The International Monetary Fund (IMF) argued that taxes on the Western world's 1% should be 'significantly higher'. The Paradise Papers illustrate the importance of ending legalised tax evasion, and Zucman wrote an op-ed on the topic for *The New York Times*.

But it is hard to pass such measures in today's political world. In the US, there's a strong chance Trump and Congress will cut taxes on billionaires and corporations instead. That's what happens when wealth becomes too concentrated and political power follows suit.

The undemocratic and unequal state of the US can no longer be hidden. These reports are informative, but so far we've only glimpsed the oligarchy's reach and power. This concentration of power must be investigated, and then it must be confronted – by a majority determined to take back the economy and democracy from the powerful few who have made it their plaything, before it's too late.

It's time to 'strike back' – not against wealthy individuals, but against oligarchy itself. ◆

Richard Eskow is a writer and radio journalist in the US who has worked in health insurance and economics, occupational health, risk management, finance and IT. He is also a former musician. The above article is reproduced from OurFuture.org.

Ready for the next debt storm?

The number of poor countries that are in debt crisis is increasing rapidly, as is the share of public revenue that Southern governments need to divert from essential services to pay down debts. The international community is awaiting the storm with remarkable silence: only piecemeal steps have been taken in 2017 at the multilateral level in the areas of effective institutions for debt crisis prevention and resolution. The UNCTAD Debt Management Conference that took place in Geneva on 13-15 November and the Paris Forum the day after provided a glimpse of what is to come.

Bodo Ellmers

A scene of the devastation wrought by Hurricane Irma in Antigua and Barbuda in September. Even in the aftermath of the storm, the country had to make debt payments to the IMF.

THE 11th Debt Management Conference, organised by the United Nations Conference on Trade and Development (UNCTAD), took place in an environment where the debt crisis is moving southwards again. While the 'transatlantic crisis' has dominated academic and political discourses in recent years, the response of Northern central banks has facilitated lending to developing countries and driven up debt levels there. The International Monetary Fund (IMF) reports that three more low-income countries have gone into debt distress this year (Chad, Gambia and South Sudan, joining Grenada, Mozambique, Sudan and Zimbabwe), whilst the number of countries in debt distress or at high risk has increased to 28, from 15 in 2013.

And the irresponsible lending and borrowing party is not over yet, as more hot money is searching for higher yields. Just one category of debt, the issuance of sovereign bonds by developing countries, reached $133 billion in 2016 and is expected to rise further this year, essentially doubling the level from 2015.

At the Debt Management Conference, development finance experts such as Prof. Jan Kregel from the Levy Economics Institute (and the University of Tallinn) and Prof. Nelson Barbosa from the Sao Paulo School of Economics challenged the hegemonic paradigm that underdeveloped countries have to borrow from abroad to finance their development, and pointed to the risks associated with such a strategy.

UNCTAD's own Stephanie Blankenburg pointed to the increasing occurrence of debt crises in recent decades and cautioned that after the lending boom, developing countries may face a new bust cycle as both debt-to-GDP ratios and debt service ratios have increased massively since 2013. The volume however is not the main or only problem, stressed Blankenburg: concerns are growing over the new composition of debt that is a 'treacherous mix' of private and public debts (some of which are hidden as contingent liabilities) denominated in foreign as well as domestic currencies and owed to domestic and foreign creditors. There is currently no debt workout mechanism that could unravel and deal with such a mix.

And Northern governments are making things even more complicated. Karin Küblböck from the Austrian Foundation for Development Research mapped the many instruments with which foreign actors are driving poor countries' debt levels further upward. This is the predictable consequence of their desire to turn billions in grants into trillions of new debt through 'blending' instruments or, as critics say, to create new investment opportunities for capital from the North. The G20's Compact with Africa and the European Union's External Investment Plan are just the newest of these initiatives.

On the debt crisis prevention side, some hope that the introduction and enhanced use of state-contingent debt instruments could provide some kind of buffer to avoid a situation where economic shocks or natural catastrophes lead to defaults. Countries are starting to experiment with GDP-linked bonds or debt instruments that contain 'hurricane clauses', for example. These are debt instruments for which repayment conditions automatically change when a certain event happens, such as a drop in commodity prices or a natural catastrophe. They are seen as 'market-based' debt crisis prevention tools, in the absence of an effective debt workout mechanism that affected countries could turn to.

International organisations such as the IMF and the World Bank expect governments to issue such bonds, and private investors to buy them. Critical observers have, however, already highlighted that the IMF's and World Bank's own loans are not state-contingent, nor are those of bilateral official creditors; this recently led to the perverse situation where, in the aftermath of Hurricane Irma, Antigua and Barbuda made payments to the IMF, and Cuba made payments to its Paris Club creditors. Civil society groups also flagged this problem at the Paris Club's Paris Forum on 16 November, where state-contingent debt was also discussed.

As it takes a little more time to develop insolvency laws and orderly procedures to restructure the unsustainable debt of sovereign debtors, the UNCTAD conference also debated what can be done with existing soft law mechanisms in the meantime. There is no lack of such mechanisms: the UNCTAD Principles on Responsible Lending and Borrowing, the Basic Principles on Sovereign Debt Restructuring and the G20 Guidelines on Sustainable Finance are just some examples.

Legal scholar Matthias Goldmann noted at the conference that the direct impact of soft law on court decisions is somewhat limited but it can impact indirectly by influencing policy, which later becomes a reference for courts.

That soft law principles can only be a start was also highlighted by Jubilee USA's Eric LeCompte. He flagged the pressing need for better debt workout mechanisms and cited the US insolvency law's Chapter 9 and 11 as legal models for multilateral legislation in this area. He also said that the urgent need to address the debt situation in the hurricane-hit Caribbean would offer an opportunity to test innovative debt workouts. There is certainly no lack of ideas and concepts for policy- and decision-makers to pick up and put into practice. ◆

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Buenos Aires WTO Ministerial talks collapse in disarray

The 11th WTO Ministerial Conference, held in December, ended in deadlock and total disarray. As *Chakravarthi Raghavan* explains below, this failure was due to attempts by the rich countries to renege on the organisation's earlier mandated decisions on key issues of vital importance to developing countries (such as food security) while pushing onto the agenda new issues which had no organic link to trade or the WTO.

WTO/Cuika Foto

The WTO's Eleventh Ministerial Conference, held in Buenos Aires, produced little in the way of substantive outcomes.

THE World Trade Organisation (WTO)'s Eleventh Ministerial Conference (MC11), which took place in Buenos Aires on 10-13 December, ended in complete failure and some disarray.

In some famous last words at Buenos Aires, WTO spokesperson Keith Rockwell, who was asked at a media briefing on 12 December how he would compare MC11 with other WTO Ministerials, and hard put to present a positive gloss to a conference heading for complete failure, highlighted the hospitality of the Argentine government as a fantastic success of the conference!

He had earlier pointed to a draft joint declaration on 'gender equality' sponsored or supported by many delegations, as also the great support of business, ministers and leaders. That draft declaration was among many not adopted, India having blocked it as extraneous to the WTO remit and Doha Development Agenda (DDA) negotiations.

On electronic commerce (an issue deeply dividing the WTO membership but one which his boss, Director-General Roberto Azevedo, promoted at a side-event in Buenos Aires as beneficial to small enterprises, despite their organisations in various developed and developing countries declaring it as inimical to their interests), Rockwell said there is a digital divide. The proponents, he added, have been saying without equivocation that they need technical assistance to help close the digital divide at the same time.

The failure of MC11 was inevitable perhaps from the outset, as host country Argentina and the WTO leadership attempted to ignore mandates and the interests of the vast majority of members. From the start, the conference chair, Argentine Minister Susana Malcorra, rode roughshod over the rights of members at plenary, not giving them the floor to voice any contrary views to her proposals but gavelling consensus where none existed.

Both the WTO leadership and host Argentina were intent on burying the DDA negotiations (as the US and the EU wanted to be able to resile on their treaty commitments). Instead, negotiations on controversial new issues were sought, some not even in the ambit of trade and the WTO, but all aimed at foreclosing any likely competition to existing developed-country dominance of markets.

With the US adamantly refusing to agree to any permanent accord on public stockholding (PSH) programmes for food security in developing countries (even as the US and the EU were determined to block any scrutiny of their own agricultural subsidies), the conference saw open, bitter clashes between the US on the one side and, on the other, India, China, South Africa and others which demanded a permanent solution for their PSH programmes.

As a result of all this, the Argentine government – which had expended huge amounts to host the conference (and promote its own neoliberal, neo-mercantilist economic agenda) and had alienated global civil society and public opinion by banning scores of NGOs and denying visas for many more – ended with little or nothing to show for its efforts.

Even its hopes of staging the signature ceremony of an EU-Mercosur free trade agreement as a side-event were not apparently realised. The EU-Mercosur meeting was only able to agree on a common statement and press release on continuing their efforts!

At the conclusion of MC11, a positive spin was sought to be given to the conference through reference to several announced initiatives for plurilateral negotiations and accords on new issues not on the WTO's mandate. Several of them have even been listed on the WTO website, although it was clear that some were or were likely to be illegal under the WTO remit.

In a Twitter comment on talk of

EU Trade Commissioner Cecilia Malmstrom said MC11 had been a total failure.

possible future plurilateral agreements, Simon Evenett, professor of international trade and economic development at the University of St Gallen in Switzerland, said it felt more like a case of 'back to the future'. Seeking plurilateral instead of multilateral deals reminded him, he said, of the Tokyo Round trade negotiations in the 1970s.

In terms of the Marrakesh treaty which established the WTO, there can be no plurilateral agreement (with conditional rights and obligations applicable to signatories) in areas already covered by existing agreements [under the General Agreement on Tariffs and Trade (GATT) or the General Agreement on Trade in Services (GATS)].

Any such agreement involving changes to the current GATT or GATS schedules of members has to be agreed to by all members by consensus, and any benefits in such schedules have to be extended unconditionally to all non-signatories of the plurilateral accord which are WTO members.

As for a plurilateral agreement in areas of trade not covered by any existing agreement, and that would need to be included in Annex IV of the WTO Agreement, it would require consensus of a Ministerial Conference on the basis of a request from signatories of that plurilateral accord.

In a leaked recording of her remarks at a closed plenary of the WTO membership, the EU Trade Commissioner Cecilia Malmstrom said that MC11 has been a total failure. 'We failed to achieve all our objectives,' Malmstrom said in a closed-door meeting of delegation heads, according to the audio recording as reported by US media outlet POLITICO.

'We did not achieve any multilateral outcomes,' Malmstrom was cited as saying. 'The sad reality is that we did not even agree to stop subsidising illegal fishing. I hope all delegations here reflect carefully about the message this sends to our citizens, to our stakeholders and to our children. It says a lot about the WTO.'

Malmstrom spoke about 'the deficiencies of the negotiating functions of the WTO', and in an effort to cast the blame (without naming them) on India, South Africa and a few others, she accused some member countries of 'cynical hostage-taking' in the multilateral negotiations.

The EU Trade Commissioner's remarks blaming others for deficiencies in the WTO negotiating function were rather rich, considering that in the WTO's 22-year history, it has been the EU and the US that have engaged in 'hostage-taking' and blocked developing-country demands that they deliver on their Marrakesh treaty commitments and correct the glaring asymmetries in the system. The US and the EU have been blocking DDA compromise accords in order to be able to continue subsidising and protecting their own domestic markets (including heavy subsidies to their farming sector) and ensure oligopolistic control by their corporations in the global market.

Judging by media reports, it would appear that the attempts by the EU, Azevedo, Malcorra and others to shift the blame for the failure of MC11 to India and a few others have failed. Most reports blamed the US for its blocking of all efforts at several key decisions, such as a permanent accord on PSH programmes, a ministerial declaration or any reference to the DDA negotiations. ◆

Chakravarthi Raghavan is Editor Emeritus of the South-North Development Monitor (SUNS) *published by the Third World Network. This article is reproduced from* SUNS *(No. 8597, 15 December 2017).*

US undermines consensus at WTO meet in Buenos Aires

The failure of the Buenos Aires Ministerial to secure a consensus – principally as a result of US intransigence – is a further erosion of the multilateral framework of the WTO, says *D Ravi Kanth*.

THE WTO's Eleventh Ministerial Conference collapsed on 13 December like a house of cards, after the United States single-handedly blocked outcomes on mandated decisions and a ministerial declaration, several trade ministers told the *South-North Development Monitor* (*SUNS*).

MC11 did, however, pave the way for accelerating work on fisheries subsidies based on the draft texts. The decision agreed at Buenos Aires on fisheries subsidies says: 'Members agree to continue to engage constructively in the fisheries subsidies negotiations, with a view to adopting, by the Ministerial Conference in 2019, an agreement on comprehensive and effective disciplines that prohibit certain forms of fisheries subsidies that contribute to overcapacity and overfishing, and eliminate subsidies that contribute to IUU [illegal, unreported and unregulated] fishing recognising that appropriate and effective special and differential treatment for developing country members and least developed country members should be an integral part of these negotiations.'

The trade ministers gathered in Buenos Aires also endorsed South Sudan's request for joining the WTO.

Extension of the moratorium not to impose customs duties on e-commerce transmissions (which was further clarified in a footnote following objections raised by Indonesia), extension of the moratorium on TRIPS non-violation and situation complaints, and a decision on the work programme for small and vulnerable economies were also approved at the meeting.

While the document posted on the WTO website [WT/MIN(17)/W/6] on e-commerce transmissions as of the moment of writing does not have any footnote, the Indonesian minister and their chief trade official, Iman Pambagyo, said the WTO Director-General had told them that he is attaching a footnote clarifying that 'electronic transmissions does not include trade in goods and trade in services'.

WTO Director-General Roberto Azevedo admitted that MC11 had largely failed to deliver 'final substantive agreements'.

Besides extending the moratorium, the ministerial decision on e-commerce seeks to 'reinvigorate' work based on the existing mandate based on the 1998 work programme. It instructs the WTO General Council to hold periodic reviews in July and December 2018 and July 2019 based on the reports submitted by the relevant WTO bodies (Council for Trade in Goods, Council for Trade in Services, Committee on Trade and Development, and TRIPS Council) and report to the next session of the Ministerial Conference.

Unable to secure consensus at Buenos Aires on their proposals for establishing a working party/working group and horizontal discussions on e-commerce, the proponents opted for a plurilateral initiative (see following article).

Barring the above decisions, MC11 failed to deliver 'final substantive agreements', admitted WTO Director-General Roberto Azevedo.

Progress on longstanding issues was always going to be difficult and it would require a leap which was not possible at Buenos Aires, Azevedo maintained. 'Multilateralism doesn't mean you will get what you want but it means to get what is possible,' he said.

Azevedo, however, remained upbeat about the new 'dynamism', particularly the exploratory plurilateral initiatives launched by groups of countries at Buenos Aires on e-commerce, disciplines for micro, small and medium-sized enterprises (MSMEs), and investment facilitation.

The Director-General must take credit for working assiduously with major developed and several developing countries as part of a Plan B to ensure that Buenos Aires gave birth to plurilateral initiatives while eroding the multilateral basis of the WTO.

'There is life after Buenos Aires,' said the MC11 Chairperson Susana Malcorra, suggesting that Buenos Aires paved the way for addressing '21st century issues'. She welcomed the plurilateral initiatives on e-commerce and MSMEs.

[Though Azevedo and Malcorra hailed the plurilateral initiatives, it seemed clear that these might run afoul of the WTO agreements. Even the WTO's posting and promoting these initiatives on its website and expending its human and material resources on servicing such initiatives may prove problematic without specific General Council sanction (MC11 having provided none). Both Azevedo and secretariat officials involved might find themselves facing problems before the WTO Budget Committee and the General Council that approves budgets on the recommendation of that committee. – *SUNS*]

In the absence of a ministerial declaration, Malcorra issued a Chair's statement in which she maintained that the multilateral trading system is at a crossroads. She said the decisions adopted in Buenos Aires will guide members' work in Geneva in the next two years.

South Africa's Trade Minister Rob Davies said 'it is a moment of truth' for the multilateral organisation, which faces a grave crisis. He castigated the attempts at Buenos Aires to terminate special and differential treatment (S&DT) flexibilities and walk away from all mandated issues while embracing new issues.

The Buenos Aires meeting failed to provide any concrete outcomes on mandated issues such as the permanent solution for public stockholding (PSH) programmes for food security. Azevedo said the work on PSH will continue along with other unresolved issues in Geneva.

During several meetings – both open-ended and among small groups of countries – on 13 December, the US vehemently opposed many of the items including PSH, the language on agricultural domestic support, particularly cotton, and the special safeguard mechanism (SSM).

'Unfortunately, the strong position of one member against agricultural reform based on current WTO mandates and rules led to a deadlock...'

'In the run-up to MC11, decisions were expected on a permanent solution on food security and other agriculture issues,' India said. Without naming the US, India went on to add: 'Unfortunately, the strong position of one member against agricultural reform based on current WTO mandates and rules led to a deadlock without any outcome on agriculture or even a work programme for the next two years.'

The facilitator for agricultural outcomes at MC11, Kenyan Foreign Affairs Cabinet Secretary Amina Mohamed, had modified the draft decisions several times to ensure the US came on board to continue work on the unresolved issues. A trade minister from one of the countries in the Cotton-Four (C-4) grouping told *SUNS* that they had lowered their level of ambition on domestic support and market access to enable the US to agree to the language on cotton.

Despite the facilitator's painstaking efforts, the US finally pulled the plug on agriculture at an open-ended meeting of heads of delegation on 13 December afternoon. Once the US rejected the agriculture package, even the language agreed by the C-4 countries fell apart, the trade minister said.

The US also blocked the draft ministerial statement issued by the Chair of the conference.

The draft ministerial decision said, 'We reiterate paragraphs 30 and 31 of the Nairobi Ministerial Declaration, we commit to work towards more effective implementation and enforcement of WTO rules as negotiated and agreed by all and underscore the importance of implementing decisions by members.'

India initially blocked the moratorium on e-commerce transmissions on the ground that it could accept the moratorium only after members agreed to the moratorium on TRIPS non-violation and situation complaints and a structured work programme on the relationship between the TRIPS Agreement and the Convention on Biological Diversity (CBD). But India later agreed to take up the TRIPS-CBD demand at the TRIPS Council.

India also blocked a draft ministerial decision on 'policy dialogue' – which was initiated to bring new issues such as gender, trade and labour, and trade and environment – on grounds that it was not part of the WTO mandate.

'There was a view amongst Ministers that the WTO can play an important role in promoting the exchange of comparative experiences and a better understanding of the implications of different policy choices,' the draft decision had suggested.

In conclusion, the four-day meeting hosted by the Argentine government amidst protests on the streets of Buenos Aires was a well-crafted attempt to give birth to plurilateral initiatives while burying the bread-and-butter issues of the Doha work programme. The conference will remain as the mother of trade ministerial meetings in terms of eroding the multilateral framework of the WTO, several ministers said. ◆

D Ravi Kanth writes for the South-North Development Monitor (SUNS) *published by the Third World Network. This article is reproduced from* SUNS *(No. 8597, 15 December 2017).*

North and its allies seek plurilateral route to push through new issues into the WTO agenda

Resistance from developing countries to the introduction of new issues into the WTO agenda has forced the countries of the North and their allies to seek a plurilateral route for electronic commerce and other new issues.

D Ravi Kanth

A plurilateral initiative on e-commerce was announced at MC11 by Japan, Australia and Singapore, whose respective trade ministers *(from left to right)* **Hiroshige Seko, Steven Ciobo and Lim Hng Kiang are pictured here.**

THE major developed countries and their allies in the developing world resorted to a plurilateral initiative on electronic commerce on 13 December at the Buenos Aires Ministerial Conference after failing to secure multilateral consensus for establishing a working party on e-commerce, several trade ministers told *SUNS*.

Argentine Minister Susana Malcorra, who chaired the ministerial meeting, welcomed the plurilateral initiative for what she called 21st-century issues.

Even the United States – which blocked the proposed outcomes on the permanent solution for public stockholding programmes for food security and other issues – immediately embraced the plurilateral initiative on e-commerce.

The 71 countries under the plurilateral initiative decided to 'initiate exploratory work' towards future WTO negotiations.

The decision came a day after the proponents had failed to secure consensus on their proposal for establishing a working party/working group to accelerate work on e-commerce with a view to launching negotiations at the next Ministerial Conference in 2019.

The US 'is pleased to partner with 70 members to initiate exploratory work on negotiations on electronic commerce issues in the WTO', said US Trade Representative Robert Lighthizer in a statement. 'Initiatives like this among like-minded countries offer a positive way forward for the WTO in future.'

The initiative is not, however, being called 'plurilateral' even though it is among a coalition of willing countries, because one member is sensitive to the use of terms like 'plurilateral' and 'multilateral', said one of the co-sponsors. Therefore it is being called an initiative of like-minded countries.

The US and the EU are among the sponsors of the initiative, which was announced by Japan, Australia and Singapore. Other members include Albania, Argentina, Bahrain, Brazil, Brunei, Cambodia, Canada, Chile, Colombia, Costa Rica, Guatemala, Hong Kong (China), Peru and many other countries.

In a joint statement, the 71 countries said they 'share the goal of advancing electronic commerce work in the WTO in order to better harness [the] opportunities' created by e-commerce.

They added: 'We recognise the particular opportunities and challenges faced by developing countries, especially LDCs [least developed countries], as well as by micro, small and medium-sized enterprises, in relation to electronic commerce.

'We also recognise the important role of the WTO in promoting open, transparent, non-discriminatory and predictable regulatory environments in facilitating electronic commerce.'

Many members of the group had circulated several proposals on e-commerce in the run-up to MC11 call-

An informal plurilateral work programme was launched at MC11 with the stated aim of arriving at 'horizontal and non-discriminatory solutions' that will benefit micro, small and medium-sized enterprises (MSMEs) in international trade.

ing for a new mandate to commence work on e-commerce-related issues with the eventual aim of launching negotiations at the WTO. But those proposals failed to garner support beyond those who signed on to it during a meeting of heads of delegation at Buenos Aires on 11 December.

Therefore, the sponsors said in their joint statement: 'We, as a group, will initiate exploratory work together toward future WTO negotiations on trade-related aspects of electronic commerce.'

'Participation will be open to all WTO members' regardless of their current proposals. The proponents said their initiative will be undertaken 'without prejudice to existing WTO agreements and mandates'.

'Modern trade will increasingly be by e-commerce,' said Australia's Trade Minister Steven Ciobo. His Japanese counterpart Hiroshige Seko said 'the world is more interconnected than ever' and the WTO has an important role to play. Singaporean Minister Lim Hng Kiang said: 'E-commerce presents developing members and LDCs an opportunity to leapfrog, overcome traditional market barriers, and allow for more inclusive participation in global trade.'

WTO Director-General Roberto Azevedo said the initiative provided new 'dynamism' to the organisation even though it failed to make progress on the mandated issues.

However, major developing countries such as China, India, South Africa and Indonesia, among others, stayed away from the initiative.

There is still no clarity whether the initiative can be discussed within the WTO when the existing e-commerce work programme based on the 1998 decision is the basis for work within the organisation. 'The exploratory work cannot continue within the WTO,' said a developing-country trade envoy.

In another plurilateral initiative, trade ministers from many developed and several developing countries issued a joint statement for commencing work on disciplines for micro, small and medium-sized enterprises (MSMEs) so as to arrive at 'horizontal and non-discriminatory solutions' that will benefit MSMEs in international trade.

In their statement, the proponents led by Chile launched an informal work programme on MSMEs at the WTO. The work programme includes 'a comprehensive and strategic discussion on MSMEs in the WTO, as a contribution at the multilateral level to addressing obstacles related to foreign trade operations that represent a significant burden for MSMEs interested in participating in international trade'.

The proponents maintained that the informal group is open to 'all members' for accomplishing a multilateral outcome 'aimed at establishing a formal work programme for MSMEs at the next Ministerial Conference'.

The informal dialogue will focus on the following issues:

- to provide enhanced access to information for MSMEs;
- ways to promote a more predictable regulatory environment for MSMEs;
- reduction of trade costs, including areas such as trade facilitation;
- shipping and logistics;
- procedures and requirements related to rules of origin;
- better access to trade finance for MSMEs;
- technical assistance.

The informal working group on MSMEs at the WTO, according to the joint statement, will continue to periodically share with the membership information on its work and discussions at the heads-of-delegation meetings, General Council and the Ministerial Conference.

The US, however, opted to stay out of the informal working group because of China's presence in the group, said a proponent who asked not to be identified.

While proponents of these 'new initiatives' on e-commerce and MSMEs claim that they will benefit MSMEs especially in the developing countries, organisations of MSMEs across the globe, not only in developing countries but in some European countries too, issued declarations and circulated documents at MC11 denouncing these efforts. They pointed out that the proposed WTO rules on e-commerce would advantage the handful of US Silicon Valley technology giants and secure them free access to the data of individuals across the world, while disadvantaging budding enterprises in developing countries and rendering them uncompetitive.

In conclusion, the Buenos Aires ministerial meeting has achieved its goal of undermining multilateral trade liberalisation while paving the way for plurilateral trade liberalisation among the coalition of the willing so as to deny the promised developmental benefits of the Doha work programme to developing and poorest countries. ◆

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Civil society organisations disappointed at failure of WTO conference to deliver on development issues

Lamenting the collapse of the 11th WTO Ministerial Conference, civil society organisations expressed disappointment on the failure of member states to address fundamental problems in the global trading system, especially those affecting the developing countries.

Kanaga Raja

A woman receiving subsidised rice distributed under India's Public Distribution System. Civil society groups voiced disappointment that MC11 failed to reach an agreement to regularise such public food stockholding programmes in developing countries that currently often run afoul of WTO rules.

A GLOBAL network of civil society organisations (CSOs) has expressed deep disappointment over the failure of the Eleventh WTO Ministerial Conference (MC11) to bring about outcomes amongst others on a permanent solution for public stockholding (PSH) programmes for food security, a workable Special Safeguard Mechanism (SSM), and on addressing WTO constraints to development.

In a final statement issued following the conclusion of MC11 on 13 December, the CSOs, grouped under the Our World Is Not for Sale (OWINFS) network, said that they were deeply disappointed that WTO members once again missed a crucial opportunity to address fundamental problems in the global trading system.

At the same time, however, they were relieved that the push by giant technology corporations for an agenda to expand WTO rules over the future digital economy failed to garner support from a majority of members.

The CSOs said that despite a mandate to find a permanent solution for PSH at MC11, members failed to remove WTO constraints on countries' ability to feed their hungry populations and improve farmers' livelihoods; on a workable SSM; and on disciplining subsidies that distort trade and damage farmers' livelihoods around the world.

Likewise, said the CSOs, members made no progress on the key issue of addressing WTO constraints to development, having completely ignored the G90 country grouping's development proposals.

'Fortunately, given that there was no Ministerial Declaration, previous affirmations of the development agenda still stand.'

It was unfortunate, the CSOs pointed out, that members were not able to agree to discipline fish subsidies, but given that some members opposed preserving development policy space in fisheries, it was better that members continue consultations in Geneva.

In their statement, the OWINFS network welcomed that the majority of WTO members saw clear that it is far too premature for the WTO to begin negotiations on the digital economy, and simply reaffirmed the existing working programme for discussions on e-commerce.

Likewise, the majority of countries agreed that countries' sovereign right to regulate in the public interest should not be further limited by the WTO, and that 'domestic regulation' disciplines are not necessary, and thus no new rules on 'domestic regulation' were agreed.

Likewise, most members realised that new negotiations on investment facilitation are unwarranted, and decided against a new mandate on this issue.

Other issues like micro, small and medium-sized enterprises (MSMEs) and 'gender and trade', the CSOs said, are 'Trojan Horses' for sneaking in new issues like e-commerce, and represent the wrong agenda of further benefits for corporations at the expense of jobs and development.

The CSOs noted that a declaration against the appropriation of gender to further liberalisation was signed by over 164 groups in 24 hours during the week of MC11. Likewise, myriad MSME associations raised objections to the e-commerce agenda and against the so-called 'MSME work programme' that is against their interests.

The OWINFS statement continued: 'Despite many of our representatives from civil society having been unjustly, and without due process, banned from participating [in MC11], those of us who were allowed in have raised our voices about the negative impacts of existing WTO policies on workers, farmers, the environment, development, and the public interest, calling for fundamental transformations to the existing trade system.'

'We believe in a democratic, transparent, and sustainable multilateral trading system, and do not want to see the WTO depart even further from that ideal, and will continue our call on governments not to expand the failed model of the WTO to new issues,' the CSOs underscored.

According to the CSOs, it seems that the United States came to Buenos Aires with an agenda of rejecting the consideration of development

CSO reps voice their views

SOME 80 civil society representatives from 34 countries were in Buenos Aires as part of the OWINFS network delegation, with several of them providing some reactions at the end of MC11:

Jane Kelsey, Law Professor, University of Auckland, New Zealand: 'Powerful countries that became used to dominating the WTO have discovered that they can no longer control the outcomes of ministerial conferences. Rather than accept the reality that the majority of the world's countries and people want the WTO to address their urgent development realities, a self-selected group of mainly rich countries have clubbed together to set up their own process. Doubtless they plan to bully developing countries back in Geneva and at the next ministerial meeting. Doing so will simply deepen the WTO's crisis of legitimacy.'

Sachin Kumar Jain, Right to Food Campaign, India: 'It is sad that WTO members could not reach a permanent, acceptable, pro-people solution on public stockholding. We were hoping that developed countries would at least now give prominence to human lives over agribusiness and profiteering food business.'

Sylvester W Bagooro, Third World Network-Africa, Ghana: 'The outcome of MC11 from Africa's perspective could be viewed in two ways. On one breath Africa has not accepted any further onerous obligations but also has not gotten anything from this Ministerial. So Africa returns home empty handed. It is time for Africa to look within for solutions to the continent's problems judging from the posturing of developed countries over the years.'

Ruben Cortina, President of UNI Americas, UNI Global Union (which represents more than 20 million workers from over 900 trade unions in the fastest-growing sectors in the world – skills and services): 'Again the international system is at a crossroads: change the agenda to focus on peoples' interests and multilateralism will begin to work; keep it as it is now and no matter how many police you put in the streets and how many civil society members you deport, things still won't work. The international trade union movement is vital for a fair and inclusive future.'

Christina J Colclough, Director of Platform and Agency Workers, Digitalisation and Trade, at UNI Global Union: 'The joint statement on e-commerce, signed by 42 countries plus the European Union, is a far cry from the hopes of the countries who had aimed to create a WTO 2.0 on e-commerce. The collapse is good news. We will push back against any attempts to continue this agenda. Let's be clear: the free flow of data does not equal the free and equal access to data. It won't benefit you and I. What these e-commerce proponents were pushing for would benefit Big Tech at the expense of all others and not least workers.'

Prerna Bomzan, Third World Network, Nepal: 'We are once again disappointed that least developed countries' concerns were ignored during the Ministerial Conference in Buenos Aires. The LDC package is long overdue and we continue to demand an immediate, binding deliverable to enable the inclusion of the most marginalised countries into international trade.'

Georgios Altintzis, Trade Policy Officer, International Trade Union Confederation (which represents 181 million workers in 163 countries and territories and with 340 national affiliates): 'Inserting new issues prematurely [into] the WTO has largely been avoided. The global trade union movement remains vigilant on further developments, parconcerns in trade. The US attempted to bully its way into shaping an outcome in its interests, but the majority of developing countries – having faced the brunt of negative WTO policies for so many years – resisted this pressure.

'We are just as disappointed at the EU, since it failed to play a constructive role at the Ministerial. While claiming to build consensus, it stuck with a discredited approach of expansion of WTO trade rules, deregulation, increasing market access, while refusing to repair the existing WTO rules which are harmful to developing countries.'

The CSOs however recognised the leadership of the African Group, India, the ALBA group of Latin American countries, and other countries in defending that multilateral trade policy should foster, rather than constrain, development prospects.

'No matter the outcome, the WTO as an institution continues to exist and continues to have rules that are detrimental to developing countries, workers, farmers, the environment, and the public interest generally. These rules need to be fundamentally transformed as we have outlined in the Turnaround Agenda, endorsed by hundreds of civil society organisations from around the world, which is similar to the objectives of the developmental aspects of the Doha Development Round,' said the CSOs.

Meanwhile, the CSOs added, the WTO's dispute settlement mechanism will continue to enforce asymmetrical rules against developing countries and public interest regulations. Moreover, its effectiveness depends on the complaining country's ability to retaliate, making it useful for powerful countries but less so for developing countries.

With or without agreements at MC11, the CSOs said, the new paradigm of plurilaterals and the continuation of bilaterals are used by neoliberal trade negotiators in different countries to impose their agenda of further expanding trade and investment rules. Such new trade rules further restrict the ability of countries to

ticularly on e-commerce in non-multilateral settings.'

Parminder Jeet Singh, IT for Change, India: 'We are happy that attempts by the US and its allies to bring e-commerce to the WTO as a way of liberalising "everything" through the backdoor, and ensuring entrenching of business models of GAFA (Google, Amazon, Facebook, Apple) based on monetising our data, have failed ... Developing countries must now focus on building their domestic digital industry, through appropriate digital industrial policies. They should work together on this, developing best practices.'

Helene Bank, Norwegian Trade Campaign, Norway: 'Rich countries have undermined the multilateral trading system by totally overloading the WTO agenda and never accommodating developing countries' needs. We as civil society need policies that protect societies, welfare, workers and human rights, ecosystems and common resources, NOT sell out to big corporations. Our societies need international systems that call for regulation of trade and the economy, NOT the WTO push for deregulation and undermine just rules.'

Nick Dearden, Global Justice Now, United Kingdom: 'The collapse of the WTO ministerial was "the best outcome possible" given the position of rich countries at this week's summit. We criticise the continued intransigence of rich countries like Britain who have no interest in solving the fundamental injustice of current WTO rules, and instead want to turn the whole world into a corporate playground.'

Timothy A Wise, Researcher, Small Planet Institute and Tufts University, USA: 'Intransigence by the United States has again prevented the WTO from taking steps to allow developing countries to protect their farmers from unfair trade practices such as dumping. Public stockholding for food security should be allowed without interference, to protect farmers from dumping and to feed the hungry.'

Nabil Abdo, Arab NGO Network for Development: 'The WTO failed again to deliver on development, and put the needs of people, farmers, workers, and vulnerable people at the centre of its concerns. The MC11 failed due to the insistence of some powerful developed countries to prioritise corporate profit and tech giants over food security and sovereignty, the ability to design national policies, and most importantly the interests of people.'

Petter Titland, ATTAC Norway, Norway: 'The TiSA countries are pushing the agenda of the big data extraction firms like Google, Facebook and Amazon without a public debate about the future of our economy and digital industrial policy. Nigeria is the only African country supporting negotiations on e-commerce in the WTO. All the other African countries want to develop their own digital industrial policy, and we must support them.'

Sophia Murphy, Senior Advisor, Institute for Agriculture and Trade Policy, Canada: 'The multilateral system can only work on the basis of trust and compromise. By refusing to meet any country part way in Buenos Aires, the Trump Administration has squandered an opportunity for Americans to be part of building a trade system that starts to tackle the real challenges of the 21st century: inequality and the fragility of our planet's resources.'

Maruf Barkat, COAST Trust, Bangladesh: 'Our analysis of the proposals and their progress in the WTO's MC11 is that true "development" has been ignored. The proposed e-commerce rules will not help MSMEs even though MSMEs are a commonly cited justification for the proposed e-commerce rules. MSMEs need WTO members to agree to the G90 special and differential treatment proposal. The proposed MSME work programme would limit the policy space to help MSMEs.' ◆

pursue public policy objectives such as the promotion of health, education and employment, as well as the protection of the environment and labour rights.

'We support the conclusion of the development aspects of the Doha Development Round, but we oppose the expansion of liberalisation trade rules – be they through bilaterals or plurilaterals or multilaterally in the WTO,' the CSOs underlined.

They applauded the majority of developing countries at MC11 which held firm against massive pressure, led by Japan, Australia and Singapore, to launch negotiations on e-commerce in the WTO.

A series of proposals on e-commerce tabled since mid-2016, initially by the US and then pursued by Japan and the EU, were designed for, and largely by, the Big Tech companies.

The CSOs noted that a Joint Statement on Electronic Commerce issued late morning of the final day of MC11 was supported by a minority of the 164 WTO members. The signatories plan to hold 'exploratory work towards future WTO negotiations' even though there is no mandate from the Ministerial Conference to take e-commerce any further than the 'discussions' that are currently authorised.

'We see this electronic commerce statement as a repeat of the tactics used in the Trade in Services Agreement (TiSA). A self-selected group of countries took it upon themselves to rewrite the trade in services rules of the WTO in ways that intrude deeply on nations' right to regulate and without any development dimension. TiSA had no WTO mandate and in theory was conducted outside the WTO, but the Secretariat was complicit by facilitating its meetings. The same must not happen with e-commerce.'

The joint statement seems carefully to avoid the word 'plurilateral', presumably to play to Trump sensitivities, but the United States is on the list of participants, the CSOs pointed out.

'It is not clear why electronically transmitted products should not contribute to the tax base while products that are traded through traditional mechanisms usually do. However, it is a positive outcome that the moratorium on TRIPS non-violation complaints, which is essential to ensure lifesaving medicines for millions of people, was approved, although it should have been approved on a permanent basis.'

WTO headquarters in Geneva. 'We believe in a democratic, transparent, and sustainable multilateral trading system, and do not want to see the WTO depart even further from that ideal.'

On the subject of investment, the CSOs said that existing investment rules have given new rights to corporations to profit in countries while putting taxpayers on the hook for millions in payouts for upholding public interest regulations. Even if the proposals in the WTO focus on investment facilitation (IF), this is not a trade issue per se and the United Nations Conference on Trade and Development (UNCTAD) is already the primary multilateral agency working on investment. 'No new work programme on IF is a positive outcome of MC11,' the CSOs said.

With regard to the services sector, the CSOs noted that the Sustainable Development Goals (SDGs) agreed by all WTO members include a focus on expanding access to and quality of many public services, as well as other key services like financial services and telecommunications. The proposed rules on domestic regulation (of services) would severely undermine the regulatory sovereignty of countries.

Governments – not trade panels – should have the authority to decide community issues that are inherently subjective. Foreign companies should not have 'rights' to input on measures proposed by local or national authorities before they are decided domestically. WTO members have not yet agreed whether disciplines on these measures are 'necessary'. 'No disciplines on domestic regulation is a positive outcome for MC11,' the CSOs said.

Turning to the issue of fisheries subsidies, the CSOs said there is a clear mandate for a pro-development and pro-environment outcome on disciplining fishing subsidies. But existing industrial fishing nations are insisting on rules that would undermine the future developmental aspirations of developing countries and harm existing artisanal fisherfolks' livelihoods.

'The developmental and economic policy space of developing countries must be maintained whilst those nations that have contributed most to the problem of IUU [illegal, unreported and unregulated fishing] and overfishing must agree to eliminate harmful subsidies. Since policy space for development was not protected, it is better that members agreed to continue negotiations on fish.'

What should have been on the agenda

According to the CSO statement, there remains an urgent need to transform existing WTO rules which are constraining policy space for job creation and development, including achievement of the SDGs.

'The Doha Work Programme on development must be concluded as soon as possible, rather than permanently shelved in favour of a big business agenda of WTO expansion.'

Agriculture rules in the WTO must be transformed. A permanent solution for public stockholding that is workable for all developing countries, and a workable SSM should have been agreed as the top priority of MC11, said the CSOs.

Current inappropriate proposals on agricultural subsidies fail to take into account the huge dumping impact of domestic subsidies on exported products while calling on developing countries to cut subsidies.

The top priority for a genuine development agenda would be transforming the current rules on agriculture, said the CSOs. Rich countries, not the poor, are currently allowed to subsidise agriculture under WTO rules – even in ways that distort trade and harm other countries' domestic producers. It is unfortunate that members did not agree to reduce the subsidies of developed countries under 'domestic support' – including in the 'Green Box' category of subsidies when these actually have trade-distorting impacts.

Subsidies that the US and the EU provide to cotton producers enrich a few thousand there, but have unfairly decimated production of hundreds of thousands of cotton farmers in Africa. 'It is deeply disappointing that members did not decide to significantly reduce or eliminate developed countries' domestic supports for cotton at MC11.'

University of Auckland law professor Jane Kelsey: 'Powerful countries that became used to dominating the WTO have discovered that they can no longer control the outcomes of ministerial conferences.'

Given the existing subsidies, developing countries should also be able to protect domestic production when facing import surges. An outcome on SSM – unconditioned on further tariff cuts – would have greatly enhanced developing countries' ability to achieve food security and promote rural development and farmers' livelihoods, the CSOs said.

By contrast, most developing countries are only allowed minuscule subsidies. But the SDGs entreat countries to increase investment in sustainable agriculture. Also, there is growing acceptance of the 'right to food' as a human right. One of the international best practices for supporting farmers' livelihoods, ensuring food security and promoting rural development is public stockholding. But these programmes in dozens of developing countries often run afoul of WTO rules, even though the agriculture supported is not traded in global markets.

The CSOs noted that supports by China and India to farmers on a per capita basis remain minuscule – only a few hundred dollars per farmer, as compared with tens of thousands for the United States. Supports in African and many Middle Eastern countries and least developed countries (LDCs) should be increased even if they don't have existing programmes.

'Members had a commitment to deliver a positive resolution on the public stockholding issue that would have allowed all developing countries to implement food security programmes without onerous restrictions that are not demanded of developed countries' trade distorting subsidies, and it is deeply disappointing that they did not resolve this issue,' the CSOs said.

Along with transforming the global rules governing agricultural trade, developing countries have long advocated for other changes to the existing WTO rules to increase flexibility for them to enact policies that would promote their own development, noted the CSOs.

The G90 proposals for changes to existing WTO rules would remove some WTO constraints on national pro-development policies. These would allow developing countries to promote manufacturing capabilities, stimulate the transfer of technology, promote access to affordable medicines, and safeguard regional integration.

'It is deeply disappointing that the G90 proposals, without being conditioned on further market access concessions, and the Para 44 mandate to continue post-MC11, were not agreed at MC11.'

The CSOs called on WTO members to return to Geneva to reaffirm multilateralism and fundamentally transform the existing trading system – along the lines of the Turnaround Agenda endorsed by CSOs around the world – so that it can be an engine for development and shared prosperity rather than a platform for expansion of a big business agenda. ◆

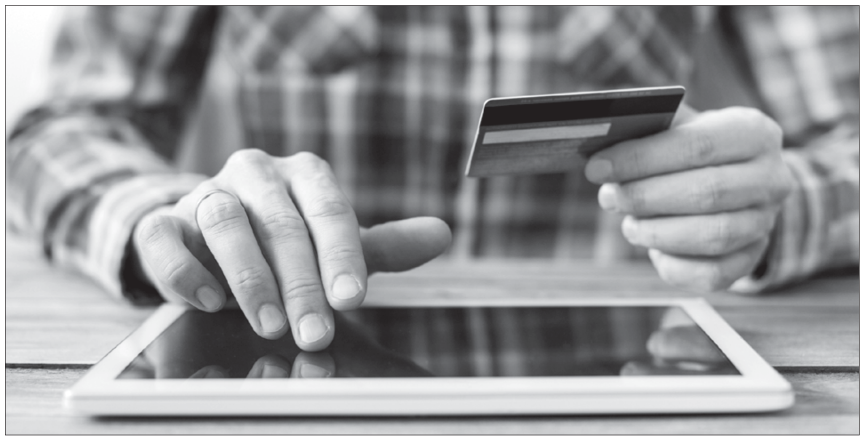
Kanaga Raja is Editor of the South-North Development Monitor (SUNS), *from which this article is reproduced (No. 8597, 15 December 2017).*

COVER

E-commerce in the WTO: Reinforcing global inequities

The developed countries view e-commerce as a vehicle for opening up developing-country markets. When the WTO was established in 1995, developing countries were assured that they would stand to gain from the liberalisation of trade carried out under its aegis. No such benefits have accrued and there is no reason to believe the introduction of e-commerce into the WTO, which will only enhance the process of liberalisation, will be beneficial to the developing countries.

Biswajit Dhar



WTO talks on e-commerce will enhance global inequities if they result in fast-tracking the trade liberalisation agenda.

ELECTRONIC commerce has become one of the focus issues as member states of the World Trade Organisation (WTO) prepare for the WTO's 11th Ministerial Conference in Buenos Aires in December.

This issue is not new to the WTO – in 1998, members decided to 'establish a comprehensive work programme to examine all trade-related issues relating to global electronic commerce'. At the same time, the members agreed to 'continue their current practice of not imposing customs duties on electronic transmissions'.

The e-commerce work programme was established just as the Internet was unveiling its enormous possibilities, including in digital trade. In the initial years of their engagement on e-commerce, several members made some attempts to understand the applicability of WTO rules to electronic transmissions. In terms of their decisions pertaining to e-commerce, all that the WTO members have done since 1998 was to ritualistically extend the moratorium on customs duties in every subsequent Ministerial Conference.

In the meanwhile, however, e-commerce had started spawning several complex business models using the growing power and presence of the Internet. This happened as nations, businesses and consumers started becoming increasingly networked. E-commerce was helping in transacting business not only in digital products but also in a wide range of goods and services. The traditional ways of conducting business in the global markets were being seriously challenged by a small band of companies that were able to effectively harness the powers of the Internet.

A technological breakthrough, namely, 3D printing, has further strengthened the sinews of e-commerce. With this technology, products can cross international boundaries while they are in digital form, pushing aside conventional trade where physical goods cross borders. Importantly, the Organisation for Economic Cooperation and Development (OECD) recognises these changing forms of e-commerce in its definition of the business model.

In terms of applicability of the WTO rules, members have, until now, only extended the moratorium on customs duties concerning e-commerce. All this while, however, e-commerce has been opening up a complex agenda of rule-making, since it is really a package of various forms of services that have to be dealt with by the WTO's General Agreement on Trade in Services (GATS). At the same time, border measures on goods encapsulated by the General Agreement on Tariffs and Trade (GATT) are facing an existential threat, with the proponents of e-commerce putting forth strong arguments for a barrier-free world to support e-commerce.

This was the backdrop for the substantive discussions on the future of e-commerce in the WTO that began in 2016. Interestingly, the discussions gained momentum when a group of developing countries, namely the 'Friends of E-Commerce for Development' (FED), began emphasising the importance of e-commerce for their economies, especially for their micro, small and medium enterprises (MSMEs). This development was unique in the two-decade history of the WTO – never before had the developing countries put their might behind a new issue in this forum.

The discussions on e-commerce have largely centred on making the markets open for e-commerce to proliferate. With the 12-member FED and a few other developing countries, including China and members of the Association of South-East Asian Nations (ASEAN), lending their support to opening the markets for e-commerce from a 'development perspective', engaging discussions have been held in the WTO and other forums that have projected e-commerce as the harbinger of the final push to eliminate tariffs.

Most developing countries currently lack the necessary digital infrastructure to gain from e-commerce.

Among the proposals, the one by China needs to be mentioned. China expects the e-commerce work in the WTO to fully take into account the 'actual situation of Members at different stages of development, in particular the specific demands of developing and least developed Members'. This is an interesting formulation given that the discussions on e-commerce have not considered the preparedness of developing countries to take advantage of the e-commerce platform. The engagement of WTO members on e-commerce is diametrically opposite to that in the case of the WTO's Trade Facilitation Agreement (TFA), in which developing countries tried to secure commitments for their financial needs in implementing the TFA. In the case of e-commerce, the FED and countries like China are professing the view that developing countries are already prepared to gain from e-commerce.

The advanced countries, which had seen their push for trade liberalisation face serious opposition from developing-country coalitions in the WTO's Doha Round negotiations, see this as the opportunity to realise their long-awaited ambition of gaining market access. This opportunity could not have come at a better time for them. Economies of the North are beginning to stabilise a decade after the most recent economic downturn, and the additional market access they could gain, if the attempts to free the markets via e-commerce succeed, would do them no harm.

From the viewpoint of the developing countries, two pertinent issues need to be considered in the context of a possible e-commerce-led trade liberalisation. The first is that these countries would lose the conventional trade policy instruments with which they can realise their development aspirations. The second is whether the developing countries have the necessary infrastructure to gain from e-commerce, as has been argued by the proponents of including e-commerce in the WTO.

Across-the-board elimination of tariffs would seriously hurt a large number of developing countries, since these countries have continued to use this conventional trade policy instrument to pursue their development objectives. Thus, in the Doha Round several developing-country groupings have been engaged in trying to recalibrate their tariffs on sensitive products, which includes the demand to provide an additional dose of protection for agricultural products. Therefore, eliminating the tariffs on goods for promoting e-commerce would force a large number of developing and least developed countries to offer concessions without any reciprocal benefits, which could worsen the already widening development gaps between WTO members.

As for the second question of whether the developing countries and their MSMEs would benefit from e-commerce in the WTO, the relevant indicators of digital infrastructure from the World Bank's World Development Indicators need to be seen. There are three indicators critical for the conduct of e-commerce: (i) access to the Internet; (ii) access to fixed broadband; and (iii) access to secure servers.

The data show an interesting trend: most developing countries, including a significant number of those backing e-commerce, have extremely poor access to each of these critical elements of the digital infrastructure. Given such figures and the fact that resources in developing countries are usually very unevenly distributed, there is a very low probability that the MSMEs would get a meaningful share of the digital infrastructure. Thus, the major argument of the demandeurs for introducing e-commerce, namely that MSMEs in developing countries would get access to international markets, simply does not have any substance.

Fast-tracking of the trade liberalisation agenda is the only logical outcome of the current discussion on e-commerce. If this is realised, e-commerce would become the latest vehicle for enhancing global inequities, to which trade liberalisation has contributed aplenty over the past three decades.

The multilateral trading system under the GATT was established in 1947 with the objectives of, among others, 'raising standards of living [and] ensuring full employment and a large and steady growing volume of real income and effective demand'. These aims were re-emphasised when the WTO was established in 1995, but the functioning of the trading system has systematically undermined all its objectives. There is no doubt that the introduction of e-commerce would significantly reinforce this trend. ◆

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WTO negotiations on e-commerce: Some myths busted

Far from gaining from the outcome of negotiations on e-commerce, developing countries would be required under WTO rules on e-commerce to act against their national interest and development priorities, warns *Abhijit Das*.

Myth 1: Developing countries have lots to gain from e-commerce, hence it is in their interest to negotiate binding rules on e-commerce.

Reality: Developing countries must distinguish between gains from e-commerce *per se* and the impact of *WTO negotiations* on e-commerce. Even without multilateral rules, the global e-commerce market, including cross-border e-commerce, has shown impressive growth. It is poised to grow at an even faster pace in the coming few years.

There is little in the proposals on e-commerce at the WTO which could impart significant additional momentum to an already dynamic market. On the other hand, the outcome of the negotiations is likely to prevent redistribution of gains from e-commerce in favour of the developing countries. Binding rules on e-commerce would also prevent developing countries from following a digital industrial policy to catch up with the developed world.

If negotiations on e-commerce are initiated at the WTO, then it is likely that some of the provisions on e-commerce and telecommunications as contained in the contentious Trans-Pacific Partnership (TPP) trade deal will form the basis of negotiations. The rules that are likely to emerge from the negotiations could require countries to adhere to the following: provide free flow of data, prohibit localisation of data and servers, prohibit any requirement for transfer of technology, mandate sharing of telecom infrastructure, non-discrimination in sale of spectrum etc.

These provisions are unlikely to significantly enhance cross-border e-commerce. Instead, they will result in reducing the cost of operations of the global digital giants and raise their revenue. This will also make it more difficult for a new firm in the digital business space in a developing country to establish and sustain itself.

The outcome of WTO negotiations is likely to prevent redistribution of gains from e-commerce in favour of the developing countries.

The outcome of negotiations would require developing countries to give the raw material of the digital/information economy for free to global e-commerce giants, and would severely curtail the policy space of developing countries to nurture their domestic firms in the digital arena. On the other hand, the provisions are likely to mostly benefit the global e-commerce giants by limiting or eliminating competition from firms in developing countries and lowering the cost of their global operations.

Far from gaining from the outcome of negotiations on e-commerce, developing countries would be required under WTO rules on e-commerce to act against their own national interest and development priorities. Gains, if any, on this issue are likely to be extremely limited. It may thus not be in the interest of most developing countries to support negotiations on e-commerce.

Myth 2: If developing countries do not support WTO negotiations on e-commerce, then the world will move ahead and they will be left behind.

Reality: Participation in e-commerce and benefitting from it is entirely different from gaining from binding WTO rules on e-commerce. No doubt, developing countries have been gaining from e-commerce. But the outcome of negotiations would be against the interest of most developing countries.

As pointed out by academics Shamel Azmeh and Christopher Foster,[1] in some of the key areas relevant to the digital economy, policy space exists for latecomers to implement 'digital industrial policy' to achieve technology catching-up with advanced economies. Many policy tools including 'data localisation requirements, internet filtering and technology transfer conditions' have been used to promote national digital firms. Azmeh and Foster conclude that the digital trade agenda of US digital firms could 'hinder the ability of catching-up countries to implement digital industrial policy in the future'.

The outcome of any WTO negotiations on e-commerce should be viewed from this perspective. Developing countries must not fall into the trap of believing that they would be left behind if they do not support the negotiations on rules on e-commerce. In fact, it is the WTO rules on e-commerce that will likely constrain them to fall further behind the developed countries.

Myth 3: If developing countries oppose negotiations on e-commerce, then the developed countries and other demandeurs will negotiate a plurilateral agreement on e-commerce.

Reality: Given the power of the WTO's dispute settlement mechanism, the developed countries would want to have rules on e-commerce within the WTO and not outside it. Developing countries must not believe the threat of the developed countries that they will negotiate rules on e-commerce outside the WTO. Even if the negotiations start in plurilateral mode, it would be difficult to conclude these negotiations unless most of the emerging economies are on board.

Further, the developed countries seek to target the existing, and progressively expanding, consumer base in the developing countries for e-commerce. If some of the larger developing countries do not join a plurilateral agreement, then one of the fundamental objectives of the developed countries in the negotiations would not be achieved. It is therefore unlikely that plurilateral negotiations on e-commerce would be an effective final option for the developed countries.

Myth 4: By participating in WTO negotiations on e-commerce, developing countries will be able to mould the negotiations according to their interests.

Reality: A common argument made by some countries is that by agreeing to initiate negotiations at the WTO, developing countries would be able to influence the outcome of the talks. In reality, this is just wishful thinking. In case negotiations commence, the final outcome would be almost entirely determined by the developed countries.

Developing countries have rarely, if ever, managed to exert substantial influence on core issues in the final outcome of multilateral trade negotiations. At best, they have managed to secure a few provisions affording them 'special and differential treatment'. If the developing countries do manage to push their negotiating agenda and the negotiations start going against the core interests of the developed countries, the developed countries would just walk away from the negotiating table and not conclude the negotiations (as was the case on agriculture in the Doha Round talks). It is thus a mere illusion that developing countries would be able to mould the substantive outcome of negotiations on e-commerce in accordance with their own national interests.

Myth 5: Negotiations on e-commerce would benefit the micro, small and medium enterprises (MSMEs) in developing countries.

Reality: Some literature is now available[2] documenting how the MSMEs are adversely affected by business practices of giant platform owners who are also e-retailers, including:

a) Vertical integration in retail and physical delivery may enable the platform owners/giant e-retailers to leverage cross-sector advantages in ways that are potentially anti-competitive.
b) Platform owners/giant e-retailers have opportunities to abuse cross-market advantages and foreclose rivals.
c) Since the platform owners/giant e-retailers command a large share of e-commerce traffic, many smaller merchants find it necessary to use their sites to draw buyers, despite the small merchants and e-retailers being competitors.
d) One platform owner/giant e-retailer seems to use its marketplace 'as a vast laboratory to spot new products to sell, test sales of potential new goods, and exert more control over pricing'.
e) One platform owner/giant e-retailer 'uses sales data from outside merchants to make purchasing decisions in order to undercut them on price'.
f) One platform owner/giant e-retailer gives its own items prominent placement under a given search, disadvantaging small merchants.
g) In some instances, a platform owner/giant e-retailer has responded to popular third-party products by producing them itself, thereby adversely affecting MSME producers and traders.

In a nutshell, a platform owner/giant e-retailer is exploiting the fact that some of its customers are also its rivals. Writing in the *Yale Law Journal*,[3] Lina Khan identifies three sources of this power: '(1) its dominance as a platform, which effectively necessitates that independent merchants use its site; (2) its vertical integration – namely, the fact that it both sells goods as a retailer and hosts sales by others as a marketplace; and (3) its ability to amass swaths of data, by virtue of being an internet company. Notably, it is this last factor – its control over data – that heightens the anticompetitive potential of the first two.'

Given the power of platform owners/giant e-retailers over MSME producers and traders, it is unlikely that the outcome of negotiations will in any manner change this existing reality. It may therefore not be correct to assert that MSMEs would benefit significantly from the outcome of negotiations on e-commerce. ◆

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Notes

1. Shamel Azmeh and Christopher Foster (2016). 'The TPP and the digital trade agenda: Digital industrial policy and Silicon Valley's influence on new trade agreements'. International Development Working Paper Series No. 16-175. London School of Economics and Political Science.
2. See, for example: (i) Olivia LaVecchia and Stacy Mitchell (2016). 'Amazon's Stranglehold: How the Company's Tightening Grip Is Stifling Competition, Eroding Jobs, and Threatening Communities'. Institute for Local Self-Reliance; and (ii) Lina Khan (2017). 'Amazon's Antitrust Paradox'. *Yale Law Journal*, Vol. 126, No. 3.
3. Lina Khan (2017). 'Amazon's Antitrust Paradox'. *Yale Law Journal*, Vol. 126, No. 3.

WTO e-commerce battle lines drawn across three camps

Although the following analysis of the divide among developing countries on the issue of e-commerce was written in the run-up to the WTO MC11, the subsequent collapse of the conference does not rob this piece of its continuing relevance. On the contrary, it is clear from some of the initiatives taken at the conference that the issue of e-commerce and the divisions over it will resurface with greater vigour in coming WTO talks.

Parminder Jeet Singh

A call centre in Malaysia. Traditional IT and software services differ greatly from digital services, which are what the proposed WTO e-commerce negotiations are about.

THE battle lines on e-commerce at the WTO's eleventh Ministerial Conference (MC11) at Buenos Aires are now drawn across three camps.

The first camp comprises those who want to advance the global digital business and economy model with unhindered data flows and little or no technology and data regulation. This model was shaped in and by the US, and its key tenets are represented in the Digital Dozen document of the US and in the Trans-Pacific Partnership (TPP) accord's e-commerce chapter. At the WTO, however, it is currently entities like the EU and Japan that are its leading proponents.

(The US position under the Trump administration appears rather ambiguous, and it is not clear whether it is in favour, promoting it, opposing it, or keeping quiet and allowing others to push and then reap the benefits. – *SUNS*)

The second camp is made up of most African countries (as the Africa Group in the WTO) and India. This group want a standstill on e-commerce at MC11. They seek to continue e-commerce discussions as per the existing 1998 mandate within relevant WTO bodies with a view to examining its nexus with existing WTO agreements in areas of trade in goods, trade in services and intellectual property, and its relationship with development.

The third camp is a group of some developing countries like Malaysia, Thailand, Nigeria and Bangladesh which are keen to explore how the WTO can help them with the 'global digital trade opportunity'. Although perhaps without being quite clear what the opportunity is or what the WTO can do to help them with it, these countries want faster movement on e-commerce, but without yet opting directly for a working party in the WTO that can begin laying the ground for negotiations on trade rules as demanded by the EU and others.

This 'middle camp' seeks elevation of the e-commerce discussions in the WTO from the relevant subsidiary bodies to a horizontal level, in the WTO General Council, and also a likely special mandate for the WTO Director-General to facilitate proactive movements in this area.

Implicit in these positions is recognition of e-commerce as a special new area, or a 'new issue' in WTO parlance, beyond its location vis-a-vis existing agreements. Such a speeding up of e-commerce-related processes in the WTO will then set up the conditions for commencing trade negotiations in this area. (China is supporting this 'middle position' but its context and reasons are unique and not discussed in this article.)

It is in this 'middle position' that the danger lies.

Every WTO Ministerial Conference tries to achieve some substantial outcomes, with the WTO Director-General and the host country having a special interest in this, along with those with actual stakes in particular outcomes. As such, there is a fear that, in these closing days of efforts towards concrete outcomes at

MC11, acceptance of the above 'middle position' will be sought as a compromise from those currently resisting it.

There is some danger that those now resisting may give in because: (1) developing countries already have internal divisions on this issue; and (2) unlike with issues such as agriculture and fisheries subsidies, there is no immediate concrete problem that will be faced by anyone in agreeing to the 'middle position'.

It is therefore important to understand fully the immense problems that are contained in this 'middle position' and that will face developing countries and hobble them and their future.

Countries promoting this position are those that have some existing foothold in the IT/software space. Most of them also have emerging digital start-ups that promise openings towards a strong digital economy. (India is similarly placed but has been wise to see through the trap towards which such self-image may lead. However, this also makes India relatively more susceptible to making a last-minute compromise on the 'middle position', which needs to be guarded against.)

Two things are important to understand for those developing countries that are championing e-commerce at the WTO.

The first is that the digital industry is fundamentally different from the IT and software industry. These countries have been participating in global value chains of the IT/software industry or aspire to do so. IT and software are core technical services that follow global templates. Digital services, on the other hand, are data-based services of a non-technical kind, though they employ software as their infrastructure. And data, unlike software templates, is essentially local, as arising from real people, social interactions, machines and other artefacts and the natural environment. These data-based digital services cater to 'physical' traditional sectors, from shopping and transportation to education, health and agriculture.

Comparative advantages and business models in IT and digital areas are very different from one another. WTO e-commerce discussions have very little to do with the IT/software industry and global technology flows. They have everything to do with the digital industry and data flows – data being the central resource of the digital industry.

Some limited data flows that may be involved in traditional IT/software services (or traditional business process outsourcing) are such data whose ownership is never in question. But new-age digital companies collect data from 'outside' sources, which they do not own, and often transport them beyond national borders. This renders the ownership of such data, and the economic value arising from it, very unclear.

This data and value outflow is happening as much from the 'middle position' countries as from other developing countries. In fact, due to the relatively greater digital maturity of some of them, the outflow of data and digital value is much more in their case than for less digitally mature countries.

What triggers the interest of the 'middle position' countries in getting on with e-commerce discussions at the WTO is the fact that they have a budding digital start-up industry that they set great store by. However, the second important point that these countries need to note is that precisely because they already have a budding digital industry with a potentially bright future, they have most to lose from WTO-based digital trade liberalisation.

Any move to ease the entry into, and domination of, their markets by global digital business will simply destroy their nascent digital industry. Those countries which do not yet have such a domestic industry are actually correspondingly less endangered at the current juncture.

There is nothing that global discussions, negotiations or agreements can do to strengthen the budding digital industry of this 'middle group' of countries. On the contrary, the fear of considerable harm is much more real. What these countries need instead are sound digital industrial policies that can lead to the building of a strong domestic digital industry, employing their native strengths (strengths which are now wrongly pulling them towards WTO-based e-commerce discussions).

These countries can also explore regional markets based on such strengths. But if indeed a Thailand or Nigeria is thinking that its companies will outdo an Uber or Alibaba globally, on third-country turf, it really needs to do a detailed examination of the global digital industry and its business models. It will be good enough for now if their digital start-ups can compete with US and Chinese digital corporations even within their own borders. They should really be focussing on this more immediate problem, paying heed to the ominous writing on the wall that is emerging in this respect.

The writing on the wall

We are in the early days of a digital start-up chimera. But it won't take long to realise that domestic digital start-ups in all these countries are going to require some level of protection and support locally, rather than trade agreements that would enable US and Chinese digital corporations to come marching in and take over all the digital space.

India has as good a position in terms of a digital industry as any of these countries, if not better. Indian digital companies, many of them with over $1 billion valuation, recently got together to form a lobbying group to advocate for policy support to ensure that homegrown digital companies dominate the local Internet market. This is a sector that till very recently had been a big proponent of liberalisation and globalisation. Such a drastic shift on their part is extremely instructive. These very new developments in India are a screaming warning to other developing countries that have built some mass of a domestic digital industry or aspire to do so.

The CEO of an Indian e-commerce company in competition with Amazon observed: 'A significant amount of capital is being dumped in

India to win market share. We should create a digital economy. But not by creating an unfair playing field for local companies against those companies coming from other countries.' (See http://www.moneycontrol.com/news/business/startup/founders-of-flipkart-ola-makemytrip-to-launch-a-nationalist-lobby-group-2400289.html)

And the CEO of the Indian competitor to Uber has this to add: 'What's happening in ... our industries [is that] there is narrative of innovation that non-Indian companies espouse but the real fight is on capital, not innovation. The markets are being distorted by capital.' (See http://economictimes.indiatimes.com/articleshow/55862027.cms?utm_source=contentofinterest&utm_medium=text&utm_campaign=cppst)

This may be taken as advance notice for other developing countries trying to further digital industrialisation and support their digital start-ups. If this is happening in India, which has one of the most advanced domestic digital industries in the developing world outside China, it is easy to see it coming for others as well. Promoting e-commerce at the WTO would simply bring that apocalypse closer and render the damage irreversible.

Delegates often mention the homily that there can be no harm in talking things over, and that this applies to e-commerce at the WTO as well. However, initiating discussion on e-commerce as a new issue in the WTO under horizontal arrangements, and with possible new mandates for the WTO staff, would simply take developing countries towards traps that they should be very familiar with.

Whether it is trade in agricultural goods, trade-related intellectual property or almost any other area, the North was allowed to develop the initial frameworks and concepts when Southern countries could not yet properly articulate their interests. Once the initial vocabulary and ground rules are set, they are difficult to change in any fundamental way. Post facto 'development agendas' have not helped much, because they have to manoeuvre in the limited space that is available within entrenched dominant frameworks.

We are now in the same situation with e-commerce, and in great danger of repeating the problematic history of ceding the initial framework-making to the North. The digital leaders know their digital business game well. They have mapped out the digital geo-economic future and have assiduously been working on global concepts and frameworks that anchor these. In this regard, developing countries are still groping in the dark.

Hoping that it is WTO discussions that will provide developing countries further clarity in this area will be in vain. Trade governance venues like the WTO are for hard-nosed bargains. Developing countries will need to develop their understanding of digital business, its geo-economics and different possible governance frameworks at other fora. And then come well-prepared to the WTO.

The United Nations Conference on Trade and Development (UNCTAD) has recently become active in the area of e-commerce and development, though it needs to nuance its understanding and frameworks in this regard. But that is the right kind of space in which to do such initial work.

Meanwhile, a standstill must be ensured at the WTO. The existing mandate gives enough space for all the initial discussion that may be necessary in this area. We need not get into new processes and new definitions at the WTO. To repeat, they are even more dangerous to those countries that have already commenced digital industrialisation, some of which ironically are the ones that are promoting the elevation of the e-commerce agenda at the WTO.

E-transaction infrastructure is a different matter. The 'middle position' countries apparently look to possible gains like improved and easier cross-border e-transactions that could help their digital industry. First of all, however, as argued, they really need to assess the competitiveness of their digital companies outside their borders vis-a-vis US and Chinese global corporations. We have seen little positive evidence from India, for instance, in this regard. Domestic digital companies are increasingly being nudged out even within India's borders. The same is the case in the countries pushing the 'middle position', which they should take note of. Their global competitiveness will not improve with improved global e-transactions and reduced digital regulatory space for nations. It will improve if their domestic industry can first develop sufficient strength within their borders.

This is the model that China followed, as the only challenger to the US' global digital hegemony. Northern countries like to speak of 'evidence' – this is the only evidence we have of a successful digital industrialisation other than in the first mover, the US. Developing countries (other than China) should therefore not be trying to help global digital corporations further decimate their incipient digital industry by promoting e-commerce at the WTO.

They should first develop infrastructure for e-transactions, and other digital infrastructure, within their borders. This has to be done as private as well as public infrastructure, as India has been doing. Such infrastructure in developed countries is in any case very good, if the plan is to improve e-trade with them (for which, as discussed, favourable conditions do not exist for developing-country businesses).

And for promoting such trade with peer developing countries, this has to be done by building a strong domestic industry and then promoting regional markets that can provide some space and good prospects for developing-country digital businesses. The EU is promoting its regional Digital Single Market. Exchanging best practices on e-transaction infrastructure, including the role of the public sector in its development, among developing countries and with Northern countries, is the way to go.

These arguments have been made in light of the currently limited global prospects of developing countries' digital industry – one which centres on data to provide new digital services. And if some countries promoting e-commerce at the WTO think that it will transform their manufacturing, trading or other services sectors, the outlook is as doubtful. These countries need first to have digital industrial policies to develop a robust domestic digital sector serving their manufacturing, services, trade and other sectors.

Promoting e-commerce at the WTO is a disastrous recipe that will decimate the digital gains that these countries have been making, and enable global corporations from the two global digital leaders to take control of all aspects of their economy.

It is strange that e-commerce is sold in the name of micro, small and medium enterprises (MSMEs) and small traders, mostly even without asking them. Major associations of small businesses in India like the Bhartiya Udyog Vyapar Mandal, which is an apex body of around 1,700 associations, have opposed global liberalisation of e-commerce through the WTO.

Let us not repeat history, and in a few decades be ruing that around 2017-18 a few digital leaders in the North plus China shaped the e-commerce agenda and frameworks at the WTO and developing countries were too uninformed at the time to protect their interests.

As is advised in the game of cricket, if you do not know the pitch conditions, play defence. It would not help to analyse the game and the conditions after you get out. Developing countries have often found themselves in such a position. With regard to e-commerce, they can still avoid this fate. ◆

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Towards a new digital colonialism?

Deborah James says that while micro, small and medium-sized enterprises would benefit from a digital industrialisation strategy, the policies envisioned in the WTO are more likely to result in a new 'digital colonialism'.

IN the early 1990s, transnational corporations (TNCs) in the agriculture, services, pharmaceuticals and manufacturing sectors each got agreements as part of the World Trade Organisation (WTO) to lock in rights for those companies to participate in markets under favourable conditions, while limiting the ability of governments to regulate and shape their economies. The topics corresponded to the corporate agenda at the time.

Servers housed in a Google data centrre in the US. The technology giants are pushing for WTO rules that would ensure their free access to data, the world's most valuable resource.

Today, the biggest corporations are also seeking to lock in rights and handcuff public interest regulation through trade agreements, including the WTO. But today, the five biggest corporations are all from one sector – technology – and are all from one country – the United States. Google, Apple, Facebook, Amazon and Microsoft, with support from other companies and the governments of Japan, Canada and the European Union (along with some developing countries aligned with them), are seeking to rewrite the rules of the digital economy of the future by obtaining within the WTO a mandate to negotiate binding rules under the guise of 'e-commerce'.

However, the rules they are seeking go far beyond what most of us think of as 'e-commerce'. Their top agenda is to ensure free – for them – access to the world's most valuable resource – the new oil, which is data. They want to be able to capture the billions of data points that we as digitally connected humans produce on a daily basis, transfer the data wherever they want, and store them on servers wherever they want, most of which are in the United States. This would endanger privacy and data protections around the world, given the lack of legal protections on data in the US.

Then they can process the data into intelligence, which can be packaged and sold to third parties for large profits, akin to monopoly rents. The data is also the raw material for artificial intelligence, which is based on the massive accumulation of data in order to 'train' algorithms to make decisions. In the economy of the future, whoever owns the data will dominate the market. These companies are already being widely criticised for their monopolistic and oligopolistic behaviours, which would be consolidated under these proposals.

Consider Google, which has become the largest collector of advertising revenue thanks to its ability to analyse and repackage our data. And think about Uber: it is the biggest transportation company in the world, yet it does not own cars and it does not employ drivers. Its main asset is the massive amount of data it has on how people move around cities. And with that 'first mover' advantage, and with its army of lawyers and its massive scale, it can outcompete or simply buy up competitors around the world. The disruption Uber has caused in the transportation sector will shortly be seen in just about every sector you can imagine. The implications for jobs and workers are difficult to overestimate.

Another key rule these corporations are seeking would allow digital services corporations to operate and profit within a country without having to maintain any type of physical or legal presence. But if an online financial services firm goes bankrupt, how can depositors seek redress? If the rights of a worker (or contractor) for the company are violated, or a consumer is defrauded, how can they get justice? And if the company does not have a domestic presence, how can it be properly taxed so that it is on a level playing field with domestic businesses? Most countries require foreign services suppliers to maintain a commercial, physical presence in the country for these very reasons, but Big Tech just sees it as a barrier to trade (and unaccountable profit). Public interest regulations would be seriously undermined.

But that's not all. Big Tech also does not want to be required to benefit the local economies in which they profit. There are a series of policies that most countries employ to ensure that the local economy benefits from the presence of TNCs: requiring technology transfer, so they can grow their own startups; requiring local inputs, to help boost local businesses; and requiring the hiring of local people, to promote employment. But although every developed country used these strategies in order to develop, they now seek to 'kick the ladder away' so that developing countries cannot do the same, exacerbating inequality between countries.

The business model of many of these companies is predicated on three strategies with serious negative social impacts: deregulation; increasing precarification of work; and tax optimisation, which most would consider akin to evasion of taxes. All of these downward trends would be accelerated and locked in were the proposed rules on 'e-commerce' to be agreed in the WTO.

The reception desk at an Amazon office in Seattle in the US. Digital services corporations want to be able to operate and profit within a country without having to maintain any type of physical or legal presence.

'Digital colonialism'

Since proponents of 'e-commerce' rules in the WTO first tabled proposals last year, they have sought to convert an existing mandate to 'discuss' e-commerce into a mandate to 'negotiate binding rules' on e-commerce in the WTO. They have justified their proposals on the basis that e-commerce will promote development and benefit micro, small and medium enterprises (MSMEs) – as if promoting e-commerce and having binding rules written by TNCs are the same thing.

But developing countries have focused their demands on increasing infrastructure, access to finance, closing the digital divide (obtaining affordable access), increasing regulatory capacity, and other concerns that will not be addressed by new rules on e-commerce in the WTO. A group of 90 countries have long put forward proposals in the WTO that would give them more flexibility to implement national policies to promote development, but their proposals are regularly ignored in the negotiations.

Meanwhile, MSMEs are able to participate in e-commerce now, but they are less likely to reap the benefits of scale, historic subsidies, strong state-sponsored infrastructure, tax avoidance strategies, and a system of trade rules written for them and by their lawyers if e-commerce rules in the WTO were to be adopted. What MSMEs need are policies along the lines of a digital industrialisation strategy, but the policies envisioned by proponents are more likely to result in what is being termed the new 'digital colonialism'.

New negotiation strategies

At this point, proponents have scaled back their ambitions due to massive resistance from the African bloc and some Asian and Latin American members. Now they are proposing more seemingly technical issues, such as e-payments, e-signatures and spam. But these issues actually belong in other fora than the WTO, such as the UN Conference on International Trade Law (UNCITRAL) or the International Telecommunication Union (ITU) where legal and technical experts rather than only commercial interests were long ago able to help governments establish better rules.

Perhaps as a Plan B, proponents are claiming that 'technological neutrality' already exists in the WTO. This would mean that if a country 'committed' financial services in the WTO – meaning that it agreed to have financial services subject to rules limiting regulation in that sector – then cross-border online banking – with all of the potential cybersecurity threats of hacking, or unstable financial flows wreaking havoc on local banking systems – would already be committed. But this is a preposterous idea, and WTO member states have not agreed to it, despite the intent of some countries to establish it as an accepted principle.

Proponents are also pushing to renew a waiver on tariffs on electronically delivered products. But there is no economic rationale as to why digitally traded products should not have to contribute to the national tax base while those that are traditionally traded usually do. Big Tech may actually obtain this waiver, however, since it is often 'traded' for a waiver that helps stabilise the generic pharmaceuticals market in developing countries, which helps guarantee access to lifesaving medicines for millions of people.

The outcome of the WTO Ministerial Conference taking place in Buenos Aires in December will depend on strong resistance by developing-country members to this new corporate Big Tech agenda. They should be aided by a strong resistance from civil society to further imposition of pro-corporate rules that encroach on our daily lives. ◆

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E-commerce discussions at the WTO: Neoliberal policies negotiated in secret are not acceptable

Richard Hill questions whether the WTO is the appropriate forum to discuss and in effect take over all key aspects of everything related to information technology and communications policy.

SOME proposals on the digital economy submitted to the World Trade Organisation (WTO)[1] appear to reflect an intent by some states to impose future-proof neoliberal policies on those aspects of cyberspace that are most significant for citizens and developing countries. These documents appear to be an attempt to move into the WTO many key aspects of current discussions on how best to govern cyberspace, including how to protect data privacy in an appropriate manner.

Not surprisingly considering the venue, the proposals are based on a neoliberal model that is likely to favour the interests of large companies based in developed countries.

This must stop.

A meeting of the WTO General Council. Some proposals on e-commerce tabled in the WTO envisage the organisation taking over essentially all key aspects of information and communications technology policy.

Outline of the proposals

The scope of the proposals is such that the WTO would take over essentially all key aspects of everything related to information and communications technology (ICT) policy. That would be a vast expansion of the WTO's mandate and scope, and would move discussions into an intergovernmental forum that is widely considered to be one of the least transparent and least open to civil society.

This appears to contradict the consistent calls by the proponents of these proposals to the effect that Internet governance discussions (and by extension, discussions of ICT policies) should take place only in so-called multi-stakeholder forums. While there is some disagreement about what is or is not an appropriate multi-stakeholder forum, it is obvious that the WTO is not at all multi-stakeholder. So it is astonishing that these states are proposing to discuss e-commerce in the WTO. Of course hypocrisy is common in international relations, but this appears to be taking it to new heights.

If all these proposals were accepted, the WTO would be duplicating or contradicting the work of other agencies. For example, it is proposed that the WTO should discuss electronic contracts. Why? The matter has been handled by the United Nations Commission on International Trade Law (UNCITRAL). If more work is needed, then UNCITRAL should be asked to carry it out.

The proposals ask the WTO to handle a vast range of issues that are not normally considered to be primarily trade issues, e.g., consumer protection and spam. The measures proposed to combat spam (which are sensible) are far weaker than the measures that the proponents refused to accept in the 2012 International Telecommunication Regulations.[2] Why propose in the WTO things that were vehemently rejected in the International Telecommunication Union? Could it be because the goal is to discuss matters on the basis of the principle that 'free trade is always good' and in a setting where developed countries can exercise their economic power to obtain concessions from developing countries?

In fairness, it should be noted that at least one person who is familiar with the WTO takes the view that I have misunderstood the scope, implications and intent of the documents cited above. According to that person, e-commerce discussions already take place in the WTO, so there is no real expansion of scope; the WTO would not duplicate the work of other bodies; it is not that difficult to obtain access to WTO documents; and one of the goals of the discussions is to improve consumer protection.

Needless to say, others remain

sceptical, particularly in light of well-known criticism of the WTO.[3] As Parminder Jeet Singh puts the matter:

'The main work that is happening at global normative and law making stages is to ensure that data flows freely everywhere, countries are not able to put technical regulations that would restrict its flow, and so on. Basically for countries to not only not regulate big data business now, but also to take away pre-emptively any possibility to do so even in the future. That is the key point of the e-commerce discussions in WTO, and at the plurilaterals (TiSA, etc.).

'Is this our biggest normative and legal need right now, in the face of how big data and digital intelligence is being used by big business around us? To further facilitate their path!? But if trade forums are the main, perhaps only, ones where digital issues are being discussed with any seriousness we will only get more easements for big data business, while we can keep shocking ourselves with eye-opening articles. Soon we will get too numb to be further shocked any more, and accept these things as reality and common-sense.

'We are refusing to see some simple and clear facts in their face.

'We all accept that data is basic to the economy now, and even call it data economy. But we also know that almost all data and digital intelligence is corporate owned (mostly by a few big ones), and almost all of it is unregulated. And we deliberately turn a blind eye towards this most important contemporary fact, allowing the new data and digital intelligence based economic and social structures to set up and concretise around us. The actors who are in a position to do something about it are afraid to touch the key political economy issues, because they are afraid that anything said or done against the dominant corporate model of data/digital intelligence economy may not serve their class and geopolitical interests. This one thing has caused the political paralysis we find ourselves in.

'The way out is simple: to recognise that data/digital intelligence economy needs to be regulated, and draw its basic principles of regulation. Further, like the physical economy, it has to be a mixed economy and state/community must own and run some key parts and sectors of the data economy. Thereupon, draw the basic political economy lines of the new mixed economy of a data and digital intelligence driven world.'

In conclusion, it seems reasonable to assume that the purpose of the proposals presented to the WTO is to negotiate key cyberspace issues under the principles that (1) more free trade is always good and (2) data is just one more commodity that should be allowed to flow freely. Neither principle is correct. We discuss below the data issue; for free trade in general, see criticisms from the point of view of citizens,[4] developing countries[5] and even developed countries.[6]

The importance of data

It is obvious that personal data has great value when it is collected on a mass scale and cross-referenced.[7] The monetisation of personal data drives today's Internet economy and the provision of so-called free services such as search engines.[8]

Much discussion, and some decisions, appear to be based on an implicit (or explicit) principle that data should flow freely. That principle appears to be derived from other implicit (or explicit) principles, including 'the Internet is borderless, and so is data associated with the Internet' and/or 'data is just another commodity, and so should not be subject to restrictions on trade'.

The statement 'the Internet is borderless' has no meaning. A correct statement is 'some aspects of the Internet are not tied to national borders; for example, many domain names and most Internet Protocol (IP) addresses are not allocated on a national basis.'

It is not contested that offline law applies equally online. So a meaningful statement would be 'what national and international laws are appropriate for the Internet, and is there a need to change existing laws?'.

It is in this context that there are calls to treat data as a commodity that should not be subject to trade restrictions. We consider below the idea that data is a commodity, and show that the implications of that idea are that data should be taxed and that users should be adequately compensated for the data they provide. However, in the subsequent section, we show that this idea is false: data is not a commodity and cannot be treated as such.

Data as a commodity

A propensity by some to advocate in favour of the free flow of data was clearly illustrated in a workshop on 'Data Localization and Barriers to Cross-Border Data Flows' held at the 2017 World Summit on the Information Society (WSIS) Forum in Geneva in June. The description of that workshop includes the following:

'There is growing debate about the spread of national data localisation restrictions and barriers to Cross-Border Data Flows (CBDF). Localisation policies include requirements such as: data must be processed within a national territory, and involve a specific level of "local content", or the use of locally provided services or equipment; data must be locally stored or "resident" in a jurisdiction; data processing and/or storage must conform to unique national standards; or data transfers must be routed largely or solely within a national or regional space when possible. In addition, in some cases, data transfers may require government approval based on certain conditions, or even be prohibited. Governments' motivations for establishing such policies vary and may include e.g. promoting local industry; protecting (nominally, or in reality) the privacy of their citizens, and more broadly their legal jurisdiction; or advancing national security or an expansive vision of "cyber-sovereignty".

'The stakes here are high. McKinsey has estimated that data flows enabled economic activity that boosted global GDP by US$2.8 trillion in 2014, and that data flows now have a larger impact on growth than flows of traded goods. The growth of localisation measures and barriers to CBDF could reduce these values and impair not only business operations but also vital social processes that are predicated on the flow of data across the Internet. Hence, language limiting such policies has been included in a number of trade agreements, including the TPP and the proposed TTIP and TiSA. It also is possible that at least some of the policies in question are inconsistent with governments' commitments under the WTO's GATS [General Agreement on Trade in Services]. But the extent to which these issues should be addressed by trade instruments remains controversial, with many in the global Internet community and civil society remaining critical of non-transparent intergovernmental approaches to the Internet, and many privacy advocates opposing the application of trade rules to personal data.

'This workshop will take stock of the growth of data localisation measures and barriers to data flows and assess the impacts of these trends; consider what can be achieved via international trade instruments in the current geopolitical context; and explore the possibility of a parallel track of multistakeholder dialogue and norm setting that is balanced and supported by diverse actors. It will consider whether normative approaches involving monitoring and reporting could help to ensure that data policies do not involve arbitrary discrimination or disguised digital protectionism, and do not impose restrictions greater than what is required to achieve legitimate public policy objectives.'

We stress here the phrase in the last sentence above: 'do not impose restrictions greater than what is required to achieve legitimate public policy objectives'. This raises the question: who will decide what public policy objectives would not be legitimate?

The monetisation of personal data drives today's Internet economy and the provision of so-called free services such as search engines.

During the workshop, it was made clear that the legitimacy of restrictions, and of public policies themselves, would be determined by arbitration panels under the WTO or related agreements. That is, the intent is to subordinate decisions made by national parliaments and national governments to the opinion of a panel of international jurists regarding whether or not those decisions are 'legitimate' in light of the provisions of trade treaties such as the Trans-Pacific Partnership (TPP), Trade in Services Agreement (TiSA) etc. But why should trade agreements be given primacy over other international instruments, in particular those regarding human rights?

Some recognise that trade is not the only, or even the pre-eminent, matter to be considered. For example, at a session in the 2017 WSIS Forum on 'Digital Economy and Trade', Julian Braithwaite, UK Ambassador and Permanent Representative to the United Nations and Other International Organisations in Geneva, stated:[9]

'There are two big public policy challenges on digital. The first is over data, and as the Internet is so important for wider public policy, the regulatory response to that, child protection online, cybersecurity, privacy, is to regulate in a way to apply online the laws that you apply offline. Putting your arms in a data in a national jurisdiction. This may be the right response for that particular public policy issue but the unintended consequence of that is you close down data flows internationally and you potentially break up this extraordinary advantage of the Internet providing as a global platform. How one achieves the wider public policy goals which involve the safe, responsible use and sharing of data while maintaining the cross-border flows that are the things that lead to the advantages, that's the first question.'

According to this view, cross-border flows are always beneficial, so it is important to consider the disadvantages that might result if cross-border data flows are restricted, for example to protect privacy.

However, it is not obvious that cross-border flows are always beneficial. Reacting to the above statement and to other statements at the WSIS Forum session, a staff member of the European Commission stated, speaking in a private capacity:

'I wanted to raise a word of caution from the European Commission, I will talk in my personal behalf as an economist. You introduced this session saying there is a wide consensus that broadband will grow, jobs, et cetera.

'I would say that's not 100% true. There is increasing evidence and papers, other international organisations saying that technologies are increasing inequality and in the long run thus is a cause of slowing growth. This is an important point. The enthusiasm that's tried to be here for the new technology should probably be kind of moderated if we think about the Sustainable Development Goals. So the thing is, probably on the agenda of the international organisation it should not only be data trade, common rules for access to data, et cetera, but also some other very hot issues like taxation of multinationals, migration problems, et cetera which are closely related to evolution of digital technologies.'

Indeed, if data is considered to be a commodity, subject to trade facilitation rules, then why isn't it considered a commodity also from the point of view of taxation? And why aren't the producers of the raw material (the end users who provide the data) fairly compensated for their production?

Data in the context of 'over-the-top' (OTT) Internet-based services has often been compared to oil. Nobody expects the owners of the ground in which there is crude oil to provide the crude oil for free to the companies that refine it, add value to it and sell the products derived from crude oil. And nobody expects the flow of oil to escape taxation.

So there is a fundamental inconsistency here: if one argues that data should be treated as a commodity, because it is valuable when it is combined with other data, then one cannot simultaneously argue that it cannot be taxed and that end users should provide their personal data without adequate compensation.

Of course users are, at present, compensated for their data because they receive so-called 'free' services, such as social networks, search engines etc. But the value of those services is far less than the value of the data, as can be seen from the fact that the OTT providers are extremely profitable – in fact, far more profitable than other extractive industries. Thus users do not receive adequate compensation for the raw material that they provide: their personal data.

Data is not a commodity

But personal data is not a commodity like any other commodity: it is related to a person's private life and thus to his or her human rights.

The Universal Declaration of Human Rights provides in its Article 12: 'No one shall be subjected to arbitrary interference with his privacy, family, home or correspondence, nor to attacks upon his honour and reputation. Everyone has the right to the protection of the law against such interference or attacks.'

Thus it is up to the law (meaning national law) to define what an 'arbitrary' interference with a person's privacy is. Many states, in particular in Europe, have enacted and enforced laws regarding the protection of personal data. And the Supreme Court of India has recently ruled that data privacy is a fundamental right.[10]

Thus laws that implement the human right to privacy take priority over other laws. Consequently, data is not a commodity like oil, because data can be processed only in accordance with laws that protect personal data and the fundamental right to privacy of the people to whom the data relates.

Further, the Universal Declaration of Human Rights provides in its Article 22: 'Everyone, as a member of society, has the right to social security and is entitled to realisation, through national effort and international co-operation and in accordance with the organisation and resources of each State, of the economic, social and cultural rights indispensable for his dignity and the free development of his personality.'

As noted above, data is a valuable resource: Internet companies derive their profits from extracting and refining data. People have the right to realise the economic rights needed for their dignity and the free development of their personality. That right includes the right to be adequately compensated for the value of the data that is provided to OTT providers, both individually and as residents of a state, through taxation of data flows.

Attempts to lock in the free flow of data

Past and current trade negotiations have resulted (or are likely to result) in agreement on provisions that place restrictions on the ability of states to restrict data flows. For example, Article 14.11 of the TPP includes the following provisions:

'2. Each Party shall allow the cross-border transfer of information by electronic means, including personal information, when this activity is for the conduct of the business of a covered person.

'3. Nothing in this Article shall prevent a Party from adopting or maintaining measures inconsistent with paragraph 2 to achieve a legitimate public policy objective, provided that the measure:

(a) is not applied in a manner which would constitute a means of arbitrary or unjustifiable discrimination or a disguised restriction on trade; and

(b) does not impose restrictions on transfers of information greater than are required to achieve the objective.'

What will prevent a state from arguing that taxation of data is a disguised restriction on trade which is not required to achieve a legitimate public policy objective? Or from arguing that data localisation requirements, thought to be necessary to protect privacy, are a disguised restriction on trade which is not required to achieve a legitimate public policy objective?

Recall that disputes regarding the interpretation and implementation of trade agreements are not decided by national courts. They are decided by arbitration panels composed of international jurists. Thus national measures regarding data flows can be overturned even if they have been democratically decided by a national parliament.

This appears to us to be a violation of the human right to take part in the conduct of public affairs, as provided in Article 25 of the International Covenant on Civil and Political Rights (and also in Article 22 of the Universal Declaration of Human Rights).

Leaked versions of the documents being discussed in the context of TiSA[11] indicate that provisions similar to (or even worse than) those of the TPP are being negotiated at present.

This must stop. As two experts put the matter:[12]

'One must wonder whether this [trade negotiations regarding e-commerce] will be an opportunity to foster digital rights or leave us with even lower standards and a concentrated, quasi-monopolistic market benefiting from public infrastructure? The rhetoric of opportunities for the excluded – connecting the next billion – sounds great, but only if we disconnect it from the current realities of the global economy, where trade deals push for deregulation, for lower standards of protection for the data and privacy of citizens, where aggressive copyright enforcement risks the security of devices, and when distributing the benefits, where big monopolies, tech giants (so called GAFA [Google, Apple, Facebook and Amazon]) based mostly in the US, to put it bluntly, take them all...

'Never before has a trade negotiation had such a limited number of beneficiaries. Make no mistake, what will be discussed there, with the South arriving unprepared, will affect each and every space, from government to health, from development to innovation going well beyond just trade. Data is the new oil – and we need to start organising ourselves for the fourth industrial revolution. The data lords, those who have the computational power to develop superior products and services from machine learning and artificial intelligence, want to make sure that no domestic regulation, no competition laws, privacy or consumer protection would interfere with their plans.

'Disguised as support for access and affordability, they want everyone to connect as fast as they can. Pretending to offer opportunities to grow, they want to deploy and concentrate their platforms, systems and content everywhere in the world. Enforcement measures will be coded in technology, borders for data extraction will be blurred, the ability to regulate and protect the data of citizens will be disputed by supranational courts, as local industries cannot compete and local jobs soar. If we are not vigilant, we will rapidly consolidate this digital colonisation, a neo-feudal regime where all the rules are dictated by the technology giants, to be obeyed by the rest of us.'

Conclusion

The principle that data should be borderless and that it should flow freely is a policy decision that has profound effects.

As shown above, it does not flow logically from the idea that data is a commodity: commodities are taxed and the producers of raw material are compensated for providing that material to the industries that transform it and add value to it.

Further, the idea that data is a community to be freely traded contradicts fundamental human rights.

And the economic benefits of free flow of data have been overstated: indeed, free flow of data is likely increasing income inequality.

There is no obvious justification for policies favouring the free flow of data other than to allow Internet companies to continue to accumulate huge profits (often monopoly profits) by extracting and refining data, without paying taxes and without compensating the users who produce the data in the first place.

As a consequence, there should be a moratorium on negotiations regarding the free flow of data and a moratorium on discussions of e-commerce and other cyberspace issues in the WTO and other forums where trade matters are discussed. ◆

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Notes

1. See, for example, the proposals presented in WTO documents JOB/SERV/248/Rev.2 and TN/S/W/64. The first is from a group of mostly developed states, and the second is from the European Union.
2. http://www.hill-a.ch/wcit.htm
3. https://en.wikipedia.org/wiki/Criticism_of_the_World_Trade_Organization
4. http://www.globalissues.org/article/40/criticisms-of-current-forms-of-free-trade
5. http://www.economicshelp.org/trade/arguments-against-free-trade/
6. https://hbr.org/1986/09/the-folly-of-free-trade
7. See, for example, pp. vii and 2 of the Global Commission on Internet Governance report, available at: http://ourinternet.org/sites/default/files/inline-files/GCIG_Final%20Report%20-%20USB.pdf. See also 7.4 of http://www.oecd-ilibrary.org/taxation/addressing-the-tax-challenges-of-the-digital-economy_9789264218789-en; http://www.other-news.info/2016/12/they-have-right-now-another-you/; the study of data brokers at https://www.opensocietyfoundations.org/sites/default/files/data-brokers-in-an-open-society-20161121.pdf; https://www.internetsociety.org/blog/public-policy/2017/03/my-data-your-business; and http://www.economist.com/news/leaders/21721656-data-economy-demands-new-approach-antitrust-rules-worlds-most-valuable-resource
8. http://www.theatlantic.com/technology/archive/2014/08/advertising-is-the-internets-original-sin/376041/; 7.4 of the cited OECD report; http://www.other-news.info/2016/12/they-have-right-now-another-you/; and https://www.internetsociety.org/blog/public-policy/2017/03/my-data-your-business
9. The transcript is at: https://www.itu.int/net4/wsis/forum/2017/Content/Uploads/DOC/3490e121a88547aea5502d3f5cba96a9/Captioning_287.pdf
10. http://supremecourtofindia.nic.in/pdf/LU/ALL%20WP(C)%20No.494%20of%202012%20Right%20to%20Privacy.pdf
11. The TiSA negotiations are secret (as are other trade negotiations): even members of parliament have been denied access to negotiating texts. The discussion of such matters in secret forums is a blatant contradiction of the principles of transparency and multi-stakeholder participation. For that reason alone, these negotiations must be stopped.
12. https://www.opendemocracy.net/digitaliberties/renata-avila-burcu-kilic/new-digital-trade-agenda-are-we-giving-away-internet

COVER

A positive agenda for discussing the digital economy at the WTO

With e-commerce becoming a top issue in the WTO, developing countries have been struggling to grasp its implications.

Parminder Jeet Singh

DEVELOPING countries are told that e-commerce presents an unprecedented opportunity for their micro, small and medium enterprises (MSMEs) to access global markets. It is argued that it is the huge transaction costs involved in global trading that leave MSMEs at a disadvantage vis-a-vis big business. E-commerce, the argument goes, removes these costs, thus making for a level playing field.

One heard the same naïve logic during the dotcom era: every small trader can have a shopfront on the Internet and thus compete with big business on equal terms. The dotcom bubble promptly burst, and in the following years the Internet has only enabled large businesses of all kinds to further consolidate at the expense of smaller ones.

More than a decade after the dotcom crash, e-commerce re-emerged in the mainstream under the control of a few monopolistic companies like Amazon and Alibaba. It would be a mistake to consider these companies as just providing a neutral digital platform for small producers and traders to interface conveniently with consumers. They penetrate, control and orchestrate the whole value chain, from the very planning of production right up to the point of consumption. This is achieved by employing sector-wide digital intelligence that is built from the granular data collected over their e-commerce platforms, which act as precious data mines.

It is really not e-commerce

More than undertaking commerce, these companies are providers of digital intelligence services – in the same way as Uber is such a provider in the urban transport sector. Alibaba's head, Jack Ma, is a major protagonist of the global e-commerce discourse. In the company's own strategy statements, he is quoted as claiming that the term 'e-commerce' will vanish soon.[1] Alibaba recently approached mom-and-pop stores in China to manage their supplies and logistics, leaving to them the consumer interface.[2] This shows that Alibaba's core business competency is not necessarily selling goods, but to digitally manage as much of the economic value chain as possible.

If commerce is not the real business for even the so-called e-commerce companies, it becomes important to explore the true nature of the digital economy. This is what we need to do at global forums rather than covering up complex new economic changes under false, even if convenient, labels like e-commerce. Developed countries blame developing countries for refusing to face the fact of a digital economy. Very well, we should indeed discuss the digital economy! But before taking up global digital flows and trade, we need to discuss and understand what the main valuable commodity in global digital flows and trade is, and what the key business model of the digital economy is. The need for such discussions logically precedes talking about digital trade.

Let us develop a global agenda to discuss the nature of digital intelligence, the key service that underpins and defines the digital economy. Take the case of Uber, which claims to be a technology service,[3] while regulators want to nail it as a taxi service.[4] In fact, it is neither. It is a provider of digital intelligence services for the urban transport sector which has clients among taxi drivers and commuters.

But because of its monopoly nature, hoarding of city data collected from diverse sources, and exclusive access to granular intelligence about the minutest behavioural traits of individual taxi drivers and commuters, the power relationship between it and its clients is extremely unequal. This enables Uber to squeeze the latter at will, mostly in a manner that does not let immediate pain be felt.

In principle, both kinds of its clients are free to effortlessly disengage at any time. However, the digital intelligence that Uber possesses about the sector, and soon enough about individual clients as well (which they may not have about themselves), is of such great efficiency value to the clients that they cannot afford to disengage. As the lock-ins get stronger, end-to-end sectoral control by the monopoly digital intelligence business keeps becoming tighter.

One needs to just extrapolate the above description of Uber's business model to Amazon in the area of goods, Airbnb in accommodation services, and other platform companies in corresponding sectors. No sector can resist digital-intelligence-based reorganisation, and therefore it is only a matter of time before Uber-like models emerge in all sectors – from the normally commercial ones to the relatively social ones like education, health, agriculture and even governance (a la smart cities).

This is the main digital economy model – to own sectoral platforms and marketplaces, for mining sectoral data, which is hoarded for exclusive private use to produce granular digital sectoral intelligence. The latter is then employed to control the whole sector, by orchestrating every actor's role through use of fine contextual intelligence. It is done in a manner that the concerned actor finds beneficial enough to remain hooked, even as the digital intelligence business owner extracts exploitative profits because of its monopoly nature.

The raw material for digital intelligence is data, which is collected by platform companies from sources that mostly lie outside their ownership realm. It could come from people's online behaviour and interactions, machines and other physical things, or the natural environment.

A question arises: on what basis does a platform company affirm exclusive ownership over such personal, social or natural data? It is even more problematic when such data of a country is appropriated by foreign entities, as is the case with developing countries' data in the hands of North-based digital corporations. Since the value of data to produce digital intelligence sustains over a long time and is cumulative, the continued outflow of data from developing countries would translate into long-term avenues for their economic, social and political exploitation.

Digital economy issues to discuss

Developing countries should not be defensive about discussing the digital economy and digital trade. Rather, they should make it clear that they are indeed eager to discuss core digital economy issues, like:

(1) The main stock in trade of the digital economy, which is digital intelligence, and its nature.

(2) The central business model of the digital economy, which is to develop digital intelligence and provide it as a service, but mostly leveraging monopoly provider status, to control and 'intelligent-ly' orchestrate economic activity across a sector and seek rent from it (think Uber). Are alternative, non-monopolistic business models possible for digital intelligence services?

(3) The nature of the raw material from which digital intelligence is developed, which is personal, machine, physical and natural data. Most importantly, there is a need to discuss who legitimately owns the economic value of each kind of this data. A recent European Union policy document raises questions about the ownership of machine-generated data,[5] but the same questions apply to all other kinds of data as well.

Developing countries must turn the tables on developed countries, putting forward the real core issues of the digital economy and inviting a discussion on them.

(4) Can data collected (or mined) inside a country, of all the mentioned varieties, be considered a national resource, on the lines of natural resources, and its use be determined by public interest conditions arising from its collective ownership?

(5) What kinds of regulatory frameworks are required to address the problem of monopolistic privatisation of every sector's data and digital intelligence, which will have pernicious economic and social impacts? How can open paradigms for such common sectoral resources be explored?

(6) What are appropriate digital industrial policies for developing countries at different levels of development and digitalisation? What is the role here of public data infrastructures and 'data commons', which can enable a level playing field for domestic digital businesses?

(7) How and to what extent can locally sourced data and digital intelligence be employed to first build a strong domestic data/digital economy before its gradual integration with the global data/digital economy? What role can regional digital single markets[6] play in this regard?

It should be evident that these core issues surrounding the digital economy need to be discussed first, before global digital trade talks get under way.

The issues that developed countries want to begin trade negotiations on, generally, are: (1) ensuring free global flow of data; (2) facilitating global electronic transactions under private law frameworks; and (3) circumscribing national technology regulatory powers. They have been successful in presenting these issues as being what basically frames digital trade and economy, and developing countries as being digital Luddites who are resisting the inevitable digital economy.

Developing countries must turn the tables on developed countries, putting forward the real core issues of the digital economy and inviting a discussion on them. With its accent on e-commerce, the WTO Ministerial Conference in Buenos Aires is an appropriate place to launch such a discursive offensive. ◆

Notes

1 http://cw.com.hk/news/alibabas-jack-ma-e-commerce-will-vanish-soon

2 https://www.chinamoneynetwork.com/2017/08/31/alibaba-transform-chinas-mom-pop-shops-offline-expansion

3 https://citizen.co.za/news/south-africa/1454013/were-a-technology-company-not-a-taxi-service-says-uber/

4 https://www.infoworld.com/article/3196034/regulation/uber-offers-taxi-service-not-software-as-a-service-says-eu-court-official.html

5 'Building a European Data Economy', http://ec.europa.eu/newsroom/dae/document.cfm?doc_id=41205

6 Like the EU digital single market being developed with a common data regulatory system, and other shared features like e-security architecture, and public data platforms for key sectors like health and transport.

E-commerce in the WTO is effort to hijack basic Internet governance issues

As issues relating to the monopolistic/oligopolistic control over information and data by the Silicon Valley technology giants are beginning to attract adverse public and political attention around the world, these technology platforms are attempting to hijack the issue of Internet governance and democracy by writing trade rules at the WTO under the rubric of 'e-commerce'.

Chakravarthi Raghavan

COMMUNICATION scholars and specialists have been studying and focussing on this issue for a while, but some recent incidents and actions by these platforms have now brought the issue to the centre of political debate in various countries in relation to its implications for democracy, pluralism and democratic governance.

The latest example is a case where tweets from *The Hindu* were not appearing in Twitter's search results. *The Hindu* is a leading English language daily newspaper in India and its Twitter account has over 4.5 million verified followers. When *The Hindu*'s Internet desk took up the matter with Twitter, its tweets began appearing again in the search results. (See the following article by *The Hindu*'s Readers' Editor A S Panneerselvan: 'Journalism and algorithmic accountability',http://www.thehindu.com/opinion/Readers-Editor/journalism-and-algorithmic-accountability/article20556111.ece?homepage=true)

Twitter admitted to *The Hindu* digital team that the @the_hindu handle got 'inadvertently' caught in its spam filter. Funnily though, real spam seems to escape the spam filters of most email service providers/platforms and floods the inboxes of email users, often resulting in recipients' mailboxes becoming full and unable to accept new genuine messages. So much for the ability of these tech giants and platforms (Google, Facebook, Twitter, Microsoft) to filter out spam!

In an email communication to this writer, Prof Dean Baker, Co-Director of the Washington DC-based Center for Economic and Policy Research (CEPR), comments that *The Hindu* case is an 'amazing story'.

'There are a variety of different issues here,' Baker says. 'But most immediately, these huge platforms (Google, Facebook, Twitter) need to be regulated in the same way the phone company was regulated when it had a monopoly.'

'The phone company could not "accidentally" deny service to a political party or organisation it didn't like. We need similar rules for these platforms. They also should not be allowed to use their platforms as springboards to other lines of business. That isn't the whole story of a democratic media, but it seems a simple first step.'

On *The Hindu* Twitter issue, Richard Hill, a civil society activist and independent consultant based in Geneva, Switzerland, and formerly a senior official at the International Telecommunication Union (ITU), notes that 'many of us have noticed that much of the news we read is the same, no matter which newspaper or web site we consult: they all seem to be recycling the same agency feeds. To understand why this is happening, there are few better analyses than the one developed by media scholar Robert McChesney in his most recent book, *Digital Disconnect*.'

McChesney is a Professor in the Department of Communication at the University of Illinois at Urbana-Champaign specialising in the history and political economy of communications. He is the author or co-author of more than 20 books.

Review of *Digital Disconnect*

In reviewing McChesney's book, Hill says (the review cited below was originally published online at boundary2.org with the title 'The Internet vs. Democracy', and is reproduced here in full with permission):

'Many see the internet as a powerful force for improvement of human rights, living conditions, the economy, rights of minorities, etc. And indeed, like many communications technologies, the internet has the potential to facilitate social improvements. But in reality the internet has recently been used to erode privacy and to increase the concentration of economic power, leading to increasing income inequalities.

One might have expected that democracies would have harnessed the internet to serve the interests of their citizens, as they largely did with other technologies such as roads, telegraphy, telephony, air transport, pharmaceuticals (even if they used these to serve only the interests of their own citizens and not the general interests of mankind).

But this does not appear to be the case with respect to the internet: it is used largely to serve the interests of a few very wealthy individuals, or certain geo-economic and geo-political interests.

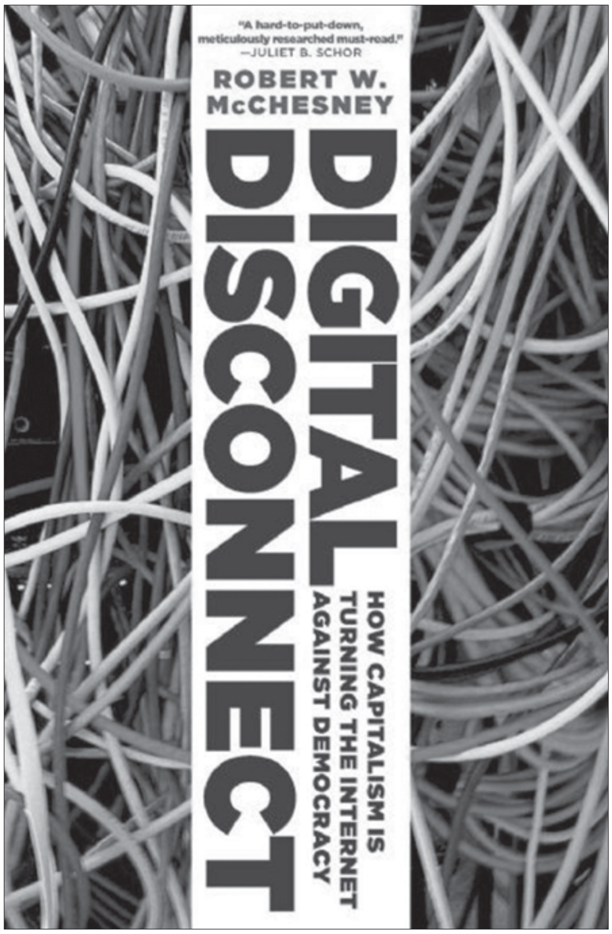
As McChesney puts the matter: "It is supremely ironic that the internet, the much-ballyhooed champion of increased consumer power and cutthroat competition, has become one of the greatest generators of monopoly in economic history" (p. 131 in the print edition).

This trend to use technology to favour special interests, not the general interest, is not unique to the internet. As Josep Ramoneda puts the matter: "We expected that governments would submit markets to democracy and it turns out that what they do is adapt democracy to markets, that is, empty it little by little."

McChesney's book explains why this is the case: despite its great promise and potential to increase democracy, various factors have turned the internet into a force that is actually destructive to democracy, and that favours special interests.

McChesney reminds us what democracy is, citing Aristotle (p. 53): "Democracy [is] when the indigent, and not the men of property are the rulers. If liberty and equality ... are chiefly to be found in democracy, they will be best attained when all persons alike share in the government to the utmost."

He also cites US President Lincoln's 1861 warning against despotism (p. 55): "the effort to place capital on an equal footing with, if not above, labour in the structure of government." According to McChesney, it was imperative for Lincoln that the wealthy not be permitted to have undue influence over the government.



Yet what we see today in the internet is concentrated wealth in the form of large private companies that exert increasing influence over public policy matters, going so far as to call openly for governance systems in which they have equal decision-making rights with the elected representatives of the people. Current internet governance mechanisms are celebrated as paragons of success, whereas in fact they have not been successful in achieving the social promise of the internet. And it has even been said that such systems need not be democratic.

What sense does it make for the technology that was supposed to facilitate democracy to be governed in ways that are not democratic? It makes business sense, of course, in the sense of maximising profits for shareholders.

McChesney explains how profit maximisation in the excessively laissez-faire regime that is commonly called neoliberalism has resulted in increasing concentration of power and wealth, social inequality and, worse, erosion of the press, leading to erosion of democracy. Nowhere is this more clearly seen than in the US, which is the focus of McChesney's book. Not only has the internet eroded democracy in the US, it is used by the US to further its geo-political goals; and, adding insult to injury, it is promoted as a means of furthering democracy. Of course it could and should do so, but unfortunately it does not, as McChesney explains.

The book starts by noting the importance of the digital revolution and by summarising the views of those who see it as an engine of good (the celebrants) versus those who point out its limitations and some of its negative effects (the skeptics). McChesney correctly notes that a proper analysis of the digital revolution must be grounded in political economy. Since the digital revolution is occurring in a capitalist system, it is necessarily conditioned by that system, and it necessarily influences that system.

A chapter is devoted to explaining how and why capitalism does not equal democracy: on the contrary, capitalism can well erode democracy, the contemporary United States being a good example. To dig deeper into the issues, McChesney approaches the internet from the perspective of the political economy of communication.

He shows how the internet has profoundly disrupted traditional media, and how, contrary to the rhetoric, it has reduced competition and choice – because the economies of scale and network effects of the new technologies inevitably favour concentration, to the point of creating natural monopolies (who is number two after Facebook? Or Twitter?).

The book then documents how

the initially non-commercial, publicly-subsidised internet was transformed into an eminently commercial, privately-owned capitalist institution, in the worst sense of "capitalist": domination by large corporations, monopolistic markets, endless advertising, intense lobbying, and cronyism bordering on corruption.

Having explained what happened in general, McChesney focuses on what happened to journalism and the media in particular. As we all know, it has been a disaster: nobody has yet found a viable business model for respectable online journalism.

As McChesney correctly notes, vibrant journalism is a pre-condition for democracy: how can people make informed choices if they do not have access to valid information? The internet was supposed to broaden our sources of information. Sadly, it has not, for the reasons explained in detail in the book. Yet there is hope: McChesney provides concrete suggestions for how to deal with the issue, drawing on actual experiences in well functioning democracies in Europe.

The book goes on to call for specific actions that would create a revolution in the digital revolution, bringing it back to its origins: by the people, for the people. McChesney's proposed actions are consistent with those of certain civil society organisations, and will no doubt be taken up in the forthcoming Internet Social Forum, an initiative whose intent is precisely to revolutionise the digital revolution along the lines outlined by McChesney.

Anybody who is aware of the many issues threatening the free and open internet, and democracy itself, will find much to reflect upon in *Digital Disconnect*, not just because of its well-researched and incisive analysis, but also because it provides concrete suggestions for how to address the issues.' ◆

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A century of refusal

Palestinian opposition to the Balfour Declaration

2017 is the centenary of the Balfour Declaration, which, as *Lori Allen* points out, has always been rightly viewed by Palestinians as 'Britain's original sin that gave historic Palestine away to an alien population.' A hundred years on, there has not been even a gesture of contrition by Britain for this monstrous act of injustice which deprived Palestinians of their homeland.

ON the centenary of the Balfour Declaration, there has been a flurry of commentary about the controversial announcement, contained in a letter sent by British Foreign Secretary Arthur James Balfour to Lord Walter Rothschild. A Conservative parliamentarian, Rothschild was also a leading British advocate for the establishment of a Jewish nation-state in Palestine, then part of the Ottoman Empire. As an expression of 'sympathy with Jewish Zionist aspirations', Balfour wrote on 2 November 1917, the Cabinet had authorised him to convey a statement pledging to assist in 'the establishment in Palestine of a national home for the Jewish people'. Amidst all the exegesis of the text, it is worth adding to the mix a consideration of what has changed since Balfour's day, and what remains the same.

A protest against the Balfour Declaration. From the moment the Declaration was issued, Palestinians have vocally and eloquently rejected it, arguing against its legitimacy and proposing alternatives for a democratic polity in Palestine.

British ploy

One hundred years ago, the busy custodians of the British Empire were looking for friends as they sent young men in the millions to die in World War I. The Balfour Declaration was part of a ploy to gain the support of Zionists worldwide for the Allied war effort. In promising to facilitate a 'national home' for the Jews in Palestine, who made up about 10% of that country's population at the time, Balfour gestured only broadly towards the Arab majority, stipulating that 'nothing shall be done which may prejudice the civil and religious rights of existing non-Jewish communities in Palestine'. His statement did not mention Palestinians as a people or indicate that they, too, had a political right to national self-determination.

In 1922, the Balfour Declaration was incorporated into the Mandate for Palestine, the League of Nations legal-administrative instrument that articulated the principles by which Britain was to govern the territory (as well as Transjordan) after the Ottoman Empire's demise. According to this document, securing a Jewish national home in Palestine was a priority, while local autonomy, a shrugging afterthought in Article 3, was to be encouraged 'so far as circumstances permit'. The Zionists' Jewish Agency, a proto-state institution, was the explicit partner of the British. The Mandate was to safeguard 'the civil and religious rights of all the inhabitants of Palestine, irrespective of race and religion', but the political rights and aspirations of the Palestinian Arabs went unspecified.

Although Great Power politicians at the time could not name or recognise Palestine's Arabs as people with political rights and freedom demands, from the moment the Balfour Declaration was issued, Palestinians have vocally and eloquently rejected it, arguing against its legitimacy and proposing alternatives for a democratic polity in Palestine.

The Palestinians' repudiation of the Declaration is not surprising, since it stood in absolute opposition to their national interests and objectives. And since it utterly contradicted what they heard President Woodrow Wilson promise to them in his widely publicised 'fourteen points' speech before the US Congress in 1918. Wilson assured the Arabs in the unravelling

Ottoman Empire that they would have 'an absolutely unmolested opportunity of an autonomous development'. He also called for the formation of a 'general association of nations … under specific covenants for the purpose of affording mutual guarantees of political independence and territorial integrity to great and small states alike'.

But the Palestinian protests against Balfour are little known, as are their quite reasonable bases for doing so, and their recommendations of democratic alternatives, for most authors covering the Balfour Declaration and the British Mandate write the Palestinians out of history just like the Declaration did.

Over the ensuing century, Palestinians and those advocating for Palestinian national rights have pointed out the hubris and injustice at the heart of the Balfour Declaration, enumerating the reasons the British had no right to promise anyone a national home in Palestine in the first place. As Palestinian educator Khalil Totah recorded in 1937, schoolchildren struck on every anniversary of the hated British policy statement. Consistently and continuously, Palestinians have called attention to the contradiction between the Declaration and the League of Nations' pronouncement that the 'communities formerly belonging to the Turkish Empire have reached a stage of development where their existence as independent nations can be provisionally recognised', and 'the wishes of these communities must be a principal consideration in the selection of the Mandatory'. Palestinians have argued that British adherence to Balfour's promise is inconsistent with the League of Nations' noble agreement 'to secure just treatment of the native inhabitants of territories under their control'.

When a British investigative commission (known by the name of its chair, Lord Peel) recognised this contradiction in 1937, the final report justified the British Mandatory control of the country in a particular reading of history. While 'Palestine had virtually dropped out of history' in the past, its future could not 'possibly be left to be determined by the temporary impressions and feelings of the Arab majority in the country of the present day'. Hardly worth the hefty price of £4,050 plus £815 for printing that the government shelled out for it.

Language of resistance

From the beginning of this British 'experiment', Palestinians tried to find a language of objection and resistance that the world's powers would respond to. In letters of protest sent to the Paris Peace Conference in 1919, Palestinian representatives wondered how the British could, in essence, arrogate to themselves the right to give away an Arab nation. They called for a united Arab nation-state under a constitutional monarchy in which all citizens of every faith would have equal rights and responsibilities. All of this was duly recorded in the King-Crane Commission report, published in 1922, and then ignored.[1]

Years later, the authors of a pamphlet entitled 'Analysis of the Balfour Declaration', issued by the Arabic-language newspaper *Filastin* in Jaffa, acknowledged the boredom induced by so many iterations of these same arguments. But, they said, with a flair for understatement: 'We owe no apology for introducing to the public this discussion, which a friend called "flogging a dead horse". It would have been well, if the horse had been dead and buried, but, unfortunately for everyone concerned, it is very much alive and is making things very unpleasant.'

The pamphlet ridiculed the claim that Zionist immigration to Palestine would benefit the Arabs, which popped up persistently in attempts to justify the settler-colonial project. 'Great hopes were built on the future progress of the country and the benefit which would result to the Arabs. Co-operation, Education, Economic and Political Progress, all were being painted in rosy colours. Such was the extravagance of these pious artists, that it seemed that if the Jew were not willing to come, the Arab should go and compel him to come into Palestine by force.'

Not only did Zionism fail to bring progress to the Arabs, the pamphlet noted, it engendered political deterioration. The British Mandate's discriminatory regime of governance, one that favoured Zionists and their political institutions, left the Arab population 'distinctly a loser'.

'While Iraq and Palestine were both under the Turkish rule Palestine was certainly the more progressive of the two; yet we find that Iraq has been offered its independence, while even mere conversations going on about a shadowy parliament for Palestine have been suspended. The subject of representation, it seems, cannot bear talking of in Palestine. This is, of course, a retrogression from the Turkish times, when the Arabs could send a deputy of their own to Constantinople. The differentia is again "The Balfour Declaration".'

At almost every meeting with British Mandate officials, Palestinian representatives challenged the justice and legality of the Balfour Declaration.[2] In 1945, on the anniversary of the letter, *Filastin* reported that a general strike took place in a number of Palestinian and Arab cities in protest. Again, in 1946, the Arab League argued against the Declaration on legal grounds. The League asserted in a memorandum to the Anglo-American Committee of Enquiry that the Declaration was a 'personal message' and 'a mere expression of sympathy towards the Jewish aspirations' with 'no definite meaning in International Law'. A statement addressed to an individual (Lord Rothschild) who represented neither a state nor a government could not become the basis of Britain's policy towards Palestine.[3] For good measure, the memo reminded the Committee that the Balfour Declaration contravened the terms of pre-existing pacts between the British and the Arabs, a point that Palestinians and their representatives had been making for quite some time.

But the central Palestinian grievance was the damage done by the Declaration to the Palestinians themselves. The 'arbitrary declarations given by irresponsible and incompetent authorities' could not override the 'natural national rights' of the Palestinian people in their country, wrote Fayez Sayigh in a 1946 memorandum to the Anglo-American Committee of Enquiry.

'The Balfour Declaration is, thus, invalid, by virtue of the incompetence of its issuing authorities; it is consequently an unjust document, an eternal symbol of injustice and transgression, an eternal sin against humanitarian conscience, as well as against the principles of national existence and international behaviour and co-operation. The unanimous and persistent rejection of the Declaration by the Palestinians demonstrates its illegitimacy and invalidity.'

The British may consider themselves bound by this illegitimate document, Sayigh conceded, 'but it certainly does not bind the Palestinians at all; and the Palestinians have rejected the Declaration, and will continue to reject it, backed by the support of the whole Arab World'. Sayigh concluded that the solution to the conflict is not a Jewish state based on 'racialism', but an independent Palestine and democratic system of self-rule.[4]

In other testimony to the same Committee of Enquiry, Palestinian representatives impressed upon the investigators that 'no power in the world is entitled to promise a nation's territory to another', as Ahmad Shuqayri, future head of the Palestine Liberation Organisation (PLO), asserted. The document must be abrogated, he said, 'in the interests of peace, to say nothing of moral standards and the dictates of justice'.[5]

And Albert Hourani spelled out to the Committee that the alternative 'just and practicable solution for the problem of Palestine lies in the constitution of Palestine, with the least possible delay, into a self-governing state, with its Arab majority, but with full rights for the Jewish citizens of Palestine. A state which should enter the United Nations organisation and the Arab League on a level of equality with other Arab states; a state in which questions of general concern, like immigration, should be decided by the ordinary democratic procedure in accordance with the will of the majority.'

But Palestinians' repeated calls for true democracy were just as repeatedly cast aside. The Balfour Declaration's promise to facilitate the development of a Jewish national home in Palestine had taken on a sacred aura. British diplomats and politicians treated the Declaration as a commandment carved in stone, and their American counterparts likewise held it up as a decree solemn and irrevocable.

Throughout the Mandate period, the British built up the foundations for the future state of Israel, passing laws to ease Jewish immigration and economic dominion. Most other British promises, especially the guarantees of independence to Arabs, were malleable and even breakable. But not Balfour's pledge, which became a red-line reference point for all future conversations about the status of Palestine, a bubble of colonial-nationalist ambition that could not be pricked by logic or legal argument, and which remained the compass of British action in the Middle East until the Zionists achieved the establishment of Israel as a state.

In the words of the unnamed authors of the 1929 *Filastin* pamphlet: 'The Mandatory Power, in this case, is open to the charge that it has given away the rights of the Arab and may well be arraigned before the court of history as a culpably negligent guardian, who has wasted the wealth of its ward, by giving it away to a favourite.'

A century of inaction

Today, as the unelected British Prime Minister Theresa May expresses pride in what the British did one hundred years ago, as she beams with enthusiasm for celebrating the Balfour Declaration in the company of her right-wing Israeli counterpart Benjamin Netanyahu, the Palestinians still take a seat far to the back. May nodded to 'the sensitivities that some people do have about the Balfour Declaration'. She offered no recognition of Palestinians' continual, vociferous and just decrials of Britain's original sin that gave historic Palestine away to an alien population. Even if she paid lip service to the two-state solution, she said nary a word about what it will take to change the political arrangement that promotes the continuous trampling of Palestinians' rights in Palestine and in Israel. And no mention of the violation of Palestinians' rights in her own country and in Trump's, where Palestine is a regular exception to normative rules of free speech and academic freedom.

In modern politics, one hundred years normally sees as much upheaval as the earth experienced in the thousands of millennia bridging the Mesozoic and Cenozoic eras. At a century's remove from the Balfour Declaration, however, we look over our shoulders to see where we have come from, and how far – or how little – we have moved. In this case, it seems we are stuck in geologic time, barely emerged from the age of monstrous reptiles. ◆

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The above article was first published on Middle East Report Online, on the website of the Middle East Research and Information Project (merip.org).

Notes

1. Lori Allen, 'Determining Emotions and the Burden of Proof in Investigative Commissions to Palestine', *Comparative Studies in Society and History*, 59/2 (April 2017).
2. Sir Alan Cunningham Collection, GB165-0072, Box 5, File 1, 23 November 1945.
3. Memorandum, Secretariat-General of the Arab League to the AACI, 1 March 1946.
4. Fayez Sayigh, 'Note on the Palestine Problem: Submitted to the Anglo-American Inquiry Committee', prepared on behalf of the National Party, Beirut, 19 March 1946.
5. Testimony of Ahmad Shuqayri to the Anglo-American Committee of Enquiry, 25 March 1946.

Trump's move on Jerusalem: Is this the end of US diplomacy in the Middle East?

By accepting Israel's illegal annexation of Occupied East Jerusalem, President Trump has ended an American political gambit that lasted decades: supporting Israel unconditionally while posing as a neutral, honest party. Although his move is aimed at appeasing Israel, its US allies in government, and his base of fundamentalists and conservatives, he is also shedding a mask that every US president has worn for decades.

Ramzy Baroud

East Jerusalem has been recognised by international law as an integral part of the Palestinian Occupied Territories.

FINALLY, US President Donald Trump pulled the plug.

The so-called peace process, two-state solution, 'land-for-peace formula' and all the other tired clichés have been long dead and decomposing. But Trump's 6 December announcement to officially recognise Jerusalem as the capital of Israel has also laid to rest the illusion that the US was ever keen on achieving a just and lasting peace between Israel and its neighbours.

What is left to be said by those who have placed the Palestinian national project of liberation on hold for nearly three decades, waiting for the US to fulfil its self-designated role of an 'honest peace broker'?

The Fatah movement of Palestinian Authority (PA) President Mahmoud Abbas declared a 'day of rage' in response to Trump's announcement. It was a way to deflect attention from the real crisis at hand: the fact that the PA has miserably failed by leasing the fate of Palestine to Washington and, by extension, to Israel as well.

The recent love affair

'I have determined that it is time to officially recognise Jerusalem as the capital of Israel,' Trump said in Washington. The embattled president has done what many had asked him not to do. But the truth is, US foreign policy has been bankrupt for years. It was never fair, nor did it ever intend to be so.

Trump's words from Washington were a tamed version of his statement before the Israel lobby last year. In March 2016, Republican presidential candidate Trump delivered his famous speech before the American Israel Public Affairs Committee (AIPAC). Then, he revealed the type of politician he truly is. By Washington's standards, he was a 'good politician', devoid of any values.

In his speech he made many promises to Israel. The large crowd could not contain their giddiness. Of the many false claims and dangerous promises Trump made, a particular passage stood unique, for it offered early clues to what the future administration's policy on Israel and Palestine would look like. The signs were not promising:

'When the United States stands with Israel, the chances of peace really rise and rise exponentially. That's what will happen when Donald Trump is president of the United States,' he declared, a fraudulent statement that was preceded with loud applause and ended with an even louder cheer.

'We will move the American embassy to the eternal capital of the Jewish people, Jerusalem,' he announced. The combined cheers and applause were deafening.

The truth, however, is that Trump's love affair with Israel is actually relatively recent. He had made several pronouncements in the past that in fact irked Israel and its powerful backers in the US. But when his chances of becoming the Republican presidential nominee grew, so did his willingness to say whatever it takes to win Israel's approval. But isn't this the American way of doing politics?

Now that Trump is president, he is desperate to maintain the support of the very constituency that brought him to the White House in the first place. The right-wing, conservative Christian-evangelical constituency remains the foundation of his troubled presidency.

So, on 4 December, Trump picked up the phone and began calling Arab leaders, informing them of his decision to announce a move that had been delayed for many years: relocating the US embassy from Tel Aviv to Jerusalem.

Arabs fumed, or needed to play that part, for such a move would surely create further destabilisation in a region that has been taken on a destructive course for years. Much of that instability is the outcome of misguided US policies, predicated on unwarranted wars and blind support for Israel. Moreover, the pro-US Middle Eastern camp has itself been struggling under constant conflict, internal splits and a growing sense of American abandonment.

Why Jerusalem

If Trump declares Jerusalem the capital of Israel, it will seem that a cornerstone of US foreign policy in the Middle East has been removed. There can be no talk about a 'two-state solution', a 'Palestinian state with East Jerusalem as its capital', and all the other platitudes that defined the US political discourse in the region for decades.

Worse, United Nations Security Council Resolutions 242 and 338 have served as the trademark of the US approach regarding what has been termed the 'Palestinian-Israeli conflict' since 1967. The resolutions call for Israeli withdrawal from the territories it occupied since the war of 1967. Since then, East Jerusalem has been recognised by international law and even by every country that extended diplomatic ties with Israel as an integral part of the Occupied Territories.

Trump's recent decision constitutes a total US reversal in its approach, not only regarding its own working definition of peacemaking, but also in relation to the entire Middle East, considering that Palestine and Israel have been at the centre of most of the region's conflicts.

It may have appeared that in March 2016, when Trump elatedly announced his intentions to relocate his country's embassy to Jerusalem, he spoke like every American politician would: making lofty promises that cannot be kept. Perhaps, but there are factors that made this embassy move an attractive option for the Trump administration:

The US is currently experiencing unprecedented political instability and polarisation. Talk of impeaching the president is gaining momentum, while his officials are being paraded before Department of Justice investigators for various accusations, including collusion with foreign powers.

Under these circumstances, there is no decision or issue that Trump can approach without finding himself in a political storm, except one issue, that being Israel. Being pro-Israel has historically united the US' two main political parties, the Congress, the media and many Americans, chief among them Trump's political base.

Collusion

Indeed, when the US Congress passed the Jerusalem Embassy Act in 1995, purportedly violating its legislative role, Trump's interest in politics was quite haphazard and entirely personal. Congress went even further. Attempting to twist the arm of the White House, it added a clause giving the administration till May 1999 to carry out Congress' diktats or face a 50% cut in the US State Department's budget allocated to 'acquisition and maintenance of buildings abroad'.

It was an impossible ultimatum. The US, by then, had positioned itself as an 'honest broker' in the peace process – a political framework that defined its entire foreign policy outlook in the Middle East.

To avoid violating Congress' public law, and to maintain a thread, however thin, of credibility, every US president since has signed a six-month waiver: a loophole in Section 7 of the law that allowed the White House to postpone the relocation of the embassy.

Fast-forward to Trump's AIPAC speech. His pledge to move the embassy then seemed merely frivolous and opportunistic. That was the wrong assessment, however. Collusion between the Trump team and Israel began even before he walked into the White House. They worked together to undermine UN efforts in December 2016 to pass a resolution condemning Israel's continued illegal settlement in the Occupied Territories, including Jerusalem.

The names of individuals affiliated with the administration's policy towards Israel spoke volumes of the messianic nature of the government's future outlook. David Friedman, Trump's bankruptcy attorney, was picked as US ambassador to Israel; Jason Greenblatt was appointed as the administration's top Middle East negotiator. Both men were known for their extremist, pro-Israel views – views that were seen as dangerous even by mainstream US media.

Chosen to lead the 'peace' efforts was Trump's son-in-law and Israeli Prime Minister Benjamin Netanyahu's good friend, Jared Kushner. Trump's dedication to Israel was clearly not fleeting.

By accepting Israel's illegal annexation of Occupied East Jerusalem, Trump ends an American political gambit that lasted decades: supporting Israel unconditionally while posing as a neutral, honest party. Although his move is aimed at appeasing Israel, its US allies in government, and his base of fundamentalists and conservatives, he is also shedding a mask that every US president has worn for decades.

However, Trump's decision, while it will upset the delicate political equilibrium in the Middle East, will neither cancel nor reverse international law. It simply means that the US has decided to drop the act and walk wholly into the Israeli camp, further isolating itself from the rest of the world by openly defying international law.

And by doing so, it will, oddly enough, negate the paradoxical role it carved for itself in the last 50 years – that of peacemaker. ◆

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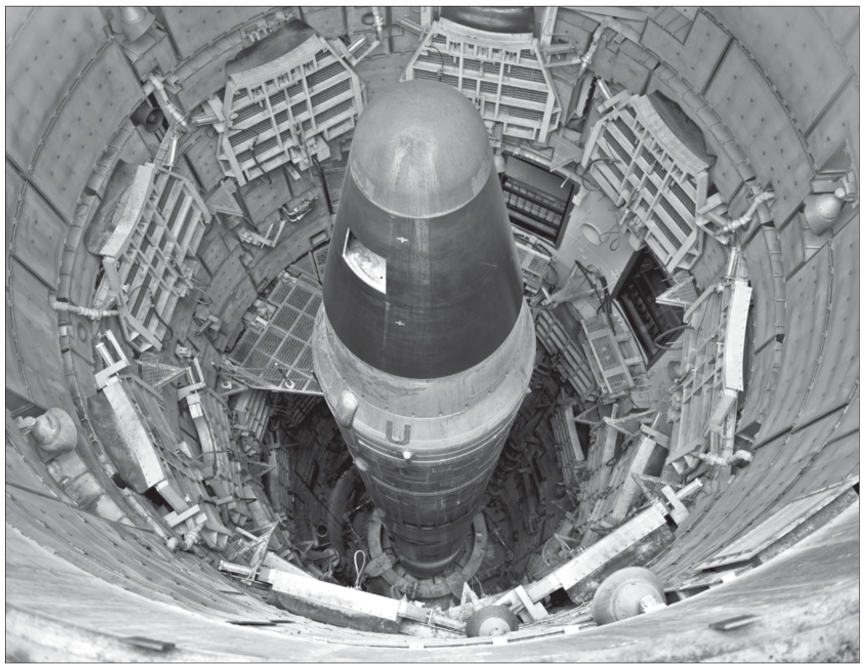
Massive overkill: Brought to you by the nuclear-industrial complex

In every sense of the term, says *William D Hartung*, the US nuclear arsenal already represents overkill on an unimaginable scale. Trump's plan, under the renewed pressure of the 'military-industrial complex', to build a new generation of nuclear arms is a grave threat to world peace.



A deactivated nuclear missile in a silo at the Titan Missile Museum in the US state of Arizona. There are currently more than 4,000 nuclear weapons in the active US stockpile.

UNTIL recently, few of us woke up worrying about the threat of nuclear war. Such dangers seemed like Cold War relics, associated with outmoded practices like building fallout shelters and 'duck and cover' drills.

But give Donald Trump credit. When it comes to nukes, he's gotten our attention. He's prompted renewed concern, if not outright alarm, about the possibility that such weaponry could actually be used for the first time since the 6th and 9th of August 1945. That's what happens when the man in the Oval Office begins threatening to rain 'fire and fury like the world has never seen' on another country or, as he did in his presidential campaign, claiming cryptically that, when it comes to nuclear weapons, 'the devastation is very important to me'.

Trump's pronouncements are at least as unnerving as President Ronald Reagan's infamous 'joke' that 'we begin bombing [the Soviet Union] in five minutes' or the comment of a Reagan aide that, 'with enough shovels', the United States could survive a superpower nuclear exchange.

Whether in the 1980s or today, a tough-guy attitude on nuclear weapons, when combined with an apparent ignorance about their world-ending potential, adds up to a toxic brew. An unprecedented global anti-nuclear movement – spearheaded by the European Nuclear Disarmament campaign and, in the United States, the Nuclear Freeze campaign – helped turn President Reagan around, so much so that he later agreed to substantial nuclear cuts and acknowledged that 'a nuclear war cannot be won and must never be fought'.

It remains to be seen whether anything could similarly influence Donald Trump. One thing is certain, however: the president has plenty of nuclear weapons to back up his aggressive rhetoric – more than 4,000 of them in the active US stockpile, when a mere handful of them could obliterate North Korea at the cost of millions of lives. Indeed, a few hundred nuclear warheads could do the same for even the largest of nations and those 4,000, if ever used, could essentially destroy the planet.

In other words, in every sense of the term, the US nuclear arsenal already represents overkill on an almost unimaginable scale. Independent experts from US war colleges suggest that about 300 warheads would be more than enough to deter any country from launching a nuclear attack on the United States.

Despite this, Donald Trump is all in (and more) on the Pentagon's plan – developed under Barack Obama – to build a new generation of nuclear-armed bombers, submarines and missiles, as well as new generations of warheads to go with them. The cost of this 'modernisation' programme? The Congressional Budget Office recently pegged it at $1.7 trillion over the next three decades, adjusted for inflation. As Derek Johnson, director of the anti-nuclear organisation Global Zero, has noted, 'That's money we don't have for an arsenal we don't need.'

Building a nuclear complex

Why the desire for so many nukes? There is, in fact, a dirty little secret behind the massive US arsenal: it has more to do with the power and profits of this country's major weapons makers than it does with any imaginable strategic considerations.

It may not surprise you to learn that there's nothing new about the influence the nuclear weapons lobby has over Pentagon spending priorities. The successful machinations of the makers of strategic bombers and intercontinental ballistic missiles, intended to keep taxpayer dollars flowing their way, date back to the dawn of the nuclear age and are the primary reason President Dwight D Eisenhower coined the term 'military-industrial complex' and warned of its dangers in his 1961 farewell address.

Without the development of such weapons, that complex simply would not exist in the form it does today. The Manhattan Project, the vast scientific-industrial endeavour that produced the first such weaponry during World War II, was one of the largest government-funded research and manufacturing projects in history. Today's nuclear warhead complex is still largely built around facilities and locations that date back to that time.

The Manhattan Project was the first building block of the permanent arms establishment that came to rule Washington. In addition, the nuclear arms race against that other superpower of the era, the Soviet Union, was crucial to the rationale for a permanent war state. In those years, it was the key to sustaining the building, funding and institutionalising of the arms establishment.

As Eisenhower noted in that farewell address of his, 'a permanent arms industry of vast proportions' had developed for a simple enough reason. In a nuclear age, America had to be ready ahead of time. As he put it, 'We can no longer risk emergency improvisation of national defence.' And that was for a simple enough reason: in an era of potential nuclear war, any society could be destroyed in a matter of hours. There would be no time, as in the past, to mobilise or prepare after the fact.

A nuclear weapons laboratory in Los Alamos in the state of New Mexico. Nuclear weapons facilities in the US are spread widely across the country.

In addition, there were some very specific ways in which the quest for more nuclear weapons and delivery vehicles drove Eisenhower to give that farewell address. One of his biggest fights was over whether to build a new nuclear bomber. The Air Force and the arms industry were desperate to do so. Eisenhower thought it a waste of money, given all the other nuclear delivery vehicles the US was building at the time. He even cancelled the bomber, only to find himself forced to revive it under immense pressure from the arms lobby. In the process, he lost the larger struggle to rein in the nation's nuclear buildup and corral the burgeoning military-industrial complex.

At the same time, there were rumblings in the intelligence community, the military establishment, the media and Congress about a 'missile gap' with the Soviet Union. The notion was that Moscow had somehow jumped ahead of the United States in developing and building intercontinental ballistic missiles (ICBMs). There was no definitive intelligence to substantiate the claim (and it was later proved to be false). However, a wave of worst-case scenarios leaked by or promoted by intelligence analysts and eagerly backed by industry propaganda made that missile gap part of the everyday news of the time.

Such fears were then exaggerated further, thanks to hawkish journalists of the era like Joseph Alsop and prominent Democratic senators like John F Kennedy and Lyndon Johnson, as well as Stuart Symington, who just happened to be a friend and former colleague of an executive at the aircraft manufacturing company Convair, which, in turn, just happened to make ICBMs. As a result, he lobbied hard on behalf of a Pentagon plan to build more of that corporation's Atlas ballistic missiles, while Kennedy would famously make the non-existent missile gap a central theme of his successful 1960 campaign for the presidency.

Eisenhower couldn't have been more clear-eyed about all of this. He saw the missile gap for the fiction it was or, as he put it, a 'useful piece of political demagoguery' for his opponents. 'Munitions makers,' he insisted, 'are making tremendous efforts towards getting more contracts and in fact seem to be exerting undue influence over the Senators.'

Once Kennedy took office, it became all too apparent that there was no missile gap, but by then it hardly mattered. The damage had been done. Billions of dollars more were flowing into the nuclear-industrial complex to build up an American arsenal of ICBMs already unmatched on the planet.

The techniques that the arms lobby and its allies in government used more than half a century ago to promote sky-high nuclear weapons spending continue to be wielded to this day. The 21st-century arms complex employs tools of influence that Kennedy and his compatriots would have found familiar indeed – including millions of dollars in campaign contributions that flow to members of Congress and the continual employment of 700 to 1,000 lobbyists to influence them. At certain moments, in other words, there have been nearly two arms lobbyists for every member of Congress. Much of this sort of activity remains focused on ensuring that nuclear weapons of all types are amply financed and that the funding for the new generations of the bombers, submarines and missiles that will deliver them stays on track.

When traditional lobbying methods don't get the job done, the industry's argument of last resort is jobs – in particular, jobs in the states and districts of key members of Congress. This process is aided by the fact that nuclear weapons facilities are spread remarkably widely across the country. There are nuclear weapons labs in California and New Mexico; a nuclear weapons testing and research site in Nevada; a nuclear warhead assembly and disassembly plant in Texas; a factory in Kansas City, Missouri, that builds non-nuclear parts for such weapons; and a plant in Oak Ridge, Tennessee, that enriches uranium for those same weapons. There are factories or bases for ICBMs, bombers and ballistic missile submarines in Connecticut, Georgia, Washington State, California, Ohio, Massachusetts, Louisiana, North Dakota and Wyoming. Such a nuclear geography ensures that a striking number of Congressional representatives will automatically favour more spending on nuclear weapons.

In reality, the jobs argument is deeply flawed. As the experts know, virtually any other activity into which such funding flowed would create significantly more jobs than Pentagon spending. A study by economists at the University of Massachusetts, for example, found infrastructure investment would create one and one-half times as many jobs as Pentagon funding and education spending twice as many.

In most cases it hasn't seemed to matter that the jobs claims for weapons spending are grotesquely exaggerated and better alternatives litter the landscape. The argument remains remarkably potent in states and communities that are particularly dependent on the Pentagon. Perhaps unsurprisingly, members of Congress from such areas are disproportionately represented on the committees that decide how much will be spent on nuclear and conventional weaponry.

A field guide to influencing nuclear thinking in Washington

Another way the nuclear weapons industry (like the rest of the military-industrial complex) tries to control and focus public debate is by funding hawkish, right-wing think-tanks. The advantage to weapons makers is that those institutions and their associated 'experts' can serve as front groups for the complex, while posing as objective policy analysts. Think of it as an intellectual version of money laundering.

One of the most effective industry-funded think-tanks in terms of promoting costly, ill-advised policies has undoubtedly been Frank Gaffney's Center for Security Policy. In 1983, when President Reagan first announced his Strategic Defense Initiative (which soon gained the nickname 'Star Wars'), the high-tech space weapons system that was meant to either defend the country against a future Soviet first strike or – depending on how you looked at it – free the country to use its nuclear weapons without fear of being attacked, Gaffney was its biggest booster. More recently, he has become a prominent purveyor of Islamophobia, but the impact of his promotional work for Star Wars continues to be felt in contracts for future weaponry to this day.

He had served in the Reagan-era Pentagon, but left because even that administration wasn't anti-Soviet enough for his tastes, once the president and his advisers began to discuss things like reducing nuclear weapons in Europe. It didn't take him long to set up his centre with funding from Boeing, Lockheed and other defence contractors.

Another key industry-backed think-tank in the nuclear policy field is the National Institute for Public Policy (NIPP). Just as George W Bush was entering the White House, it released a report on nuclear weapons policy that would be adopted almost wholesale by his administration for its first key nuclear posture review. It advocated such things as increasing the number of countries targeted by the country's nuclear arsenal and building a new, more 'usable' bunker-busting nuke. At that time, NIPP had an executive from Boeing on its board and its director was Keith Payne. He would become infamous in the annals of nuclear policy for co-authoring a 1980 article in *Foreign Policy* entitled 'Victory Is Possible', suggesting that the United States could actually win a nuclear war, while 'only' losing 30 million to 40 million people. This is the kind of expert the nuclear weapons complex chose to fund to promulgate its views.

Then there is the Lexington Institute, the think-tank that never met a weapons system it didn't like. Its

(Left to right) **US Defence Secretary James Mattis, US President Donald Trump and White House Chief of Staff John Kelly. Mattis and Kelly are among the many former arms industry executives in the Trump administration.**

key front man, Loren Thompson, is frequently quoted in news stories on defence issues. It is rarely pointed out that he is funded by Lockheed Martin, Northrop Grumman and other nuclear weapons contractors.

And these are just a small sampling of Washington's research and advocacy groups that take money from weapons contractors, ranging from organisations on the right like the Heritage Foundation to Democratic-leaning outfits like the Center for a New American Security, co-founded by former Obama administration Under Secretary of Defense for Policy Michèle Flournoy (who was believed to have the inside track on being appointed Secretary of Defense had Hillary Clinton won the 2016 election).

And you may not be surprised to learn that Donald Trump is no piker when it comes to colluding with the weapons industry. His strong preference for populating his administration with former arms industry executives is so blatant that Senator John McCain recently pledged to oppose any new nominees with industry ties. Examples of Trump's industry-heavy administration include Secretary of Defense James Mattis, a former board member at General Dynamics; White House Chief of Staff John Kelly, who worked for a number of defence firms and was an adviser to DynCorp, a private security firm that has done everything from (poorly) training the Iraqi police to contracting with the Department of Homeland Security; former Boeing executive and now Deputy Secretary of Defense Patrick Shanahan; former Lockheed Martin executive John Rood, nominated as Under Secretary of Defense for Policy; former Raytheon Vice President Mark Esper, newly confirmed as Secretary of the Army; Heather Wilson, a former consultant to Lockheed Martin, who is Secretary of the Air Force; Ellen Lord, a former CEO for the aerospace company Textron, who is Under Secretary of Defense for Acquisition; and National Security Council Chief of Staff Keith Kellogg, a former employee of the major defence and intelligence contractor CACI, where he dealt with 'ground combat systems' among other things. And keep in mind that these high-profile industry figures are just the tip of the iceberg when it comes to the corporate revolving door that has for decades been installed in the Pentagon (as documented by Lee Fang of *The Intercept* in a story from early in Trump's tenure).

Given the composition of his national security team and Trump's love of all things nuclear, what can we expect from his administration on the nuclear weapons front? As noted, he has already signed on to the Pentagon's budget-busting $1.7 trillion nuclear buildup and his impending nuclear posture review seems to include proposals for dangerous new weapons like a 'low-yield', purportedly more usable nuclear warhead. He's spoken privately with his national security team about expanding the American nuclear arsenal in a staggering fashion, the equivalent of a 10-fold increase. He's wholeheartedly embraced missile defence spending, pledging to put billions of dollars more into that already overfunded, under-producing set of programmes. And of course, he is assiduously trying to undermine the Iran nuclear deal, one of the most effective arms control agreements of recent times, and so threatening to open the door to a new nuclear arms race in the Middle East.

Unless the nuclear spending spree long in the making and now being pushed by President Trump as the best thing since the invention of golf is stopped thanks to public opposition, the rise of an anti-nuclear movement or Congressional action, we're in trouble. And of course, the nuclear weapons lobby will once again have won the day, just as it did almost 60 years ago, despite the opposition of a popular president and decorated war hero. And needless to say, Donald Trump, 'bone spurs' and all, is no Dwight D Eisenhower. ◆

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The US Southern Command's silent occupation of the Amazon

The military exercise (AmazonLog2017) held from 6 to 13 November 2017 in the triple border between Brazil, Colombia and Peru by multinational and interagency troops from Brazil, Colombia, the United States and Peru has created alarm among activists and researchers as to what its real goals are. *Santiago Navarro F and Renata Bessi* consider its implications.

US participation in the AmazonLog2017 military exercise in Brazil. The exercise was seen as a means of enforcing the US military's dominant presence in South America.

BRAZIL, Colombia and Peru share a triple borderland separating north from south on the South American continent. Located deep in the Amazon forest, this is the theatre of operations in which more than 30 military companies test their services and merchandise. The multinational military exercise known as AmazonLog2017 was organised by the Armed Forces of Brazil. More than 1,500 members of the Brazilian military and military members from invited countries participated with high-calibre weapons and munitions, boats, aircraft, helicopters, information technologies, nautical and energy intelligent equipment, radars and sensors. The Southern Command of the United States – the Unified Combatant Command of the US Department of Defense with influence in the Caribbean and Central and South America – was also an AmazonLog2017 participant.

Activists and researchers were alarmed about this military exercise. According to Mexican economist and geopolitical specialist Ana Esther Ceceña, AmazonLog2017 allowed 'the placement of troops that facilitate specific territorial incursions and rapid response operations, both of which imply the use of special forces, whether those be US forces, local or private on the triple borderland'.

While the exercise involved temporary military drills, many fear that it may presage larger future operations. According to Ceceña, AmazonLog2017 created the conditions to allow future military operations of US troops, specifically in two strategic areas: the lower part of Venezuela and along the Atlantic coast, where Brazil will allow the US access to the Alcântara military base.

The AmazonLog2017 military actions were planned in three phases. The first, the industry's commercial phase, occurred between 28 August and 1 September in Manaus, the capital of the Brazilian state of Amazonas. Two thousand personnel participated in this event, which was comprised of military, government agencies and arms industry corporations.

Between 26-28 September, the second phase took place, focusing on ground operations organisation. This phase consisted of the Humanitarian Logistics Symposium in conjunction with the Military Employee Materials Exposition and preparatory activities for the triple borderland military drills.

In the third, most important phase, the businesses were to exhibit and test their products in jungle-based tactical humanitarian and war drills along the triple borderland with the Multinational Logistics Drill. This phase was scheduled for 6-13 November. More than 1,500 people were expected to participate, including military personnel and arms industry agencies from Brazil, the US and other countries.

'This exercise will bring a series of improvements in the logistics of the western Amazon [...] we are developing a humanitarian aid doctrine of exchange between neighbouring countries of interoperability between armed forces and civil agencies,' said Brazilian Army General Theophilo Gaspar de Oliveira. He was responsible for the logistical command of AmazonLog2017 and recently headed the negotiations between Brazil and the United States for the acquisition of four C-23 Sherpa aircraft in July.

In order to concentrate the logistical teams, the Brazilian government created conditions for mounting a provisional logistical base in the Tabatinga municipality in Amazonas state. There, armed forces from 16 countries, including Germany, Canada, Chile, the United Kingdom, Japan and Israel, were concentrated, as well as observers from the Inter-American Defense Board, the Conference of American Armies and the Council of South American Defense.

Laying groundwork for exploitation

Despite its military nature and origins, much of the publicity around the AmazonLog2017 exercise centred on hypothetical benefits for civilians. In a press conference, General Racine Lima, the coordinator of AmazonLog2017, argued that the army would be focused principally on training to support peace operations and humanitarian aid. Lima mentioned that the exercise would also support the creation of the Tabatinga Integrated Multinational Logistics Base, which would serve as the provisional base during the exercise.

The AmazonLog2017 organisers took advantage of the exercise to make infrastructure improvements that permit massive troop movements in remote Amazon locations. Smart energy grid, communication and water purification systems have been installed as well. For example, as part of the drill preparations, $15.8 million was invested in the micro-region of Río Alto Solimões in Amazonas state to create docking terminals.

Behind the humanitarian discourse, it appears that the organisers of AmazonLog2017 chose the theatre of operations for this multinational military exercise very strategically, to pursue natural resource extraction that threatens the territories of more than 300 Indigenous communities.

'As Pueblos [peoples] of the Colombian Amazon, we do not have information about this exercise,' said Álvaro Piranga Cruz, a communication adviser for the National Indigenous Organisation of Colombia. 'But we do know that there are vested interests in all of the Amazon. Interests of petroleum, mining and carbon-trading-based megaprojects. They come to deceive our Pueblos with environmental conservation projects, and we do not know [what] this implies. For example, there are mining agencies that are conducting seismic studies in our territories without anyone's consent.'

According to a 2012 report from the Amazonian Network of Georeferenced Socio-Environmental Information, within the larger Amazon region, there are more than 327 plots of land designated for petroleum extraction, comprising 14% of the land in the Amazon.

The report notes that the Amazon countries most affected by petroleum extraction are Peru, Colombia, Brazil and Ecuador. It further states, 'The mining zones occupy, today, 15% of Natural Protected Areas and 19% of indigenous territories in the Amazon.'

'To the Colombian national government, the reality that the Indigenous Pueblos of Colombia live ... is completely unknown,' said Piranga Cruz. 'There is a law about the Indigenous Pueblos, but in practice, it does not work. For example, Indigenous Pueblos in the Northern Amazon are demanding that these territories be titled as Indigenous territory and the government is not responding to these needs, but it is responding to the needs of megaprojects and smashing our rights.'

In February the Peruvian government announced the Peru-Petro reform based on the three pillars of new contracting models, incentive structures and a national hydrocarbon plan. 'This triple strategy seeks to attract investment in both the exploration and exploitation phases of petroleum development,' said Alvaro Ríos, managing partner of the consulting firm Gas Energy Latin America. 'The principal corporate investors are Shell, Chevron, Total and the China National Petroleum Corporation,' noted Ríos.

But not everyone in Peru is seeing the benefits promised by the industry. 'Petroleum activity has not brought us development; on the contrary, our lands and territory are contaminated and our subsistence resources are as well,' argued the Peruvian Quechua, Achuar and Kichwa Pueblos in an October press release issued by Pueblo traditional leaders. These groups have indicated their intent to maintain resistance against oil-based extractivism in the region.

Indigenous territories in danger

The Amazon region is an area of 7.4 million square kilometres and is inhabited by 33 million people, including 385 Indigenous Pueblos of diverse ethnic backgrounds. Some of these groups have been living in isolation; for generations, they have maintained themselves deep within the Amazon forest without any outside contact. These areas have been considered inaccessible until now and are of great interest to the Brazilian military.

The Indigenous Missionary Council (CIMI, from its Portuguese acronym) documented the murder of at least 118 Indigenous persons in 2016 and 137 in 2015. According to data from a 2016 CIMI report, the greatest number of victims lived in the Brazilian Amazon state of Roraima, where there were more than 100 murders of primarily Yanomami Indigenous persons from 2015 through the beginning of 2017.

The governmental organisation representing the rights of Indigenous peoples in Brazil, the National Indian Foundation (FUNAI, from its Portuguese acronym), was a participant in the events of AmazonLog2017. This may seem odd, until one considers that Franklimberg Ribeiro de Freitas, the current head of FUNAI, previously served as adviser on institutional relations in the Amazon Military Command.

Truthout (the website on which this article was first published) contacted FUNAI to clarify its role in AmazonLog2017 and the vulnerability of Indigenous peoples in the region, but FUNAI did not respond at the time of publication.

The Brazilian Institute of Environment and Renewable Natural Resources and the Chico Mendes Institute for Biodiversity Conservation also participated in the events of AmazonLog2017, serving as mediators between the government and corporations in order to foster the development and incursion of megaprojects in Indigenous territories.

Military agreement with the United States

With Brazilian society experiencing economic and political crises, the international military industry is taking advantage of the upheaval to test its equipment. AmazonLog2017 was a product of the arms industry and of powerful governments beyond Brazil, particularly the United States.

In 2016, the Brazilian Army signed an exchange agreement with the US military. This agreement involves cooperation with US ground troops in joint manoeuvres in 2017 and 2020. The two armies will end their activities in the US at the Joint Readiness Training Center in Fort Polk, Louisiana.

Lieutenant Colonel Alexandre Amorim de Andrade, head of the training division at the Jungle Warfare Training Center, affirmed that the US military had begun to train in the Amazon. 'Beginning in 2016, there was a specific training focused exclusively on foreigners: the International Practice in Jungle Operations. Now this practice is called the International Seminar of Jungle Operations, and the United States and Peru have confirmed the participation of their military,' said Amorim de Andrade.

Although Brazil has not declared war with another country for the last 100 years, its military has participated in UN peacekeeping operations. The current modernisation programme of the Brazilian Army is geared towards 'non-conventional' warfare, including operations against 'terrorism'.

'Humanitarian aid' in the south

In 2010, after 30 years without an established military agreement, the US and Brazilian governments signed a military cooperation agreement, but the agreement did not authorise the use of bases or cession of rights of passage for US personnel. However, since President Michel Temer took office in 2016, the US has been given greater latitude in Brazil. The US Southern Command received the green light for more activities in Brazilian territory with the AmazonLog2017 exchange agreements and military exercises.

Even before Temer took office, the groundwork was being laid for the Southern Command's presence in the region. In 2013, representatives from the US embassy and the regional government of Tacna, Peru, inaugurated the Regional Emergency Operations Center. The US government provided $600,000 'to support the Center as part of the Department of Defense Southern Command Humanitarian Assistance Program', according to a press release from the US embassy in Peru.

The US embassy noted that the centre was just one of the 15 Regional Emergency Operations Centers projected for Peru. The seven already-completed centres are located in Arequipa, Lambayeque, Pucallpa, Junín, Tacna, Tumbes and San Martín. Construction is also planned in Puno, Cuzco, de Huancavelica, La Libertad, Apurímac, Loreto, Ancash and Moquegua. In all, the US will provide more than $20 million for these projects, all part of the Southern Command Humanitarian Assistance Program.

'These Centers respond during times of natural disasters,' according to the embassy's press release, and 'they allow the integration of a complete range of public services required during an emergency, services like medical and public health services, police, firefighters, and military personnel.' However, member organisations of the Campaña Continental América Latina y el Caribe, which promotes regional peace, declared in a press release that 'behind these compounds financed by the Southern Command exists a process of regional occupation'.

In February 2013, the Southern Command announced it would be opening another Emergency Operations Center, this one in Santa Rosa del Aguaray in the state of San Pedro in Paraguay. The announcement was made by the director of planning for the Southern Command, George Ballance, after a meeting with Paraguayan Defence Minister Bernardino Soto Estigarribia. These zones created by the Southern Command are in addition to the eight military bases already installed in Colombia.

For Marcelo Cero, a Brazilian sociologist and specialist in international relations, the objective of AmazonLog2017 was not simply to train troops to lead during humanitarian crises; it was to insert the Brazilian Armed Forces in the strategic orbit of the US, which has already taken steps to cooperate with Peru and Colombia. Furthermore, according to Cero, 'The participating armies, without a doubt, will put pressure on Venezuela, a regime that opposes US interests in South America.'

Meanwhile, in Ana Esther Ceceña's opinion, this military exercise enforced the US military's dominant presence in South America.

'It is Chevron's war, a war of coltan, of uranium, of thorium, of gas, and of gold,' Ceceña said. 'It is a US war to bolster their material conditions and hegemonic position.' ◆

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Mugabe is out, but don't cheer because Zimbabwe's military is in

After 37 years in power, Robert Mugabe has been removed from office as Zimbabwe's President. The fact that it was the military – an indispensable part of his fossilised oligarchy – which ousted him only means that it will remain a key player in the post-Mugabe era.

Alemayehu Mariam

Zimbabwean President Emmerson Mnangagwa *(right)* shares a joke with retired military chief General Constantino Chiwenga at a farewell army parade in Harare in December. Chiwenga was subsequently appointed Vice-President and Defence Minister.

IN December 2016, the ruling Zimbabwe African National Union-Patriotic Front (ZANU-PF) announced that incumbent Robert Mugabe would be its sole presidential candidate in 2018. In February 2017, Mugabe's wife Grace told supporters that if her nonagenarian husband 'dies, we will field his corpse as a candidate'. Mugabe chimed in, declaring 'there is no replacement, successor who is acceptable [to the people] as I am'. In October 2017, Mrs Mugabe warned of a 'coup plot'.

The best-laid plans of mice and (wo)men to continue Mugabe's reign from the grave came to an abrupt end on 15 November when General S B Moyo declared Mugabe 'and his family are safe and sound' and assured Zimbabweans there is no 'military takeover of government', only the 'targeting [of] criminals around [Mugabe] causing social and economic suffering in the country'. A day earlier, General Constantino Chiwenga defiantly warned the military 'will not hesitate to step in to protect our revolution'.

Despite this apparently new interest in preserving democracy, for 37 years, the military was an indispensable part of a fossilised oligarchy which betrayed the 'revolution' and bankrupted Zimbabwe.

Chiwenga acted because Grace-by-Mugabe-proxy was purging ZANU-PF leaders, particularly longtime vice-president, liberation fighter and close Chiwenga ally Emmerson Mnangagwa, nicknamed the 'Crocodile' because he is 'power-hungry, corrupt and a master of repression'.

Chiwenga cynically invokes the spectre of a betrayed 'revolution' to legitimise the military's intervention as a patriotic act in the imagination of Zimbabweans. But the fact remains that Chiwenga saw a power vacuum in Grace Mugabe's power play to replace her husband and filled it with his ally Mnangagwa.

So, is Chiwenga's soft coup d'etat or 'bloodless correction' still a military takeover of government?

The African Union condemned 'what seems like a coup' and 'demanded an immediate return to constitutional order'. Mugabe's nemesis and opposition leader Morgan Tsvangirai condemned the coup as 'unconstitutional', hectoring legitimate change can come only 'by the ballot box'.

Mugabe, the world's oldest leader, is Zimbabwe's only president since that country gained its independence in 1980. He was dubbed 'hero of African liberation' for his role in dismantling white minority rule when Zimbabwe was known as Rhodesia.

Mugabe's tenure in office began with great promise. In his 1980 'Address to the Nation' as Prime Minister-elect, Mugabe declared: 'Only a government that subjects itself to the rule of law has any moral right to demand of its citizens obedience to the

A military parade at the presidential inauguration of Emmerson Mnangagwa in November. 'Is Zimbabwe jumping from the frying pan of civilian dictatorship into the open fire of military authoritarianism?'

rule of law. Our Constitution equally circumscribes the powers of the government by declaring certain civil rights and freedoms as fundamental. We intend to uphold these fundamental rights and freedoms to the full.'

Yet Mugabe's 37-year rule was notorious for its flagrant disregard of the rule of law and constitutional governance. In its 2016 report, Human Rights Watch condemned 'intensified repression' and 'disregard for the country's 2013 constitution'. The 2017 US State Department Human Rights report lamented Mugabe's persecution of 'non-ZANU-PF parties and civil society activists for abduction, arrest, torture, abuse' and disregard for 'the rule of law'.

Mugabe completely destroyed Zimbabwe's economy, inflicting great hardship on that nation of nearly 17 million people. In 2017, Zimbabwe's unemployment rate is 95%. In 2009, Zimbabwe had a hyperinflation rate of 231 million percent. In 37 years, Mugabe transformed Zimbabwe from a bread basket to a basket case with an estimated three million Zimbabweans exiled.

Hidden agenda

But is Zimbabwe jumping from the frying pan of civilian dictatorship into the open fire of military authoritarianism?

The Zimbabwean military has been an integral part of Mugabe's kleptocracy and today, according to a Zimbabwe Institute paper, 'virtually controls the major institutions of the state and formal policy making structures and processes of the country'. The military's top leadership 'have teamed up with politicians and businessmen to form political and economic interest groups venturing into lucrative business ventures, such as platinum and gold mining'.

The Zimbabwean generals are trying to convince the world that they have not staged a military takeover but seek to rid the government of corrupt criminals and restore constitutional governance. Their hidden agenda is to play kingmaker in a post-Mugabe civilian government.

In just a few days, Chiwenga and his co-conspirators managed to orchestrate a ZANU-PF party leadership call for Mugabe's resignation. They trotted out Mugabe for the first time since the 'coup' for a graduation ceremony, only to display him 'falling asleep in his chair as his eyes closed and his head lolled', as Reuters reported. A convenient public relations coup for the military.

They swiftly moved to anoint Mnangagwa as Mugabe's successor, arrange Mugabe's expulsion from the party and set a short deadline for him to choose between a dignified resignation and the final coup de grâce.

Oblivious to the fait accompli, Mugabe emphatically announced he will preside at the upcoming party's congress. The die is cast and apparently he will resign. General Chiwenga and his co-conspirators succeeded in replacing a 93-year-old Tweedledee with a 75-year-old Tweedledum, without their fingerprints anywhere on the coup that is, supposedly, not a military takeover.

Zimbabwe's generals are playing the familiar myth of a 'democratic coup d'etat' in Africa. Over the past five decades, 79 out of the over 300 coup attempts in Africa have been 'successful'. But Africa's militaries have proved to be 'no better than civilians when it comes to running governments', according to Major Jimmi Wangome of the Kenya Army. The military has instead plunged 'the continent into further suffering and turmoil'.

Time will tell if Zimbabwe will be able to escape this burden of African history. Chiwenga and his co-conspirators are manifestly more concerned about preserving the special privileges of the liberation revolutionaries than the promises of the anti-colonial revolution. Mnangagwa's anointing is proof positive that the more things change, the more they remain the same.

Sadly, any post-Mugabe civilian government could only exist if it makes a Faustian bargain with the military. ◆

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The economic war against Venezuela

Steve Ellner contends that while Venezuela under President Nicolas Maduro is clearly the victim of an economic war waged by international and national actors as it claims, it has failed to clearly and cogently set out the evidence.

THE resounding Chavista victory in the 15 October gubernatorial elections in Venezuela provides a golden opportunity to take bold measures to overcome shortcomings even while risking clashes with powerful individuals or groups. One important failure is the scant evidence that the government of President Nicolas Maduro has presented to the Venezuelan public to document the economic war being waged against Venezuela and its efforts to combat corruption, speculation and contraband.

It is not enough for Maduro and other leaders to decry the machinations of adversaries and to repeatedly claim that Venezuela is a victim of an 'economic war'. For the claim to be convincing, the government needs to reveal the specifics as to how the war is being waged and who the actors and accomplices are, and to expose their modus operandi.

File picture of a Delta Air Lines plane parked at Simon Bolivar International Airport in Caracas. Delta is one of the airlines to have suspended flights to Venezuela. 'The airlines offer completely different explanations for their decision and none of them are convincing.'

Political motive

There is no doubt in my mind that the economic war waged by national and international actors accounts to a great extent for the nation's pressing economic problems. One just needs to consider glaring facts, extrapolate and use a bit of common sense. Venezuela's Chamber of Commerce (Fedecámaras), after spearheading the April 2002 coup attempt against then President Hugo Chávez, created scarcities in a second attempt to oust Chávez beginning in December of that year – and that was even before he declared himself a socialist. Then consider the twice-issued Obama decree declaring Venezuela a threat to US national security, followed by Trump's threats of military intervention and his financial sanctions against the Venezuelan oil industry. These pronouncements sent signals to the private sector to pull out of Venezuela. The effects of the pronouncements on private investment are undoubtedly more pronounced than when the International Monetary Fund (IMF) rejects a funding request from a Third World country.

There are only two interpretations of the significance of these aggressive postures by two US presidents. Either they constitute nothing more than bluster with no real effect on the ground, or they have very real repercussions and/or reflect other clandestine or behind-the-scenes actions. There is no doubt in my mind that the latter hypothesis is the closest to reality.

Put another way: There is a relationship between the visible efforts by powerful actors, such as US presidents, Marco Rubio and his ilk, the corporate media, etc., to discredit the Venezuelan government and the decision of GM, Clorox, Kimberly Clark, numerous airlines, etc. to pull out of Venezuela. In short, there is a political motive behind the investment decisions of international capital as well as local capital (such as Alimentos Polar which produces in Colombia and Texas what it previously produced in Venezuela).

Many Venezuelans do not appreciate the impact of this economic war and some are actually sceptical that it exists at all. Maduro and other Chavista leaders are partially responsible for this failure to grasp the intensity and effectiveness of the politically inspired economic war. Maduro, following in Chávez's footsteps, puts the accent mark on his government's positive achievements and in effect downplays the hardships that people are facing on a daily basis. Such a communication strategy has its pros and cons. But regardless of how much he plays up government achievement in a moment of great difficulties, Maduro needs to provide concrete evidence to back his claim

People lining up to withdraw money from an ATM in the Venezuelan city of San Cristobal. Different theories are floating around regarding the cause of the shortage of circulating currency.

of the existence of an 'economic war' since otherwise the term becomes a hollow phrase.

An example of this communication shortcoming is the failure to refute the explanations of numerous airlines over recent months to suspend flights to Venezuela. Delta, United, Lufthansa, Avianca, Iberia, Aeromexico and AeroArgentina have pulled out of Venezuela, while American has cancelled many of its flights including those to New York. The airlines offer completely different explanations for their decision and none of them are convincing. American says that it's because of insecurity, but if that's the reason, why haven't they eliminated all flights? Furthermore, I have seen personally the routine ground transportation of the airline crews in special vehicles from Maiquetía to a neighbouring hotel with no appearance of danger at all. Another argument, that the government owes the airlines money, isn't at all convincing either. The debt stems from the period when Venezuelans could purchase tickets in bolívares and the government was supposed to convert the bolívares into dollars for the airlines, but that practice was ended about three years ago. So why did the airlines choose the period of heightened political conflict manifested by the guarimba protests in 2017 to discontinue flights?

In August, National Constituent Assembly (ANC) deputy Jacobo Torres delivered a speech in which he referred to the suspension of flights as an example of the economic war. Chavista leaders, however, have to refute the justifications presented by the airlines, one by one. Calling this part of the 'economic war' – which indeed it is – is not enough. Airport talk among travellers typically blames Maduro, rather than the airlines, for the difficulties incurred by passengers. Specific information is what is needed. The devil is in the details.

Another example of the explanatory shortcoming is the problem of absence of circulating currency. This has been nothing less than an ordeal for the entire nation cutting across class lines. People wait in long lines in and outside of banks and usually are able to withdraw only 10,000 bolivares or less per day. That is the equivalent of less than 50 US cents. I have conducted an unofficial survey of explanations offered by Chavista sympathisers. The fact that different theories are floating around regarding the cause of the shortage of bills, and that even Chavistas are unclear as to what is happening, is clear evidence of a communication problem on the part of the government.

One unexpected bright spot is the anti-corruption efforts of recently appointed Attorney-General Tarek William Saab in what he is calling a 'crusade', and he has the backing of President Maduro as well as the state infrastructure including different police forces. On various occasions the Attorney-General has addressed the nation presenting details of important state functionaries as well as businesspeople and in some cases members of state security forces who have been arrested. He presents names of the culprits and details of their operations as well as his own efforts. For instance, on 18 October he indicated that a bank account had been opened in one of the state banks where the bills that were confiscated were being deposited. The explicitness of Saab's presentations contrasts with operations in the past, in which names and other details of the accused were not presented. Apparently the government acquiesced to Fedecámaras' insistence that businesspeople accused of wrongdoing should be considered innocent until a judge's verdict indicates the contrary.

Following the Chavista electoral victory on 15 October, Chavista leaders have begun to talk of a reactivation (*reimpulso*) and renovation of the Chavista movement and the need for elected officials to be more in tune with the people and more open to criticism. These calls were expressed in the ANC's session of accreditation of elected governors on 18 October. ANC president Delcy Rodríguez, elected governor of Lara Carmen Melendez and elected governor of Miranda Héctor Rodríguez all articulated this message.

To be effective, the renovation has to include a new type of discourse which bypasses empty generalisations and stresses the specific, concrete aspects of the problems affecting people's daily lives and the specific actions that are being taken to alleviate those problems. ◆

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In Argentina's mid-term elections, victories for Cambiemos

Argentine President Mauricio Macri's centre-right party, Cambiemos, had a robust showing in October's mid-term elections. What does this say about democracy in Argentina?

Ernesto Semán and Gabriel Vommaro

Argentine President Mauricio Macri *(centre)* **celebrating his Cambiemos coalition's strong showing in the October mid-term elections.**

THIRTY-FOUR years after the end of the military dictatorship, political deaths are still, it seems, central to Argentine life. The electoral cycle for the 2015 presidential election famously began with the suspicious death of a federal prosecutor, Alberto Nisman. Likewise, the mid-term election campaign season this year closed this October with the discovery of the body of Santiago Maldonado, a demonstrator who disappeared in the wake of a rally led by indigenous Mapuches, after an 80-day search.

President Mauricio Macri's centre-right government attempted to justify Maldonado's death, stigmatising the demonstrators as 'terrorists', circulating doubts about the actual presence of Maldonado in the rally, and blindly supporting the Gendarmerie's violent actions. The revelations, and Macri's response, added something new to the campaign: that even the foundational common ground of Argentina's recent democratic transition, such as the defence of human rights, can become instruments of political polarisation.

Nevertheless, the government's reaction did not seem to hurt the ruling party's electoral performance in the 22 October mid-term elections. On the contrary, Cambiemos, the coalition led by Macri, obtained 40% of the votes – far from an absolute majority, but well ahead of the 21% obtained by the Peronist forces that backed the former president Cristina Fernández de Kirchner and the 14% of the Peronist groups that opposed her. In the capital district of Buenos Aires, the Cambiemos candidate, Elisa Carrió, made a series of recalcitrant comments suggesting that Kirchnerista groups and human rights organisations fabricated Maldonado's disappearance and death. More than 50% of voters supported Carrió in Buenos Aires, almost 30 points more than her immediate rival.

Nor did inflation seem to have hurt the government party for many voters. With an expected inflation of above 20% for 2017, salaries have hardly kept up with prices, restraining consumption and slowing economic growth. Yet, Cambiemos increased its presence in social, geographical and political areas traditionally controlled by Peronist groups. In the 2015 presidential elections, Cambiemos won only five provinces during first-round voting and nine in the run-off election. Last October, they secured 13 of the 24 districts, including Chaco, Salta and La Rioja – provinces that had traditionally leaned towards Peronism – and even Santa Cruz, the province that Néstor and Cristina Kirchner controlled for decades. More importantly, Macri's coalition won again in the mammoth district of Buenos Aires province, a traditional stronghold of Peronism, where 12 million people voted. There, Cambiemos outperformed Kirchner's ballot in some working-class suburbs, including Berisso, where workers took to the streets in 1945 to demand Juan Domingo Perón's release from prison, thereby starting his epic political career.

It also improved its results in some of the heavily working-class districts in the south and west of Buenos Aires province, where Cambiemos lost to Peronismo by 10 points, less than half the difference of two years ago. In these areas, it seems that the modest but steady reactivation of public works under Cambiemos over the past two years offered concrete answers to daily problems, allowing Macri's coalition to engage with voters who are traditionally loyal to Peronism. Incidentally, it also revealed some of the various shortfalls of the Kirchnerista administrations, particularly after 2011, when an economic downturn and fatigue after eight years in power limited public works and infrastructure projects.

Cambiemos' victories in October represent the consolidation of the coalition it is part of, dominated by the Propuesta Republicana (PRO). PRO is a political organisation made up of businessmen, new political cadres with a background in foundations and think-tanks, and political leaders from the old centre-right spectrum. These groups have controlled the organisation since its creation. The coalition's plasticity has allowed Cambiemos to expand its presence by incorporating leaders and powerbrokers from both the traditional parties, always under the thumb of the coalition's leadership. PRO's strategy has enabled the right to win elections after years of being an opposition party.

The fundamental features of Cambiemos are its preservation of the project of building a market society and its control of the coalition's discourse, which is critical to populism, scornful of traditional parties and referential to the language of neoliberal self-help culture. Based on this core set of ideas, the coalition expanded their electoral base towards those more sceptical about politics and established alliances with other sectors, while preserving their ideological core.

With the party's power consolidated, its presence in Congress expanded and popular support growing, the government may now be able to move forward with more radical reforms it had sidelined in order to retain some social and political stability. This kind of political project might not go so far as 'shock therapy'; the government's pragmatism dovetails with specific and gradual reforms, such as labour code, tax system and public spending. But it remains to be seen how the political and electoral forces that supported the Kirchnerista project in the previous decade will react to the dismantling of some of the government protections and regulations under which they improved their living conditions and boosted their power.

Among those sectors that previously favoured the Kirchners emerged another surprise in the election: the roughly 6% obtained by leftist parties, led mostly by the Trotskyist coalition Frente de Izquierda y de los Trabajadores (Left and Workers Front, FIT). It is one of the best elections for the left since Argentina's transition to democracy in 1983. It seems clear that these numbers might have had a greater showing due to the defection of so many former Kirchnerista supporters.

As with other examples of the Pink Tide in Latin America, the question remains as to whether Kirchnerismo's progressive policies towards human rights and social welfare will persist or be disbanded under Cambiemos. Macri has moved relatively slowly in dismantling some of these policies, which are deeply engrained among the lower classes, unemployed people and the informal sector. In fact, Cambiemos has maintained most of the social programmes created under the Kirchners. Many subsidies that affect prices in transportation are still in place and government layoffs have been moderate. The abolition of government subsidies of utility prices is the most notable exception.

There remains doubt about the degree to which Kirchner policies actually lowered inequality. Statistics from the Kirchner years are still highly contested, but different studies and abundant anecdotal evidence suggest that poverty and inequality remained a serious problem during the last decade, particularly after 2010. How this affected Kirchner's electoral support might vary widely from sector to sector, but it did show an opening for Cambiemos' discourse among some traditionally Peronist voters. Today's Argentina reflects transformations in the country's social structure which have unfolded since the late 1980s, characterised by deindustrialisation, growing informality and persistent inequality in wealth distribution.

The commodity boom of the initial Kirchner years drastically changed the dynamic and structure of the agricultural sector throughout the country, which has been one engine of Cambiemos' success. The most vibrant parts of the agricultural sector generally oppose state intervention, and the Kirchners spoke negatively of '*el campo*' (the countryside), reducing the entire agriculture sector to a group of traditional oligarchs who have historically lived more comfortably under military regimes. These dynamics may have propelled the electoral success of Cambiemos in agricultural zones.

While the growth of the extractive economy brought prosperity to other regions across the country, it also deepened regional inequalities and did not necessarily lead to an overall societal transformation. The consequences in terms of job creation, infrastructure, public services and the welfare state have been uneven in some cases, negligible in others. The country is still more egalitarian than most of Latin America, but much less so than three decades ago.

Against this backdrop, it is fair to say the deepening polarisation of Argentina's social structure is not a consequence of Macri's rise to power, but a precondition that made his victory possible. But it seems possible that Macri, now that he has more political space in which to manoeuvre, will pursue policies that make these conditions worse.

While Cambiemos forges its political identity, it is too soon to tell whether some voters have given up on the project of an egalitarian and inclusive society, or whether they simply perceive the rhetorical and political resources deployed by Kirchnerismo, associated with the nostalgia for industrial prosperity, as ineffective.

In the victories of Cambiemos lies the most significant challenge for Argentine democracy since the end of the military dictatorship in 1983: a threat to the political consensus of the indisputable defence of human rights and its deep association with social well-being, a feature unique to the Argentine democratic transition. The government's reaction to the death of the activist Santiago Maldonado and Cambiemos' emphasis on the magical virtues of an entrepreneurial spirit suggest that those basic tenets of Argentine politics face their most formidable challenge in democratic times. ◆

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Dark jubilee: An era of impunity

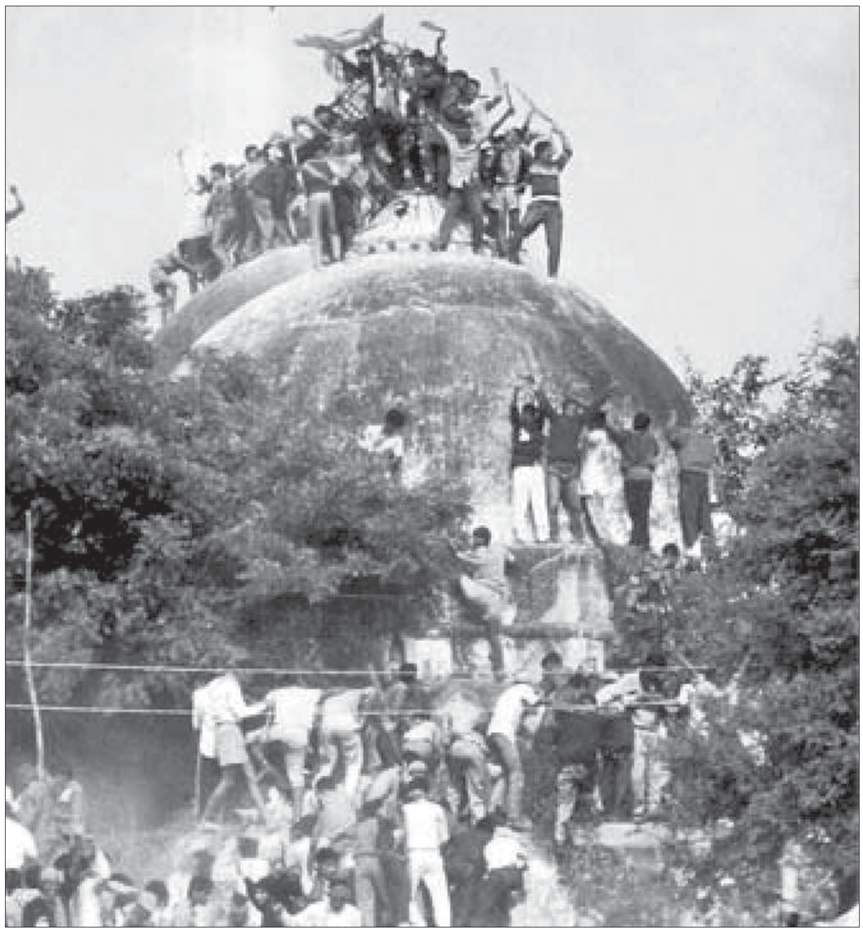
India celebrated the 70th anniversary of its independence in August last year. However, the occasion was marred by the fact that since the right-wing Hindu chauvinist BJP assumed power in New Delhi, minorities, especially the Muslims, have been the target of attacks, with no effective action taken against the perpetrators by the state. In this analysis, *Mukul Kesavan* argues that this era of impunity really began 25 years ago with the 1992 demolition of the Babri Mosque by Hindu mobs.

THERE is a straight line that connects the razing of the Babri Masjid (mosque) in Ayodhya in 1992 with the butchering and burning alive of a Bengali Muslim labourer in Rajasthan in December 2017: what they have in common is a sense of impunity.

The mob in Ayodhya and the politicians who urged them on in their task of destruction, as well as Shambhulal Regar, who murdered Mohammad Afrazul while his nephew filmed him in the act, didn't believe that they would be punished for their crimes. And they believed this for a very particular reason: the vandals and the killer thought they were channelling the grievances of India's Hindu majority.

6 December 1992 is a landmark date in the history of the Indian republic: confronted by a mob claiming to act in a Hindu cause, it blinked. The State became a bystander as the mob destroyed the mosque, thus signalling both its impotence – there was a Congress party government at the centre – and its cooption – the Bharatiya Janata Party (BJP)'s Kalyan Singh was the chief minister of Uttar Pradesh state, where Ayodhya is located.

The State's failure to maintain order, to uphold its laws, was critical in this matter because the Ram temple movement led by the BJP was a political cause: the projected *bhavya mandir* was less a religious shrine than a symbol of the Hindu ownership of the Indian nation. The real estate in dispute was not the site on which the Babri Masjid stood, but the constitutional ground on which the republic was built.



The demolition of the Babri Mosque in Ayodhya, India, on 6 December 1992 by crowds claiming to act in a Hindu cause.

By intimidating the State into inaction (or complicity), the *kar sevaks* (volunteers for the Ram temple movement) flaunted through spectacle – the tearing down of a medieval mosque in broad daylight – this sense of impunity. By first failing to prevent the demolition and then failing to bring the vandals and their political patrons to justice, the republic demoralised its own institutions and encouraged them to make their peace with Hindu majoritarianism. The history of the republic over the next 25 years has, in large part, been the story of this appeasement.

This deference to Hindu sentiment is, at times, visible in the rulings of the judiciary. In the 1996 'Hindutva judgment', Justice JS Verma went to remarkable lengths to argue that the invocation of 'Hindutva' by Shiv Sena and BJP leaders while campaigning for elections did not fall foul of the law that explicitly prohibits the soliciting of votes in the name of religion. Verma quoted a Muslim alim, Maulana Wahiuddin Khan, entirely out of context to argue that 'the word

Members of a right-wing Hindu youth group. A sense of Hindu majoritarian impunity has prevailed in India since the destruction of the Babri Mosque 25 years ago.

"Hindutva" is used and understood as a synonym of "Indianization", i.e. development of uniform culture by obliterating the differences between all cultures coexisting in the country'. 'Ordinarily, Hindutva,' ruled Verma, 'is understood as a way of life or a state of mind and it is not to be equated with, or understood as religious Hindu fundamentalism.'

Contrast the latitude Verma grants the political vocabulary and electoral practices of the Hindu Right with his brisk dismissal, in an earlier case, of the objection of the Muslim parties to the Ayodhya dispute, to the government's acquisition of the disputed site after the demolition. The acquisition of a mosque or mosque site by the State, according to the majority judgment written by Verma, did not constitute a violation of the fundamental right to religious practice of Muslims because '[a] mosque is not an essential part of the practice of religion of Islam...' This ruling is derived from the fact that 'Namaz by Muslims can be offered anywhere, even in the open.' It's hard to imagine any court in India ruling on the essentials of Hindu religious practice in this blithe way.

Meanwhile, the sense of impunity was consolidated by the fact that the case of criminal conspiracy (also known as the 'demolition suit') against political leaders like L K Advani, Uma Bharti and Murli Manohar Joshi has meandered on for a quarter of a century without a verdict. The Supreme Court has begun hearing the title suit urgently without the criminal case being settled, which is, as Justice Manmohan Singh, who led the commission of enquiry into the demolition of the Babri Masjid, observed, an inversion of the priorities of justice.

It could be argued that this is not exceptional (as the unpunished pogrom of 1984 demonstrates), that the Indian justice system is incorrigibly dilatory. But given the symbolic importance of the razing of the Babri Masjid, the fact that criminal prosecutions have not been successfully concluded in 25 years (during which time the Allahabad High Court effectively ruled in favour of the Hindu parties to the title suit in its 2010 judgment) has helped amplify this sense of impunity, the notion that you could get away with virtually anything in a majoritarian cause.

Take the example of the thuggish lawyers who assaulted both Kanhaiya Kumar and a delegation of senior lawyers expressly sent by the Supreme Court to the Patiala House courts in February 2016. The reason they repeatedly challenged the authority of the apex court with violent goonery is that they felt they could get away with it because of their political connections. And they did; despite their violence and their open defiance of the Supreme Court, they were neither prosecuted nor charged with contempt.

Compliant media

If the judiciary is one line of defence for the citizen, an alert and sceptical press is another. Here again, the elections of 2014 seemed to suggest that the prime movers behind the demolition of the mosque and the pogrom in Gujarat in 2002 had been voted to power. That far from suffering the consequences of lawlessness and violence, they had been politically endorsed by the electorate. The speed at which most news channels veered towards the right and turned themselves into ventriloquists for the *sangh parivar* was of a piece with the knowledge that there was no downside to taking extreme majoritarian positions, no blowback for bigotry. The hushed silence with which Caravan's story on the troubling death of Justice Loya was received by newspapers and news channels was the flipside of their eloquence in the majoritarian cause: there was no upside to challenging this sense of majoritarian impunity that Advani, Narendra Modi and Amit Shah had so painstakingly created.

It should come as no surprise, then, that North India has seen a rash of lynchings in the name of cow protection by murderous vigilantes who believe that they have the tacit support of the State. Nor should it seem strange that the policemen in these provinces are sometimes quicker to charge the families of the victims with cow slaughter than their assailants with murder.

The era of impunity prefigured by 1984 and inaugurated by the destruction of the Babri Masjid in 1992 has found institutional expression. The real tragedy of the murder of Mohammad Afrazul is that he was killed only because it was widely known that such deaths are inconsequential. ◆

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The Weinstein effect: The global scourge of sexual harassment and exploitation

What started as a Hollywood scandal featuring a powerful man and a string of young women whose lives he had the power to shape has turned into a global shockwave revealing a staggering scale of harassment, misogyny and violence.

Siddharth Chatterjee

Participants in a march against gender violence in La Paz, Bolivia, carry signs reading 'Stop violence against women'. One in three women worldwide has experienced sexual harassment, violence, assault or rape in their lifetime.

WHEN United Nations Population Fund (UNFPA) Goodwill Ambassador Ashley Judd detailed an incident involving the Hollywood mogul Harvey Weinstein for *The New York Times* in their eyepopping investigation into decades of alleged sexual harassment, it came as a shock to many.

So now we know.

What started as a Hollywood scandal featuring a powerful man and a string of young women whose lives he had the power to shape has turned into a global shockwave revealing a staggering scale of harassment, misogyny and violence.

Frankly, though, the fact that this problem is too big to sweep under the frayed edges of the world's carpet has come as a surprise to only half the population. The other half knows what it is to have to fend off inappropriate remarks and unwelcome advances while fearing that doing so may jeopardise their careers.

Consider this. One in three women has experienced sexual harassment, violence, assault or rape in their lifetime. These statistics have been out there for years, but it took the Weinstein story to bring them into public consciousness.

The United Nations Commission on the Status of Women estimates that 35% of women worldwide have experienced either physical and/or sexual intimate partner violence by a non-partner at some point in their lives, with some national studies suggesting the figure may be as high as 70%.

Around 120 million girls worldwide have experienced forced intercourse or other forced sexual acts, with current or former husbands, partners or boyfriends being the most common perpetrators. Around 700 million women alive today were married as children. Of those women, more than one in three – or some 250 million — were married before the age of 15.

Misogyny is deeply ingrained across the world. It feeds into a sense of entitlement by men that legitimises sexual harassment and sometimes violence. In some parts of the developing world, the culture of entitlement and gender inequality is so pervasive that women themselves buy into it. The World Bank Gender Data Portal shows that 76.3% of women in Mali and 92.1% in Guinea believe a man is justified in beating his wife if she goes out without telling him, neglects the children, refuses sex, burns the food or argues with him.

Gender inequality crisis

From Hollywood via the corridors of power in Westminster to New Delhi and Nairobi, we face a gender inequality crisis on an epic scale. Sexual and gender-based exploitation, harassment and violence is a global issue.

Sometimes the sheer size of a problem may engender a sense of hopelessness. Many people feel that climate change or poverty, for example, are just too big to solve; that the individual is powerless in the face of such scale and complexity. But this

Around 700 million women alive today were married as children.

is not the case here. There are things we can and must do. After all, while much of gender inequality is institutionalised in social, economic and political structures, it is individual men and boys who exploit, intimidate, harass and assault women and girls.

There are five key frontiers for behaviour change.

The first is home. In too many families across the world, boys are more valued than girls, and an attitude of 'boys will be boys' excuses much aggression, exploitation and injustice. Husbands must set an example of respect for their wives. Parents must raise their sons to value girls and to respect their rights and autonomy. A girl's body is her own. A boy has no right to comment on it or touch it uninvited, no matter what a girl might be wearing or where she is.

The second front for action is education. Schools must teach respect and gender equality to both sexes. An organisation that does just this is No Means No Worldwide, which partners with local organisations in Kenya and Malawi to work in schools. Girls are taught assertiveness and boundary setting, which is backed up with physical self-defence training. But boys are a crucial part of the scheme too. Dramatic changes in boys' attitudes to girls and sex have been seen after only six sessions, and rape cases have fallen by 50% in some areas of Nairobi after the training.

The workplace is the third area for action. Victims of harassment or assault must be able to report their experiences without fear of retaliation on their careers. Workplace expectations and procedures must be clear and transparent, and action following a report of inappropriate behaviour must be equally clear and transparent. Impunity that has lingered too long, aided and abetted by patriarchy, must no longer prevail.

Fourth, when inappropriate behaviour becomes criminal behaviour, women must feel confident that reporting sexual crime will not add to their trauma. Police forces in many parts of the world have no special training in dealing with victims of sexual abuse and assault, and many do not take it seriously. They deserve to be treated with sensitivity and respect, and need to know that police will investigate their cases and arrest perpetrators.

Finally, justice must be unrelenting and exemplary, in pursuit of individuals who commit such acts, regardless of their rank or station.

Most survivors of sexual harassment, violence and exploitation are far from the glitz of Hollywood. Many are poor and ill-educated. Countless are growing up in cultures where their life chances are severely diminished simply by virtue of their gender and circumstance.

If the Weinstein story and its aftermath have shown us anything, it is that sexual exploitation and harassment is part of everyday experience for girls and women no matter where they live in the world.

This has to stop and we as men have to be at the vanguard of change. #HeForShe ◆

Schools must teach respect and gender equality to both sexes.

Siddharth Chatterjee is the United Nations Resident Coordinator in Kenya. This article was originally published by Thomson Reuters, and was published by Inter Press Service (IPS) with express permission from the writer.

Novelist, playwright, journalist, labour leader and poet laureate of the Philippines *Amado V Hernandez* (1903-1970) spent years in prison because of political persecution.

Earth

Amado V Hernandez

I was christened
by the enemy,
stripped naked of name and liberty;
Ravished
in a cruel cage, on this lonely rock.

Cold, this rock-cradle
of pain,
for a weakened heart it is like the clutch of
the grave.
No intrusion here
of wind, sunlight – and no dawn.

Tears nourished me,
The earth was my mat, in turn, too hot,
too cold;
how dark the sky
shrouded by a thousand sorrows in the
night!

With pain beyond endurance,
I saluted
the power of noble earth.
What miracle is this?
Heart and soul cried out at this Promethean
power.

I am vowed
To vigil;
Earth is the beginning of all things,
Out of it come
the seed of green hope and life's ripening.

Translated by E San Juan, Jr.