Globalisation and Poverty

♦ Features
Approaches to reducing poverty; property rights and poverty; AusAID's approach to poverty reduction; the impact of trade liberalisation on poverty; international cooperation and poverty; corporate corruption and poverty reduction; poverty and tourism; globalisation and Fiji's garment industry.

♦ Viewpoint
North-south relationships and poverty reduction; the role of NGOs in reducing poverty; sustainable project management through public private partnerships?

♦ ACFOA Briefing
Analysis of Australia's 2001-02 aid budget.
The Network

The Development Studies Network Ltd is a registered, not for profit, organisation that provides information and discussion on social and economic development issues. It publishes a quarterly journal, Development Bulletin, runs regular seminars on developing policy and annual conferences on international development. Members of the Network are encouraged to contribute information and papers to the Development Bulletin.

Subscription to the Development Bulletin includes membership of the Network. This allows you to publicise in the Development Bulletin information about new development-related books, papers, journals, courses or conferences. Being a member of the Network allows you special discounts to Network seminars and conferences.

Network Office Bearers

National Patron
The Right Honourable Mr Ian Sinclair

Board of Directors
Dr Pamela Thomas
Associate Professor Joe Remenyi, Deakin University
Dr Robert Critten, ANUTECH Pty Ltd
Dr Elspeth Young, Australian National University
Dr Gary Simpson, Project Management and Design Pty Ltd
Professor Gavin Jones, Australian National University
Dr Sharon Bessell, Australian National University

Editorial Board
Dr Pamela Thomas, Managing Editor
Dr Penelope Schooffel
Dr Elspeth Young, Australian National University
Professor Dick Bedford, University of Waikato
Professor Dean Forbes, Flinders University
Professor R. Gerard Ward, Australian National University
Professor Cherry Gertzel, Curtin University
Professor Joe Remenyi, Deakin University (Book Review Editor)

Advisory Board
Janet Hunt
Dr John Brewett, Dean, School of Social Sciences and Development Studies Centre, Flinders University
Professor John Overton, Director, Development Studies Centre, Massey University
Dr Terry Hull, Director, Demography Program, Australian National University
Dr Malama Meleisea, UNESCO, Bangkok
Mr Bob McMullan, MP, Canberra
Associate Professor Mark McGillivray, RMIT University

Editor
Dr Pamela Thomas

Associate Editor
Tanya Mark
Catherine Baird

Correspondence

Development Bulletin
Development Studies Network Ltd
Research School of Social Sciences, Australian National University
Canberra ACT 0200, Australia
Tel: 61 2 6125 2466, 61 2 6125 8257
Fax: 61 2 6125 9785
E-mail: devnetwork@anu.edu.au
Website: http://devnet.anu.edu.au

ISSN 1035–1132
The Development Studies Network Ltd
A.C.N. 084 750 986
Perspectives on globalisation and poverty reduction
Features

Introduction: perspectives on globalisation and poverty reduction
Pamela Thomas 4

Poverty and property rights
David Smiley 6

Poverty reduction: the Australian approach
Leo Carroll 9

Poverty reduction and environment
Marjorie Sullivan 12

Tax the speculators: addressing globalisation and poverty
Janet Hunt 16

Poverty tourism
Regina Scheyvens 18

Future positive: international cooperation in the 21st century
Michael Edwards 22

Globalisation, corruption and poverty reduction
E. Jane Ellis and Blake Dawson Waldron 26

Third age in the Third World: are the elderly suffering more than any?
Graham Wilson 30

Land tenure system in Fiji: the poverty implications of expiring leases
Mahendra Reddy and Vijay Naidu 33

Globalisation of the garment industry: implications for Fiji’s economy
Paresh Narsayan 36

ACFOA Briefing

2001–02 overseas aid budget analysis 39

Viewpoint

Sustainable development: innovative public–private partnerships
Perya Short 47

NGOs and corporate power: is there a win–win solution?
John Braithwaite 51

North–South relationship: partners or pawns?
Anna Malavisi 54

Update

Politics and vestiges of the past preventing the introduction of
health care user fees in Malawi
Adamson S. Msula 57

Publications

New books 59

Book reviews 70

Reports and monographs 74

Newsletters and journals 77
Contents

Conference
Conference Reports  80

Resources
Organisatons  83
Materials  87
Electronic fora  88

From the press  90
Editor's Notes

This issue reviews, once again, the escalating problem of poverty. Over the last 15 years the Development Studies Network has run conferences, published briefing papers and books, and devoted four issues of Development Bulletin to the role of aid in poverty reduction. Today, globalisation, world trade, increasing populations and deteriorating environments demand new approaches to reducing poverty. This issue considers 50 years of development assistance and the impact of globalisation, free trade and economic development on poverty reduction. Three new approaches to more equitable development are discussed, together with an emerging group of very poor - the elderly. As usual, we provide the experience and opinions of people from different countries and different disciplines.

ACFOA briefing

ACFOA reviews the Australian Government's aid budget and whether all of these funds can legitimately be considered development assistance. This important discussion will be of interest to all development organisations in the region.

Viewpoint

Petya Short describes an NGO approach to creating sustainable public private partnerships, by involving communities in every phase of a project, including disenfranchised groups like the elderly, ethnic minorities and women, and creating employment opportunities in keeping with communities’ existing economic, social and cultural values.

John Braithwaite raises the important issue of including NGOs and developing countries in debates over global business regulation so that win-win solutions are achieved and 'the weak' have 'many weapons... in the face of globalisation'.

The relationship between North and South NGOs and their approaches to poverty reduction are discussed by Anna Malavisi in Bolivia. She considers the possibilities for partnership within and between NGOs and the increasing need for more equality between North and South.

Reports, books and background information

Tanya Mark has found a number of recent publications on poverty and poverty reduction and the impact of globalisation on poverty. She has listed useful reports, courses and web sites.

Keeping the Bulletin going

We need your support if we are to keep producing the Development Bulletin. If you find it useful please tell your friends. Our October issue will focus on the role of young people in development and the final issue for 2001 on the impact of micro finance and micro credit on social, environmental and economic development.

Good reading
Pamela Thomas
Introduction: perspectives on globalisation and poverty reduction.

Pamela Thomas, Development Studies Network

Count up the results of 50 years of human rights mechanisms, 30 years of multi billion dollar development programmes and endless high level rhetoric and the general impact is quite underwhelming...this is a failure of implementation on a scale that shames us all. (Mary Robinson 1999)

Although sustained poverty reduction has been a major aim of development assistance for the last 40 years the absolute numbers and the proportion of the world’s population living in poverty continues to grow. Today, 1.2 billion people live in extreme poverty. Two-thirds of them, or 800 million, live in Asia. The situation raises serious questions about approaches and responsibilities for poverty reduction. In particular it raises questions about the role of development assistance and why it has consistently failed to help improve the situation.

The policies of the World Bank and the International Monetary Fund, globalisation, the rapid spread of multinational corporations, world trade agreements, urbanisation, continued population growth and environmental deterioration have all had an impact, positive and negative, on opportunities for reducing poverty. Today, the situation is deteriorating more rapidly than in the past as disparities between and within countries continue to widen. Clearly new approaches are required.

In Australia, poverty alleviation or, more recently, poverty reduction, has been the stated rationale for most development assistance even though this has been couched in terms of providing benefits for the donor country. The 1997 review of the Australian aid programme, One clear objective: poverty reduction through sustainable development, is quite clear about aid serving Australia’s interests. The 2001-2002 aid budget reinforces this approach “Australia’s aid program aims to advance our national interest by assisting developing countries to reduce poverty and achieve sustainable development”. A number of development approaches and strategies have been employed but appear to have had little impact on either reducing poverty or providing a more equitable distribution of social and economic benefits. In an attempt to address the complexities surrounding the causes of poverty and how best to assist in its reduction the Australian Agency for International Development (AusAID) has recently developed a poverty framework based on an analysis of past experience.

Strategic approaches to poverty reduction

This strategy is outlined by Leo Carroll who describes its key elements and some of the means by which AusAID will implement it. He defines poverty in more than simply economic terms and discusses the four pillars of the framework: growth; productivity; accountability of donors to the poor and reducing the vulnerability of the poor. Principles for strategic and effective poverty interventions include: clearly linking aid activities and poverty; partnership and ownership; quality data on activities for analysis at strategic level and timeframes and risk management over time for long-term sustainability of poverty alleviation activities.

David Smiley reviews different approaches to reducing poverty and the relationship between property rights and poverty. He suggests that institutions which monopolise land and natural resources are largely responsible for stagnation and poverty. Inequality and human rights abuses are greatest where ownership of land and natural resources is concentrated. He also suggests that northern models of development and human rights may be inappropriate for poverty reduction where there are entrenched domestic or powerful foreign monopolies in land and natural resources. They absorb aid flows, stunt development and maintain a level of poverty which makes many human rights appear unaffordable. To address this he suggests that taxation principles emerging in environmental and natural resources economics, if applied to all forms of land, make sustainable development and human rights affordable and lead to the alleviation of poverty.

Fundamental issues

A major factor underlying the continued growth of those living in extreme poverty is environmental deterioration—land degradation, deterioration of marine and water resources and high levels of pollution. Approximately 70 per cent of the world’s poor live in rural areas and are dependent on natural resources for their livelihoods. Any poverty reduction strategy which does not include effective management of the environment will not support sustainable poverty reduction. Marjorie Sullivan reviews the international lessons on the relationship between poverty and environment.

Trade liberalisation is having and will continue to have a growing impact on poverty. The ability of corporations and investors to move capital rapidly around the world is leading to a declining tax base for developed and developing countries alike. Janet Hunt suggests a global currency transaction tax which would be distributed to developing countries in desperate need of revenue to invest in health and education.

Regina Schevyn defines ‘poverty tourism’ and discusses the contentious relationship between poverty and tourism. She considers the various aspects and motivations of individuals and
groups who partake in 'poverty tourism' and the possible benefits and disadvantages for tourists and those visited in different parts of the world. 'Fair trade' in tourism is described as that 'which supports sustainable livelihoods and aims to minimise negative effects and maximise positive effects for local people'.

Poverty, inequality and conflict have, as Michael Edwards points out, remained largely resistant to outside influence. He maintains that aid is beset by conditions and constraints that provide no incentives to good practice, while at the same time depriving countries of the flexibility to tailor development strategies to local conditions. He puts forward a formula for international cooperation, which he calls the 'third way'. Its basic premise is to accept that there are different ways to achieve social and economic goals; countries should be helped to follow their own paths; there should be collective action rather than lack of coordination; there should be consensus on rights and responsibilities and there should be an equal voice for everyone.

Corruption has recently been shown to be an important factor in growing poverty. Its benefits are shared by very few, to the detriment of the poor. Jane Ellis outlines a growing recognition of the impact of industrial country corporate bribery on Third World development and the resulting initiatives to stamp it out. The Organisation for Economic Cooperation and Development Convention on Combating bribery of foreign public officials is a start.

The emerging poor

The elderly are an emerging group of poor in both developed and developing countries where the numbers of people over 60 years of age is increasing rapidly. In Bangladesh, for example, in the next 50 years the number of people aged 60 and over will increase by 200 per cent. As Graham Wilson points out developing countries do not have the resources to meet their growing needs. Heavily indebted countries, often pressured by the World Bank or IMF loan conditionality, are forced to view services for the elderly as low priority. It is easier to promote traditional family responsibility for the elderly. The reality today is that the young are moving to town, leaving the older people behind. Increasingly, elderly people are exposed to abuse and exploitation. This is particularly true of older women.

In Fiji, the political crisis has resulted in a rapid increase in poverty. Trade and aid embargoes and land issues compound the problem. David Smiley's paper on the importance of secure rights to land has particular relevance in Fiji at this point of time. Mahendra Reddy and Vijay Naidu review the situation of Indo-Fijian families who have leased land for sugarcane farming. These leases are now expiring and Fijian land owners are loath to renew the leases. The economic implications for Fijians and Indo Fijians are of considerable concern.

The garment industry in Fiji has provided an important export base and a major source of employment for women. Paresh Narayan reviews globalisation and its implications for Fiji's garment industry.

Notes

Introduction

During the last half-century, a major regime known as 'development' evolved, essentially as a 'process' with capital as its input and gross domestic product (GDP) as its outcome. Poverty was not explicitly modelled, it being assumed that the benefits of development would somehow trickle down to the poor. Todaro (2000) describes the failures of five successive versions of this process. During the same half-century, a second major regime known as human rights evolved, largely independently of the development regime. Since this was a 'structure', not a process, there were no measures for inputs or outcomes, nor any explicit mechanism for addressing poverty. These regimes have been strongly criticised. 'Count up the results of 50 years of human rights mechanisms, 30 years of multi-billion dollar development programmes and endless high level rhetoric and the general impact is quite undermining...this is a failure of implementation on a scale that shames us all' (Mary Robinson, UN Human Rights Commissioner, quoted in Robertson 1999:32).

During the past quarter-century, a third major regime also emerged from the North. Its political component, the Green movement, contradicts the development regime wherever development threatens our natural heritage. Its environmental economic component contradicts Article 17 of the Universal Declaration of Human Rights wherever the right to hold property threatens our natural heritage, raising as yet unresolved questions of private, social and global property rights. During the same quarter-century, a fourth major regime emerged, in which the South asserted its 'right to development'. As described by Steiner and Alston (1996, ch.16), this right represents a major challenge thrown down to international law by four-fifths of the world's population. It is seen as the precondition of poverty alleviation and the core right from which all other human rights stem. In support of this right, international lawyers argue that all land and related resources should be declared the common heritage of mankind.

Have development and human rights failed? Human rights never had an explicit measure of success but this concept is probably related to development, which has. Peter Boone of the London School of Economics found that development aid is only effective in unusual cases where it represents more than 15 per cent of recipient GDP. For all other cases: 'I find no significant correlation between aid and growth. I conclude that virtually all aid goes to consumption' (Boone 1994:Abstract). Last year the Economist (1994:Abstract) reported: 'over the past 50 years rich nations have given $1 trillion in aid to poor ones. This stupendous sum has failed spectacularly to improve the lot of its intended beneficiaries.'

Is the problem a shortage of natural capital? Not so, said the Economist (1995). The star economic performers for 30 years have been resource-poor countries such as South Korea and Taiwan, growing at 10 per cent per annum, while countries rich in oil and minerals typically exhibit negative growth rates. Is the problem a shortage of physical and human capital? Olson's research (1996) concludes otherwise: that differences in the growth of countries actually have nothing to do with differences in physical and human capital, as suggested by neoclassical and endogenous growth theories, but are almost entirely due to differences in institutions.

Olson does not elaborate, but development economists such as Todaro (2000:377), Thirlwall (1999:132-5) and Tietenberg (2000:540) suspect that institutions monopolising land and natural resources are largely responsible for stagnation and poverty. Since the regimes concerned with environmental and development rights are also questioning these monopolies, it may be useful to examine relationships between property rights over our natural heritage and poverty, and to compare some relevant reform strategies.

Property rights over our natural heritage

Clear and secure property rights in capital are essential to both economic development and human rights. Physical capital can easily be reproduced in response to need and, where this is not the case, disputes may be resolved by reference to established international or domestic law. The natural capital of the globe is, however, largely unreproducible. The surface is fixed, natural resources are depletable, the atmosphere degradable and the ecology fragile. Natural property rights, therefore, are frequently unclear, insecure, contested, coercively appropriated, and monopolised. Not surprisingly, theories of economic rent, deadweight loss and rent seeking, developed to explain monopolies of physical capital, are now being applied to comparatively new problems of the use of our natural heritage and the externalities arising from this use. The uses of monopoly power can be seen at international, sovereign and domestic levels.

At the international level, the sovereign frontier provides opportunities for the duopolistic allocation of resource rents between, for example, a sovereign ruler or landed elite, and some foreign enterprise in what has been called the articulation of feudal and capitalist modes of production. Consider a colonial power, or nowadays a transnational corporation (TNC) or even the World Bank, negotiating land rights with a local private or public
landowner to an enclave sector. This one-to-one collusion between what are, essentially, two monopolies results in the enclosure of sufficient land for development purposes. Just sufficient labour is retained in the enclave sector. Surplus labour is excluded and migrates to what is left of the original rural sector, or to the urban informal or formal sectors, raising land rents and poverty levels in both cases. Increases in land and resource rents in the enclave sector will be shared by the two monopolies. Finally, when the state collapses into a modern terra nullius, local warlords seize and trade natural resources such as diamonds for weapons, a further example of lucrative investment by the North in the failed states of the South.

Also at the international level, ‘farmers in poor countries struggle to compete with heavily subsidized farmers in Europe and America – and even see their own market destroyed when food surpluses are dumped. Lost trade costs poor countries an estimated $700 billion each year, says the UN, a figure that dwarfs aid spending’ (Economist 2000b:50).

At the national level, ruling elites benefit from the rents extracted by tariffs and other import barriers. These reduce living standards by taxing the consumption of the poor while at the same time avoiding the pain to the rich that would otherwise be caused by the necessity of raising revenue by taxes on wealth, land or income.

Article 1 in each of the twin Human Rights Covenants states that all peoples have the right of self-determination and freedom to dispose of their natural wealth and resources. However, it is not uncommon in poorer countries for 90 per cent of the natural wealth and resources to be owned by 10 per cent of the population, leading to questions as to the meaning of ‘self’ in self-determination. Dynastic and feudal concentrations of land ownership still persist in the South, distorting the outcomes of self-determination. They operate through the systems of caste, latifundia (large estates), post-colonialism and post-apartheid, and in the plight of displaced migrants and refugees, landless sharecroppers and marginalised urban squatters, each group with a different perception of ‘self’.

At the local level, the impact of monopolistic property rights, seasonal variations and natural disasters can combine to force peasants down through subsistence to migration to urban slums. In this sequence, peasants are forced to borrow money from a moneylender, often the landlord, at interest rates ranging from 50 per cent to 200 per cent. Most cannot repay these loans. They are then compelled to sell their land, at bargain prices, and become tenants with large debts paying land rents of 50–80 per cent of their crop (Todaro 2000).

Have these issues of property rights been successfully resolved in any country? There is a group of countries, characterised by successful land reform programmes, whose level of rural inequality is lower, and whose rate of economic growth has been far higher, than that of any other group. For one of these countries, Japan, land reforms in the nineteenth century and again in 1946 were so successful in generating economic development that Japan joined the Organisation for Economic Cooperation and Development (OECD) club a long time ago. At least three other countries – China, South Korea and Taiwan – could reach the present OECD average per capita income in the next 35 years, given their average growth rates over the past 20 years. The state of Kerala in India is an enigma to neoclassical economists. The land reforms there provided the opportunity to achieve an egalitarian society with high standards of health and literacy, but this did not lead to the high rates of economic growth that followed the Tigers’ land reforms. Maybe Kerala decided it did not need development.

**Six reformist strategies**

It appears that the rights to our natural heritage form a major determinant of development, human rights and, by implication, poverty reduction. For example, the exploitation of natural resource discoveries diverts productive activity into unproductive rent seeking and rent retention activities. As a result, countries rich in resources such as oil and diamonds frequently exhibit negative rates of economic growth (Economist 1995). Inequality and human rights abuses are greatest where the ownership of land and natural resources is concentrated. Nearly all armed conflicts arise from these concentrations and attempts to shift them by coercive rent seeking. Finally, sustainability depends on the resolution of negative externalities by aligning private and social heritage rights. It seems, therefore, that the efficient and equitable allocation of heritage rights is an important precondition for the implementation of both human rights and sustainable development, and for the reduction of poverty.

How then should heritage rights be allocated and managed? Two strategies – development and human rights – depend on investment and legislation, respectively, within existing allocations of heritage rights. Two other strategies depend on changes to existing allocations of heritage rights. Of these, common ownership has failed and coercive land redistribution has partially succeeded. Finally, two strategies depend on behaviour modification via economic incentives, without actually disturbing property rights, for example by taxing land and by taxing the use of natural resources and the environment. Each of the six strategies carries substantial implications for trade, globalisation and poverty reduction.

In the first and second strategies, domestic regulatory and welfare initiatives have proved inefficient and often inequitable. Regulations placing ceilings on rents, farm size, prices and floors on wages are usually drafted by the establishment in ways that make them easy to evade or block. Tenancy reform legislation misses the most important target: the landless. Similarly, global interventionist strategies such as the various human rights protocols and treaties, the International Monetary Fund (IMF) Poverty Reduction and Growth Facility, the World Bank Comprehensive Development Facility, and the United Nations (UN) Global Compact, all apparently fail to address the central problem: the inequity in the distribution of heritage rights and the inefficiency and deadweight loss which result.

**July 2001**
Third, domestic common ownership strategies include common property, res nullius or open access, and state ownership. Common property and open-access strategies seem to be successful at very low population densities. However, the term ‘common property’, implying open access by all to any piece of land, may often be misleading: a more accurate description is family or lineage ownership. State ownership of land and natural resources is normally limited to state enterprises and to parks and reserves. State ownership beyond this limit, requiring coercive expropriation, has proved unsuccessful in Russia and China, both for development and, in human rights terms, because of millions of lives lost as a result. Global commons, like domestic commons, are appropriate only where population densities are low and natural resource values are low or undisputed. Common ownership, though equitable, can be highly inefficient and, depending on coercive expropriation, politically extremely difficult to implement.

Fourth, domestic land redistribution, though also politically very difficult to effect, has been found to be relatively efficient and equitable. However, such redistribution reverses opportunities for economies of scale. It is also appropriate only to agrarian land and, as countries industrialise and their populations become more urbanised, the relative efficiency and equity gains from rural land reform will diminish, as has happened in Japan. Although domestic land redistribution is the most successful major example of land reform, possibly the most successful of any reform, transforming the lives of more than a billion people in Asia, there are better alternatives which do not rely on coercive expropriation: ‘there is a body of theory with considerable following amongst economists that land reform could be brought about automatically by indirect measures such as tax reform thereby avoiding the high costs of conventional land redistribution programs’ (King 1977:18-19).

Fifth, land taxation, unlike land redistribution, is not confined to rural land, or does it lead to the fragmentation which discourages economies of scale. In monopolistic or speculative situations, land taxation may be the only form of taxation that encourages production since it draws unused and under-used land into use. Apart from solving a number of human rights problems by its characteristics of distributive justice, land taxation also provides revenue that can be invested in growth. The potential size of this revenue is unknown, although it is thought to be around 50 per cent of agrarian product in the South. In a survey of globalisation’s erosion of the tax base of the state, it was suggested that ‘the harder it gets to tax mobile people and businesses, the bigger the burden which will have to be borne by the immobile. Land taxes, which used to be one of the most important revenue earners, may regain their former pre-eminence’ (Economist 2000a:18). Land can be taxed heavily without distorting production incentives. Land, as a taxable source of revenue, is generally thought of in terms of domestic sites. But land includes global sites, for example ocean and satellite traffic, transmission frequencies, and renewable energy such as wind, solar, tidal, and hydro. Finally, if farm subsidies are seen as a negative form of land tax, then the repeal of agricultural support in the North would represent a massive global contribution to the South via land taxation of $700 billion a year.

Sixth, resources that are non-renewable, such as oil, gas and minerals, or not easily renewable, such as forests and fisheries, also present a taxable source of revenue. But natural resource taxation is different from land taxation in three ways. First, it may be used to discourage production and consumption, for example in the interest of sustainable development or environmental quality. Second, it is not applied to resources ‘in the ground’ but only at the point of extraction or at a point of consumption such as the petrol pump. Tietenberg (2000) addresses a number of taxes that could be used to control the depletion of scarce natural resources, for example gasoline, extraction, and severance taxes, and a number that could be used to control environmental degradation, for example carbon, gasoline, ozone depletion, pollution control, and toxic substances taxes. Third, these taxes encourage the technological development of alternative, less scarce resources.

Summary

Northern models of development and human rights may be inappropriate for poverty reduction in regions where there are entrenched domestic, and powerful foreign, monopolies in land and natural resources. These seem to absorb aid inflows, to stunt development and to maintain a level of poverty at which sustainable development and many human rights appear to be unaffordable. It is suggested that the taxation principles emerging in environmental and natural resources economics might, if applied to all forms of land, make sustainable development and human rights widely affordable, and lead to the alleviation of poverty.

References


Economist 2000a, “You pluck, we hiss” in survey “globalisation and tax”, 29 January, 18.

Economist 2000b, ‘The poor who are always with us’, 1 July, 50.


Olson, M. 1996, Big bills left on the sidewalk: Why some nations are ungenerous, endowments’, 23 December, 101.


Poverty reduction: the Australian approach

Leo Carroll, Australian Agency for International Development

Introduction
Reducing poverty has always been an objective for aid donors. More recently, it has become the central organising principle for a number of donors. Bilateral donors have increased their political commitments to poverty reduction, provided greater support for development activities that explicitly address poverty, and drawn more explicit linkages between their activities and poverty reduction. Multilateral institutions have also made poverty a central focus, through initiatives such as the World Bank's Comprehensive Development Framework, Poverty Reduction Strategy Papers, and the Organisation for Economic Cooperation and Development (OECD) Development Assistance Committee's 21st Century Strategy.

Poverty reduction has been central to Australia's overseas aid programme since the government's response to the 1996 Simons Review, Better aid for a better future, which established a single objective: 'to advance Australia's national interest by assisting developing countries to reduce poverty and achieve sustainable development'. This replaced what was formerly a broader focus that included Australian commercial and diplomatic interests. Better aid for a better future suggested that the aid programme's approach be founded on three pillars: establishing a framework for broad-based economic growth, increasing the productivity of the poor, and overcoming structural disadvantage and discrimination against the poor (Commonwealth of Australia 1997:16).

Over the past decade, Australia and the international donor community have greatly increased their understanding of poverty through practical experience in fighting it and through ongoing research work. We have learnt that certain types of aid interventions can be particularly effective and improved our awareness of the key analytical issues underpinning the development of poverty reduction strategies.

In the light of these advances in understanding, the Australian Government has developed a new Poverty Reduction Framework for its aid programme, described in Reducing poverty – the central integrating factor of Australia's Aid Program, (Commonwealth of Australia 2001). It builds upon the foundations laid by Better aid to provide a more comprehensive structure for poverty reduction interventions. The Framework has four main components:

- it provides a definition of poverty;
- it describes four 'pillars' around which strategies for fighting poverty can be based;
- it emphasises the importance of 'poverty analysis' in project and programme planning; and
- it outlines four 'principles for action' through which the effectiveness of poverty interventions can be maximised.

Definition of poverty
Until relatively recently, poverty has typically been measured using economic measures, such as levels of income or assets (the World Bank's oft-quoted measure of extreme poverty being living on the equivalent of less than US$1 a day is an example). Economic measures of poverty have advantages in that they are relatively simple to calculate and compare, and are usually based on relatively sound data. However, to accurately describe poverty, other measures should also be taken into account: social indicators (for example, literacy rates, health indicators, or access to water); cultural indicators (for example, status within a community); and political indicators (for example, levels of accountability and empowerment). All of these measures can be disaggregated according to gender.

People who are poor according to economic measures of poverty also tend to be poor according to social, cultural or political indicators. However, there can sometimes be considerable variation in the correlation between different measures of poverty. For example, 1998 levels of GDP per capita were low (less than US$750 per capita) in both Cambodia and Indonesia. Yet social indicators of poverty for these two countries were quite different: the infant mortality rate was 143 per 1,000 live births in Cambodia but only 52 in Indonesia; adult female literacy was 80 per cent in Cambodia but only 20 per cent in Indonesia; and 87 per cent of Cambodians had access to clean water compared with only 38 per cent of Indonesians (Commonwealth of Australia 2001:16; UNDP 1999; World Bank 2001).

It is also important to remember that it is not just the absolute levels of poverty indicators that matter, but also their variability over time. The poor are more vulnerable than other social groups to external shocks, including economic downturns (note the recent East Asian financial crisis) or environmental stress.

In recognition of the complex and multidimensional nature of poverty, the Framework adopts a broad definition (Commonwealth of Australia 2001:15):

- The poor are defined as those who suffer a level of deprivation such that they are unable to meet minimum standards of well being. Critical aspects of well being include:
  - adequate resources for attaining the basic necessities of food, water, shelter, and clothing;
  - access to acceptable levels of health and education;
- it provides a definition of poverty;
- it describes four 'pillars' around which strategies for fighting poverty can be based;
- it emphasises the importance of 'poverty analysis' in project and programme planning; and
- it outlines four 'principles for action' through which the effectiveness of poverty interventions can be maximised.
accountability from state institutions and civil society; and
freedom from excessive vulnerability to adverse shocks.

**Pillars of the Framework**

The Framework is underpinned by four pillars: strengthening frameworks for sustainable and inclusive economic growth that will benefit the poor; supporting interventions that enable the poor to increase their productivity; encouraging governments, institutions and donors to be more accountable to the poor; and reducing the vulnerability of the poor.

The first pillar, growth, recognises the contribution that economic growth can make to poverty reduction. Many studies illustrate a strong correlation between economic growth and poverty reduction. For example, between 1987 and 1998 the number of people living in extreme poverty in the East Asia and Pacific region was reduced by over 30 per cent (from over 400 million to around 280 million people) (World Bank 2001:23). Over the same period, GNP per capita in the region almost doubled, from less than US$600 to almost US$1,200 (World Bank 2000). In the world as a whole, growth in consumption by the poorest 28 per cent (from over US$300 in 1980 to almost US$600 in 1998) has been associated with a reduction in poverty of 23 per cent (World Bank 2001:23). Over the same period, GNP per capita in the region almost doubled, from less than US$600 to almost US$1,200 (World Bank 2000).

Effective macroeconomic policy and sound governance are crucial to sustainable economic growth. To be most effective in reducing poverty, economic growth should not just be growth, but 'inclusive' or 'pro-poor' growth. The Framework suggests that sustainable and inclusive economic growth can be strengthened by:

- encouraging sound macroeconomic policies, especially actions to avoid excessive debt levels or high levels of inflation;
- supporting government expenditure and revenue policies that help ensure the poor benefit from growth (such as an adequate and equitable taxation system, and government programs that effectively target the poor);
- supporting developing countries to reap the benefits of trade and market liberalisation; and
- providing essential economic and social infrastructure, with particular attention to the needs of poor communities.

The second pillar, productivity, recognises that the poor work hard to protect their livelihoods but are often trapped in poverty because they lack opportunities to improve their well being. Such opportunities can be created by improving their access to resources, capital and markets. The productivity pillar recognises that poverty needs to be addressed at the microeconomic as well as the macroeconomic level. Aid interventions under this pillar include:

- facilitating access by the poor to key productive assets, including land and credit;
- investing in the human capital of the poor in areas such as health and population programmes, education and training, and agricultural technology transfer;
- supporting activities that allow women to contribute and benefit from development; and
- investing in the future through support for programmes aimed at lifting children out of poverty.

The third pillar, accountability, recognises the centrality of governance and accountability in poverty reduction. Supporting fundamental elements of good governance, such as social norms and legal systems that respect contract and property rights, will provide a solid foundation on which to implement actions aimed at poverty reduction. The poor need to be empowered to negotiate their interests with the private sector, government and non-government organisations, and to have greater ownership of poverty reduction programmes. Strengthened governance and accountability arrangements also reinforce the effectiveness of actions taken under other pillars of the Framework. The Framework suggests that governments, institutions and donors can become more accountable to the poor through:

- improving the poor's access to and engagement in governance processes;
- engaging with governments and civil society to remove barriers to the participation of the poor, including participation in decision making;
- helping to develop more effective, efficient and transparent administration;
- strengthening law and justice, human rights, democratic institutions and developing civil society; and
- supporting actions that take account of disadvantaged groups in society, including minority groups, the disabled and the aged.

The fourth pillar, vulnerability, recognises that the poor are particularly affected by shocks such as illness, conflict, drought, environmental degradation and economic crisis. Because of their minimal assets, low income and lack of power, they have less capacity than other groups to cope with crises. At the national level, some countries are also more vulnerable than others. For example, small island developing states (SIDS) are more vulnerable than larger countries to economic shocks because of their small economic base and remoteness from major markets. SIDS are also especially vulnerable to natural disasters and environmental change. The Framework suggests that vulnerability can be addressed by:

- supporting activities and approaches that minimise the possibility of conflict, and are responsive both during and after conflicts to restore the basis for development;
- challenging social practices that lead to exclusion;
- investing in programmes that will reduce the chances of natural or human catastrophes, or programmes that will reduce the adverse impacts of such catastrophes;
- exploring programmes for government support to the victims of disasters;
- developing comprehensive social support mechanisms in times of crisis; and
- working with small island states, especially those in the South Pacific, to overcome their special vulnerabilities.
Poverty analysis
The pillars of the Framework provide a comprehensive overview of the types of strategies that can be used to address poverty, but they do not provide explicit guidance on how to do so in a specific country or situation. In practice, poverty reduction interventions are developed taking into account relevant actions under each pillar, prioritised according to the specific circumstances of the poverty being addressed, the policy environment, and the resources available. These programming decisions should be based on a thorough poverty analysis.

At the strategic level, Australian aid interventions are guided by country- or region-specific programme strategy papers, which are reviewed every three to five years. The aid programme has recently been revising its operational guidelines for the development of new strategies. The new guidelines require a poverty analysis to be undertaken as part of every programme strategy (AusAID 2001).

Such an analysis must include who the poor are (their geographic, gender, rural/urban and age distribution) and key trends in poverty in the region covered by the strategy paper. Most importantly, the analysis should identify the reasons for or factors contributing to poverty. The factors to be considered are divided into three categories: economic/income; social/institutional; and environmental/external. This approach implicitly recognises the three components (economic, social and environmental) of 'sustainable development'. Finally, the analysis should also consider the relevant poverty reduction policies, programmes and priorities of the partner government and/or other donors operating in the region covered by the strategy.

Principles for action
The pillars of the Framework and the poverty analysis are especially important at the strategic level. At the operational level (that is, individual aid activities), there are four key principles through which the effectiveness of poverty interventions can be maximised.

First, the linkages between aid activities and poverty should be clearly articulated. It is important that the rationale (and/or assumptions) behind choices between activities, including whether their impact on poverty is direct or indirect, is spelled out so that it is not lost as the activity proceeds. Effective articulation also makes it easier to learn and benefit from past activities.

Second, partnership and ownership are essential for effective poverty reduction activities. At the strategic level, dialogue with partner governments is crucial. Participation by local government, the private sector, civil society, and the poor - is also an essential element in activity development and implementation.

Third, activities should be informed by quality data. It is important that individual aid activities take into account relevant poverty data and are implemented in the light of analysis of this data.

Finally, timelines and risk management are important. Poverty reduction outcomes accrue largely in the medium-to-long term. Poverty reduction activities are also inherently risky and resource intensive. It is therefore critical that these activities are thought of not as discrete interventions in themselves but as part of a longer-term programme. Innovative approaches to aid delivery, such as sector-wide approaches, can also be valuable in addressing poverty.

Where to from here?
Implementation of the Poverty Reduction Framework in Australia's aid programme is not yet complete. The programme strategies described above will continue to be revised so that they better take poverty into account and incorporate a poverty analysis. We are also working on updating other key documents, including our operational manual (AusGUIDE) and key contracting documents, to reflect the Framework.

The various changes mandated by the Framework will continue to pose challenges. Measuring the outcomes of activities remains difficult, in part because of the complex nature of poverty itself and in part because, even if poverty itself can be measured, it is difficult to attribute changes in poverty to the action of any one aid activity. We will need to continue developing staff understanding of poverty issues and to improve practical skills in poverty analysis, project selection and project design. The challenges of focussing on poverty reduction are faced not only by AusAID but also by other donors. We will therefore continue to work together on poverty reduction with the broader donor community.

Poverty reduction remains an objective well worth striving for. Over one billion people – a sixth of the world's population – live in extreme poverty. Through our overseas aid programme, Australia is making a positive contribution towards fighting poverty and helping these people enjoy better lives.

Note
1. World Bank (2000:17); the '$1 a day' poverty line is expressed in terms of purchasing power parity (PPP) estimates using 1993 US dollars.

References


Poverty reduction and environment

Marjorie Sullivan

The international development focus on poverty

Since November 1997 the objective of Australia's aid program has been to advance Australia's national interest by assisting developing countries to reduce poverty and achieve sustainable development (AusAID 1997). The Australian Agency for International Development (AusAID), like most other bilateral development assistance agencies, the World Bank and Asian Development Bank, has sought to increase the poverty reduction assistance focus and impact of its activities, consistent with this objective.

AusAID's activities concentrate on five priority sectors considered to have the largest development impact: education, health, governance, infrastructure and rural development. Gender and environment are regarded as critical issues that cut across the development process.

The increased attention on poverty has led to a tendency to favour activities with a direct impact on poverty and a resistance to activities where the benefits to the poor are not made explicit. Despite the emphasis on environmentally sustainable development at UNCED (United Nations Conference on Environment and Development 1992, or Rio World Summit), until recently the links between poverty and environment have not been articulated clearly within development agencies. Donors tended to pursue environmental objectives as an end in themselves, rather than as a means to poverty reduction.

Prior to 1997 aid activities were justified for a number of reasons: commercial, foreign policy, poverty alleviation, and, especially post-UNCED, for its contribution to environmentally sustainable development. Most 'environmental' activities had a beneficial impact on the poor, but were rarely framed in those terms. Projects that related to biodiversity conservation, forestry, watershed management, land rehabilitation, coastal zone management, pollution, contamination control, land administration and environmental institutional strengthening were classified, and are commonly still referred to, as environment projects. In fact, that classification, while convenient from the perspective of staff and contractor skills and interests, diverts attention from the reason why such projects are part of the development assistance suite, and from their development impact on local communities.

The predominant initial response of donors to a policy emphasis on poverty reduction has been to stress economic solutions such as short-term income generation opportunities, and delivery of basic services to the poor, at the expense of long-term poverty reduction considerations. In advocating a poverty reduction approach, development agencies do not specifically exclude other sectoral or cross-sectoral issues, but the emphasis they place on approach tends to exclude other considerations. The result has been a tendency to separate, not integrate, environment and development, with environment becoming marginalised. There is a need to review the links between poverty and environment, to bring environment back into the mainstream of activities.

AusAID's rural development strategy (AusAID 2000), developed at an early stage of response to the poverty imperative, illustrates that tendency. It focuses on short-term solutions and simple measures of poverty like cash income and highlights three component approaches:

• increasing agricultural sector productivity;
• stimulating rural non-farm employment; and
• managing natural resources sustainably.

Although the third component could provide a basis for a broad analysis of the causes and solutions to poverty, it is not given a strong focus in the strategy. There is no emphasis on livelihoods. Instead, reflecting an economic bias, natural resources are viewed as incidental to 'real' cash income from agriculture and off-farm employment.

AusAID's environmental management strategy

The environmental management strategy outlined in the AusAID 1997 policy statement has two major thrusts:

• to ensure that the possible impact on the environment is considered in the design and implementation of all aid activities; and
• to build a portfolio of projects that directly target environment issues (sustainable agriculture, improved sanitation, clean water, better management of natural resources).

The first approach has been largely mainstreamed in program activities. There is however a need for an environmental strategy to do more than to ensure activities 'do no harm'. Projects which focus on sustaining and improving environmental assets address poverty. They should be viewed as fundamental to poverty reduction, not peripheral, as they support the strategic goal of addressing poverty through managing natural resources sustainably.
Projects formerly identified as 'environmental' because that was the point of intervention, remain relevant where:

- a major cause of poverty is identified as having inadequate access to natural resources that are the basis of subsistence or cash economies;
- land degradation has undermined local people's ability to sustain livelihoods; or
- air or water contamination result in poor health, and consequent lack of income generating ability.

They are poverty reduction interventions addressing environmental causes of poverty.

They also provide legitimate access to the appropriate institutions in developing countries that can determine the policies and strategies necessary for sustainable development. Several current AusAID projects fall into this category – for example, desertified land rehabilitation in Inner Mongolia, China; degraded karst land rehabilitation in Guanxi, China; cleaner coal gas production to minimise health risks in Datong, China; bio-saline land remediation to return land to productivity in Pakistan; coral reef rehabilitation and management for coastal livelihoods in Indonesia.

Without attention to the fundamentals of sustainable livelihoods, other interventions in health, education and infrastructure will be irrelevant. There is little value in improving services if people cannot continue to maintain their livelihoods.

Recent international lessons: poverty-environment links in identifying program interventions

The links between poverty and environment have been acknowledged for many years, but over recent years there has been a reorientation of the approaches of several development agencies, with recognition of the fact that poverty and environment cannot be separated. Traditional responses have been simplistic and the linkages are complex, involving more than just maintaining natural resources and doing no harm. AusAID's observations and project lessons for simultaneously managing natural resources sustainably and reducing poverty are similar to those of other bilateral donors and multilateral agencies (eg DFID 2000, World Bank 2000, 2001).

Since UNCED there have been many positive initiatives for sustainable development and sustainable natural resource management, especially in developed countries. But there is at the same time increasing land degradation, increasing air and water pollution and increasing pressure on marine resources.

Approximately 70 per cent of the world's poor live in rural areas, and a similar proportion of the populations in Asia, the Pacific and Africa are dependent on natural resources for their livelihoods. As these resources are disproportionately important for the poor, who are particularly vulnerable to their loss, the poor will benefit disproportionately if natural resources are sustained. Effective development assistance that targets rehabilitation and sustainable management of natural resources is likely to reduce poverty.

On a global scale most environmental trends are adverse, with detrimental impacts on the health and livelihoods of poor people. The main causes of environmental degradation are income inequalities and unsustainable consumption both in developed and developing countries; market failures which cause goods and services related to the environment to be significantly undervalued; and poor and ineffective governance, which leads to the environment being relatively neglected and not integrated into the development of national policies and programs. There are a number of donor observations and lessons.

1. Development will not be sustainable without effective management of the environment. Equal attention needs to be given to the social, economic and environmental development.

2. Major environmental problems are rarely the result of a few large projects, but the cumulative effects of many small individual decisions and actions. Most environmental degradation is caused through urban consumption by middle/upper income groups. Environmental degradation caused by the poor is generally the result of their marginalisation in fragile rural environments, without the knowledge to manage such land sustainably.

3. The poor suffer disproportionately from increasing environmental degradation and are particularly susceptible to the impacts of natural disasters. They are inherently more vulnerable to global environmental change and a number of specific environmental problems, including indoor air pollution and land degradation. Environmental improvements are likely to benefit the poor disproportionately.

4. People living in poverty are prepared to invest in the environment through protecting water sources, replanting trees, enhancing soil fertility if they see potential for livelihood improvement. Common preconditions are secure property rights and full participation in decision-making about their future. Future generations and the most marginalised have the greatest stake in the environment but no voice in decision-making. Common property is commonly overused and degraded, especially where traditional tenure systems have been disrupted.

5. Neither markets nor international agreements reflect the value of global public goods. Individual countries have insufficient incentives to act on global problems because they cannot capture rewards, but market failures can occur when producers and consumers do not pay the full environmental cost of damaging actions, such as exploiting undervalued water. Prices paid for natural resources should reflect environmental costs, which are borne both locally and globally. In the longer term overuse of undervalued resources becomes unsustainable, triggering rural poverty.

6. There is commonly a willingness to pay for resources such as water, but an unwillingness to pay for environmental services such as wastewater treatment/sanitation. Subsidising part of the capital investment (for waste management) may be appropriate. Targeted subsidies for the poor can be used with market based instruments to ensure overall environmental
improvement (eg general removal of subsidies on fossil fuels, policies that provide free water or subsidies keep the price of irrigation water low; introduction of environmental taxes and charges).

7. Protection of the environment is not primarily a technical issue, but involves establishing participatory governance, ensuring the poor and marginalised have an effective voice. Appropriate institutional frameworks, transparent governance, accountable decision making, structures which allow marginalised communities to have direct input into decision making, awareness of gender issues, and secure property rights are all important. Although interventions at the end point are likely to be effective in the short term, and facilitate entry to decision making levels of local and national government, long term solutions are institutional and cannot be addressed at the user end point. For effective program interventions, the decision makers/decision systems must be targeted.

8. Environmental factors are estimated by both the UK Department for International Development (DFID) and the World Bank to be responsible for a quarter to a third of all disease in developing countries, predominantly diarrhoeal diseases, malaria and respiratory infections. Improving access to clean water and sanitation is the most significant environmental priority for the poor. Related issues include clean energy for cooking and heating and the management of municipal and hazardous wastes.

### Poverty and environmental interventions

Environment and livelihoods are directly linked. Some examples, which can provide direction for project selection or project interventions are presented in summary form in Table 1.

<table>
<thead>
<tr>
<th>Issue</th>
<th>Chain of impact on poverty</th>
<th>Suggested interventions</th>
</tr>
</thead>
<tbody>
<tr>
<td>No rights to land</td>
<td>Unwillingness to invest in improvements or to prevent degradation</td>
<td>Institutionalisation of user rights or other land tenure systems</td>
</tr>
<tr>
<td>Communal land</td>
<td>Land used too intensively</td>
<td>Facilitate individual or family land allocations for fixed terms or through garden-and-fallow cycles, awareness, land management activities</td>
</tr>
<tr>
<td>No involvement in land use decisions</td>
<td>Best land used for export agriculture. Poor rural communities marginalised and denied access to generating income</td>
<td>Enhance opportunities for marginalised land users to participate in local governance land use planning</td>
</tr>
<tr>
<td>Desertification</td>
<td>Shift towards sheep or goats. Grazing pressure near watering points, grass-root damage. Loss of soil. Poorer quality grassland, increased land degradation.</td>
<td>Facilitate allocation and institutionalisation of user rights; work with communities and land management/economic agencies to develop strategies to relieve pressure on natural resource exploitation. Assess and work with traditional farming systems. Trial temporary/shifting conservation zones and multiple use.</td>
</tr>
<tr>
<td>Water contamination</td>
<td>Intestinal pathogens effect whole populations. Poor health and inability to work productively. Deeper wells in deltaic plains tap arsenic, nitrates. Cumulative health impacts</td>
<td>Work with water and sanitation agencies to institutionalise locally appropriate sanitation, hygiene awareness, appropriate treatment and safe storage of hazardous substances</td>
</tr>
<tr>
<td>Deforestation</td>
<td>Soil loss, agricultural losses, lowered income</td>
<td>Work with forestry and environment agencies to establish codes of best practice. Ensure marginalised forest dwellers have access to agriculturally productive land</td>
</tr>
<tr>
<td>Inappropriate use of land near coast and mangrove clearance</td>
<td>Coastal zone degradation – loss of fisheries resources and nutrients – loss of gleaning resources – loss of income or subsistence</td>
<td>Engage all agencies impacting on coastal land use in institutionalising appropriate strategies. Work with local landowners on protection and multiple use strategies.</td>
</tr>
<tr>
<td>Loss of biodiversity</td>
<td>Loss of medicines, cultural items, herbs, water purification, water storage, soil protection, equable outdoor environments, and pressure on freshwater all lead to subsistence/cash income losses</td>
<td>Engage policy makers in assessments of economic analyses of benefits of ecosystem services, and of biodiversity. Institutionalise appropriate community-based natural resource management.</td>
</tr>
<tr>
<td>Greenhouse gases</td>
<td>Climate change and sea level rise. Change of agro/ecological systems, loss of freshwater lenses, loss of coastal land lead to increased poverty</td>
<td>Encourage institutional involvement in IPCC processes, encourage multilateral cooperative interventions</td>
</tr>
<tr>
<td>Industrial pollution</td>
<td>Air/water pollution have local health impacts resulting in inability to participate in economy</td>
<td>Address management issues and policy. Involve polluting industries, water and environmental agencies in joint decision-making</td>
</tr>
</tbody>
</table>
Conclusions

A focus on short term cash income ignores other livelihood issues. Frequently this focus results in unsustainable resource use with little consideration for adequate longer term impact assessment, or sustainability. Poverty analyses which focus solely on economic issues do not take account of long term irreversible changes in resources, and do not value ecosystem services, or the dynamics of natural resource systems on which most of the world's poor remain dependent.

It is not possible to undertake an adequate poverty analysis without considering issues of long term, usually post project, sustainability. It is not possible to analyse poverty without considering fully the issues of resource use. This analysis must include:

- the links between poverty and environment;
- issues of ecologically sustainable development (ecosystem services concepts); and
- how these are incorporated into the management of development assistance programs.

Addressing poverty requires a focus on governance and institutional issues. However, it is not possible to intervene in governance without a valid conduit. Projects which provide practical assistance at the user end point to address immediate concerns are beneficial because they provide some immediate relief to local communities and can facilitate:

- the empowerment of communities to engage with local government or decision-making institutions;
- effective institutional linkages between local and higher level (provincial/national) government agencies, thus assisting in changing institutional cultures and attitudes;
- changes to tax, tariff or other institutional barriers that impede poverty reduction; and
- the institutionalisation of systematic land tenure/user rights/land allocation changes which benefit the poor.

Acknowledgement

Tim Eldridge, for thought-provoking discussions, and comments.

References

AusAID 1997, Better aid for a better future, seventh annual report to Parliament on Australia’s Development Cooperation Program, Canberra.

AusAID 2000, Income generation for the rural poor, Australian aid program’s rural development strategy, Canberra.


Department of International Development 2000, Environmental Sustainability and Eliminating Poverty, DFID, London.

World Bank 2000, Environment Matters, Annual review, Environment Department, Washington DC.

Tax the speculators: addressing globalisation and poverty

Janet Hunt, International and Community Development, Deakin University

Every day over US$1.8 trillion is traded globally in currency exchanges. One week of currency exchange is worth more than a whole year’s worth of trade in goods and services globally. More than 40 per cent of these transactions involve round trips of less than three days. This rapid movement of speculative capital leads to great volatility and instability in financial markets and can be a major cause of financial crises such as the 1997 Asian crisis, the consequences of which are still reverberating in the region, with unknown outcomes. This has led a number of international non-government organisations (NGOs) to start campaigning for the introduction of a tax on currency transactions. They argue that a currency transaction tax (CTT) could have multiple benefits.

Such a tax holds out the promise of considerable revenue, with the added possibility of offering some disincentive to rapid movements of capital out of countries, reducing the chances of further financial crises with their devastating human impacts. The latter benefit would depend on the level of the tax, with one proposal being to levy it at a higher rate in a situation where capital starts to move at unusually fast rates.

Speculation and a declining tax base

Interestingly, the push for a tax on speculation comes at a time when governments in developed and developing countries alike are trying to address the declining tax base. This decline results from a number of changes to tax revenues brought about by globalisation. In a major study to be published in the Harvard Law Review, Reuven Avi-Yonah (2000) argues that a number of recent developments have led to a reduction in taxation on corporations and a consequent shift of the tax burden to individual workers.

Foremost among developments is the ability of corporations and investors to move their capital offshore, partly because technological change has made it easier to transfer funds electronically and partly because exchange controls have been relaxed. The IMF estimates that some US$8 billion is now held in tax-free offshore accounts. If these earned 5 per cent interest a year and were taxed at 30 per cent, some US$120 billion additional revenue could be earned globally and used for much-needed investment in human development. That is well over twice the current level of global development assistance slipping through the tax net.

Second, countries have lowered their tax rates on income earned by overseas investors in an effort to attract both speculative and more productive direct investment. This ‘race to the bottom’ is known as ‘tax competition’. Countries (or even states within countries) are in hot competition with each other to make it increasingly attractive to invest, with generous enticements such as tax holidays and tax exemptions. The result of this fierce global competition is less income from taxation on such investment across the board, which is not being adequately offset by the potential of increased income tax earned due to job creation.

Impact of trade liberalisation

Trade liberalisation policies, which have led to a reduction in revenue from tariffs, are also contributing to the declining tax base from imports. While these changes have affected OECD countries, the effect on developing countries has been much greater. What is really happening is that, overall, income from capital investment is increasingly able to escape the tax net because of easy mobility, while labour, which is much less mobile because of tight immigration policies, has had to contribute more to the revenue base of nations. The two fastest growing taxes in OECD member countries are consumption taxes like the GST (goods and services tax) and payroll taxes. Only through growth in these areas can governments continue to fund the essential infrastructure and services expected by their people. The bind that countries are in is that increased income tax acts as a disincentive to work, payroll tax discourages job creation, and high tax on consumption encourages purchases offshore. A shopping expedition I went on last year from England to France through the Channel Tunnel illustrated this phenomenon very clearly: an enormous supermarket just inside lower-taxed France was doing frantic business with coachloads of Britishers out bargain hunting for the day! The result is that eventually countries can no longer increase taxes and are forced to cut spending – and that usually means cutting social programmes which support the people being left behind by current global market policies.

So, just as globalisation is leading to a widening wealth-poverty gap and an increasing number of people excluded from the benefits of the growth which globalisation promises, it is also creating the circumstances in which the growing demand for social spending to support the losers is coming from a declining tax base.

Trade liberalisation and developing countries

Developing countries which have relied on income from tariffs are particularly affected by tariff reductions and tax competition. On average, these countries derive about a third of their revenue from...
taxes on trade – which are declining as tariffs fall. In addition there are now 900 free trade zones globally, mostly in developing countries desperate for foreign investment. These countries are also witnessing a growth in the ‘informal economy’, the untaxable income of small traders and the black market, rather than in the taxable formal labour market.

In theory, developing countries were supposed to benefit from trade liberalisation, as their exports would be boosted as markets opened. But, as the Australian Prime Minister told the British Prime Minister so clearly during his visit to Europe last year, trade liberalisation has been a one-way street. Since the Uruguay Round, developing countries, and countries like Australia, have opened markets, but the big markets of Europe and the USA have retained high barriers to the agricultural and manufactured products of developing countries, thus restricting their opportunities to benefit. The solution to the erosion of the tax base in developed and developing countries alike, according to Avi-Yonah (2000), is to start taxing cross-border income from capital at rates equivalent to those being levied on income from labour. This is where the CTT comes in. The French and the Canadians have been enthusiastic supporters of such a tax, which would most likely be levied through banks which settle currency transactions in the major currencies. Eighty-four per cent of all foreign exchange transactions take place in just nine currencies, making the implementation of this proposal quite feasible. Thirty-two per cent of these transactions occur in just one centre: Great Britain.

### Taxing speculative trading

Most speculative trading in currencies is between banks, with other major players being pension funds, hedge funds, insurance companies, transnational corporations and wealthy individuals. Some 80 per cent of this money makes a round trip in less than seven days – it is a very short-term investment. It is estimated that, even allowing for a reduction of currency movement, a very low tax of 0.25 per cent could raise up to US$250 billion per year, some five times current global overseas aid levels or approximately what would be required to eradicate absolute poverty, if the funds were spent on this priority.

Much work remains to be done on the distribution of revenue collected by a CTT. The distribution between the largely developed countries which would collect it and the developing countries in desperate need of revenue to invest in the health and education of their populations to enable them to break out of poverty would need to be worked out. But a study of how the banks and top-end of town could pay a bit more tax seems a worthwhile endeavour.

It is surprising that, having levied the unpopular GST on its ordinary taxpayers, the Australian Government does not think it is worth even exploring the possibility of taxing the largest single market in the world: the market in currencies. At the Review Conference for the World Summit on Social Development in Geneva in June 2000, the Australian Government was one of only three governments to oppose the idea of the United Nations making a study of the concept of a CTT (the other two were the USA and Japan). A number of Asian countries affected by rapid currency fluctuations were supportive of this study, and, despite the opposition, some fast diplomatic footwork found wording sufficiently vague to enable the proposal to advance. The UN now has the chance to undertake a serious study of the proposal and to bring it back to governments for their consideration.

There are many who argue that such a tax would not be practical, that it would work only if all countries agreed to coordinate to introduce it, and that there would almost certainly be countries who would opt out and offer a tax-free haven for currency transactions. Some also argue that it would distort currency markets.

However, the NGO campaigners argue that the interbank or wholesale foreign exchange payments infrastructure is highly organised, centralised, and regulated. Therefore, the tax could be collected quite efficiently and comprehensively using existing payments processing technology, provided by the Society for World-wide Interbank Financial Telecommunications (SWIFT). Soon, the global wholesale foreign exchange payments system, to be known as the ‘Continuous Linked Settlement Bank’, will start operating around the clock, making collection of a CTT even easier. Any tax affects markets, but that does not seem to stop governments imposing taxes when the political will to do so prevails.

### Conclusion

Support for a currency transaction tax is growing internationally, and it is to be hoped that it will soon gain enough support to move from an idea to a reality. Innovative thinking is needed if we are to break the global crises facing us and ensure that the 21st century can see everyone on earth living with some dignity and basic rights. The CTT is not a panacea, but it is an idea whose time has surely come.

### Note

Most of the research on the CTT (originally called the Tobin Tax) has been conducted by and for NGOs. A range of websites can provide further material:

- Tobin Tax Initiative: www.tobintax.org
- Halifax Initiative: web.net/~halifax
- ATTAC: www.attac.org
- CIDSE: www.cidse.be
- War on Want: www.waronwant.org

### References


We Can Stop the Hot Money Casino, www.web.net/~halifax/Tobin/hotmoney-eng.htm
Poverty tourism

Regina Scheyvens, Massey University

Introduction

The relationship between poverty and tourism is contentious. Tourism is regarded by some as an industry that is dominated by large corporations which exploit the labour and resources of Third World countries, thus entrenching inequality and deepening poverty (Britton 1982, Pleumarom 1994). Under this interpretation, the vagaries of the global economic system and tourism's dominant position in this system mean that tourism is 'an industry that satisfies the commercial imperatives of an international business, yet rarely addresses local development needs' (Ringer 1998:9). Others, however, see tourism as a possible strategy to overcome poverty. Ashley et al. (2000), for example, advocate 'pro-poor tourism', that is, tourism development which explicitly takes the concerns and needs of the poor into account. Tourism which supports sustainable livelihoods and aims to minimise negative effects and maximise positive effects for local people has also been referred to as complying with the principles of 'fair trade in tourism' (Shah and Gupta 2000).

This article looks for evidence of the latter, more positive approach to poverty and tourism by examining a specific type of tourism: visitation to areas characterised by poverty. To Mowforth and Munt (1998), this is one of the 'new', supposedly more ethical forms of tourism (alongside ecotourism and cultural tourism, for example) which they have serious concerns about. They argue that the interest of independent tourists in seeing poverty as part of their travel adventure effectively commodifies and aestheticises poverty.

However, others are adamant that to exclude poor areas like townships or shanty towns from a tour operator's schedule essentially isolates them further from a country's social and economic life, reinforcing inequalities of the past. Speaking with reference to South Africa, Goudie et al. (1999) argue that, if a more integrated society and economy is the aim, tourism must be promoted within formerly excluded areas.

A particular form of poverty tourism involves tourists who engage in voluntary work as part of their travel experience. Hutnyk (1996) regards this as entrenching inequitable relationships which see the West as having the answers to the developmental problems of the Third World, while failing to acknowledge the place of the West in creating/entrenching such problems, and ignoring the skills, resources and knowledge of Third World peoples. Many international travellers engage in voluntary work while in Calcutta, for example, whether for religious groups such as the Mother Teresa Trust or for secular organisations such as the Preger Clinic, which provides health care to 'street-dwelling destitutes and others of low economic status' (Hutnyk 1996:44). For some, this voluntary work is their primary reason for coming to Calcutta; while for others it provides a diversion from their backpacking sojourn through Asia.

Meanwhile, Richburg (cited in McLaren 1998:56) is concerned about tourists who seek out sites of famine and human tragedy as part of their travel experience, calling them 'voyeurs of misery'. He noted that, in Somalia in the late 1980s, numerous independent travellers tried to hitch rides on aid convoys so they could get a close-up, personal view of the disaster. While some travellers may have been motivated by a desire, however misinformed, to 'lend a hand', others wished to exploit the situation, taking pictures of the dying to sell on their return home.

Not all forms of tourism to sites of poverty are as disturbing as Richburg's account, however. In fact, there is evidence to suggest that tour experiences which include interactions with people living in impoverished areas can be beneficial to these people and increase the understanding of tourists, rather than providing a kind of freak-show experience. Ultimately, it is the approach of the tour operators (where relevant) and the attitudes of the tourists themselves to poverty which are critical. If poverty tourism is true to the principles of alternative tourism discussed below, it can contribute significantly to the well-being and also the empowerment of people living in impoverished areas.

Defining poverty tourism

There has been limited use of the label 'poverty tourism' to date, but it can be seen to overlap with definitions of justice tourism and revolutionary tourism (Scheyvens, forthcoming). The term will be used here to refer to forms of travel to impoverished areas which adhere to the principles of alternative tourism. Alternative tourism 'promotes a just form of travel between members of different communities. It seeks to achieve mutual understanding, solidarity and equality amongst participants' (Holden 1984:15). Thus, in an ideal sense, poverty tourism means tourism to poor areas which is both ethical and equitable. It has the following attributes:

- builds solidarity between visitors and those visited;
- promotes mutual understanding and relationships based on equality, sharing and respect;
- supports the self-sufficiency and self-determination of local communities; and
- maximises local economic, cultural and social benefits.
This would clearly not include voyeuristic forms of visitation to poor areas, or voluntary work by those with a charity mentality who felt nothing but pity for those they were working with.

Case studies

The case studies below explore three different types of poverty tourism: tours which set out to improve tourists' understanding of poverty issues, tourism which involves voluntary work, and tours which are based on 'hosts' telling their own stories of past oppression.

Improving tourists' understanding

A number of tour agencies specifically aim to improve tourists' understanding of poverty issues. For example, in Thailand an agency called Life Travel Service was established with the assistance of academics and development workers to build solidarity among people from different parts of the world. It did this by showing visitors evidence of inequalities between Western and Third World countries and encouraging their support for Thai people's efforts to overcome injustice (Ploumarom 1994).

Other tours are based upon viewing areas previously hidden from tourists, which is what Gouldie et al. (1999) support. For example, township tours in Johannesburg and Cape Town in South Africa have become quite a popular tourist activity. In 1998 there were several official operators running tours of the most notorious township in South Africa, Soweto. But the quality of these tours varied, with some run by outsiders and involving tourists spending most of their time peering out of the windows of their luxury coach to catch glimpses of life in Soweto. Others, such as Max's Maximum Tours, are run by township residents and are more informative and interactive. Max insists, for example, that all participants regularly disembark from the mini-coach to speak with the Soweto residents who routinely gather around. As noted by Else et al. (1997:522), 'given the townships' recent history, the friendliness that is generally shown to white visitors is almost shocking'.

The Max's Maximum tour taken by this author (in May 1998) involved entering one woman's shack which she shared with her grandson, and hearing her story of how she had come to live in an almost shocking' crime-infested area which it would be dangerous, and foolhardy, to enter (Else et al. 1997).

Such safe and informative tours of townships help to overcome stereotypes of township life and people. They also provide opportunities for visitors to meet residents and find out a little about their lives, thus helping to overcome the legacy of social and economic exclusion which characterises township life.

Voluntary development work by tourists

Engaging in development work as part of a vacation is an increasingly popular option for tourists motivated by their conscience. A range of short-term opportunities is available, as can be seen in Mann's (2000) Community tourism guide. Volunteers are typically led by locally based service organisation staff or researchers. Some organisations offering development work, such as the Preger Clinic, can be seen as largely altruistic in orientation and have arisen in response to a direct need for assistance in a Third World country. Others are simply travel agencies with a conscience, organisations which seek not only to open the eyes of affluent Westerners to global problems but also, perhaps idealistically, to make them part of the solution to these problems. For example, Cross-Cultural Solutions claims that their programmes 'give volunteers from all over the world the opportunity to come face to face with global issues and become part of productive solutions' (http://www.crossculturalsolutions.org/projectindia/ccs.html).

There are notable variations in the size and reach of organisations offering voluntary development work for tourists. Whereas Earthwise Journeys has numerous projects on offer in a wide range of countries, Cross-Cultural Solutions purposely focuses on three countries because, they argue, this helps them to maintain sustainable, long-term programmes. Thus, when one group of volunteers leaves, another group replaces them.

It is instructive to compare how organisations involved in the clean-up and reconstruction process in Honduras after Hurricane Mitch in 1998 approached the task differently. How they did so had a direct bearing on the experience of volunteers, and thus on how their work and their presence in Honduras were regarded by Honduran people. Some made a specific attempt to build relationships between local people and tourists, thus helping the visitors to gain a better understanding of poverty issues. Others somewhat perpetuated the myth that Western society provides the answers for development problems in the Third World.

Some of these tourists to Honduras helped to clean up 'in luxury' (while staying and eating in 'nice beachfront hotels'). Others came as part of a uniformed work team with their own equipment and resources. This approach had very little community involvement, engendering dependency and failing to establish relationships of mutual trust and understanding. By contrast, some Western churches, in conjunction with Honduran partners, provided opportunities for volunteers to work alongside local communities in the reconstruction effort. In this case, volunteers learned how hard-working and industrious the local people were and that building relationships with them was more important than simply constructing houses (Jeffrey 1999).
‘Hosts’ telling their own story of past oppression

In many countries, indigenous peoples and other groups have been oppressed on the basis of their ethnicity, religion or beliefs. At its worst, such oppression has included enslavement, civil war initiated by the state, or a legal system (such as apartheid in South Africa) that denies the oppressed group the same rights as other citizens. In the last few decades, legal changes, independence and democratic elections have removed a number of oppressive regimes from power and the countries which they ruled over have sometimes become popular tourism destinations.

One way in which formerly oppressed peoples, many of whom still live in impoverished conditions, are engaging with the tourism sector is to offer heritage tours. Such tours can promote visitors’ understanding of human rights and justice issues while simultaneously giving local people the opportunity to earn an income and to tell their own story of past wrongs. Such heritage tourism does not romanticise, simplify or glorify the past: it simply tells the story, from their own perspective, of what an oppressed population went through and reflects on the implications this has had for their lives today. Thus, Bartis (1998) has proposed that community-controlled ‘black heritage tourism’ be established in South Africa. This is tourism which brings visitors to sites of significance to the anti-apartheid movement, such as the house where Steve Biko resided or the primary school attended by Nelson Mandela. Bartis argues that community groups running such tours could benefit significantly through the opportunity to tell the story of their struggles to a receptive audience, after years of having their voices repressed by a hostile government. The significance of such tours should not be underestimated in a country for which ‘heritage’ for so long has meant ‘white heritage’ (Goudie et al. 1999).

Other tours are more concerned with an accurate telling of recent history. Rethinking Tourism Project, which for the first time was offering an ‘alternative’ tour to Temixco, Mexico, in conjunction with a local NGO, the International Center for Cultural and Language Studies, claimed that tourists would ‘learn about global tourism and free trade’s impacts on Indigenous Peoples of the region, as well as alternative development projects implemented by communities to help retain their culture and heritage, empower local people, create microenterprises, and curb youth migration (Rethinking Tourism Project, electronic discussion list, 22 February 2000: www.rethinkingtourism.org).

Conclusion

When conducted in an appropriate manner in accordance with the principles of alternative tourism, tours to poorer parts of the world can be beneficial to both tourists and residents. Undoubtedly, tourism to sites of poverty can be both voyeuristic and insensitive to local needs and interests. The critical issues are how poverty tourism is approached, who controls the subject matter and how much opportunity there is for interaction between tourists and local people.

This was evident in the case of American volunteers involved in the clean-up operation after Cyclone Mitch struck Honduras, with most volunteers being motivated by charity and only some returning home with a sense that they had gained much more in terms of cross-cultural exchange and an understanding of the lives of the poor than they had given through their labours. Similarly, while some township tours help to break down stereotypes and show visitors that township dwellers are just people like themselves, struggling for the well-being of their families, other forms of poverty tourism merely attract voyeurism.

Poverty tourism should not simply be about providing an outlet for the altruistic tendencies of some tourists through voluntary work, or of shocking tourists with images of extreme depravity. Rather, it should be about raising the awareness of people from privileged backgrounds about the processes, such as globalisation and colonisation, which have undermined the well-being of many Third World citizens. It should also be about building relationships so that education and empathy, not horror, are the outcome.

References


Introduction

There is more support today for the idea of international cooperation than at any time since 1945. Things could hardly be otherwise, with fresh memories of Balkan refugees, East Asian meltdown and the increasingly visible effects of global warming. Yet the practice of cooperation remains anaemic, confused and inconsistent. Post Cold War, there is no grand narrative that motivates foreign policy, in contrast to the search for a ‘third way’ between free market idolatry and state socialism that drives the centre left in power. For all the talk of ‘ethical foreign policy’, ‘international development goals’ and ‘humanitarian war’, solutions to global poverty and violence remain the weakest aspect of third-way thinking. Over 100 countries are worse off now than they were 15 years ago, international inequality is at an all-time high, and ethnic conflict is proving much more than a nasty accident on the road to history’s end. At a time when all ideologies are suspect and all answers questioned, this is an understandable position. However, there is a convincing ‘third way’ in international affairs, for governments who have the courage to pursue it to its logical conclusion.

At the heart of third-way thinking is the conviction that economic and social problems cannot be solved through universal prescriptions or the ideologies of Left or Right, set against a background of common principles like participation, accountability and human rights. Instead ‘we make the path by walking it’, two steps forward and one step back, through practice, partnerships, dialogue and experimentation. In this sense, third-way thinking is undoubtedly correct. Imposing universal models on Third World countries has had disastrous effects; all successful societies navigate their own course through the opportunities and constraints of history, context and circumstance. However, it is hard to have a dialogue if you are starving, and difficult to innovate without a basic level of voice, security and equality of rights. Ensuring access to these things—the preconditions, if you like, for a successful ‘third-way conversation’—requires large-scale intervention and redistribution, two things to send a shiver down the spines of most politicians. Otherwise poor people will not have the assets and opportunities they need to participate in shaping alternatives.

The measures beloved of third-way thinking, like education and training, and public–private partnerships, are inadequate when set against the inequality-producing power of real markets and the systematic discrimination that is built into current economic models on grounds of gender, race and age, especially at the global level. Third-way principles can offer a route out of the development failures of the past, if the necessary action is taken to ensure that everyone can share in generating new solutions, less costly trade-offs, and a more genuine sense of the common interest. The challenge facing Western governments is to craft an international order that is much more serious about poverty and the abuse of fundamental rights, but much less intrusive in forcing Third World countries to adopt particular ways of realising them in practice. And that requires a new philosophy that balances freedom and autonomy with rules, standards and other boundaries that are negotiated, not imposed.

Such a philosophy would be the mirror image of the current international ‘system’, which interferes too much in the detail of other people’s lives—think of shock therapy in Russia or International Monetary Fund (IMF) conditionality—and not enough when it really matters (like genocide in Rwanda or slave labour in Myanmar). The real third way is not a model to be exported by social democrats across the globe, but a shared effort to create the conditions in which everyone can find their own ways forward, without imposing unfair costs on anyone else. That implies a revolution in the way we understand and practise international relations.

Does the Third World need a third way?

Beset by years of foreign meddling and vassilation in response to internal exploitation, one might question whether poor countries need a ‘third way’ at all—or whether they just need any way that provides more opportunities for self-determination and more support to see them through. This is not the place to undertake a detailed evaluation of foreign aid and humanitarian intervention over the last 50 years (Edwards 2000), because the record speaks for itself. Poverty, inequality and conflict have proven stubbornly resistant to outside influence, though foreign aid and investment were not irrelevant to the successful transition of countries like South Korea, Botswana and Chile. Aid has been under attack for many years—hence, a recent small increase in some bilateral aid budgets notwithstanding, the worldwide decline in aid spending over the last decade. Nearly all aid is predicated on the theory of ‘sticks and carrots’—a reward for good behaviour (doing what the rich world wants) and a punishment for bad. The result is a spreading web of conditions and constraints, though they are inconsistently applied. This is the worst of all systems, since it provides no incentives to good practice, while simultaneously depriving countries of the flexibility to tailor development strategies to local conditions.
The stick-and-carrot approach dominates Western practice, in part because governments and donor agencies can think of few alternatives, in part because the obvious alternative that does exist—trusting Third World countries to find their own ways forward—seems too risky to contemplate. Yet this is precisely what we should be doing. Experience shows that peace and prosperity come from three interrelated causes. The first is the appropriate mix of policies in a flexible economy—constantly adjusted between self-reliance and openness to the outside world, competition, cooperation, and an active state. The second is an intelligent polity—the capacity to identify what mix is appropriate in different circumstances and secure the political support to see it through. The third consists of all the things that vary so much from one society to another, like culture, leadership, geography and the prevailing international context. Each one determines success at the next level up: the ‘right policies’ require a polity to sustain them, and a strong polity requires the right underlying conditions to support its development. Yet the orthodoxy to this complexity has been incredibly simplistic, focused overwhelmingly on the first of the three causes, wedded to standardised solutions imposed from the outside, and—when war or famine hits the headlines—pushed into partial and ineffective intervention.

My own reading of the last 50 years suggests four fundamental flaws in our approach to ‘international cooperation’:

• First, there has been a failure to get to grips with the fundamental challenge of our times: re-shaping the costs and benefits of global capitalism. Instead, foreign aid has been used to knit together a global social safety net for the casualties of state and market failure, but one that leaves out many more people than it can ever save.

• Second, we have failed to establish the conditions required to make cooperation work: mutual respect in international affairs, and the legitimacy that comes from democratic participation in setting the rules of the game. In this sense, the word ‘cooperation’ is a misnomer; the term ‘intervention’ is much more honest. By and large, the institutions that count in the global arena are run by and for the rich world—the World Bank, the IMF and the World Trade Organization (WTO). Those that try to be more open and democratic, like the United Nations (UN), are increasingly marginalised from mainstream decision making. Consequently, the Third World has no say in the solutions to global problems, and no stake in the outcomes. This was a system designed to fail.

• Third, too many solutions are dependent on action by recalcitrant governments. In a globalising economy and an evolving global polity, it is the dynamism of business and civil society that influences change as much as state regulation, but they—especially civil society—are usually excluded from a seat at the negotiating table. The UN cannot halt global warming unless ordinary people decide to do something about pollution, yet our international institutions are distanced from the constituents who could provide the popular support they need to make them work.

• Fourth, in the words of the ‘General Confession’, ‘we have done what we ought not to have done, and left undone what we ought to have done’. The rich world needs a greater sense of humility about what is possible through aid and intervention, balanced by more concerted efforts where outside help can really make a difference. The dangerous hubris of moulding other societies in our own image must be consigned to the dustbin of history. At the same time, we can help in important ways, especially by making the global context more supportive of local efforts.

What is it, then, that determines whether external help is genuinely supportive in this sense? Experience across the board reveals three principles: consistency (with local realities), continuity (over the long term), and coherence (between different types of help). Consistency implies a full and sensitive understanding of culture, social structure and political realities, and a willingness to fit into and around them even where they differ from outside expectations. Continuity means a commitment to work together over the long term, de-linked from the volatile selectivity imposed by shifting foreign policy concerns, ideological fashions, and disagreements along the way. And coherence means a unified framework for all development-related decision making, including aid, trade, debt, investment, diplomacy and domestic policies which have a knock-on effect internationally. At present, losses from some of these areas outweigh gains from the others: for example, the European Union is providing aid to encourage beef production in Namibia while simultaneously restricting imports of Namibian beef into Europe and exporting subsidised European beef to the whole of Southern Africa.

A new formula for international cooperation

Third-way thinking must reconcile two seemingly contradictory principles: a belief in universal rights, and a commitment to the right of others to decide things for themselves. Historically, the West has emphasised the first of these principles over the second, but now recognises that—for the sake of consensus and sustainability—a better balance must be struck. In the long term, global security requires an acceptance of difference and diversity, as long as human integrity is protected and the pursuit of different pathways to development is not bought at the cost of the equal right of others to do the same. This requires a reorientation of international relations along the following lines.

Competition between different paths to the same destinations

There are different ways of achieving social and economic goals, and the role of outside help is to support them even when they depart from established orthodoxy (like capital controls in Chile or Malaysia).
Cooperation to reduce the costs imposed on individual societies and the world as a whole

The uncoordinated pursuit of national development is likely to result in social, economic and environmental problems that can be mitigated through collective action (the defence of the global commons, for example, or the negotiation of core labour rights).

‘Principled dialogue’ to decide which costs are acceptable and which are not

A consensus on rights and responsibilities cannot be imposed from the top; it must be negotiated as democratically as possible, since nothing else will secure the legitimacy required to make solutions stick. Hence there is a need to open international regimes to meaningful Third World and non-state participation, unlike the WTO, for example, or the on-hold Multilateral Agreement on Investment.

‘Principled dialogue’ means an equal voice for everyone

As a result, principled dialogue means the redistribution of the skills and assets people need to participate in economic and political life (via foreign aid); and the regulation of all exclusionary systems of power—a new approach to global governance in which all countries can be stakeholders and whose rules are seen to be fair. International action in both these areas can put the ‘stake’ into ‘stake-holding’ at the global level, and build the incentives required to make cooperation work. Rules work best when they are set democratically, applied consistently, graduated according to each country’s ability to meet them, and backed up by support for compliance. As a guiding principle, we cannot make other people happy or peaceful, but we can support each other in our attempts to lead more fulfilling lives and help to create the conditions in which wholesome choices are more likely.

What does this mean in practice?

From principles to practice

The third-way formula set out above can be applied to any set of policy questions. Let me take three current examples: reforming foreign aid, reconstructing global regimes, and improving the quality of humanitarian intervention.

Foreign aid

Discussions about the future of foreign aid are already converging around a common framework: consolidated funding for the national development strategy of each country (all assistance in one pot), negotiated in a dialogue with representatives of business and civil society, funded with a guaranteed minimum of resources over a 10-20-year time horizon, and supported by a global ‘compact’ that integrates domestic and international action on debt relief, trade protection, military assistance and the environment. Every participating country would be required to sign the compact in order to apply for an investment entitlement from a world development fund, based on their per capita income and ‘human development index’, and would be held accountable according to their own development goals, not the plans of outsiders. The wording here is important: compacts, not conditionality; investment, not aid. Commitments to pro-poor policies by Third World governments would be matched by specific goals on debt relief and trade liberalisation in the industrialised world, with the same rules applied to everyone: democratic participation in setting objectives and reciprocal accountability for results, whether you are the IMF or the Ugandan Government.

A combination of consolidated funding (to promote continuity), mutually binding international agreements (to build coherence) and cross-society debate and decision-making structures (to enhance sustainability and maintain consistency with local realities) could secure the local ownership development demands without sacrificing incentives or accountability, especially if aid negotiations were used to encourage the formation of pro-poor coalitions in the countries concerned and in the institutions required for equitable growth. World Bank President James Wolfensohn is the latest leader to favour this solution (through his ‘Comprehensive Development Framework’), but in other guises it has already been proposed by the United Nations Development Programme and the European Union, and it was the basis of the Marshall Plan after World War II. The obvious barrier to implementation is the political importance Western governments give to bilateral foreign policy, and to an independent aid budget to support it. The degree to which governments are prepared to integrate their aid and foreign policy processes into a common framework is a useful test of their commitment to third-way thinking.

Global governance

An increasingly integrated global economy requires a set of rules, norms and standards that govern behaviour across national boundaries. Rules work best when they are fair and enforceable, but those conditions are difficult to meet in a world of unequal powers and declining state authority. So the future of global governance is likely to rest on a messy mixture of top-down and bottom-up authority, formal and informal pressures for compliance, and non-state activism as well as government intervention.

The problem is that current regimes are completely unprepared to adapt to these changing conditions. The United Nations and the international financial institutions are prisoners of a top-down, state-based system constantly leaking legitimacy, authority and resources, increasingly circumvented by regional action—witness the intervention of the North Atlantic Treaty Organisation (NATO) in the Balkans—and informal solutions (like the local charters on labour standards and environmental pollution that are being negotiated across Latin America). To be effective, the regimes of the future must be ‘light but firm’—a small core of negotiated standards that are implemented consistently, not as a cover for ‘Great Power’ interests.
It is not difficult to see how this might work in areas like global warming, labour markets and human rights, especially at the local level. However, adjusting global institutions to the same principles is more problematic, there being no obvious way to democratise the IMF or the WTO, or to make them more responsive to Third World concerns when the vast majority of votes are controlled by the European Union and United States governments. The most realistic proposal is simply to expand the G-8 into a G-16 by including the largest Third World powers in all new institutions, like the 'Financial Stability Forum' agreed at the Cologne Summit earlier this year.

**Humanitarian intervention**

This is not the place to explore the details of what went wrong, or right, in Kosovo. Nevertheless, the claims of some politicians—that Kosovo was a 'crossing of the Rubicon' in foreign policy (British Foreign Secretary Robin Cook) or even the 'war that saved the third way' (President Clinton's adviser Sidney Blumenthal) make some response essential. In terms of the principles laid out above, there are two lessons to be learned, one in the run-up to the NATO bombing and the other in its aftermath.

The first lesson is that there are more effective (and less costly) ways of responding to rogue states and to thugs like Slobodan Milosevic—by surrounding them with international pressure that is seen to be legitimate (including Russia and China under a Security Council mandate); by conveying terms that are clear, fair and consistent (not, as in the Rambouillet agreement, forcing the Serbs to accept impossible conditions of NATO access and control over sovereign territory); and by building support for forces inside the country who were lobbying for a peaceful resolution to the conflict.

The second lesson is that, instead of importing foreign models into Serbia and Kosovo to make them 'democratic', we should ask ourselves a more fundamental question: 'Under what conditions do people of different ethnic origins live together peacefully?' The answer is obvious: 'When they have economic and political security, expressed in ways which are meaningful in local terms.' That argues for the provision of foreign aid as long-term national development funding with cross-society participation, supported by regional security guarantees and support for macroeconomic stability. These are all ways of making a rules-based system work more effectively without giving in to the abuse of fundamental rights, and of building local ownership of solutions while addressing the parts of the problem that have external origins.

**Conclusions**

These examples could be extended across many other areas, but all governments need permission to do things differently. Without a public and political constituency for international cooperation, politicians are unlikely to embrace such reforms. Constituency building in the international arena has been the Cinderella of government policy for many years, limited to a small dose of 'development education' and occasional support for non-government organisations (NGOs) like Oxfam and Save the Children. However, the debt and landmine campaigns show that there is a deep-rooted groundswell of public opinion in favour of global cooperation, where the issue can be brought alive and concrete solutions recommended. Though more difficult to find in areas like global trade and finance—where conflicts of interest are drawn more clearly and there are more potential losers from reform—it is still possible to communicate the benefits of managing the global economy to mutual advantage. That implies a huge increase in the amount of energy and resources that Western governments and NGOs devote to constituency building, international education and compensation to those who lose out temporarily as a result of adjustments to a more cooperative global order (like workers in manufacturing industry or farming). Re-balancing the competitive and cooperative forces that motivate each one of us provides the key to a positive future.

**References**

Globalisation, corruption and poverty reduction

E. Jane Ellis, Transparency International–Australia (NSW) and Blake Dawson Waldron

The poverty experienced by many nations has long been an international concern, at least since the United Nations was established. Along with war, exploitation and illiteracy, corruption, particularly endemic corruption, is a significant contributing factor to the continuation of poverty and the underdevelopment of a nation.

Clearly, development aid has had, and continues to have, a significant role in corrupt activities. It is encouraging to note, however, that of late several aid agencies are admitting to and looking into this internal problem.1

What is corruption?

Transparency International defines corruption as the abuse of power for private advantage.2 In effect, corruption is a legal wrong arising from a particular conduct or activity and suggests moral bankruptcy of an individual, a bureaucracy or a business.

Scholars have identified a number of different kinds of corruption. One can, for example, distinguish between political and bureaucratic corruption and parochial (to achieve status) and market (for money) corruption. Recognising the motivators behind these various types can be useful in determining ways to combat the problem.3

A distinction is also made between grand corruption and what is known as facilitation payments, grease payments or petty corruption.4 Grand corruption involves the making of large payments to people in positions of power in order to secure a right that could not be secured or obtained legitimately. Petty corruption involves the payment to minor officials of small amounts of money towards securing a right that is legitimately due, for example paying extra to have a telephone installed. Petty corruption, while not condoned, is considered to be of less concern than grand corruption, because it does not distort international trade or the economy or undermine the economic development of a country.5

While it is understood that in many countries petty corruption can impose a direct burden, particularly on the poor, and sometimes is the most ‘visible’ face of corruption, the international effort towards combating corruption – and the focus here – is on grand corruption.

What is wrong with corruption?

Bribery, the most prevalent form of corruption, is prohibited in almost all countries,6 even in those where corruption is endemic, such as Indonesia and Nigeria.7

It has been argued that corruption, in its most negative portrayal, is a Western construct and that what constitutes corruption and bribery in a developed country is no more than a traditional and cultural practice in another, non-Western and developing, country.8 But even those countries that argue against the imposition of Western values have explicitly recognised through legislation that bribery and corruption are not cultural practices but illegal and outlawed activities. Further, concerns raised by the population in countries such as Nigeria and the old Zaire indicate that such corruption is not generally accepted as a traditional right.

It also has been argued that corruption could in fact have a neutral impact on an economy and therefore should not be illegal.9 Indeed, some have gone so far as to argue that bribery can be an indication of the high level of business competition and that prohibiting businesses from bribing could result in their operating more as a cartel.10 The overwhelming evidence, however, is that the damage caused far outweighs any perceived benefits:

Corruption is a symptom that something has gone wrong in the management of the state. Institutions designed to govern the interrelationships between the citizen and the state are used instead for personal enrichment and the provision of benefits to the corrupt. The price mechanism, so often a source of economic efficiency and a contributor to growth, can, in the form of bribery, undermine the legitimacy and effectiveness of government.11

Corruption is an economic, legal, environmental and social issue. It corrodes the social structure and trust in government, damages the economy and ultimately undermines the legitimacy of the state.12 Also, the ‘benefits’ are inevitably enjoyed by a very few and tend to go disproportionately to the rich, to the detriment of the poor.13 Indeed, it has been observed that ‘the most serious corruption is an elite activity’.14 Recent studies suggest that serious corruption also tends to benefit men more than women. This is because corrupt activity means less money is available for health and social security and that women suffer disproportionately as a consequence.15

The significant damage that corruption causes to the economic development of a country is also felt most strongly by the poor and therefore it contributes to poverty. A good example of its corrosive impact can be found in what was Mobutu’s Zaire:

[Corruption and bribery] encourages competition in bribery, rather than in quality and price of goods and services. It inhibits the development of a healthy marketplace. Above all, it distorts economic and social development and nowhere with greater damage than in developing countries... Most important, the
heaviest cost is typically not in the bribes themselves but rather in the underlying economic distortions they trigger and the undermining of institutions of administration and governance. 16

Corruption and the impact on economies
There is no clear estimate of the global cost of corruption. However, according to the Association of Certified Fraud Examiners, all organisations worldwide lose around 6 per cent of annual revenue to fraud and corruption. In the USA, the cost is estimated to be around $400 billion per year. 17 While it is unclear what percentage of this is attributable to corrupt activity, it suggests that corruption does result in significant sums of public moneys being illegally diverted to private use, sums that would go some way to redressing the debt being experienced by the more heavily indebted poor countries. 18

Corrupt behaviour by public officials who are important decision makers can result in the wrong projects being developed, usually at the expense of smaller, more labour-intensive and ultimately more socially and economically beneficial ones. Developing countries have an abundance of examples of projects that were driven by the wrong motivators, especially during the 1970s and 1980s. This has resulted in steel mills, sugar refineries and other processing plants that cannot be used; inefficient and unnecessary dams; expensive national stadiums and other structures; and poorly constructed and unmaintained roads and railways. At the same time, the poorest members of these countries are still waiting for basic services.

Does increasing globalisation mean increasing corruption?
There is no empirical evidence to suggest that increasing globalisation has led to increasing corruption. 19 Certainly, since the early 1990s there has been more evidence of corruption than previously and, unless concerted action is taken, the level will only increase.

What is required is both the reform of the public sector in those nations where corruption is most endemic (as well as others) 20 and a change in attitude by the private sector. 21 Increased numbers of wealthy companies trading around the world cannot help to reduce corruption unless they commit themselves to not giving bribes. And there is evidence to suggest that countries with strong anti-corruption programmes are seen to prosper. For example, a 1997 study concluded that, if corruption occurred in Singapore to the same extent as in Mexico, it would be equivalent to increasing the tax rate on the foreign investor by more than 20 per cent. Accordingly, it concludes that increased corruption has the same deterrent effect on investment as increased taxes. 22

While multinationals have gained in number and economic strength over the past few decades, they have not usurped the role of the state – and cannot under the existing structure of international law.

Can corruption be curbed?
Given the transnational nature of bribery and corruption, the detrimental impact on development, the endemic nature of corruption in many states such that it has become difficult if not impossible for businesses to operate transparently, and the resulting distortions to the global economy, the issue can only be successfully addressed if there is international cooperation. 23 This is particularly so as those local systems introduced to combat the problem are often themselves corrupted, or at least perceived to be, by a distrustful population. 24

The USA enacted the Foreign Corrupt Practices Act (FCPA) in 1977. The Act prohibits American companies and citizens from bribing foreign public officials, foreign political parties or candidates for foreign political office. Criminal penalties are imposed in the event of a breach. The prohibition does not extend to the making of facilitation payments, or petty corruption.

However, it was not until the 1990s that other countries began to follow suit. The World Bank, among others, now targets corrupt practices as a major cause of underdevelopment and provides assistance to countries seeking to address the factors underlying corruption. This includes introducing measures to combat fraud and corruption and black-listing companies from participating in World Bank projects where they have been found to have breached procurement guidelines. 25

Transparency International is another private sector initiative. Formed in 1993, it is a coalition against corruption and has national chapters in 80 states, most of them in developing countries. 26 It is a non-political and non-profit organisation that does not take sides or impose judgement on either bribe payers or bribe seekers. It does not investigate individual cases, nor does it seek to expose individuals who engage in corrupt activity. Instead, it devotes itself to combating grand corruption through creating awareness, improving systems and encouraging other organisations and individuals to join the coalition. 27

Transparency International uses a number of strategies to achieve these ends, including two surveys: the Corruption Perception Index (CPI) and the Bribe Payers Index (BPI). The CPI, published annually since 1995, has been instrumental in increasing public awareness. The CPI ranks countries in terms of the degree to which corruption is perceived to exist among public officials and politicians. In contrast, the BPI, launched in 1999, lists those countries in order of the propensity of their businesses and businesspeople to pay bribes.

The problem of corruption is thus becoming increasingly exposed and growing numbers of agencies and businesses are prepared to speak out against it and to take steps towards addressing it. Transparency International, through its national chapters, works with all governments, institutions and private sector companies and organisations, be they for-profit or non-profit, to assist them in this process.
OECD Convention

The most significant initiative has been the adoption by OECD member countries and five non-member countries in December 1997 of the OECD Convention on Combating Bribery of Foreign Public Officials in International Business Transactions.

This convention obliges parties to it to implement legislation that prohibits the bribery of foreign officials and to impose 'effective, proportionate and dissuasive criminal penalties' on any persons, including corporations, who breach this prohibition. Each party is required to take necessary measures to prohibit the use of accounting or book-keeping methods to hide bribery payments and to ensure that bribery of a foreign public official is an extraditable offence. Given that the signatory countries account for around 70 per cent of world trade and around 90 per cent of foreign direct investment, it is likely that enactment of such legislation, if rigorously enforced, could have a significant impact.

Australia implemented its obligations under the OECD Convention through the Criminal Code Amendment (Bribery of Foreign Public Officials) Act 1999. The Act was passed with bipartisan support and proclaimed on 17 December 1999. The Commonwealth Government also agreed to remove payments of bribes as tax deductions. The Act applies to bodies corporate as well as individuals. However, the Commonwealth Criminal Code 1995 also deems a body corporate to be responsible for any offence committed by its employee, agent and officer acting within the actual or apparent scope of his or her employment, or actual or apparent authority.

What will be crucial to corporations in such circumstances will be whether the relevant corporation had in place an adequate 'corporate culture' at the time the offence was committed. In the event that an employee, agent or officer of a corporation is found to have bribed a foreign public official and that corporation's corporate culture is found to be inadequate, that corporation will be criminally liable for the conduct of that employee, agent or officer. A breach of the Act incurs a penalty of 10 years imprisonment or substantial fines, for both the individual and the corporation.

There remain some significant problems with the Act: how to gather sufficient evidence to secure a conviction and enforce the legislation; and concerns that companies may seek to use facilitation payments, which are not prohibited under the Act, as a means to avoid the prohibition.

Will the OECD Convention be effective?

Concerns have been expressed about the strict nature of the prohibition and the fact that OECD companies may now suffer a disadvantage when competing for contracts overseas.

As noted above, the signatory countries account for considerable levels of world trade and foreign direct investment, which means that a significant number of companies are subject to the same laws. The fact that all of these are obliged to implement, or have implemented, comparable legislation also should go some way to 'leveling the international business playing field', thus addressing some of these concerns.

The OECD Convention, if properly monitored and enforced, will encourage business to operate in a way that limits its involvement in corrupt activity, thus reducing its role in perpetuating poverty. Many well-known multinationals, such as BHP, Rio Tinto and De Beers, already prohibit the payment of bribes. Such companies are in a position to take unilateral action because they wield considerable economic power and because they are subject to close scrutiny by the media and non government organisations.

Where many problems are likely to arise is in the activity of the smaller, less well-known multinationals. Many of them do not have the economic power to withstand corrupt demands made by foreign public officials, and/or some of them aim to maximise returns, and rapidly, and therefore are prepared to pay to achieve their objectives.

Conclusion

Poverty is worsening in many populations, particularly in Africa. Corrupt activities contribute significantly to the perpetuation of poverty and to the continued underdevelopment of some nations. It is only through international cooperation and a change in attitude by multinational companies, many of which are wealthier than the nations in which they operate, that corrupt activities can be curbed. Implementation of the OECD Convention obligations is a significant step towards achieving this aim.

Acknowledgement

Special thanks are due to Isabel Blackett, Chief Executive Officer of Transparency International-Australia for her valuable input to, and constructive comments on, various drafts of this paper. Of course, responsibility for all errors remains with me.

Notes

1. The Department for International Development (UK) is currently holding an inquiry on the matter and the World Bank has gone a long way in examining its own systems and the behaviour of its subcontractors.
4. Ibid. at 316.
5. Joint Standing Committee on Treaties: OECD Convention on Combating Bribery, 16 April 1998. There are many who disagree with this distinction and in fact some argue that petty corruption can be just as economically and socially debilitating as grand corruption.

17. See, for example, the press release issued by the World Bank Group and the IMF 'debt relief for the poorest countries: milestone achieved', where it was announced that debt relief will lift around $34 billion in debt service obligations from 22 eligible nations (www.worldbank.org).

18. This change in attitude is occurring and coincides with a broader movement, particularly by multinational companies, becoming more accountable to shareholders and communities—in other words, practising 'good corporate governance'. See, for example, P. Dicken, 1998 (3rd edn), Global shift: Transforming the world economy, Paul Chapman Publishing Ltd; J. Elkington, 1998, Cannibals with forks: the triple bottom line of 21st century business, New Society Publishers; and 'Business ethics: Doing well by doing good' The Economist 22 April 2000, 71.


20. This is not to suggest that there is no corruption in wealthy and/or developed nations. Clearly, corruption to various degrees occurs in all countries, however, the damage caused by corruption is most prevalent in developing nations.

21. This is not to suggest that there is no corruption in wealthy and/or developed nations. Clearly, corruption to various degrees occurs in all countries, however, the damage caused by corruption is most prevalent in developing nations.
Third age in the Third World: are the elderly suffering more than any?

Graham Wilson, World Vision Action Network (WVA)

The over-60s are the fastest growing cohort in our communities. Lobby groups concerned for the well-being of senior citizens in Australia frequently refer to escalating numbers and the scarce resources available to meet future needs — and needs there are. However, on a global basis, two-thirds of people in this age group live in the developing world where populations are growing at many times the rate of those in Western countries. For example, in the next 50 years, the number of people over the age of 60 will increase by 200 per cent in Bangladesh and 300 per cent in Brazil! Such countries have nowhere near the resources required to meet the greater needs of their elderly in any way comparable with those in the West.

The economic pressures associated with such rapid population growth tend to breed rivalry and boost competition for increasingly scarce welfare resources. Heavily indebted poor countries, often pressured by World Bank or IMF loan conditions and ‘structural adjustment’ demands, are forced to view services for seniors as low priority. It is simpler to promote traditional ideals of family responsibility for the elderly, but this approach is often no longer appropriate and is an excuse to ignore many millions living in miserable circumstances. Maintenance of kinship ties and family support systems is still too often being placed under severe threat by externally imposed, donor-driven development demands.

Providing security in old age in developing countries

The priority needs of people in most developing countries revolve around basic income security and health care. The elderly customarily have expectations of their children eventually providing all support required. In Western countries, resources such as a range of retirement accommodation and subsidised health schemes, home care and information services are available above and beyond our generally adequate pension payments and tax concessions. Here, the aspirations of older people commonly extend to world travel, recreational pursuits and further education. In the Third World, due to a greater dichotomy between ‘rich’ and ‘poor’, it is more likely that the priorities of the elderly will be social justice and survival issues, sustainability of social systems and peaceful resolution of conflict.

Poverty and ageing – critical issues

In many regions, elderly people are particularly exposed to abuse and exploitation. ‘Older women, who currently outlive men in nearly all countries, are the most vulnerable especially if they are widowed, childless and in declining health’ (Beales 2000:10). Older people generally may be particularly at risk from ‘misdirection’ of capital away from communities by corrupt leaders or ultimately by local officials charged with providing basic support services.

Such factors can exacerbate an already critical relationship between poverty and ageing in some societies. Not only the cost of corruption but also that of required loan repayments to Western institutions cuts across the best will to provide adequate health and social services. Governments may not be in a position to support the non-working poor with any form of pension. In this circumstance it is the aged, many of whom come from rural backgrounds of intense manual labour and face particular health risks, who suffer most and have lower life expectancy. In Southeast Asia, substantial falls in infant and child mortality rates have not been matched by those for older people.

Today, mass migration (internal displacement) from country to city, increasingly widespread in developing countries, is placing extraordinary pressure on many families, especially their older members. All too often war, drought or economic circumstance makes such movements unavoidable. For those forced or lured into urban slums to make a living, frequently female adolescents or young married men, maintaining a sense of duty towards the needs of the older generation ‘back home’ (for example through remittance of earnings) can prove extremely difficult. Immediate survival is the critical concern, often followed by newly substituted family values such as a coveting of modern material goods. They are not in a position to carry on the traditional carer role. Customary deference to age, genuine concern for parental well being, and acknowledgement of the spiritual needs of the elderly may no longer be shown.

Those most at risk – the ‘old-old’, the sick, and people with disabilities – face a critical dilemma: succumb to separation and likely become beggars on the streets of the metropolis, or remain in rural homelands fending for themselves in a community already having a lagger than normal proportion of elderly. Here again they may be increasingly vulnerable, voiceless, dependent, poverty-stricken and open to abuse.

The situation of elderly refugees is even more tenuous. Displacement far from ancestral homelands and places of spiritual significance makes it extremely difficult for anyone, let alone old people, to adapt to a new country, language and culture. Community and family disruption places everyone, but especially the elderly, at greater risk of illness and impoverishment.
Disconnected from traditional support networks, elderly refugees are seldom the target recipients of refugee aid services. Children and mothers are generally the main beneficiaries. The particular and often complex health needs of the elderly, extremely difficult to assess in camp situations, are commonly overlooked. Just at a time when they justifiably may have expected to feel most valued and honoured, they may instead experience total exhaustion, anxiety and depression. The felt prejudice of being a displaced person – virtually discarded, no longer able to generate income and made to feel utterly dependent on others – only serves to worsen their situation.

Elders remaining isolated in rural areas if their children move away may find themselves responsible for grandchildren left behind by the desperate parents or orphaned by famine, conflict or disease. People who had large numbers of children in the hope of providing security in old age may be disappointed. Traditional family care arrangements and reciprocity practices are breaking down, leaving more older people in difficulty. Older men in particular may go from being the source of knowledge, wisdom, leadership and economic security in a community to being a social problem in the eyes of the next generation. Alcohol and drug abuse sometimes become a way of escape from a new sense of powerlessness. Such factors can invariably lead to premature ageing and early demise.

Social dislocation and the relative isolation of elderly people often lead to dependency, loneliness and loss of dignity. ‘Retirement’ in Western terms is seldom an option in most Third World countries. There may be no real retirement from physical labour for those without reasonable health and some formal education. When there is no special provision by government for meeting older people's needs, family breakdown is exacerbated rather than social cohesion being reinforced. Pervasive poverty factors (for example, lack of resources, overlooked needs, poorly implemented services, social and political disruption) undermine quality of life and chances for improved health.

HelpAge International (HAl) says that, worldwide, it is rare for older people to be consulted about issues that affect them. In some countries they are seen as a burden on the state, which leads to forms of state-sanctioned ageism and abuse. ‘The longer the life, the longer the burden’ to governments forced to adopt modern monetary policies. Old people suffer the most from any externally imposed credit squeeze, often having to eke out an existence from the charity of others. When resources are scarce the elderly may no longer be seen as a priority by either state or extended family. Not being a financially independent part of the recognised economy they risk losing any remaining sense of dignity and respect.

**Self-help actions**

In such circumstances it is not surprising to see the emergence of elderly persons' self-help and advocacy groups, prepared to develop their own anti-poverty programmes. In some countries, notably India, extra-familial intergenerational activity aimed at meeting the needs of older persons is a strong tradition. In other countries, however, seniors may be more socially separated and find value in working cooperatively to assist their peers. Older women's networks are proving popular (for example in Brazil) as substitutes for extended family and traditional kinship support systems. Physical care in the form of food relief and health monitoring is reinforced with emotional concern shown by volunteer community workers of a similar age range who undertake appropriate training. As they become familiar with individual and local needs, many become non-formal educators, rights advocates or health workers as well as family carers.

Associations of seniors have, in many notable cases (for example, the Philippines), developed into public policy pressure groups of considerable influence. Others have formed craftwork cooperatives through which a little extra income can be derived. Aid agency workers supportive of such local initiatives need to be guided by the 18 UN Principles for Older Persons (Beales 2000) and the general philosophy of the rights of seniors embodied in these principles.

The interests of both older community volunteers and agency representatives tend to converge at village level where they have a common interest in offsetting neglect of the poor by the state. If each listens sensitively to the concerns of those in need, then together they are likely to find the best ways of meeting expressed needs – such as locating donations to a revolving loan fund, claiming a proportion of emergency food aid, or organising materials to construct group homes for the elderly.

International organisations such as World Vision, while pursuing longer-term transformational development initiatives, may appear to favour the needs of the young (for example through child sponsorship). However, programmes to improve the education, nutrition and health status of younger people reduce the possibility of acute vulnerability in later life. Destitution should be tackled from each end of the age spectrum; otherwise ‘the cumulative effect of marginalisation and poverty throughout the lifespan is absolute poverty in old age’ (Beales 2000: 9).

**Conclusion**

Change comes about most rapidly when underprivileged older people organise themselves to be heard in places of political power. Increasingly, like poor people everywhere, ‘they want to develop their own organisations so they can effectively negotiate fair partnerships with governments, with traders and with NGOs; they want direct assistance and local ownership of funds through community-driven programs, with governments and NGOs accountable to them’ (World Bank PovertyNet 2001).

Beyond local action, there is scope for wider recognition and encouragement of ‘young’ older participants at appropriate levels of social and economic development. The UN Decade for Poverty Eradication (1997–2006) provides a focus for reassessing the role of Western governments in providing foreign aid programmes that are effective in reversing adverse trends in poverty-stricken areas. HAl and the International Federation of Older Persons are currently pursuing a ‘legal charter of the rights of older people’ to form part of the body of international rights-based agreements.
Such initiatives deserve the active support of all development aid agencies which recognise both the basic needs and the valuable contributions of 'third age' people in the Third World.

Acknowledgements


References

Beales, S. 2000, 'Why we should invest in older women and men: The experience of HelpAge International', *Gender and Development*, 8(2), 9–18.


E. Wickett PhD, author, lecturer and community worker, Perth, (personal communication).
Land tenure system in Fiji: the poverty implications of expiring leases

Mahendra Reddy and Vijay Naidu, Centre for Development Studies, University of the South Pacific

The land problem in Fiji is complex primarily because, unlike in many other countries, most land is under indigenous communal ownership. Of the total land area, 7.5 per cent is held by the government, 10 per cent is freehold and the Fijian landowning units hold 82.5 per cent ('native land'). Since the small proportion of state and freehold land is not sufficient for agricultural expansion, native land, which is inalienable, was opened up for agricultural expansion via leasing, at first under the Agricultural Landlord and Tenants Act (ALTA), and later under the Agricultural Landlords and Tenants Act (ALTA).

These leases, mostly held by Indo-Fijian sugarcane farmers, have now begun to expire and it is likely that many will not be renewed. According to the Native Land Trust Board (NLTB), the majority of landowners want their land back and those few leases which are to be renewed they want renewed under a different Act, rather than ALTA, which is seen to be tenant-friendly.

The non-renewal of leases could lead to several problems. Since most of the leases are associated with sugarcane farming, the economy could be directly affected. The sugar industry in Fiji has made major contributions to growth and development. In 1994 alone it accounted for more than 40 per cent of agricultural gross domestic product (GDP), which in turn made up 22 per cent of total GDP. Approximately 25 per cent of the economically active population derive their income directly from the sugar industry (Singh 1994). Since 40 per cent of the country's export earnings are obtained from this sector, the backward and forward linkages of the industry have major implications for the entire economy from a general equilibrium perspective.

The rise of a landless Indo-Fijian community adds another dimension to the country's existing social problems. Some families who have been evicted have had to move in with friends or relatives. Others, with nowhere else to go, are in refugee camps and now facing, among other problems, food shortages. Some families are moving to the towns in search of jobs and better living. However, Fiji is already feeling the pinch of its ever-growing urban population: from 33.4 per cent of total population in 1966 to 46.4 per cent in 1996. Socioeconomic and environmental problems in the urban centres will further escalate if the influx of rural dwellers continues.

A solution is urgently needed and several options are being considered: letting the land revert back to landowners and leaving tenants to find their own solutions; letting the land revert back and resettling the tenant farmers onto state, freehold, or native land which is not required by landowners; renewing leases for another term under ALTA; or renewing them under new legislation, the Native Land Trust Act (NLTA).

However, no significant progress has yet been made. The political crisis facing the nation makes it difficult for the government to concentrate on this problem. In any case, a top-down approach might not bring about a long-term solution because it might not accord with the actual needs and aspirations of the tenant farmers themselves.

ALTA and the expiring land leases

ALTA was enacted in 1966 and revised in 1977. It is seen as the most important legislation affecting agricultural land because it applies to all agricultural land held in parcels exceeding 1 ha (2.5 acres), except land in reserves. Two of its clauses are contentious. One is that there is no automatic right of lease renewal; in other words, there is no security of land tenure. In the event that a new lease is not forthcoming from the landlord, the Act states that the tenant must be compensated by a sum equivalent to the value of the improvements carried out by the tenant to the land.

The other contentious clause is the provision that restricts the rent that can be levied by the landlord to 6 per cent of the unimproved capital value (UCV) of the land, which must be reviewed every five years. The UCV is decided by a government-appointed committee of valuers according to a range of values determined for every class of agricultural land (Prasad 1984). Between 1977 and 1992, the UCV of first-class land increased from a maximum of F$900 per ha to F$9,000, second-class land from F$500 per ha to F$6,500, and third-class land from F$200 per ha to F$4,500.

Landowners have claimed in the past that ALTA prevents the operation of a free market and that they are therefore not receiving a genuine return on their asset. Instead, a significant part of the value of land becomes vested in the original tenant, either in the form of an annual profit rent or in the form of a premium when that tenant sells his interest. This has led to a large proportion of landowners refusing to renew leases.

The problem is further complicated by the fact that most leaseholders are of Indo-Fijian ethnicity. Approximately 73 per cent of them are cultivating sugarcane on land leased from the indigenous Fijian community (that is, on native land) and these leases began expiring in 1997 (Table 1). To date, only some of the leases have been renewed.

July 2001
Table 1 Expiry of sugarcane farm leases in Fiji, 1997–2024

<table>
<thead>
<tr>
<th>Year of expiry</th>
<th>Indo-Fijian leases</th>
<th>All cane leases</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>No.</td>
<td>Area (ha)</td>
</tr>
<tr>
<td>1997</td>
<td>27</td>
<td>232</td>
</tr>
<tr>
<td>1998</td>
<td>120</td>
<td>1,388</td>
</tr>
<tr>
<td>1999</td>
<td>158</td>
<td>1,708</td>
</tr>
<tr>
<td>2000</td>
<td>1,133</td>
<td>8,217</td>
</tr>
<tr>
<td>2001</td>
<td>1,494</td>
<td>7,861</td>
</tr>
<tr>
<td>2002</td>
<td>310</td>
<td>2,670</td>
</tr>
<tr>
<td>2003</td>
<td>435</td>
<td>2,945</td>
</tr>
<tr>
<td>2004</td>
<td>216</td>
<td>2,250</td>
</tr>
<tr>
<td>2005</td>
<td>228</td>
<td>2,297</td>
</tr>
<tr>
<td><strong>Averages over remaining years:</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2006–09</td>
<td>294</td>
<td>3,186</td>
</tr>
<tr>
<td>2010–14</td>
<td>199</td>
<td>2,060</td>
</tr>
<tr>
<td>2015–24</td>
<td>45</td>
<td>485</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>4,659</strong></td>
<td><strong>35,309</strong></td>
</tr>
</tbody>
</table>

Source: Native Land Trust Board 1995

The government has established an ALTA resettlement unit to look into the case of displaced tenant farmers. In the year 2000 budget, a sum of F$20 million was set aside to finance their resettlement. Tenants have been given two options: a lump sum payout of F$28,000 or resettlement on land developed by the government. To date, three resettlement areas have been identified, therefore remains to be solved, as well as the other problems that are the two factors that significantly affect farmers' decisions with regard to future farming. As their children become more formally educated and off-farm income increases, farmers are less likely to continue farming. It would seem that the only way that farmers can reduce their reliance on agriculture is to educate their children and raise off-farm income. This is the long-term solution to Fiji's land tenure problem.

**Conclusion**

Indo-Fijian farmers see a bleak future for sugarcane farming. Most now want to give it up, and even to totally move out of the agricultural sector, mainly because of the uncertainty that surrounds education at all). Most had long experience of sugarcane farming: an average of 29 years.

Mean farm income was approximately F$5,902 a year, but, because of increasing family size, was not sufficient to cover household expenditure requirements. Therefore, a significant proportion of expenses had to be met from off-farm employment, which on average brought in F$3,890 a year. The additional source of income also helped when the price of sugar was low or a natural disaster damaged the crop. Farmers also hedged against these periods by using only 78 per cent of their land for sugarcane and allocating the rest to subsistence cultivation of other crops or livestock.

Given the three options of lump sum payment, resettlement or lease renewal, 55 per cent of the farmers said they would choose renewal, 41.9 per cent the lump sum and only 3.1 per cent resettlement. When asked what their choice would be if the option was resettlement on 5 ha of state, freehold or native land, 73.1 per cent stated resettlement on 'Freehold land in the same district' as their first preference and 90 per cent gave resettlement on 'Freehold land in another district' as their second preference.

One of the contentious issues in the proposed new Act (the NLTA) is lease length. The NLTB has argued that it would no longer provide long-term leases, as in ALTA (30 years). Rather, there would be rolling leases, which could expire at very short notice. Farmers and their leaders have argued that long-term leases are vital for capital investment. A short-term lease neither provides time to benefit from the investment nor is accepted as collateral for loans. The surveyed farmers were asked what minimum period of lease length they would accept; the response was 23 years.

The NLTB is proposing that ALTA be scrapped and that all native land be leased out under the new legislation. During this study, the farmers were asked which legislation they would prefer their leases to be renewed under and why: 97 per cent chose ALTA because they believed it provided more protection.

Farmers' views on the future of sugarcane farming and agriculture were also ascertained: 38.2 per cent said that they did not want to continue farming and 93.4 per cent said that they would prefer their children to seek employment in the non-agricultural sector when they grew up.

The results show that children's education and off-farm income are the two factors that significantly affect farmers' decisions with regard to future farming. As their children become more formally educated and off-farm income increases, farmers are less likely to continue farming. It would seem that the only way that farmers can reduce their reliance on agriculture is to educate their children and raise off-farm income. This is the long-term solution to Fiji's land tenure problem.
the renewal of leases on native land. Those whose leases have expired have already been evicted without any compensation, so no one is willing to invest when there is no certainty of a return. Farmers who wish to continue sugarcane growing, should their leases be renewed, would prefer a minimum lease period of 23 years and the governing regulation to be ALTA.

As a longer-term solution, educating their children will result in greater off-farm income and will thus be more likely to reduce dependence on land. Most farmers want their children to eventually work in the non-agricultural sector. This response is a serious one: the future viability of agriculture in Fiji may depend to a large degree on its ability to reduce reliance on labour.

The large number of farmers who would opt for a lump sum payout is also of concern because this would mean migration to the towns. Urbanisation has increased in Fiji over the last two decades and there are not the facilities to cater for this growing influx. Air pollution (Reddy 1999), water pollution and solid waste disposal are already problems and ones that need to be addressed before the urban areas can properly host a displaced rural population. Increased levels of poverty among Fijian and Indo-Fijian families will result.

References

Native Land Trust Board Annual Reports, various years, Suva.
Globalisation of the garment industry: implications for Fiji's economy

Paresh Narayan, Department of Economics, Monash University

Introduction

Economic globalisation is a historical process, the result of human innovation and technological progress. It refers to the increasing integration of economies around the world, particularly through trade and financial flows. 'Globalisation is essentially the process of integration of national and local markets into a single global market' (Goto and Barker 1999:195). Here the market means goods and services markets, capital and technology markets and the labour market. Local markets have increasingly integrated into the global market with the rapid development of transportation, communications and information technology. 'It is the increased transnational activity of enterprises (not only through direct investments, but also through strategic alliances, licensing arrangements, different forms of subcontracting, etc.) which leads to greater economic integration' (ILO 1996: 1). This integration has emerged and spread rapidly in highly mobile services such as garment production.

Only a few years ago the garment industry throughout the world was made up of relatively independent sectors and markets. The globalisation of the industry has been marked by more and more production centres being linked together by arrangements within companies which move their operations from one country to another according to changes in comparative advantages and marketing demands. In the process, over the past two to three decades the garment industry has become very competitive. Many developing countries have entered the world market, competing with the industrialised countries. Rapid entry into the world market has resulted in heavy regulation of the industry via the Multifibre Agreement (MFA).

Reasons for and responses to globalisation

The garment industry, originally concentrated in industrialised countries, spread in successive waves to other countries, particularly to developing countries, to become a worldwide industry. Two principal factors explain this globalisation.

First, developing countries were attractive to foreign investors because they had relatively cheap labour. In 1991, wages were as low as US$0.39 per hour in Sri Lanka and US$0.24 per hour in China, compared with US$14.81 per hour in West Germany and US$7.99 per hour in the United Kingdom. Furthermore, garment industry wage rates in other Asian developing countries such as Thailand, Malaysia, the Philippines and Indonesia were extremely low - less than US$0.70 per hour in 1991.

Second, developing countries were able to create an investment climate which provided generous incentives for investors via the introduction of export processing zones also known as tax-free factory (TFF) zone schemes (TFZ schemes). Investors who exported a certain level of their output often received incentives, such as no tax on exports and profits, and import duty concessions on raw materials.

Enterprises in the industrialised countries responded to these incentives in developing countries by restructuring at the internal and external levels. At the internal level, new and modern technologies were introduced to improve productivity by gradually abandoning mass production in favour of more targeted products of higher quality to meet the demands of fashion. To confront increased competition from developing countries, developed country producers adopted cost-cutting and quality-enhancing innovations in technology and work organisation. 'As part of cost-cutting effort - but in some cases also to achieve quicker response - many enterprises have increasingly reduced in-plant production and relied more on peripheral production contracted out to micro-enterprises and homeworkers in both the formal and informal sectors' (ILO 1995:19-20). At the same time, external strategies for the relocation of certain highly labour-intensive activities (such as the assembly of clothing) were launched through direct investment in low-wage countries or by recourse to international outsourcing (ILO 1995:7).

Industrialised countries were also protected from competition generated by the developing countries through the 1974 MFA. The MFA authorised industrialised countries to impose quotas on garment imports from developing countries.

The Fijian garment industry

Fiji's garment industry is essentially a cut-make-trim (CMT) industry, with almost no design or marketing of its own (Grynberg 1997:46). The industry employs almost 18,000 workers (FTIB 1999:73); it produces mostly low-value but quality garments.

Fiji's quest for a garment industry was boosted by the introduction of the TFF scheme in 1988 and the Kalabo TFZ in 1997 as part of the post-1987 economic reforms to encourage exports via the export-oriented industrialisation strategy. The TFF/TFZ scheme initially offered tax-free benefits to those exporting

Development Bulletin 55
at least 95 per cent of their output. From January 1991, the
government reduced the required level of exports from 95 per
cent to 80 per cent of production. This export requirement was
further reduced, and manufacturers exporting at least 70 per cent
of their annual production were granted a corporate tax holiday
for 13 years and duty-free imports of goods used for export
production (FTIB 1997:14). Other incentives reported by the
FTIB (1999:32) for garment manufacturers operating within the
TFF/TFZ boundary included:
• total waiver of licensing for import of capital goods and other
production materials;
• exemption from customs duty on imported capital goods and
equipment, raw materials, spares and packaging materials and
other items purchased to set up a TFF (for example building
materials, furniture, office equipment);
• exemption from excise duty on products manufactured within
the TFZ;
• no withholding tax on interest, dividends and royalties paid
abroad, provided such interest, dividend and/or loyalty
payments are not subjected to tax under the law of the country
of the shareholder;
• a final dividend tax of 15 per cent on dividends paid to resident
shareholders; and
• carry-forward of losses.

The incentives available under the TFF/TFZ schemes were
well supported by trade agreements such as the South Pacific
Regional Trade and Economic Cooperation Agreement
(SPARTECA), MFA and the Import Credit Scheme (ICS).
SPARTECA allows garment manufacturers in Fiji preferential but
non-reciprocal access to the markets of Australia and New Zealand
in the form of duty-free and unrestricted access or concessional
access. The ICS is a partnership entitlement scheme that allows
Australian textiles to be exported to Fiji and provides import credits
to Australian exporters, thereby reducing the tariffs they pay for
their imports. The ICS also allows Australian fabric to be shipped
to Fiji at a competitive price. In addition, there is the MFA between
the governments of Fiji and the United States. "The United States
provides garment export quotas which are then allocated to
successful garment manufacturers by the Fiji government.
Currently, the export quota is limited to 1,535,326 dozens of
which 1,279,470 dozens are sensitive garments' (Narayan and
Dhar 2000:5). The sensitive garments include knitted clothes.
Overall, the US market demands cotton and synthetic knit tops
from Fiji garment manufacturers.

The TFF/TFZ scheme was abolished on 1 January 2001, but
the trade arrangements remained intact. The TFF/TFZ schemes
and the various trade arrangements (those discussed) were largely
responsible for the emergence of the garment industry in Fiji,
hence making Fiji a global player.

While these incentives and trade arrangements were in place
(1988–98), there was a surge in investment. On average, in that
period, approximately 57 per cent of TFF investment was in the
garment industry. Garment investment under TFF/TFZ as a
percentage of total TFF/TFZ investment was estimated at 82 per
cent in 1990. Since then it has declined significantly, settling at
22 per cent in 1996. In 1998, however, it stood at a relatively
high 65 per cent of total TFF/TFZ investment.

To take full advantage of the benefits available under
international schemes, local firms restructured to meet the required
export criteria. There was a massive inflow of foreign investors
during this period. In 1998, there was approximately 53 per cent
foreign ownership in the Fijian garment industry: 24 per cent
Australian, 9 per cent New Zealand, 6 per cent Singaporean and
Chinese, 1–2 per cent by Asian investors, and approximately 12
per cent joint venture ownership.

Export performance
Garment manufacturing accounts for the bulk of the
manufacturing sector. Garment exports have grown from
F$4.8 million in 1986 to over F$200 million in 1997 and over
F$300 million in 1998. The garment industry has overtaken the
traditional export sectors of sugar and gold to become the main
export industry (Table 1).

Employment performance
The garment industry has contributed significantly to employment
creation in Fiji. In 1987, for example, total paid employment in
manufacturing was 13,973 people, of which the garment industry
accounted for 1,547 (11 per cent). By comparison, in 1998,

Table 1 Fiji's principal exports, 1992–98

<table>
<thead>
<tr>
<th>Year</th>
<th>Garments (F$ million)</th>
<th>Sugar (F$ million)</th>
<th>Gold (F$ million)</th>
<th>Percentage of total exports</th>
</tr>
</thead>
<tbody>
<tr>
<td>1992</td>
<td>116.8</td>
<td>221.3</td>
<td>60.7</td>
<td>17.5</td>
</tr>
<tr>
<td>1993</td>
<td>128.8</td>
<td>230.7</td>
<td>66.7</td>
<td>18.5</td>
</tr>
<tr>
<td>1994</td>
<td>141.0</td>
<td>252.2</td>
<td>62.6</td>
<td>16.9</td>
</tr>
<tr>
<td>1995</td>
<td>185.0</td>
<td>276.1</td>
<td>58.6</td>
<td>21.1</td>
</tr>
<tr>
<td>1996</td>
<td>189.9</td>
<td>301.7</td>
<td>81.6</td>
<td>18.1</td>
</tr>
<tr>
<td>1997</td>
<td>200.1</td>
<td>213.4</td>
<td>74.0</td>
<td>23.4</td>
</tr>
<tr>
<td>1998</td>
<td>302.8</td>
<td>244.2</td>
<td>70.5</td>
<td>29.8</td>
</tr>
<tr>
<td>Average</td>
<td>186.6</td>
<td>248.5</td>
<td>67.8</td>
<td>20.7</td>
</tr>
</tbody>
</table>


July 2001
garment industry employment had increased to 15,000, representing about 55 per cent of total manufacturing sector employment.

Operatives are the most dominant class of workers in Fiji's garment industry. 'Operatives include all employees directly involved in the production activities of the establishments. For example, operatives would include those involved in fabrication, processing or assembling, shop messengers, warehousemen and packers, etc' (Fiji Bureau of Statistics 1998:8). Currently, there are about 95 per cent of operatives in the industry.

The Fijian garment industry has demanded a relatively small, though rising, involvement of expatriate workers, largely because the industry requires simple skills and is labour-intensive. The average hourly wage rate is estimated to be F$1.20, which is slightly higher than some of the Asian developing countries but far less than developed country wage rates. The industry is female-dominated. Narayan (1999) estimated that there are approximately 79 per cent females and 21 per cent males in the industry.

Local linkages

The Fijian garment industry depends on other sectors in its production processes. These sectors include fuel, electricity, water, transport, construction, banking, insurance, postage and telephone, and auditing and advertising. Narayan's analysis of local linkages created by the garment industry between 1986 and 1994 can be summarised as follows:

- The total fuel, electricity and water used by the industry as a percentage of the total fuel, electricity and water produced in the economy increased from less than 1 per cent in 1986 to around 3 per cent in 1994.
- The garment industry's use of transport as a percentage of the total value of transportation in the economy increased from less than 1 per cent in 1986 to over 2 per cent in 1994.
- Total purchases of the industry as a percentage of the total output of those sectors with which the industry has linkages increased from 0.7 per cent in 1986 to 2.8 per cent in 1994.
- Total garment industry purchases as a percentage of real GDP also increased, from 0.3 per cent in 1986 to 1.2 per cent in 1994.

These findings indicate that, for a small economy like Fiji, the garment industry has created small but important linkages with other sectors in the economy. As a result of these linkages, output and employment have increased in associated sectors. Without the garment industry, the output and employment in all sectors with which the industry has linkages would probably have been lower and GDP would probably also have been lower. It should be noted that the analysis was restricted to 1994 data. After 1994, the industry has grown rapidly, as shown earlier by the trends in exports and employment. This means that linkages would be much higher; however, the figures remain understated because data are not available.

Conclusions

The globalisation of the garment industry has been welcomed, particularly by developing countries, because it has generated associated benefits in terms of export income, job creation and local linkages. Globalisation is due mainly to the relative abundance of cheap labour in developing countries and the incentives offered for investment in the form of export processing zones. Fiji's drive for industrialisation via the export-led industrialisation strategy in 1989 saw the emergence of the garment industry. The success of the industry has resulted from various incentives offered under the TFF/TFZ scheme and the trade agreements that assisted in promoting garment exports. Compared with those in developed countries, garment industry wage rates in Fiji are extremely low, which has further assisted the growth of the industry.

The industry has contributed significantly to Fiji's economy in terms of export income, employment creation and the creation of local linkages with the other sectors in the economy. On the basis of these findings, it is strongly recommended that the TFF/TFZ scheme, temporarily suspended, should be continued. If this is not done, Fiji is likely to lose investment in the garment industry as investors relocate to developing countries such as Malaysia and Mauritius, which have attractive incentives for investment, including the TFZ scheme.

To maintain the social and economic benefits of the industry, Fiji needs to solve its political crisis, which is a deterrent to any form of investment in the country. In the months to come, policymakers will have to work tirelessly to develop appropriate policies that will be conducive to investment, particularly in labour-intensive industries such as garment manufacturing.

References

FTIB (Fiji Islands Trade and Investment Board) 1997, FTIB annual report 1997, FTIB, Suva.
Grynberg, R. 1997, 'Preferential rules of origin as constraints to industrialisation: The case of LOME and SPARTECA', paper presented to VIII Pacific Science Inter-Congress, University of the South Pacific, Suva.
Reserve Bank of Fiji 2000, Reserve Bank of Fiji quarterly, Reserve Bank of Fiji, Suva.
The Development Studies Network

- The Network offers a forum for discussion and debate of development issues.
- It provides members with up-to-date information and notices of forthcoming events.
- It helps members to inform each other about their work.
- It gives extensive, often annotated, listings of written and other information and education resources.
- Membership is open to anyone interested. Members come from fields as diverse as health, economics, agriculture, administration and human rights.

Membership includes subscription to the Development Bulletin. A year’s subscription entitles you to: four copies of the Development Bulletin — news from the field — work in progress reports — international summaries — latest literature — conference reports — conference calendar.

Please find enclosed my annual membership/subscription fee:

<table>
<thead>
<tr>
<th>Membership Type</th>
<th>Within Australia</th>
<th>International</th>
</tr>
</thead>
<tbody>
<tr>
<td>Individuals</td>
<td>$60.00 + $6.00 GST</td>
<td>$70.00</td>
</tr>
<tr>
<td>Students</td>
<td>$35.00 + $3.50 GST</td>
<td>$45.00</td>
</tr>
<tr>
<td>Institutions</td>
<td>$160.00 + $16.00 GST</td>
<td>$170.00</td>
</tr>
</tbody>
</table>

Name __________________________________________________ __
Address ________________________________________________ __
Postcode ______________
Organisation ____________________________ Phone ____________ 
Fax _______________ 
E-mail ____________________________

Payment details:
- Cheque Please make payable to The Australian National University.
- Money order Please make payable to The Australian National University.
- Visa/Mastercard/Bankcard/Amex Name ________________________
  Card No. ____________________
  Expiry Date __________________

Complete this form and post or fax to:
Development Studies Network
Research School of Social Sciences
Australian National University
Canberra ACT 0200, Australia
Fax: 61 (0) 2 6125 9785
Email: devnetwork@anu.edu.au
Each year ACFOA does an analysis of the Australian Government's aid budget for the financial year ahead. On the positive side there were no severe cuts announced for 2001-02 but, given we are nearing an election, it was disappointing that there was no overall increase in aid. It remains at a historic low of 0.25 per cent of GNP or $1.725 billion in dollar terms. The budget papers also included a statement that total assistance to developing countries included an extra $1 billion, bringing the total to $2.725 billion - a claim that would represent 0.4 per cent of GNP. This extra $1 billion comprises mostly non-ODA eligible defence spending and forgone revenue from tax-deductible donations given to non-government aid agencies. ACFOA is concerned about the political implications of the government including these figures for the first time and is currently pursuing the matter.

Overview

- Budgeted Overseas Development Aid in 2001–02 of $1.725 billion maintains the budgeted aid ratio at 0.25 per cent of GNP - its lowest level - and keeps Australia at the bottom end of the OECD donor table (15th out of 23).
- There is an additional $125 million in expenditure, an increase in real terms of 6 per cent over budgeted ODA for 2000–01. However, much of this increase can be attributed to the inclusion of 'Other ODA', which is ODA eligible activities by state governments and Commonwealth agencies other than AusAID. For example, it includes assistance to East Timor provided by the Australian Federal Police.
- The 2001–02 aid budget provides mostly for a maintenance in real terms of aid flows to current programmes.
- The only significant new programme commitment is $2.5 million per year (up to $10 million over five years) as a matching contribution to voluntary giving for a polio eradication programme through Rotary International, WHO and UNICEF.

At a glance

- Aid to most country/regional programmes is maintained at around the same level in real terms, including aid to Indonesia ($121.5 million) and East Timor ($40.4 million).
- While Africa has received a 1.3 per cent increase in real terms over last year, present funding is now 35.7 per cent lower than in 1995–96.
- Aid to the Middle East is $9.9 million, an increase in real terms over last year.
- Aid to Papua New Guinea ($342 million) will increase by 4.5 per cent in real terms over last year to cover peacekeeping costs in Bougainville.
- Funding to Australian non-government organisation (NGO) programmes through the ANCP, Country Programs, Emergency Relief and Refugee Programs, and Volunteer Programs will increase slightly in real terms.
- The total amount budgeted for Volunteer Programs, adding Youth Ambassadors, is $18.6 million.
- There is a welcome increase in the Human Rights Fund (to $1.6 million), including support for the Asia Pacific Forum of Human Rights Institutions.
- There is a commitment of ongoing funding to the Centre for Democratic Institutions ($5 million to 2004).
- Funds to Emergency and Humanitarian Programs have effectively been reduced by $5 million (12.5 per cent) due to the shift of emergency funds into the Indonesia country programme, which has stayed at the same level.
- The aid budget includes the previously announced $11.5 million commitment to the HIPC Initiative but the federal budget has no new commitments to debt relief.
Long-term trends

Since 1995–96:

- Aid as a proportion of GNP (Australia’s national wealth) has dropped from 0.32 per cent to 0.25 per cent—that is, the Australian Government has allocated 22 per cent less in aid expenditure in just six years.
- In real dollars (net present dollar value allowing for inflation), aid is only 2 per cent higher, even with the addition of aid related to East Timor peacekeeping expenditure.
- Aid to Africa is down 35.7 per cent in real terms and to South Asia is down 12 per cent.
- Aid to the Pacific is up 20 per cent in real terms.
- Aid to East Asia is down 8 per cent in real terms when East Timor peacekeeping costs are excluded.
- Funding to NGOs has dropped 7 per cent in real terms.

Papua New Guinea

Total aid flows to Papua New Guinea in 2001–02 are estimated to be $342.9 million, an increase of $19.2 million over the budgeted figure for 2000–01 or a 4.5 per cent increase. This increase is due to the addition of expenditure by other government departments on Bougainville peacekeeping efforts.

Australian aid to Papua New Guinea represents one-fifth of total aid expenditure and focuses on governance, education and health, transport and infrastructure, renewable resources and assisting the peace process in Bougainville. Funding for the Incentive Fund will increase from $15 million in 2000–01 to $20 million in 2001–02, with a focus on infrastructure and the provincial implementation of key Papua New Guinea government policies in health, education and agriculture. There appears to be no increase in the Community Development Scheme budget, which has been more accessible to local civil society organisations.

![Graph: Australia's falling commitment to the world's poor](image)

Australia's falling commitment to the world's poor

Australian aid levels compared with the average effort of OECD countries

<table>
<thead>
<tr>
<th>Year</th>
<th>Australia</th>
<th>Average OECD</th>
</tr>
</thead>
<tbody>
<tr>
<td>1995-96</td>
<td>0.25</td>
<td>0.50</td>
</tr>
<tr>
<td>1996-97</td>
<td>0.25</td>
<td>0.50</td>
</tr>
<tr>
<td>1997-98</td>
<td>0.25</td>
<td>0.50</td>
</tr>
<tr>
<td>1998-99</td>
<td>0.25</td>
<td>0.50</td>
</tr>
<tr>
<td>1999-2000</td>
<td>0.25</td>
<td>0.50</td>
</tr>
<tr>
<td>2000-01</td>
<td>0.25</td>
<td>0.50</td>
</tr>
<tr>
<td>2001-02</td>
<td>0.25</td>
<td>0.50</td>
</tr>
</tbody>
</table>

Source: DAC Development Cooperation Reports 1982-2000

The average effort of OECD countries is the unweighted average of their ODA/GNP ratios.

Country and regional programmes

Overall regional distribution 2001–02 budget compared with 2000–01

<table>
<thead>
<tr>
<th>Region</th>
<th>2001-02 A$million</th>
<th>% of total</th>
<th>2000-01 A$million</th>
<th>% of total</th>
</tr>
</thead>
<tbody>
<tr>
<td>PNG</td>
<td>342.9</td>
<td>21.9</td>
<td>323.7</td>
<td>20.2</td>
</tr>
<tr>
<td>South Pacific</td>
<td>164.6</td>
<td>9.1</td>
<td>144.9</td>
<td>9.1</td>
</tr>
<tr>
<td>East Asia</td>
<td>551.6</td>
<td>28.0</td>
<td>487.6</td>
<td>30.5</td>
</tr>
<tr>
<td>South Asia</td>
<td>92.0</td>
<td>5.5</td>
<td>90.4</td>
<td>5.7</td>
</tr>
<tr>
<td>Africa</td>
<td>76.0</td>
<td>5.0</td>
<td>74.6</td>
<td>4.6</td>
</tr>
<tr>
<td>Middle East</td>
<td>9.9</td>
<td>0.6</td>
<td>8.8</td>
<td>0.6</td>
</tr>
<tr>
<td>Multilaterals</td>
<td>488.0</td>
<td>29.8</td>
<td>469.9</td>
<td>29.4</td>
</tr>
<tr>
<td>and other</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>1,725.0</strong></td>
<td><strong>100.0</strong></td>
<td><strong>1,599.3</strong></td>
<td><strong>100.0</strong></td>
</tr>
</tbody>
</table>

Governance

The government has maintained its expected increase in expenditure on governance and will focus on political and economic reforms consistent with the IMF and World Bank structural reform programmes. This includes financial advice to the Papua New Guinea government and capacity building in areas of economic and financial management.

Education

ACFOA supports the continued focus on universal basic education, vocational and technical training and teacher training, with a quarter of the Papua New Guinea budget allocated to education.

Health

Australian funding continues to support Papua New Guinea’s National Health Plan with a focus on women’s and children’s...
health and rural health services. Support will also continue for the National HIV/AIDS Support Program, the largest HIV/AIDS programme funded by Australia.

Infrastructure

Australian government aid will be spent on land and air transport, based on the need for efficient transport infrastructure as a prerequisite for economic development. There are concerns here about the balance between funding for food security and community based agricultural programmes as against rural infrastructure development, the government clearly favouring the latter.

Renewable resources

Funding for renewable energy resources has been halved but Australia will continue to work with the other donors such as the World Bank to focus on technical assistance to the forestry and environment sectors. Support will be maintained to the research and development activities of the Australian Centre for International Agricultural Research (ACIAR) and to upgrade the research facilities of the Papua New Guinea National Agricultural Research Institute.

Bougainville

The aid programme will maintain a commitment to the peace process, and will also assist in the re-establishment of the cocoa industry, maintenance of major coastal trunk roads, the upgrading of the wharf at Buka and the construction of a jetty at Kangi.

South Pacific

Total aid to the Pacific has increased by $19.7 million from a budgeted $144.9 million this year to an estimated $164.6 million for 2001–02 (a 12 per cent increase in real terms). The bulk of the increase is for governance and public sector policy reform, while maintaining in most cases current levels of real aid expenditure on Pacific nations.

There is no stated estimate in the budget papers for aid spending in Fiji or the Solomons. According to AusAID, this is due to the current instability of those two nations, whose changing political circumstances may affect the direction and priorities of future aid funding. ACFOA was assured, however, that existing humanitarian programmes in these nations would continue and that the overall amount of funding available to the Pacific and, therefore, we presume, to Fiji and the Solomons, would be maintained in real terms. There are few changes in the overall policy and funding directions of AusAID’s Pacific programme.

However, AusAID is in the process of developing a new three-year strategy for assistance to the Pacific. ACFOA is currently developing its own NGO strategy plan for engagement in the Pacific and we need to liaise closely with AusAID on future policy directions.

Fiji (TBA)

Australia will provide assistance to increase public confidence in the law and justice sector and for the conduct of Fiji’s elections, scheduled for August. Sanctions against Fiji will not be reviewed before a fully constitutional and democratic government is in place. Health projects are continuing, as are activities for basic education and small-scale projects.

Vanuatu ($19.5 million) (6.2% increase)

Ongoing support for governance, health and technical education programmes agreed to as part of Vanuatu’s Comprehensive Reform Program Action Plan.

Solomon Islands (TBA)

The aid programme will continue to support the peace process in the Solomon Islands, including the provision of resources for the International Peace Monitoring Team and support for the Solomon Islands Peace Monitoring Council and civil society groups. The programme will support rehabilitation and reconstruction projects with an emphasis on law and justice. The Community Peace and Restoration fund will continue to be supported.

Samoa ($15.1 million)

Public sector reform remains the priority along with funding for Samoans dependent on the village economy, particularly those living in remote areas.

Tonga ($11.8 million) (0.5% decrease)

Priorities will remain with public sector reform, health and education. A new project aims to improve the management of marine resources and to assist the Ministry of Fisheries to manage in-shore fisheries on an effective and sustainable basis. The Ha’apai Group of islands remains a focus, including its electrification project.

Kiribati ($10.7 million) (8.8% increase)

This includes a small increase to fund public sector reform programmes and outer island development through improved water supply, sanitation and land management.

Tuvalu ($3.7 million) (1.4% increase)

Includes ongoing support for teacher training and waste management programmes.

Other island nations ($13.8 million)

Australia will continue to provide modest assistance of approximately $13.8 million to the Federated States of Micronesia, the Marshall Islands, Nauru, Palau, the Cook Islands, Niue and Tokelau through training scholarships for students to study either in Australia or at the University of the South Pacific. Assistance to some of these islands also includes public sector reform programmes and infrastructure development.

East Asia

Indonesia ($121.5 million)

Aid to Indonesia has been maintained at just under the same real level as in 2000–01, but this includes a $5 million reallocation previously spent under Emergency and Humanitarian Programs. Overall, aid to Indonesia is 14 per cent lower in real terms compared with 1995–96.
In 2001–02, two major initiatives in the area of governance will commence. A Legal Reform Program will provide training and capacity-building assistance for judiciary and supervisory institutions and legal NGOs. The second phase of the ongoing Technical Assistance Management Facility will mobilise short-term technical assistance to support economic and financial reforms in the public sector. New health activities will include strengthening HIV/AIDS and STD prevention and care, and improving maternal and neo-natal health care and planning services within the context of assisting them to cope with the decentralisation process. There will also be a significant expansion in the area of primary education. Note that approximately $5 million of emergency funding previously allocated through the Emergency and Humanitarian programme for Indonesia, has now been included in the overall Indonesia country allocation but without any overall real additional funding for Indonesia.

**East Timor ($121.8 million)**

Excluding flows from other government departments (mainly Defence for peacekeeping activities and the Australian Federal Police), total flows from the aid programme to East Timor in 2001–02 will be $40.4 million, roughly the same as in 2000–01. Key sectors of Australia's effort are education and training, health, rural development, water supply and sanitation, and governance.

Activities in 2001–02 will also focus on helping to build government and administrative capacity to prepare for the handover of government responsibilities after independence and will include support for the development of taxation systems, land administration systems, and English language training. The aid programme will support a functional parliament building and assistance in preparation for the elections, scheduled for later this year.

**Philippines ($63.5 million)**

There is a slight decrease in real terms from 2000–01. The focus of Australia's assistance to the Philippines continues to be on the four poorest provinces in the southern Philippines, including Mindanao, via the four key livelihood areas of rural income, the environment, education and health. The programme will support the commitment by the Philippines Government for a peaceful resolution to the civil conflict in Mindanao.

**China ($56 million)**

There is a decrease in real terms of 4.0 per cent from 2000–01 and 17.2 per cent in real terms from 1995–96. The programme focuses on governance, health, education, and rural development and environment. There is specific support for a new Australian project in HIV, the completion of clean water and primary health care in Tibet, implementation of vocational education in Chongqing municipality, plus rural household poverty and desertification/soil erosion. Australia continues to support the Human Rights Technical Cooperation Program.

**Vietnam ($73.3 million)**

There is a slight increase compared with 2000–01. The programme will develop and implement new activities in rural development, governance and education. In education, efforts will concentrate on primary schooling for disadvantaged children and increased numbers of scholarships for study at Australian universities. The aid programme will continue to assist the Government of Vietnam's programmes of institutional and policy reform, especially in the priority areas of economic integration and public sector management reform.

**Cambodia ($38.5 million)**

Maintenance of same as 2000–01 (an increase of 0.2 per cent), and overall (11.7 per cent higher than the allocated budget for 1995–96). The programme will continue to focus on agricultural productivity and profitability, primary health care services, education and training. Australia will continue to provide operational support for the Cambodia Mine Action Centre and the second phase of the criminal justice capacity building, as well as support for institutional strengthening in education and training, agriculture and health.

**Thailand ($25 million)**

In real terms, this budget allocation is almost the same as for 2000–01 but, more significantly, it represents a 37.9 per cent decrease from the budget allocated under the previous government in 1995–96. The aid programme will continue to focus on economic and public sector governance, targeting rehabilitation of the banking and finance sector. Australia has allocated $10 million for a three-year capacity-building facility for short-term technical assistance and training, a statement also made in the budget for the previous year. Mitigation of the negative social effects of the financial crisis will continue through the Australian Community Support Scheme.

**Lao PDR ($18.8 million)**

There is a decrease in real terms of 9.1 per cent from 2000–01. A key focus continues to be on supporting primary health services. In 2001–02 NGO activities will include HIV/AIDS awareness and clean water and sanitation. Attention will also be given to rural development and broader access to education.

**Burma ($4.4 million)**

Australia's programme of humanitarian assistance will focus on basic health and HIV/AIDS control, channelled primarily through Australian NGOs and multilateral organisations. In Thailand, Australia provides assistance to refugees on the Thai–Burma border and partly funds a distance education project for Burmese refugees. Funds also assist reintegration of displaced persons returning from Bangladesh.

The Australian Government is considering options to continue training activities for Burmese civil servants in international human rights law and practices.

**Mongolia ($3.2 million)**

There is a 4.4 per cent decrease in real terms. Focus continues to be on institutional strengthening, particularly in areas such as financial reform and aid coordination activities. The programme is also supporting HIV/AIDS and water access projects.
South Asia

There is a 0.6 per cent increase over the last year, although compared to 1995–96 South Asia has suffered an 11.8 per cent decrease in real terms. The South Asia programme has four core focus areas: strengthening the capacity of governments to manage the delivery of more effective services; improving health outcomes, including reducing the spread of HIV/AIDS; strengthening primary education, especially for girls; and supporting efforts to improve natural resource management (especially water) and rural development.

Bangladesh ($37 million)

There is continued support to achieve food security, improve access to basic education for girls, mitigate arsenic contamination of drinking water and enhance income generation in the North West and Chittagong Hill Tracts through microfinance activities.

India ($20.5 million)

A targeted programme, increased by 4.7 per cent in real terms, focuses on education, health and water supply and sanitation programmes. The geographical focus is on the poor but 'reformist' northeast, Sikkim and Himachal Pradesh.

Sri Lanka ($11 million)

There is a decrease of 3.1 per cent in real terms. There is support for government capacity building to deliver services, particularly in environmental management and health. Also assistance goes to communities affected by the conflict in the north and east to resettle in more peaceful areas.

Nepal ($7.9 million)

There is support up 1.2 per cent for improved community management of natural resources, the development of human resources (through new scholarships for 22 students to study in Australia) and initiatives to combat the spread and effects of HIV/AIDS.

Pakistan ($4.5 million)

Funding is up 0.9 per cent in real terms compared to a 6.4 per cent decrease last year. There is a focus on basic education for girls and improved community management in the reclaiming of salt-poisoned land in the Punjab through an agro-salinity project.

Maldives ($3.4 million)

Human resource development through tertiary education in Australia remains a high priority. Assistance will also aim to alleviate poverty in the outer atolls through better environmental resource management.

Bhutan ($1.1 million)

There is support for 10 new scholarships and primary health care in selected areas.

Afghanistan

There is an extra $400,000 to $1.3 million.

Africa, Middle East and other

Total funding to Africa and the Middle East programme allocations has risen from $82.8 million last year to $85.9 million this year.

Africa ($76 million)

There is a 1.3 per cent increase in real terms. $60.1 million is allocated to Sub-Saharan Africa, continuing the programme focus on Mozambique ($10.1 million) and South Africa ($10.1 million). The programmes focus on poverty reduction in southern Africa, and the prevention of the spread of HIV/AIDS in the region. The present funding level is still 35.7 per cent lower than the $108.7 million allocated in 1995–96 under the previous government.

Middle East ($9.9 million)

There is a 10.9 per cent increase in real terms. The bilateral programme which was set to finish on 30 June this year, will continue to assist Palestinians in the West Bank, Gaza, and refugee camps, through UNRWA and NGOs 'in the short to medium term'.

Multilateral and international programmes

Multilateral banks

Multilateral banks have received an increase of approximately $14.1 million in 2001–02 to a total of $260.1 million. Of this, $112 million goes to the Asian Development Fund (ADF), $135.1 million to World Bank IDA, $11.5 million to the HIPC initiative for debt relief, and $1.5 million to the International Fund for Agricultural Development (IFAD). The major increase is to the IDA of $21.7 million, at the conclusion of the 13th replenishment, with a reduction of $8.2 million to the ADF.

It is observed that the major focus will be on engagement with the multilateral development banks, focusing on their 'effectiveness as development partners in the Asia-Pacific region and to deepen their internal reform processes'.

No new commitments to debt relief are announced. The commitment to Nicaragua's debt relief, announced on 2 February 2001, is still to be implemented and debt relief to Ethiopia when that country becomes eligible.

UN organisations

Total funds for UN organisations in 2001–02 are $79.9 million, up from $61 million in 2000–01, but the figure now includes UNHCR ($14.3 million) and UNRWA ($3.8 million) which were previously grouped under emergency aid. The implications are that for all other UN agencies there is a decline in real terms, and an absolute decline in funding for UNIFEM. Commitments made include $44.3 million to WFP, which has increased from $43.7 million, $7 million for UNDP, and $4.9 million for UNICEF.
## Sectorial analysis

<table>
<thead>
<tr>
<th>Sector</th>
<th>Direct expenditure 2001-02</th>
<th>Direct expenditure as % of overall budget estimate 2001-02</th>
<th>Direct expenditure 2000-01</th>
<th>Expenditure focus for government policy priorities (% refers to portion within allocation)</th>
</tr>
</thead>
</table>
| Governance                     | $295 million                | 17%                                                         | 15%                         | Public sector reform 34$ (up from 32% last year)  
Legal and Judicial development 12% (last year 11%)  
Economic management 20% (last year 22%)  
Civil society and human rights 34% (last year 31%)  
Notable governance initiatives:  
* ongoing funding totalling $5 million up to 2004 for the Centre for Democratic Institutions  
* increase of $0.3 million for the Human Rights Fund, with strong support for the Asia Pacific Forum of national Human Rights Institutions  
* in Papua New Guinea - six-year Community Development Scheme will channel financial and technical support to civil society to enhance participation in the development process (no increase in funding)  
* in China - continuance of the Human Rights Technical Cooperation Program (financial allocation not given)  
* In Burma - 'considering options' of continuing the Human Rights Initiative |
| Agriculture and rural          | $230 million                | 13%                                                         | 14%                         | A move to focussing on projects with long timeframes and clear objectives and away from complex multi sector projects. A priority is helping subsistence farmers to improve food security and nutritional status and to generate additional cash income  
ACIAR funding is to be maintained in real terms |
| Health                         | $205 million                | 12%                                                         | 11%                         | Basic health care and infrastructure (37%)  
STD control (19%)  
Infectious disease control (12%)  
Family planning and reproductive health care (9%)  
Health policy and admin. management (8%)  
Medical services (8%)  
Medical education (3%)  
Population policy and admin. management (2%)  
Other (2%)  
The only significant additional program is up to $10 million over 4 years to a global programme to eradicate polio  
$27.6 million will be spend in 2001-02 as part of the six year $200 million initiative on HIV/AIDS |
| Education                      | $310 million                | 18%                                                         | 18%                         | Higher education (49%)  
Basic education (23%)  
Technical and vocational education (18%)  
Secondary education (8%)  
Unspecified level (2%)  
Increases in technical and vocational education and basic education up from 14% and 21% respectively, continuing progress made since the 1996 policy change |
 Sectorial analysis contd.

<table>
<thead>
<tr>
<th>Sector</th>
<th>Direct expenditure 2001-02</th>
<th>Direct expenditure as % of overall budget estimate 2001-02</th>
<th>Direct expenditure as % of overall budget estimate 2000-01</th>
<th>Expenditure focus for government policy priorities (% refers to portion within allocation)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Infrastructure</td>
<td>$220 million</td>
<td>13%</td>
<td>16%</td>
<td>No information is given on the distribution of infrastructure funds but the emphasis is on:</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>• enabling environments for both private and public financing and management of infrastructure;</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>• supporting human resource development and capacity building in infrastructure; and</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>• improving poor people's access to essential infrastructure such as water supply and sanitation, transport and energy.</td>
</tr>
<tr>
<td>Environment</td>
<td>$70 million</td>
<td>4%</td>
<td>4%</td>
<td>Priorities: improved water, waste and natural resource management, biodiversity conservation, climate monitoring and renewable energy. Includes a training programme to support new guidelines in the 1999 EP and BC Act, to participate in 2002 Rio plus 10 activities and to work more closely with Environment Australia.</td>
</tr>
<tr>
<td>Gender</td>
<td>No figure given</td>
<td>No figure given</td>
<td>3%</td>
<td>No direct funding for gender activities was identified, despite the recognition of links between development, growth and gender disparities. It is estimated that $450 million will be spent indirectly on activities promoting gender equality. Funding to UNIFEM will be reduced by 6% in real terms. Notably, UNIFEM receives the smallest level of funding of all UN agencies.</td>
</tr>
</tbody>
</table>

**International health**

There is an increased allocation for international health programmes, to $13.9 million, up in real terms by 23.5 per cent. The programme continues to focus on persistent health problems, including TB, poor child, adolescent and maternal health, HIV/AIDS and a continuing commitment to women's reproductive health.

Headlining AusAID's budget summary was the announced commitment to a Rotary International multi-year polio eradication programme in partnership with WHO, UNICEF and the US Centers for Disease Control. AusAID is committed to a total of $10 million, matching corporate contributions dollar for dollar up to 2005.

**International environment**

There is to be an increase to the Global Environment Facility, with an allocation of $9.5 million (from $7.7 million), and an increase to the Montreal Protocol Multilateral Fund, which will receive $4.5 million (up by $1.6 million). These increases reflect Australia's continuing efforts to assist the mainstreaming of global environment concerns into the policies of developing countries and multilateral organisations in the lead up to next year's World Summit on Sustainable Development.

**Commonwealth organisations**

$11.6 million will be allocated to Commonwealth organisations, with continued increased allocations to the Commonwealth Fund for Technical Cooperation and to the Trade and Investment Access Facility. The increase of $1 million to the Commonwealth comes as Australia hosts CHOGM in Brisbane in October 2001.

**Non government organisations**

Total official aid through NGOs in 2001–02 is expected to be $115.6 million. This is $4.5 million more than the 2000–01 budget but a 0.1 per cent real drop compared with the 2000–01 expenditure of $114.1 million.

- The $26.7 million allocated to NGOs through the ANCP represents a slight increase in real terms over the 2000–01 budget.
- Emergency Relief and Refugees receive $22 million, which is a 27.6 per cent increase over the 2000–01 budget of $17 million. However, estimates for 2000–01 show expenditure of $22 million, an increase of $5 million over the budget.
- NGO Country Programs receive $15.6 million, which represents a 15 per cent increase on the 2000–01 budget of $13.4 million. However, estimates for 2000–01 show expenditure to be $15.5 million which is an increase of $2 million on the budget.
- Volunteer programmes (not including the Australian Youth Ambassadors Development programme) receive $13.3 million, which is a 0.5 per cent increase on the 2000–01 budget of $12.8 million.
- The total budget to Australian NGOs is $87.3 million, which represents a 0.1 per cent decrease in real terms from the 2000–
estimate expenditure of $86.2 million, but a 3.7 per cent increase on the 2000–01 budget figure of $83.1 million.

• The budget for local and international NGOs remains the same at $28.3 million (a 0.3 per cent decrease in real terms).

The main trends in NGO funding for 2001–02 see small increases over the previous budget, but small decreases over actual expenditure for 2000–01.

Emergency and humanitarian programmes

Funding for humanitarian aid has reduced by 12.5 per cent, from $51.7 million to $45.9 million. This reduction, according to AusAID, is based on the fact that approximately $5 million previously allocated to Indonesia for emergency activities has now been incorporated within the Indonesian country programme allocation to allow for greater flexibility.

Funding for the International Committee of the Red Cross has increased from $1.4 million to $2.2 million, while the emergency aid funding allocation remains about the same at $37.5 million.

Funding for UNHCR and UNWRA, previously included under this programme and now included with other UN organisations, has increased from $17.1 million to $18.1 million, or 4.4 per cent.

In 2001–02, emergency and humanitarian assistance will focus on humanitarian crisis response and conflict prevention in the Asia-Pacific region, while maintaining a continued global response to international humanitarian crises as they emerge. Specific initiatives include incorporating disaster preparedness and conflict prevention into bilateral programmes, improving transition between relief, recovery and development activities, greater support for vulnerability reduction and local capacities for peace initiatives and continued commitment towards landmine action activities.

Outreach activities and development education

Spending on media, outreach, publications, Internet and global education activities in 2001–02 is $2.3 million, a slight decrease in real terms compared with the previous year, but over 11 per cent more than in 1995–96. The focus will be on outreach activities at shows, trade and business forums, universities and schools, professional development of teachers in global education studies and the online delivery of information and new online services for specific stakeholders.
Sustainable Project Management (SPM) is a non-government organisation (NGO), registered in Geneva in 1994. SPM was created, following the Earth Summit in 1992, to develop and structure 'eco-efficient' public-private partnerships (PPPs) in the US$5–50 million investment range. The objective is a convergence of economic and ecological benefits in that the partnerships create locally owned, sustainable businesses that use environmentally friendly technology to provide improved waste, water and energy services to developing communities.

The job creation function of the new business and the concomitant contribution this makes to poverty alleviation in a developing community are an important part of SPM's programmes. Our philosophy is that in order for a developing nation to participate in, mitigate and/or benefit from globalisation, employment at the community level needs to be sustainably created.

A definition of sustainable development

In 1987 the UN Commission on Environment and Development defined sustainable development as 'development that meets the needs of the present without compromising the ability of future generations to meet their own needs'. Although there has been much debate in the ensuing 14 years about how this concept could be more accurately defined or developed as a theory, SPM has always used this definition as a central principle when creating new PPPs. By emphasising local ownership through the public sector partner of the new business and by using eco-friendly technology, SPM has sought to ensure that the resulting waste, water or energy companies will supply services to today's communities without damaging the future ability of those communities to continue providing those services.

The policy framework for development

In reality, however, there has only been very modest progress towards such sustainable forms of development since 1992, so it seems appropriate to focus on why and what could be done differently. The Summit produced Agenda 21, a comprehensive review of areas for policy change. Since then the bulk of the effort at the international and national level has been debate on policy matters, including discussion of the 'enabling environment for sustainable development'. Not much has happened of a practical nature. That should not be surprising. In 1972, the OECD member countries officially adopted the concept of 'polluter pays'. These were the countries who could best afford to adopt this policy. How much has actually happened? Again, not much. The point is that the continuing policy debate about the enabling environment is probably useful but should be seen as very long-term and therefore ought not to engage more than 10 per cent of donors, development banks, UN or government resources (people and money) currently deployed in support of sustainable development.

Beyond that, SPM believes that the development challenge today is essentially about 'investment'. The continued use of programmes and consultants that play an advisory
role to the developing world has clearly been seen to have failed by many independent observers. SPM would argue that international institutions and governments interested in supporting sustainable development over the next 10 years have to think in investment terms, sharing some risk, and helping to underwrite the process of change. This approach will in turn drive the policy debate and make it real.

The problem

Basic human rights include the right to a humane living environment, including essential 'public services' such as safe drinking water, sewage disposal, and municipal sanitation. These services go hand in hand with access to other essential needs such as food, basic medical care, education, housing, energy supply, employment and a rule of law. Together with a stable, peaceful government and a sound economy, all peoples ought to enjoy a humane level of life.

The services mentioned above are largely provided for and taken for granted by the 'developed' peoples of the world. But there are entire populations, sub-groups within developed societies and pockets of peoples within all countries who still lack adequate levels of these services. SPM sees both an opportunity and some responsibility to find ways to address these needs.

Many people suffer from inadequate and unsafe drinking water. This is far and away the most critical challenge facing the developing world. Sicknesses abound that can be readily abated with an adequate treated water supply. Proper treatment and disposal of sewage is essential to keep contaminated waters from recirculating back into the public water supply. The collection and safe disposal of all municipal garbage and medical wastes also removes these contaminated materials from public contact.

The World Health Organization (WHO) states that 'every day an estimated 30,000 people die worldwide from the lack of adequate water and sanitation'. Think of those 30,000 as people in a nearby community, or perhaps in your own community. It is like an entire city dying every day because they lack something that we take for granted: safe drinking water and the sanitary management of solid wastes and sewage.

WHO also estimates that 75 per cent of all diseases suffered by humanity globally are directly connected to poor sanitation and inadequate water supplies. The pathogens in human waste cause about 30 diseases, including killers such as cholera, typhoid, dysentery, hepatitis, schistosomiasis, and the crippling parasitic Guinea worm. Because we have excellent and abundant water supplies in the developed world, we are shielded from the horrors of these diseases that ravage peoples elsewhere.

The UN Development Programme estimates that more than one and half billion people worldwide lack clean water and that about 1.8 billion people lack adequate sanitation. Four out of five common diseases in developing countries are linked to either infection from dirty water or the lack of sanitation.

The development problem

Current approaches to solving infrastructure development problems are fraught with difficulties and frustrations. These can be summarised as follows:

• The developing world is overburdened with studies (pre-feasibility, feasibility, technical, financial), financed by external agencies. A large number of these are so broad or far-reaching that they are out of date or need reviewing upon completion, or are so detailed and technically demanding that they never move off the shelf of the governmental or other agency for which they were commissioned.

• The transaction costs, the delays and the failure rates associated with infrastructure projects are increasingly a detriment to major contracting groups and external investors, without whose resources such projects are often inconceivable.

• The pattern of economic and financial 'shocks' affecting the macroeconomic environment for such projects is a growing obstacle to external participants.

• The ability of national public sector entities and personnel to manage and coordinate a complex project development process is limited.

• There is a continuing battle with corruption, with the developed world accepting corruption as a 'cost of business' and the developing world maintaining the status quo.

• The pros and cons of wholesale privatisation are increasingly being considered, particularly in the field of public services.

• The traditional process of designing and implementing an infrastructure project provides inadequate opportunities for technology transfer and capacity building.

One approach therefore lies in modifying:

• the nature and mechanics of the contractual relationship between the public sector and the private sector;

• the methodology of infrastructure projects, including project definition, design, development and execution; and

• the respective roles of the local and international contractors, consultants and local government units.

The SPM solution

There are many possible solutions, but certain elements are clear. The response must be integrated, it must be global and it must be balanced in terms of the social, economic and environmental results. Solution providers in the private sector that do not consider these elements of sustainability will find themselves at a competitive disadvantage. Much the same can be said of the public sector.

Historically it has been the practice of government to adopt various environmental regulations to protect the quality of the environment. However, experience shows that reliance upon environmental compliance targets that are set by regulation is not a guarantee for successful elimination of basic infrastructure problems. (And this is with an adequate enforcement programme.) This regulatory approach ignores many underlying economic and social realities, for example that social progress is driven by economic
growth. It does not consider the interdependence of many human activities. And it has little regard for wider issues such as levels of educational attainment, living standards and employment opportunities, all of which have an impact on people's ability to behave in a sustainable way. To be sustainable, we need a sustainable world.

The formation of partnerships between the public and private sectors is one of the most promising of the newly emerging forms of cooperation that truly goes to the heart of sustainability. Through public–private partnerships, municipal authorities and companies can pool their resources, expertise and approaches to problem solving to tackle urban challenges in a comprehensive way.

What are PPPs?
Public–private partnerships are a form of privatisation in which government and private companies assume co-responsibility and ownership for the delivery of infrastructure services. Through these partnerships, the advantages of the private sector – dynamism, access to finance, knowledge of technologies, managerial efficiency, entrepreneurial spirit – are combined with the social responsibility, environmental awareness, local knowledge and job generation concerns of the public sector.

Just as importantly, a PPP can mitigate the inherent distrust that often exists between the public and private sectors, producing a well-structured partnership that allows transparency and some common goals.

The mixed capital public–private partnership
The development of a model that aims to solve some of the problems outlined above, in which the public sector is strengthened and retains a tangible economic stake, also transfers useful experience in running profitable public services, hence the concept of a mixed capital business to provide services in the areas of water, waste and energy: the mixed capital public–private partnership (MC–PPP).

The MC–PPP provides a number of benefits to the public sector:
- a less radical alternative to sometimes controversial wholesale privatisation;
- a more transparent and pro-active manner of engaging the private sector;
- a defence against accusations of selling off developed state-owned assets to commercial interests;
- the maintenance of partial ownership and management responsibility of its own assets, through the exercise of shareholder voting rights;
- enhanced managerial performance within the venture and through the capacity building inherent in the model;
- access to proven leading-edge technologies;
- improved transparency through involvement in the business, from implementation through to operation;
- a way to preserve the political responsibility and benefits of a public service better provided.

Overall, SPM has introduced the MC–PPP approach to some 20 governments and various regional or municipal authorities around the world. A number of local and international private sector corporations in the fields of water, waste and energy have become aware of (and in certain cases actively involved in) these projects, as well as the World Bank and some of the regional development banks, most notably the EBRD, the IADB and the ADB. NZODA has been a core donor to the MC–PPP programme since 1996 and SPM uses that support for its Asia/Pacific projects. NZODA's grant this financial year is NZ$500,000. Presently, in this region, SPM is developing PPPs in the Philippines, Samoa and the Cook Islands.

The MC–PPP programme consists of a number of elements:
- a unique international network that is tackling urgent environmental and infrastructure problems in developing countries;
- an innovative new approach that aims at turning environmental challenges into viable business opportunities and sustainable, economically sound and socially conscious investments;
- a leveraging mechanism by which the international community and developing country municipalities can unlock and focus significant levels of private sector investment into vitally needed services that also provide access to needed technologies;
- a tool for building effective, 'win–win' partnerships between public sector institutions and private sector urban services, rather than simply selling off to private concerns the public services that authorities can no longer afford to operate;
- funding that is directly applied to potential solutions to these challenges (no resources are channelled to the establishment of bureaucracies, or to maintaining institutions); and
- a mechanism through which pricing arrangements can be negotiated which allow the user fees to be driven by real project financing requirements. Unlike power or telecoms, there is no organised market for waste, water or energy.

The selection of projects and partners
In order to be eligible, a project must:
- address a problem that is a priority for local authorities and the central government and also a common concern shared by other communities in the region;
- establish a functioning MC–PPP, not simply a privatisation of public services (public administration must be engaged and have an active interest and participation in the project);
- demonstrate a strong potential, including the probability of reasonable profitability for attracting potential private sector partners;
- help to improve local social conditions through job creation, improvement of public services and enhanced living conditions; and
• provide opportunities for technology transfer and capacity building.

The PPP programme uses a transparent process to identify suitable private sector partners, based on clearly defined criteria:
• willingness to contribute to the cost of the project's feasibility studies;
• ability to invest in the new company when it is formed;
• experience in operating the eco-efficient technologies being considered by the new company; and
• willingness to strongly support and advocate eco-efficiency and local participation.

The benefits of the MC-PPP

The experience of privatisation in developing countries to date indicates that private corporations, NGOs and informal sector enterprises have potential advantages over government agencies in providing some of these services. The private sector can provide lower production costs, more efficiency in service delivery and greater capacity to maintain capital equipment. It can often offer consumers greater choice and make decisions faster and more efficiently than public bureaucracies. It has access to the latest technological advancements and can undertake research, allowing for more flexibility in adjusting the types and levels of services to changing needs. It can also reduce the financial burden on governments for wages, operating costs, debt servicing and investment. Today, more than $120 billion of private international capital flows into developing countries; hundreds of billions more of private domestic capital is also invested within countries. Yet little of this is specifically directed at meeting social needs through environmentally sound approaches. One of the main objectives of the SPM programme is to re-direct a percentage of these investments.

The MC-PPP model is most applicable when the community under consideration has made some progress with basic standards of living. Poverty alleviation at the most critical level is not a workable PPP environment, as there is often insufficient capital in circulation to pay for the barest of services. However, the most critical environmental problems arise in communities that have already climbed onto the development track.

The community elements in the MC–PPP approach

One of the great advantages of the model is its flexibility. Although a set of principles is applied to projects, the criteria for measuring an individual project's success are always specifically developed, thereby ensuring the resulting business produces outcomes of direct benefit to the local community.

An important way in which this achieved is through community consultation during each phase of development. Consultation with a wide variety of groups is a vital element in any project's success. SPM believes a key tenet of sustainable development is that the inclusion of groups previously disenfranchised in infrastructure-type projects, such as ethnic minorities, women, and the elderly, is vital if long-lasting improvements are to be made to an entire community's living standards. There are unfortunately too many examples of how projects designed to solve infrastructure problems have failed because there has been no substantive involvement of community groups who can show how the proposed project will actually provide benefits or produce new problems.

SPM therefore involves a wide cross-section of organisations in the development of PPPs. Creating employment opportunities through the new venture which are in keeping with a community's economic, social and cultural values can only be realised if that community has a say in how the business is designed. It is, after all, the creation of a liveable environment which is at the heart of the MC–PPP approach and which has been proven to be possible using this new tool.
NGOs and corporate power: is there a win-win solution?

John Braithwaite, Australian National University

Introduction

In 1995 for the first time, the majority of the world’s largest economies were not states but multinational corporations. Bill Gates owns more wealth than a number of the poorest states combined. In part, that situation exists because Microsoft has managed to control critical aspects of the architecture of the emerging information superhighway.

The US anti-trust case against Microsoft is a step in the direction of some regulation by the US state. But that gives developing countries little assurance that the architecture of global information systems will be designed to give them a chance to share fully in the benefits of these new opportunities.

A code of conduct for corporations?

The obligations of multinational corporations to transfer technology to developing countries were part of the draft UN Code of Conduct for Transnational Corporations which the USA finally killed in 1995. Work on that code started in the environment of the mid-1970s, after ITT’s involvement in the coup to overthrow the democratic government of Chile (to install General Pinochet), and after Lockheed and other US defence corporations were found to be bribing defence ministers all over the world to sell more military hardware.

The USA did not want the code because it imposed a large set of ethical obligations on multinational corporations, without giving them sufficient rights to invest wherever they wanted. The Multilateral Agreement on Investment (MAI), which non-government organisations (NGOs) and developing countries killed in 1998, did just the opposite. It gave corporations a lot of new rights to free movement of investment (and protection from expropriation), without imposing obligations on investors to protect the environment, to honour consumer protection standards, to guarantee equal employment opportunities for women and other core labour standards, to respect human rights and to assist the development of the countries in which they invest through the transfer of technology to locals.

After the failure of an agreement that imposed lots of obligations on multinationals and gave them few rights to a more liberal investment regime, and the failure of another that offered them less of rights and no obligations, after win-lose and lose-win for the developing countries and multinationals, is it not time for win-win? Time for an agreement that imposes heavier development, human rights and environmental obligations on multinational corporations in return for a more liberal global investment regime – an enforceable Code of Conduct for Multinational Corporations?

Such an agreement was never a prospect with the MAI because of the secretive way the negotiations were conducted, keeping NGOs and developing countries in the dark. The OECD was the wrong place for the MAI to be negotiated, because it excluded developing countries. Developing countries are those most in need of socially responsible investment, investment that creates sustainable development as opposed to the kind that BHP provided at Ok Tedi – hugely reducing the sustainability of agriculture around the Fly River system in Papua New Guinea – or the kind that Esmerelda Mining afflicted on the major rivers of Eastern Europe.

How can it make sense to exclude the stakeholders most in need of ethical investment and most at risk from unethical investment? The lesson of the MAI is that the developed economies can no longer be so arrogant as to hand the developing countries a fait accompli on something so vital to their futures.

Strategic alliances

During the Cold War, even though developing countries had very different interests from the Soviet Union, a coalition of the Second and Third Worlds could sometimes defeat the First World in international forums. The demise of that option, with the Soviet bloc collapse, has weakened the geopolitical position of developing countries. However, post-MAI, post-Seattle, the new possibility is that joint resistance from developing countries and global NGOs might be just as effective against conspiracies of North Atlantic corporate power. Again, this may be true notwithstanding the fact that Northern NGOs and developing countries often have different interests.

Win-win outcomes on matters like investment will happen only when developed and developing countries, multinational corporations and NGOs can all shape the result.

However, for there to be win-win between NGOs and big business, sometimes it will be necessary to ‘divide and conquer’ business. This can be done. An example is the Montreal Protocol on Ozone Depleting Substances. Twenty years ago there was a successful campaign against McDonalds in relation to its styrofoam packaging. That was a few years after green groups in the USA had successfully lobbied for amendments to the Clean Air Act in respect of ozone-depleting substances. The USA and Sweden were the only countries that banned chlorofluorocarbons (CFCs) in the 1970s.
The US environmental movement succeeded on this in 1977, while the European groups failed, because US industry opposition was simply less fierce. Why? The dominant US manufacturer of CFCs, DuPont, also had global leadership in developing CFC substitute technology. DuPont rightly wondered if European competitors would be forced to buy the DuPont technology if they rolled over on the ozone campaign. Once the US environmental groups had won the ozone campaign, it was definitely the case that US business, and therefore Ronald Reagan, were now on the side of the greens. They had a strategic trade interest in forcing European and Japanese business to move up to the standards they had already been forced to meet and in doing so buy the US CFC-substitute technology. And we know the history. The Montreal Protocol was signed in 1987. It still stands, I suspect, as the most effective global environmental agreement ever signed, making a real difference to the closing of the ozone hole.

The lesson is that it is possible for NGOs to use strategic trade thinking to divide and conquer business. While unified global business will almost always defeat a unified green movement, an alliance of a unified green movement and American business can defeat European business. The other way round, an alliance of united greens and European business can defeat American business. My new book with Peter Drahos, Global business regulation, gives examples of both.

In that book we found that NGOs are mostly weak players in debates over global business regulation. Yet no single actor or any single mechanism of globalisation can explain how globalisation occurs. We found that changing multinational business conduct requires a whole web of controls. NGOs can enrol a credible web of controls through learning how to pull the right strands at the right moment. They can trigger global change, and have done so, as we have seen in cases like Ralph Nader’s impact on motor vehicle safety regulatory standards or the impact of Greenpeace and other NGOs on whaling. The Internet is now supplying a more literal web of citizen control. This is also important to understanding the change manifest in the MAI and Seattle campaigns.

The early-mover advantage

There is a world system dynamic that creates a competitive race to the bottom with regulatory standards over matters such as the environment. Pollution havens. Move to where the regulatory costs will be lowest. But there is another kind of world system dynamic that enables ratcheting up of standards, as in the Montreal Protocol. The intellectual challenge for social movements is to understand the difference between the lowest common denominator dynamic and the highest common factor dynamic, to learn how to intervene strategically through our lobbying to encourage the ratcheting up dynamic and discourage lowest common denominator ethics.

One lesson we need to learn is from Michael Porter’s influential book, The competitive advantage of nations. He shows that it is not necessarily good business for firms to locate where regulatory costs are lowest. On the contrary, he offers business the following advice on the basis of a considerable amount of empirical analysis of what makes firms internationally competitive:

Establish norms exceeding the toughest regulatory hurdles or product standards. Some localities (or user industries) will lead in terms of the stringency of product standards, pollution limits, noise guidelines, and the like. Tough regulatory standards are not a hindrance but an opportunity to move early to upgrade products and processes.

Find the localities whose regulations foreshadow those elsewhere. Some regions and cities will typically lead others in terms of their concern with social problems such as safety, environmental quality, and the like. Instead of avoiding such areas, as some companies do, they should be sought out. A firm should define its internal goals as meeting, or exceeding, their standards. An advantage will result at other regions, and ultimately other nations, modify regulations to follow suit.

Firms, like governments, are often prone to see the short-term cost of dealing with tough standards and not their longer-term benefits in terms of innovation. Firms point to foreign rivals without such standards as having a cost advantage. Such thinking is based on an incomplete view of how competitive advantage is created and sustained. Selling poorly performing, unsafe, or environmentally damaging products is not a route to real competitive advantage in sophisticated industry and industry segments, especially in a world where environmental sensitivity and concern for social welfare are rising in all advanced nations. Sophisticated buyers will usually appreciate safer, cleaner, quieter products before governments do. Firms with the skills to produce such products will have an important lever to enter foreign markets, and can often accelerate the process by which foreign regulations are toughened (Porter 1990: 585-6, 588, 648).

Firms that have upgraded their standards early because they are located in a state that has already moved to higher standards have an interest in making Porter’s prediction come true. They will not get the predicted early-mover advantage unless other states follow the lead of their home state. So the NGO analysis is to ‘model monger’ among nations that might be attracted to their reformist regulatory model until they find one so convinced of the attractions of the model that they and their firms believe they may get a strategic trade advantage through being first to require it. Then it is necessary to work with those firms to help them to reap that advantage by lobbying together for a global standard. The NGO puts the win-win proposition to them: ‘We are going to help make money for you by campaigning in this country, and then globally, for the standard that gives you an early mover advantage’.

Conclusion

There are in fact many weapons for the weak in the face of globalisation. The one I have developed here is to search for win-win outcomes with the strong. The fact that what is win-win with one element of big business may be win-lose with another need not matter; moreover, their competitive divisions in global markets
can be a strategic asset for NGOs. If we are to make progress with enforceable codes for multinational business that offers some protection to the poor and some opportunities for the poor to benefit from transfer of technology, resorting to some of these NGO strategies for prising open divisions in competitive markets may be needed.

References


North–South relationship: partners or pawns?

Anna Malavisi, Project Manager for United Nations Association International Service,
Bolivian Field Office

The development agenda is constantly being criticised for its evident limitations and failings in attempting to improve the lives of two-thirds of the world's population. The amount of money invested in aid over the last 20 years is not congruent with the results observed in so-called development projects. We continue to see the construction and inauguration of 'white elephants', only to later witness their abandonment or non-use. Projects continue to offer food aid in exchange for community participation, though research explicitly shows that this type of development does not work - it is not sustainable, but encourages dependency without tackling the root causes of poverty. Why then do we continue to see this type of aid? Whose interests are really at stake?

According to Fowler (1997), '30 years of providing aid involving hundreds of billions of dollars, millions of staff and countless projects together with major shifts in prioritizing strategies and approaches have not made a substantial impact on the scale of poverty in the countries of the South'. In an article on North–South relations, Bargouthi (1997) asked whether aid really 'helps' Southern countries or whether it primarily benefits the economies of those in the North? One of the underlying problems of development, which emerges not only in the literature but in practice, is the unequal power relationship between the North and South.

The term 'partnership' has become one of the latest buzzwords of the development scene, particularly in reference to the relationship between Northern non government organisations (NNGOs) and Southern non government organisations (SNGOs). The term is ubiquitous in development literature in the North but is invariably absent from similar literature in the South. The Concise Oxford Dictionary (1976) defines 'partnership' as 'the state of being a partner, joint business'. A partner is then defined as a 'sharer' or a 'person associated with others in business of which he shares risks and profits'. Without getting too 'bogged down' in definitions, this suggests that a partnership involves associates on an equal footing, with a horizontal structure of mutual respect, where resources are distributed equitably and decisions made together.

**Northern non government organisations**

Over the years, NGOs have contributed significantly to helping disadvantaged groups of people improve their situation. The World Bank, tired of contending with bureaucratic and corrupt governments, has turned to NGOs as direct partners in the implementation of programs and projects funded by the Bank. In the early 1990s, NNGOs witnessed possibilities for increased funding by multilateral agencies because of the effectiveness of their work compared to that of government agencies. Recent demonstrations in Seattle, Washington and Davos highlight the role of NGOs in facilitating a process of change within grassroots organisations via lobbying, advocacy and empowerment, strategies for which NGOs are renowned.

However, the performance of NGOs (Northern and Southern) is not as effective as may be assumed, especially in reaching the poor, real participation and sustainability. The notion of accountability, which is beyond the scope of this paper, merits further analysis (Hulme and Edwards 1996).

Many NNGOs now increasingly depend on the government sector for economic support, which limits flexibility and enforces conditional funding. It also obliges NNGOs to demand and impose conditions on SNGOs. Is this a partnership? Eade (1997) considers that 'vested interests whether in the pursuit of patriarchal power or just financial survival, introduces a gulf between rhetoric and practice; these are the hidden forces which ensure that power does not shift'. Unfortunately, over the years, the philosophy of NGOs, once based on ideological virtues, ethos and commitment, has become distorted, confusing and contradictory; it has become a philosophy of pathos.

Manji (1997) offers a critical analysis of NNGOs. Much of the development rhetoric is about a partnership manifested by equality and respect between Northern and Southern NGOs, but research has shown that NNGOs continue to demonstrate a lack of trust and disrespect for their counterparts. He has also shown that many NNGOs oppose the idea of direct funding going to SNGOs, which is understandable because of the implications direct funding may have for the SNGOs. 'Direct funding of Southern NGOs represents a direct threat to the survival of NNGOs. SNGOs are perfectly capable of managing their own funds'.

Dolan (1996) examined British development NGOs and their changing role. He believes that British NGOs should concentrate more on lobbying and advocacy on issues related to development, such as trade, debt, aid and human rights. It is becoming more evident that SNGOs can carry out their own projects, so NNGOs should begin to seriously attack the root causes of poverty, the global political and socioeconomic systems imposed by the North. The results of Dolan's study showed that British NGOs consider lobbying and advocacy an important function, but not their sole function and not their highest priority. Is it because they fear relinquishing their power?
Southern non government organisations

Nearly all SNGOs depend on external funding for their existence, which weakens any form of autonomy they may have. They are forced to comply with and submit to the demands of NNGOs. As Zakus (1998) comments, 'when the organization is dependent upon resources for its survival that are scarce or over which it has little control, it must either act upon the environment to secure them or die'.

Working within SNGOs, I have seen projects and reports designed to satisfy the whims of NNGOs rather than to seriously address issues that are relevant for local populations but whose resolution would leave NNGOs obsolete. The capability of SNGOs to manage their own funds and projects are often underestimated, particularly by NNGOs. Skills and knowledge tend to be transferred from North to South, often ignoring the experience and expertise of many workers and professionals in SNGOs. Southern NGOs rarely evaluate or question those in the North, mainly due to fear that funding will be reduced or cancelled. Is that a partnership?

Fowler (2000) makes a plea for SNGOs to exercise self-confidence in the selection of potential 'partners' and to base selection on values that are common to both rather than on the development sphere is forever changing; once again we are seeing venture. Serious for the so-called beneficiaries. Menike (1997), a Bolivian peasant leader, has written strongly against the work of NGOs. He pleads with them to make it their first and most important priority to manage their own funds and projects are often underestimated, particularly by SNGOs. Skills and knowledge tend to be transferred from North to South, often ignoring the experience and expertise of many workers and professionals in SNGOs. Southern NGOs rarely evaluate or question those in the North, mainly due to fear that funding will be reduced or cancelled. Is that a partnership?

An eternal nightmare for SNGOs is searching for funds and dealing with the bureaucracy and conditions that accompany this venture. As Hill (1997) points out, the fashion scene within the development sphere is forever changing; once again we are seeing needs and priorities imposed on populations. For SNGOs this means the loss of valuable time and energy in writing up proposals that respond to the latest fad. The implications are even more serious for the so-called beneficiaries. Menike (1997), a Bolivian peasant leader, has written strongly against the work of NGOs. He says that, yes, those working in such organisations are needed, but pleads with them to make it their first and most important priority to respond to the needs of the people and thus 'provide the services that the people want and not the services that the donors and other agencies choose to deliver to the people'.

During the 1980s and 1990s, we saw a proliferation of development NGOs. In Bolivia alone the number increased from approximately 100 in 1980 to 530 in 1992. Today that number is closer to 740. All but a select few depend on external funding (Hulme and Edwards 1996). A recent initiative has been the production of a methodological approach on sustainable development from the Andes. The work is contextual and culturally appropriate, deriving from the South. Unfortunately, it failed to attract much interest or attention from the international NGOs (the SNGOs) in Bolivia.

A more concrete example of the difficulties of the North-South relationship occurs when NNGOs ask people to 'write up a project' to justify a budget surplus just to satisfy funders or repair an administrative shortfall, without considering the implications for either the SNGOs or the population the project is aimed at. I have too often felt the submissiveness of my colleagues in regard to their funders. They do not question or criticise and are not assertive; rather, they bow down and comply with conditions. Is this a partnership?

Development studies

It is impressive to see the amount of graduate and postgraduate studies in development available in the North (including Australia). There are also workshops, short courses, conferences and seminars, as well as bibliographies in the form of journals such as this one and books. It is encouraging to see the creation of spaces that allow for analysis and reflection on issues pertinent to development, and I do not intend to denigrate such courses, but their existence reinforces the imbalance between the North and South.

Working in the development sector in the South but also having access to the North leaves me in a privileged position—a position not shared by most of those working for development in the South. Knowledge is power, and not having access to such knowledge automatically puts someone on an inferior level. Inverting a small number of Southern professionals to participate in international workshops and conferences is a positive token gesture and does not suffice to even out the scales. The fact that the majority of literature and information available is in English is just another factor in the power debate.

Building a partnership

The task of building a partnership is not insurmountable. It just requires some critical analysis and awareness, as well as creativity. The argument cannot be one-sided. Both NNGOs and SNGOs need to participate in the deliberation. NNGOs need to listen to SNGOs and to the beneficiaries. Listening carefully involves effective communication, talking with partners and beneficiaries. It involves getting to know people and experiencing their work—and not limiting that to one-day or two-day whirlwind visits to communities or projects where people are propped up on show with prepared discourses, giving a false scenario. It also involves reading about experiences of others (but one would have to learn Spanish or French!). The process could result in a change of role, particularly for those in the North. The North can learn just as much from the South as the South can from the North. I know many professionals in Bolivia who can offer brilliant anecdotes and alternatives for working in partnership and overall development. There needs to be mutual respect, which will help to build self-confidence, as well as more transparency and accountability for all parties.

The issue of how to capture financial resources also needs to be addressed. NNGOs can play a significant role in uniting with SNGOs to lobby large financial institutions such as the World Bank and the International Monetary Fund, as well as government bodies, to adjust policies and question conditional funding. The impetus needs to come from the North.
Conclusion

One does not need to delve very deeply to determine that NGOs and SNGOs do not have a real partnership. Unfortunately, the term 'partnership' has suffered over-use and has taken on various new connotations, diluting its true significance. Northern development theorists continue to laud the existence of a North-South partnership without applying it in practice. These theorists are very good at expressing and idealising the concepts; the practice is left to one side and the result is ineffective development.

If those in the North are really serious about putting into practice the North-South partnership, they need to listen to the south. They need to respect SNGOs as real partners, valuing their work and experience and sharing the decision-making. Development studies and events need to be more accessible and should be widened so that southern partners are included in the debate. Financial institutions and governments need to be made aware of the implications of conditional funding and the need to adjust policies. Otherwise, the big risk is that in 20 years time we will see the perpetuation of the existing situation, and that is not development in its true sense.

References


Zakus, J.D.L. 1998, 'Resource dependency and community participation in PHC', Social Science and Medicine, 46(4-5) (Feb–Mar), 475-94.

Anna Malavisi is an external student in the Master of Science in Primary Health Care course, The Flinders University of South Australia.

Notes

1. The term 'Northern NGOs' refers to those NGOs in better-off countries such as Europe and North America but also includes those in Australia, New Zealand and Japan. This dividing line resulted from the Brandt Commission. 'Southern NGOs' are those NGOs situated in low-income and middle-income countries.
Politics and vestiges of the past preventing the introduction of health care user fees in Malawi

Adamson S. Muula, Department of Community Health, College of Medicine, Chichiri, Malawi

Introduction

Health services come at a financial cost. Determining who should bear this cost is an important question for both the user and the state. As far back as 1964 when Malawi attained political independence, this question was raised. The then Prime Minister thought patients needed to provide monetary contribution for their own care, to the dismay of the rest of his cabinet. For over three decades, the confusion that ensued, following many other disagreements, has shaped not only the general political outlook of the country, but also the cost-sharing/user-fee debate, or lack of it. Health care workers and the wider community cannot however run away from the pertinent question that was raised over 35 years ago. Should patients be paying for health services in Malawi?

The country of Malawi

Malawi, with an annual gross per capita income of US$170, is among the 10 poorest countries in the world (Malawi Government 1999). The human population is estimated at 11 million, with 85 per cent living in rural areas, mostly as subsistence farmers. Rural poverty is estimated at 60 per cent (Malawi Government and United Nations 1993). Tobacco contributes 70 per cent of foreign exchange earnings (Malawi Government 1997). The viability of tobacco as the country's economic lifeline is being threatened by the anti-smoking lobby (Anon 1999, Roemer 1997). Most of the morbidity and mortality arise from communicable and other diseases of poverty and deprivation. Malnutrition, diarrhoea, pneumonia, anaemia and malaria are the common childhood killers (Knowles and Dorward 1992, Nyirenda 1992). Maternal mortality is high, at 620 deaths per 100,000 live births. HIV/AIDS, first diagnosed in April 1985, has now infected at least 20 per cent of the population and is the leading cause of death in the 20–48 year age group (Kruyt et al. 1999). Tuberculosis is a large and growing challenge in the country.

Winds of change

In the late 1980s and early 1990s, many developing countries experienced economic difficulties due to the structural adjustment program of the International Monetary Fund (IMF) and the easing of the West–East tension. Development aid that had initially been channelled to non–Communist African countries was now increasingly required by a growing number of poor nations whose links with Communist ideologies had been severed. Malawi, having supported Western ideologies, was no longer a favourite recipient of foreign aid. Free services to patients were no longer seen as a good option in service delivery and by April 1995 all publicly funded health units charged a fee for services (Malawi Government 1992). The poor human rights record of the Malawi Government compounded the problem. Economic and political sanctions were imposed to pressure the government to improve its human rights record. Health services suffered even further.

At about the same time that hospital fees were introduced, political agitation intensified. Malawians rebelled against the one–party authoritarian regime that had ruled their country.

July 2001
for three decades. In 1993 a national referendum was held for Malawians to decide on the system of government they wanted. Initiatives to introduce hospital fees were put on hold. The movement for change won the referendum. A general election followed in 1994. Again, advocating for hospital fees would have been suicidal for the government when the opposition was promising free and improved health services. The ruling party nonetheless lost the election.

Experience with a new government

In 1994, a new government was put in place. The ruling party promised free health care and free primary education. These promises were fulfilled and even more. Girls' secondary education in public schools was made free, and from 1998 free mate seeds and other farm inputs were provided to some three million rural farmers. In 1999, another general election was due. The electorate was again promised free services. The ruling party was retained, but not with a landslide margin as was the case in 1994.

Parliamentary by-elections are common in Malawi. In August 2000, the Speaker of the Malawi National Assembly announced that between 1994 and 1999, 29 members of parliament of a total of 177 had died of AIDS. In all these by-elections, the electorate is provided with gifts, sometimes in monetary terms. Free distribution of bank notes—even by the state President—is not rare. Students at the University of Malawi, a state-funded institution, pay an equivalent of US$20 per year for tuition and full board. The university then gave the students a book allowance of US$20. In effect, therefore, the taxpayer bears all the cost. Calls by the authorities to introduce 'reasonable fees' have been met with political agitation. And the government is reluctant to introduce university fees. While services from government institutions are generally free, the use of traditional herbalists is not. Society recognises the need to 'thank' the herbalists in cash or kind. The term 'public' has in some sense come to mean 'free'.

The inevitability of fees

In many countries, economic conditions no longer allow adequate services to be delivered free of charge. Even in developed countries, hospitals are closing for lack of funds. A number of African countries have introduced user charges with mixed expectations and results (Hussein and Mujinja 1997, Creese 1991). As most illness and death result from poverty and deprivation, it is a formidable task to determine who can pay and who should be exempted. Malawi has the opportunity to learn from the experiences, challenges and successes of other sub-Saharan African countries. Political considerations have blurred debate (Anakbongo 1997). There is a need for a greater focus on the issues. If user fees are fully introduced in all health units in Malawi, there will be a need to improve record keeping (Shaw 1998), accountability and transparency, community involvement and the quality of the general health services.

Conclusion

History and politics have shaped debate on the implementation of user fees in Malawi's public health institutions. In particular, initiatives to introduce charges threatened the survival of the first post-independence government. In the past decade, the government has won the majority vote, promising continuation and increase of services offered to the electorate for free. But the quality of health services has failed to improve. The factors outlined in this paper explain how an adverse political past has led to difficulties in introducing fees. The question now should not be whether but when patients should start paying for services in all centres in the country.

References


Environments and Livelihoods: strategies for sustainability
Koos Neeffs
Oxfam Development Guidelines Series, Oxfam GB
ISBN: 0 85598 440 6 (paperback) 0 85598 460 0 (hardback)
Available from Oxfam Publishing,
274 Banbury Road, Oxford OX2 7DZ, UK
Tel: +44(0)1865 311 311; fax: +44(0)1865 313 925;
e-mail: publish@oxfam.org.uk

Is poverty to blame for the global environmental crisis—or, conversely, is environmental degradation a major cause of poverty? This question is at the heart of this book, which conceives of ‘environment’ in the broadest sense: one that includes people and social relationships. It first reflects on the relationships between poverty and environmental change, from theoretical and practical perspectives. It then presents frameworks for action by development agencies, exploring power relationships and ideas of stakeholder participation, and in particular the notion of sustainable livelihoods. Thirdly, it discusses practical tools and approaches to project management. Finally it considers how strategies and policies can address the structural causes of environmental degradation and poverty.

Throughout the text, practical suggestions are offered, based on case studies drawn from Oxfam’s extensive experience of development and disaster-relief work with marginalised communities, both rural and urban, there is a comprehensive bibliography, and appendices giving an overview of environmental treaties and details of relevant websites.

This book is based on the experience of a range of national and international non-government organisations (NGOs) that have spent several years exploring the interdependency between environmental change and poverty alleviation. It draws on a number of case-histories from Asia, Africa, and Latin America, and also on theoretical work by academics with strong links to development practice. It is a book for development professionals—for those engaged in helping to improve the plight of poor, deprived, excluded, or oppressed people. It aims to enhance their learning in the field of environment and development, or sustainable development in practice.

Edited by Isabelle Grenberg and Sarbuland Khan, 2000, ISBN 92-808-1051-0, 244pp, paperback US$16.95, available from United Nations University Press, 53-70 Hongo 5-chome, Shibuya-ku, Tokyo 150-8925, Japan, Tel: +81(0)3 3499 2811, Fax: +81(0)3 3406 7345, E-mail: sales@hq.unu.edu, Website: http://www.unu.edu, Asia and Pacific distributors: Hunter Publications, 58A Gipps Street, Collingwood, Victoria 3066, Australia, Tel: +61(0)3 4175361, Fax: +61(0)3 4197154, URL: http://www.unu.edu/unupress/newlabwto.html

Why is globalisation today not improving the lot of millions of the world’s poor? Indeed, the number of poor people at the beginning of this new century is the same as in 1987, and poverty is rising in most developing countries. The deliberate aim of international organisations was to advance and promote development through globalisation – in particular through higher levels of international trade and investment for the IMF, the World Bank, and the World Trade Organization, while the United Nations would promote well-coordinated and coherent policies at the national and international levels. Globalisation in turn was expected to deliver higher degrees of welfare for all. We are now at a critical juncture where this link, the expectation that globalisation creates higher welfare for all, is called into question. The current reappraisal was in part prompted by the world financial
crisis of 1997–98, and clearly manifested itself in the turmoil surrounding the WTO ministerial meeting in Seattle in 1999. A new agenda is therefore opening up for the international community. What kind of governance do we need for globalisation with a human face? What kind of architecture do we need for the world financial system and what kind of framework for global trade? What rules of the game do we need to protect the weak and the poor? This book aims to illuminate these questions by presenting some of the most important debates that have taken place at the United Nations, especially at its recent Economic and Social Council (ECOSOC), covering the themes of globalisation, financial architecture, trade, poverty, global indicators, and the nexus between security, economic, and social affairs.

Global business regulation

John Braithwaite and Peter Drahos, 2000, ISBN (Hardcover) 0 521 78033 0, A$79.00 (Paperback) 0 521 78499 9, A$31.95, published by Cambridge University Press, PO Box 85, Oakleigh, Vic. 3166. Fax: +61 (0)3 95699292, Email: info.cup.edu.au

How has the regulation of business shifted from national to global institutions? What were the mechanisms of globalisation? Who were the key actors? What of democratic sovereignty? In which cases has globalisation been successful? These questions are confronted across an amazing sweep of the critical areas of business regulation—from contract, intellectual property and corporations law, to trade, telecommunications, labour standards, drugs, food, transport and environment. Incorporating both history and analysis, this book shows that loss of sovereignty for the people is not inevitable. While powerful corporations often race to the bottom in setting regulatory standards, NGOs often prevail in ratcheting up regulatory standards. In showing how, Global Business Regulation is a guidebook for how individuals and smaller organisations can prevail over more influential corporations in the world system. Based on interviews with 500 international leaders in world business and government, this book examines the roles played by global institutions such as the World Trade Organization, World Health Organization, the OECD, IMF, Moody’s and the World Bank, as well as various NGOs and significant individuals. Utilising ‘micro-macro’ theory, Braithwaite and Drahos make a landmark contribution to the theory of globalisation by drawing the links between key mechanisms, actors and principles. The authors show how active world citizenship can have practical meaning. They argue that effective and decent global regulation depends on the determination of individuals to engage with powerful agendas and decision-making bodies that would otherwise be dominated by concentrated economic interests. The ambitious scope of the work establishes regulation as a pivotal topic of the social sciences. This innovative and far-reaching book will become the reference for readers in business, law, politics, international relations, economics and history who are interested in how the world of global business is shaped.

Globalisation and the South: some critical issues


This book examines the implications of some of the main features of the globalisation process for the developing countries. It also makes several proposals for developing countries in considering national-level policies to face the globalisation challenge, as well as coordination among developing countries in facing negotiations or making proposals at the international level. While there are many aspects to globalisation, among the most important is the recent globalisation of national policy-making, not only through the normal spread of orthodox theories but, more importantly, also through international agencies, such as the Bretton Woods institutions and the World Trade Organization, through which the North has leverage over the South. The book examines the liberalisation of trade, finance and investment as well as policy implications and choices in each of these categories. It is argued that, while there are some advantages to an open regime for developing countries, the impact of openness depends on a country’s level of development and preparedness to take on the challenges of subjecting local production units to foreign competition, of being able to break into world markets, and of weathering the volatility and fickleness of private capital flows and their propensity for leading recipient countries into a debt trap. It is therefore imperative that developing countries be given the possibility to have an adequate range of options, of when, how and to what extent to open their economies. For them to maintain the choice of flexibility in policy options, developing countries have to collectively press their case in international forums and institutions where decisions on the global economy are made. Failure in doing so would mean that developing countries will continue to be subjected to international and national policies that are unsuitable for their development, and that more than ever close off their development prospects and options. Martin Khor is the Director of Third World Network, a network of several NGOs in different parts of the developing world. An economist trained at Cambridge University who has lectured in economics in the Science University of Malaysia, he is the author of several books and articles on trade, development and environment issues. He is a board member of the South Centre and of the International Forum on Globalisation. He was formerly Vice Chairman of the UN Commission on Human Rights Expert Group on the Right to Development and a consultant in several research studies for the United Nations.

Money politics, globalisation, and crisis: the case of Thailand

John Laird 2000, 463 pages, published by Graham Brash, Singapore, available from Purchasing Department, Asia Books, 5 Sukhumvit Road, Soi 61, Bangkok 10110, Thailand. Fax: (662) 381-1621, 391-2277, Email: purchase@asibooks.co.th

Development Bulletin 55
What, if anything, can Thailand's new economy as demonstrated in the country's stability. Few economists forecast the crash of 1997, and few now acknowledge that current economic practice is contributing to a crisis that will ultimately destabilise both the world's ecology and its economy. Economics in the 1990s relentlessly pursued growth over stability. The drive for profit through ever-increasing consumption and exploitation has become an end in itself, displacing the notion of quality of life as the end goal of economics. Nowhere is this more apparent than in Thailand. The free-market economy has failed substantially to reduce poverty. Inequality is increasing, spurred on by market liberalisation. But, in post-crash Thailand — as demonstrated in the country's first senate election — it is back to vote buying, money politics, and corruption as usual. What, if anything, can Thailand's new constitution do? As the semblance of recovery was taking place, would Thailand again follow the same path into the abyss? Could status-hungry Thais pause long enough to question what quality of life really means? Following the collapse of the WTO 'Millennium Round' of negotiations in December 1999, and continuing demonstrations at meetings of the IMF and the World Bank in the following months, globalisation calls for a new approach to economics — one that de-emphasises consumption and creates the means to remedy the serious threats to the global ecology. John Laird looks at the present untenable trends, and suggests a wide range of solutions leading to sustainable development — both in Thailand, and globally.

The World Economy: A Millennial Perspective
Angus Maddison, June 2001, 384 pp, hardback ISBN 9264186549, US$63.00, paperback ISBN 9264186085, US$26.00, available from DA Information Services, 648 Whitehorse Road, POB 163, Mitcham, Victoria 3132, Tel: +61 (0)3 9210 7777, Fax: +61 (0)3 9210 7788, Email: service@dadirect.com.au, URL: http://www.theworldeconomy.org

This new book by Angus Maddison covers the development of the entire world economy over the last 2000 years. Packed with over 200 tables, boxes and figures, this book pulls together an incredible array of hard-to-find facts. The book has several objectives. The first is a pioneering effort to quantify the economic performance of nations over the very long term. The second is to identify forces that explain the success of the rich countries, and explore obstacles that hindered advance in regions that lagged behind. The third is to scrutinise the interaction between the rich and the rest to assess the degree to which this relationship was exploitative.

The role of the World Trade Organization in global governance
Edited by Gary P. Samson, 2001, ISBN 92-808-1055-3, 308pp, paperback US$24.95, available from United Nations University Press, 53-70, Jingumae 5-chome, Shibuya-ku, Tokyo 150-8925, Japan, Tel: +81 (0)3 3499 2811, Fax: +81 (0)3 3406 7345, E-mail: sales@hq.unu.edu, Website: http://www.unu.edu, Asia and Pacific distributors: Hunter Publications, 58A Gipps Street, Collingwood, Victoria 3066, Australia, Tel: +61 (0)3 4175361, Fax: +61 (0)3 4197154, URL: http://www.unu.edu/unmpress/newlab-uito.html

The World Trade Organization (WTO) is a major player in the field of global governance. Since its creation in January 1995, it has expanded the reach of trade rules deep into the regulatory structure of almost 140 sovereign states, affecting the daily lives of all citizens. As a result, it has found itself at the centre of controversy in areas that are well outside the domain of traditional trade policy. The response of public interest groups in Seattle and elsewhere has been to demand a role in WTO processes and for the WTO to undertake major reforms. Reform will not come easily. The architects of the WTO are proud of having created what they consider to be a major achievement in institutionalised global economic cooperation. They point to the success of the WTO in doing what governments wanted it to do: to reduce barriers to trade and to conduct that trade according to agreed rules. The central question is how wise policy makers should respond to the pressures now falling on the WTO system while ensuring the preservation of a trading system that has led to unprecedented growth in the world economy and contributed to the peaceful coexistence of nations. This question is addressed in this book. A number of prominent personalities, representing a broad spectrum of interests in the field of international policy-making, and with a strong interest in a well-functioning trading system, offer their views on the role of the WTO in global governance. Gary P. Samson has written extensively on areas relating to international economic governance; his most recent book is entitled Trade, environment and the WTO: the post Seattle agenda.

The following books are available online at: http://www.amazon.com

Dark victory: the United States and global poverty (Transnational Institute)

Bello provides a clear, concise and well evidenced argument that the structural adjustment programs of the IMF and World Bank have sunk the countries of the global south into deeper and deeper debt and improvisement. Bello sets this argument in the historical frame of the Northern backlash against the rising economic power of the South. He also links the economic philosophy behind adjustment to the widening prosperity gap and falling real wages in the North.

July 2001
This book continues a powerful argument against the World Trade Organization (WTO) and the movement toward globalisation in general. It contains contributions from some of the leaders in the movement, including Walden Bello, the Environmental Research Foundation, Deborah James, and Paul Hawken. How do we stop the greatest threat to democracy in our time? The World Trade Organization, the World Bank and the International Monetary Fund are powerful institutions that threaten democracy, labour rights, the environment and democracy itself in their push for increased globalisation. They make rules that affect us all, but do not allow much input from ordinary citizens; time and time again they have proven instead to serve the interests of government elites and transnational corporations.

Hungry for trade: how the poor pay for free trade

John Madeley, 2000, ISBN: 1856498654, Zed Books, $NZ44.13, available from Flying Pig distributors, make cheques payable to FlyingPig.co.nz and post to: FlyingPig.co.nz, PO Box 91876, Auckland, New Zealand, Email: orders@flyingpig.co.nz, http://www.flyingpig.co.nz, also available online and from: http://www.amazon.com/exec/obidos/ASIN/1856498654/developmentresour/102-7457305-8959344

As the fallout from the Seattle meeting of the World Trade Organization (WTO) continues, John Madeley explores some key questions about the free trade that it advocates. Will free trade in food help or hinder the abolition of world hunger? What benefits first – the poor or the transnational corporations? Will free trade help Third World farmers find new international markets or will the flood of cheap, subsidised food from the North eliminate them? How can countries – North and South, rich and poor – protect their farmers? How can self-sufficiency in food production be achieved? John Madeley shows that the food imports of many developing countries are rising sharply while their food exports to the industrial countries are not. He exposes the contradictions between Western governments' rhetoric about reducing world poverty and the drive to yet more trade liberalisation.

Children of other worlds: exploitation in the global market

Jeremy Seabrook, May 2001, 176pp, Paperback £10.99, ISBN 0 7453 1391 4, hardcover £35.00, ISBN 0 7453 1396 5, available from Pluto Press, Pluto Press, 345 Archway Road, London, N5 5AA, UK, Tel. +44 (0) 20 8348 2724, Fax +44 (0) 20 8348 3133, Email: pluto@plutobks.demon.co.uk, URL: http://www.plutobooks.com

More than 40,000 children die daily in the developing world from avoidable sickness and disease. Tens of millions of children labour in factories, mines, mills and sweatshops, or scavenge for a living on city streets and dumps. In the so-called developed world, children's lives are similarly blighted by drugs, alcohol, sexual abuse and violence. Children of the rich are unhealthily obsessed with consumerist desires while children of the poor suffer from lack of opportunity. The global market is responsible for both of these ills. In Children of other worlds Jeremy Seabrook examines the international exploitation of children and exposes the hypocrisy, piety and moral blindness that have informed so much of the debate in the West on the rights of the child. Seabrook insists that the whole question of protecting children's rights, in both the North and the South, must take into consideration the structural abuses of humanity that are inherent in globalisation. He addresses the key question of whether the West can turn its 'benevolent' attention to the evils of child labour in the rest of the world without first understanding that gross forms of poverty anywhere are part of the same global problem.

Human rights and gender politics: Asia-Pacific perspectives

Edited by Anne-Marie Hildon, Martha Macintyre, Vera Mackie and Maia Stivens, 2000, ISBN 0 415 19173 4, AUD$175.00 for hardback, published by Routledge, distributed by Macmillan, Locked Bag 1400, South Yarra, Victoria, 3141, Tel: +61 (0)3 98251025, Fax: +61 (0)3 98251010, Email: academic@Macmillan.com.au, Website: http://www.palgrave.com/home/
In recent years, the slogan 'women's rights are human rights' has become a central claim of the global women's movement. *Human rights and gender politics* examines the critical issues raised by this embracing and expansion of the human rights discourse by feminists world-wide. Through detailed case studies drawn from the Asia-Pacific region, this book explores the tensions between an apparently universalising discourse of human rights and increasing awareness of the complexities of women's politics of difference. It questions how feminists negotiate controversial issues such as 'rights' and 'cultural relativism', and argues for an increased focus on the ways in which human rights claims are embedded in highly specific local contexts, histories and struggles. This original and thorough volume assembles an outstanding panel of international experts who address diverse issues and challenge conventional, ungendered and male-centred analyses of the politics of human rights and addresses the future of global feminisms. It is essential reading for all those interested in learning more about human rights and women's rights in the Asia-Pacific region.

The following books are available from:
The Institute of Southeast Asian Studies (ISEAS)
The Managing Editor
30 Heng Mui Keng Terrace
Pasir Panjang, Singapore 119614
Ph: 65-870-2447, Fax: 65-775-6259,
e-mail: pubsunit@ises.edu.sg
URL: http://www.ises.edu.sg/pub.html

Thailand's crisis
Pasuk Phongpaichit and Chris Baker, 2000,

This book reviews what the IMF did, who got hurt, what worked, and what failed in the economic and social management of the crisis. It shows how political change got bound up with economic crisis, resulting in a new constitution, a seismic shift in the political landscape, and greater assertiveness by civil society. It examines how the economic turmoil changed the ways people reacted to political scandal, viewed their own society, and imagined the future. This is a lucid and highly readable account of how Thailand reacted as a society and culture to its worst-ever economic disaster. The final chapters review the changes and lessons from 1997 to 2000 and speculate on how these changes will frame the future.

Nationalism and globalization: East and West
Leo Suryadinata (editor), 2000,
ISBN 981-230-073-2 (soft cover),
US$29.90,
981-230-078-3 (hard cover),
US$43.90, 360pp.

Nationalism and globalization are two major contradicting forces in the world today. The roles that these two forces play and the impact of globalization on countries differ. Both Western and Asian 'nation-states' have faced the challenge of globalization in recent decades, and the challenge has become more intense since the 1990s. The decline of communism and socialism as ideologies, and the decreasing importance of national boundaries for capital, companies and even labour, have had profound implications for national identity. Thus, the impact of globalization on 'nation-states' is not identical. How have 'nation-states' coped with globalization? Has it led to stronger nationalism or national disintegration? What has happened to national identity? Is the concept of 'nation' still relevant in the era of globalization? To answer these questions, twelve countries—six from the West (France, UK, USA, Yugoslavia, Australia and Russia) and six from Asia (Indonesia, Malaysia, Singapore, Japan, China and India) have been selected for study. These countries represent a wide range of national experiences, from 'old' states to 'new' states, from mono-ethnic nations to multi-ethnic ones, and from surviving nation-states to decaying ones. Apart from the individual country studies, the last chapter summarises and compares the findings of these country studies, throwing light on the various types of nationalism, and the gains and losses of these countries in the process of globalization.

Looking forward: Korea after the economic crisis
Heather Smith, 2000,
ISBN: 0 7315 3649 5, AUD$30,
US$25, available from Asia Pacific Press,
Asia Pacific School of Economics and Management, The Australian National University, Canberra ACT 0200,
Tel: +61 (0) 2 61254700,
Fax: +61 (0) 2 62572886,
Email: books@asiapacificpress.com,
Website: http://www.asiapacificpress.com

The financial crisis that struck South Korea at the end of 1997 was a devastating blow to a country of outstanding economic achievement. Prior to the crisis, Korea had an average annual growth rate of more than 8 per cent over the course of three decades. It had become the eleventh largest economy in the world, rising from the devastation of the Korean War to join the 'rich nations' club - the OECD - in 1996. Just one year later, Korea entered its most severe economic crisis since the Korean War. *Looking forward: Korea after the economic crisis* is a comprehensive account of the underlying causes of Korea's economic crisis of 1997-98. Individual authors' contributions focus on the impact of the crisis on various sectors of the economy, including the labour market and the financial and industrial sectors. Particular emphasis is placed on reforms that the Korean government has already begun or may choose to implement in the future as it emerges from one of the most severe economic downturns in its recent history.

Land Mobilisation in Papua New Guinea
L.T. Jones and P.A. McGavin, 2001,
ISBN 0731536584, AUD$28.00,
freight & handling charge AUD$3.00
within Australia,
available from Landmark School Supplies,
PO Box 1340,
Drouin Victoria 3818,
Tel: +61(0)3 5626 4290,
Fax: +61(0)3 5625 3756,
Email: bookdistribution@landmark.au.com,
Website: http://www.asiapacificpress.com

July 2001
Land Mobilisation in Papua New Guinea investigates the issue of creating economic incentives to achieve and sustain land mobilisation for agricultural uses—but is also relevant to other issues of land mobilisation, such as for urban expansion and remote area mining and hydrocarbon project development. The land tenure system in Papua New Guinea provides inadequate security for market agricultural development. This impedes investment, results in under-utilisation of the resource and reduces the level of economic security in the nation. Because of the incapacity of the state in Papua New Guinea, enhancing the extent and security of land mobilisation calls for the development of cross-cultural processes that construct and maintain institutions to establish mutually beneficial relationships between investors and landowners. The analysis and evidence presented here can be applied to other Pacific Island nations where highly localised cultures are brought into contact with international market cultures.

Class and its others


This book provides a surprising and innovative look at class that proposes new approaches to this important topic. While references to gender, race, and class are everywhere in social theory, class has not received the kind of theoretical and empirical attention accorded to gender and race. A welcome and much-needed corrective, this book offers a novel theoretical approach to class and an active practice of class analysis. The authors offer new and compelling ways to look at class through examinations of such topics as sex work, the experiences of African American women as domestic labourers, and the experiences of blue-and-white-collar workers. Their work acknowledges that individuals may participate in various class relations at one moment or over time and that class identities are multiple and changing, interacting with other aspects of identity in contingent and unpredictable ways. The essays in the book focus on class difference, class transformation and change, and the intersection of class, race, gender, sexuality, and other dimensions of identity. The authors find class in seemingly unlikely places—in households, parent-child relationships, and self-employment—and locate class politics on the interpersonal level as well as at the level of enterprises, communities and nations. Taken together, the essays will prompt a rethinking of class and class subjectivity that will expand social theory.

Losing control: freedom of the press in Asia

Louise Williams and Roland Rich (eds), 2000, ISBN 0 7315 3626 6, published by Asia Pacific Press, ANU, ACT 0200, Ph: +61 (0)2 6125 4700, Fax: +61 (0)2 6257 2886, Email: books@asiapacificpress.com, http://www.asiapacificpress.com/

According to World Bank President James Wolfensohn, 'a free press is not a luxury. A free press is at the absolute core of equitable development'. A free press is also the key to transparency and good governance and is an indispensable feature of a democracy. So how does Asia rate? In Losing control, leading journalists analyse the state of play in all the countries of North Asia and Southeast Asia. From the herd journalism of Japan to the Stalinist system of North Korea, Losing control provides an inside look at journalism and freedom of the press in each country. One conclusion is that a combination of new technology and greater democracy is breaking the shackles that once constrained the press in Asia.

Social development in Kerala: illusion or reality?


There has been considerable academic interest in the innovative development programmes taking place in Kerala. Much has been published on the specific achievements of the Kerala Model of Development such as literacy, health care, communication and demographic indicators. Like a contemporary version of a parable about people who refuse to see what they do not want to see, development writers on Kerala have taken ideological or political viewpoints of what they 'want to see', ignoring 'what they don't want to'. This book, on the other hand, exposes both the realities and illusions of the social development processes in Kerala, with empirical evidence.

Sustainable development and integrated appraisal in a developing world

Norman Lee and Colin Kirkpatrick (eds) 2000, Edward Elgar, ISBN 1 840 64162 2, 272 pp., £65.00

It is widely recognised that sustainable development can be achieved only if environmental, economic and social issues are combined in development plans, policies and programmes. This book examines the integrated approach to the development process, and analyses the theory and practice of integrating assessment techniques and decision making.

The following books are available from: Macmillan Direct Customer Services Brunel Road, Basingstoke Hampshire RG21 6XS United Kingdom Tel. +44 (0)1256-302699, Fax: +44 (0)1256-364733 Email: orders@palgrave.com, URL: http://www.palgrave.com

The United Nations and business: a partnership recovered


Development Bulletin 55
When 51 nations gathered in 1945 to witness the birth of the United Nations, international business groups urged governments to ratify the UN Charter without delay. During the following 55 years, UN and business leaders dismissed each other, when they did not engage in a war of words. This book discusses why the global order of the twenty-first century demands a new partnership between the UN and business. If the UN fails to engage the business community, it is likely to become irrelevant. If global corporations refuse to support the UN, they will face a closing world, with disastrous consequences for the prosperity of all. The UN and business are bound to work together, and indeed they are.

**Growth and development**


This widely used textbook is specifically designed for students of economics and the social sciences who are taking a first course in economic development with a background knowledge of micro and macro economics. It is written in a simple but rigorous way which also makes it accessible to policy makers and all those concerned with the process of economic development in the Third World. In this extensively revised and updated sixth edition there is extended discussion on the measurement of poverty, the characteristics of underdevelopment, the role of the state in the development process and the financial aspects of development. A.P. Thirlwall is Professor of Applied Economics at the University of Kent at Canterbury in England. He has been a visiting lecturer in several developing countries, including Sudan, Brazil, Fiji, Papua New Guinea, Malaysia, Nepal, Bangladesh, Tonga and Cote D'Ivoire, and a consultant to the Pacific Islands Development Programme in Hawaii, and to the African Development Bank. Thirlwall is the author of several other books relating to growth and development.

**The coming of globalization: its evolution and contemporary consequences**


_The coming of globalization_ provides the basic context for understanding what globalisation means for human society in the contemporary world. It first describes the underlying processes which have led to economic, political and cultural globalisation and then sets out the present stage in the evolution of these processes in three vital areas: global capitalism and global markets; the changing relationship between national governments and their peoples; and the conduct of global international relationships. The author concludes by discussing some likely outcomes, both good and bad.

**Why peacekeeping fails**


Dennis C. Jett examines why peacekeeping operations fail by comparing the unsuccessful attempt at peacekeeping in Angola with the successful effort in Mozambique, alongside a wide range of other peacekeeping experiences. The book argues that, while the causes of past peacekeeping failures can be identified, the chances for success will be difficult to improve because of the way such operations are initiated and conducted, and the way the United Nations operates as an organisation. Jett reviews the history of peacekeeping and the evolution in the number, size, scope and cost of peacekeeping missions. He also explains why peacekeeping has become more necessary, possible and desired and yet, at the same time, more complex, more difficult and less frequently used. The book takes a hard look at the UN's actions and provides useful information for understanding current conflicts.

**The world at 2000: perils and promises**


Beneath the millennial shine of political optimism and technological advance lurk a set of deep uncertainties: global inequality is growing; weapons of mass destruction are spreading; strident assertions of identity divide peoples and states and overall, there is a marked lack of effective co-ordination and reduced confidence in the power of people, ideas and democratic processes to achieve change. This important book by a leading observer of international relations provides a critical but cautiously optimistic assessment of the state and prospects of the world at 2000.

**Beyond privatization**

Asha Gupta, 2000, ISBN:0333791657, hardback, 272 pp, £47.50

_Beyond privatization_ takes the reader on a privatisation drive, mapping the developed and developing world; covering the political, economic and socio-cultural dimensions; pointing out the impediments and hazards on the way; and providing a preview of the path ahead. It provides an insight into the theoretical and practical aspects of privatisation in the United Kingdom, Eastern Germany, post-communist societies, developing countries and India. The book looks beyond privatisation by focusing on the non-economic dimensions of privatisations—historical, cultural, political and non-institutional.

**Food aid and human security**

Edward Clay and Olav Skotke (eds) forthcoming, Frank Cass Publishers, ISBN 0 714 65084 6, £45

The benefits of providing food aid can be questioned, because food aid often does not get to the areas of greatest need, it is frequently stolen en route by the military,
and organisations are too slow to respond to need. Food aid has been historically a major element of development aid to support longer-term development and the primary response to help countries and people in crisis. Doubts about food aid are arising because there is a growing mismatch between the new circumstances produced by rapid political and economic change and the international arrangements and institutions for food aid that are predicated on an earlier reality. In the environment of risks, uncertainty and rapid change prevailing in the early 1990s, food aid and other assistance have increasingly been organised as part of efforts to assure human security in terms of livelihoods, food, health, a sustainable environment and personal and political security. However, to what extent is this multiplicity of goals realised in practice? To what extent do the modalities and institutional arrangement for aid permit them to be realised? This examination of food aid focuses particularly on institutional questions.

Social impact analysis of poverty alleviation programmes and projects: a contribution to the debate on the methodology of evaluation in development cooperation


Development organisations are searching for concepts and methods that will enable the impacts of development cooperation to be recorded, to be scientifically tenable and transparent and to permit practicable conclusions to be drawn. They expect the cost of evaluations to be proportional to the project budget. While a standardised set of tools is available for the economic and technical evaluation of projects, methods of covering the social dimension, which are of prime importance for impact analysis, have yet to reach maturity. This study considers the state of research on evaluation that includes the social dimension and the method used; illustrates the evolution of approaches for evaluation in the field of development cooperation; and shows the evaluation practice in Germany and the difficulties organisations face while using inadequate methods to analyse the impact of their work. A new method of impact assessment of poverty alleviation projects (MAPP) is also presented and underpinned empirically.

Disaster and development: the politics of humanitarian aid


This book examines the links between disasters, aid, development and relief in the context of globalisation, the 'free market' ideology of the industrialised nations, the incapacity of financial short-termism and the rise of new forms of colonialism, and argues that the political dimensions of humanitarian aid and disaster relief are being ignored. The authors draw on case studies from Somalia, Kenya, Sudan, Mozambique, Rwanda, Afghanistan and Azerbaijan.

Internally displaced people: a global survey


This book is a unique examination of one of the world's most acute humanitarian crises: the plight of over 23 million internally displaced people (IDPs) who are refugees within their own countries. It collates the most comprehensive and up-to-date information available about IDPs, presenting facts, figures and trends for over 50 countries on five continents, and drawing on the expertise of over 30 academics and development workers from all over the world. Leading experts on forced migration analyse and discuss relevant concerns such as the rights of IDPs and the responsibilities of the international community towards them.

The following books are available from: Otford Press 49 Station Road Otford NSW 2508 Tel: + 61(0)2 42948800, Fax: +61 (0)2 42948801, Mobile: 0407 958 818 Email: otfordpress@bigpond.com, http://www.otfordpress.com.au

The great Australian blight: losing the plot in Australian foreign policy

Bruce Haigh, 2001, ISBN 1 876928 03 4, AUD$19.95

A former diplomat turned commentator on Australian government and foreign policy calls on personal experiences and insights to analyse the effectiveness and morality of Austrian foreign policy. The issues he addresses should be of concern to all Australians who demand transparency in government, a quality not always apparent in current political circles.

Pillars of fear: a critical examination of Australian failure in defence planning.

Bruce Haigh, 2001, ISBN 1 876928 10 7, AUD$17.95

With particular reference to Australia's relations with Southeast Asia and, in particular, its so called 'special relationship' with (and fear of) Indonesia, former diplomat Bruce Haigh analyses the strengths and weaknesses of Australia's defence strategy. Haigh is now a writer and commentator with a 'no holds barred' style. He holds a passionate belief in the need for transparency and honesty in Australian defence and foreign policies, qualities he believes and clearly shows in this book, are sadly lacking in Canberra. Drawing on his own wide experience in numerous countries, and his personal knowledge, he presents a thoughtful and logical analysis of Australia's
strategic policy and calls for far-reaching change. Bruce Haigh is a former jackaroo, soldier and Australian diplomat who held appointments in Sri Lanka, Saudi Arabia, Pakistan, Indonesia and South Africa. He served for five years on the Refugee Review Tribunal and has undertaken political and economic analyses. He is a writer, broadcaster and farmer who lives in Mudgee, where he grows olives and grapes.

Forthcoming publications:
The following publications will be available from:
Macmillan Direct Customer Services
Basingstoke Hampshire RG21 6XS
United Kingdom
Tel: +44 (0)1256-302699,
Fax: +44 (0)1256-364733
Email: orders@palgrave.com,
URL: http://www.palgrave.com

Globalization versus development
K.S. Jomo, Shyamala Nagaraj, August 2001,

Both globalisation and development are contested terms. Establishing their meaning and exploring how the two interact in the real world are crucial to understanding the expansion of the global economy. Globalization versus development addresses the implication of recent globalisation for economic development prospects in the South in general, including references to the relatively open economies of Southeast Asia. The contributors take a critical perspective on the effects of trade liberalisation; explore the challenges for development in the face of globalisation; and focus on financial liberalisation and its likely implications for sustaining development with reference to the aftermath of the financial crisis.

The book examines, compares and contrasts the African American and Oromo movements by locating them in the global context, and by showing how life chances changed for the two peoples and their descendants as the modern world system became more complex and developed. Since the same global system that created racialised and exploitative structures in African American and Oromo societies also facilitated the struggles of these two peoples, this book demonstrates the dynamic interplay between social structures and human agencies in the system. African Americans in the United States of America and Omores in the Ethiopian Empire developed their respective liberation movements in opposition to racial/ethnonational oppression, cultural and colonial domination, exploitation and underdevelopment. By going beyond its focal point, the book also explores the structural limit of nationalism, and the potential of revolutionary nationalism in promoting a genuine multicultural democracy.

Financial liberalization and the Asian crisis
Ha-Joon Chang, Gabriel Palma, D. Hugh Whittaker, July 2001, ISBN 0333921585, 256 pp, hardback, £45.00

The financial crisis that hit a number of ‘miracle’ economies of Asia in 1997 shocked the world. Financial liberalization and the Asian crisis rejects conventional explanations of the crisis as the outcome primarily of inefficient and corrupt economics systems in the countries concerned. It argues that the crisis was the result of premature and overly rapid financial liberalisation in a world of increasing financial liquidity and volatility, and calls for a more cautious approach to financial liberalisation, and reform of the international financial architecture.

International development cooperation: essays on aid and the United Nations system
Hans Singer, D.J. Shaw, August 2001,
ISBN 0333711297, 264 pp, hardback, £45.00

As one of the most pioneering development economists, Hans Singer has stimulated many of the ideas that have engaged the attention of the world community for several decades. Not only has he helped to form an understanding of the problems of developing countries, but he has shown what might be done to solve them. This collection brings together for the first time key essays on the issues underlying food aid and the development of the UN. These are grouped into five areas: postwar development experience; reform of the United Nations; debt and debt servicing; structural adjustment and stabilisation; and food aid. Hans Singer is a Professorial Fellow at the Institute of Development Studies, University of Sussex; he has been Emeritus Professor since 1980. His publications include Growth, development and trade, international development, growth and trade; he is co-editor of Conflict and change in the 1990s, (with Anthony Carty) and Economics development and world debt (with Soumitra Sharma).

Fighting against the injustice of the state and globalization: comparing the African American and Oromo movements
As splendid Jalata, November 2001,
ISBN 0312239726, 284 pp, hardback, £30.00

After examining the global system’s political volatility at the dawn of the new millennium, the book looks at how some of the identifiable system-wide trends (eg globalization, democratisation, fragmentation) may have repercussions in the Asia-Pacific. The book also addresses the question of ‘comprehensive security’, in comparison with other regions, in a wide range of areas subsuming economic security (geoeconomics), environmental security (ecopolitics) and human security. In addition, the book recognises the idiosyncrasies of the region, such as the defensiveness of most Asian governments toward the protection of their financial markets against external forces following the regional financial crisis of the late 1990s.

July 2001
Macroeconomic and structural adjustment policies in Zimbabwe


The policy relevant analysis of this volume examines nearly 20 years of Zimbabwe's macroeconomic and structural adjustment experiences since independence. Part One analyses the impact on economic growth, inflation, employment and labour markets. Part Two deals with financial liberalisation, and the financial turmoil and currency crisis experienced in the wake of reforms. Part Three examines trade liberalisation and its impact on investment and income distribution. Part Four gives sectoral perspectives on the agricultural, manufacturing and health sectors.

Demystifying globalization


Globalisation, within academic, political and business circles alike, conjures an ever growing diversity of associations, connotations and attendant mythologies. In this volume a distinguished array of international academics assess the contribution of the globalisation thesis, in its various guises, to our understanding of social, political and economic change in contemporary societies. They expose, challenge and demystify many of the exaggerated and overgeneralised claims made about globalisation, whilst developing a distinctive 'third wave' perspective on the world we inhabit and the processes currently reconfiguring it.

The aid virus

Lansell Taudevin (Contemporary Oxford Series), ISBN 1 876928 17 4, to be released November 2001, AUD$36.32, available from Oxford Press, 49 Station Road, Oxford NSW 2508, Tel: + 61 (0)2 42948800, Fax: +61 (02) 42948801, Mobile: 0407 958 818, Email: otfordpress@bigpond.com, http://www.otfordpress.com.au

After 30 years as an aid specialist in Asia and the Pacific, and following his recent books on East Timor (East Timor: too little too late, and East Timor: making amends), Taudevin covers the links between aid, espionage and economics and questions the value and impact of development aid.

Shooting the messenger

Lansell Taudevin (Contemporary Oxford Series), to be released November 2001, ISBN 1 876928 16 6, AUD$36.32, available from Oxford Press, 49 Station Road, Oxford NSW 2508, Tel: + 61 (0)2 42948800, Fax: +61 (02) 42948801, Mobile: 0407 958 818, Email: otfordpress@bigpond.com, http://www.otfordpress.com.au

This is a chilling, blow-by-blow record of the atrocities which occurred in the build-up to Indonesia's disastrous exit from East Timor following East Timor's vote for independence, incorporating diary entries and reports sent to the Australian Government during Taudevin's three years in East Timor from 1996 to 1999. This eyewitness account from Australia's 'man in Dili' during the tragic final years of Indonesia's occupation of East Timor, is based on the first documents to identify the complicity of the Indonesian army in establishing and directing the operations of the militia.

Encyclopedia of the developing world

Thomas M. Leonard, Project Editor, International Studies Program, University of North Florida, commissioning editor Lorraine Murray, email: b.murray@fitzroydearborn.com, Tel: +44 312-587-0131, ext. 243.

In 2003 the Chicago-London academic reference publisher Fitzroy Dearborn will publish the Encyclopedia of the developing world, an ambitious two-volume work of approximately 800 entries in 2,000 pages, offering a comprehensive review of the pivotal concepts, theories, organisations, persons, and events of the developing world and covering primarily the period since the end of World War II. A special feature of the encyclopaedia will be a comparative analysis of the global regions that comprise the developing world. The website contains a detailed description of the project, a list of advisory board members, and payment information. Entries will be assigned based upon availability and contributor expertise. The first round of assignments will be made prior to the end of June, with deadlines beginning in September 2001. Contributors are currently being sought, see 'contributor information and essay request' online at the website: http://www. fitzroydearborn.com/chicago/devworld/default.php3

The encyclopedia will serve as a standard, comprehensive reference work for high schools, universities, public libraries, media outlets, and individual academics. Contributions should contain information of interest to a wide cross-section of readers, ranging from laypersons to students and scholars specialising in the study of the developing world. The encyclopaedia will be published and distributed worldwide through the offices of Fitzroy Dearborn Publishers in Chicago and London. The following books will be available from:

United Nations University Press

Asia and Pacific distributors:

Hunter Publications

58A Gipps Street, Collingwood
Victoria 3066, Australia
Tel: +61 03 4175361, Fax: +61 03 4197154
URL: http://www.unu.edu/unupress/new/ab-wto.html
The legitimacy of international organizations

Ten years ago, at the end of the Cold War, international organizations, and in particular the United Nations, seemed finally capable of redeeming the promise invested in them 45 years earlier in the aftermath of World War II, when most of the international organisations important today were created. Now, only a decade after the end of the Cold War, the situation seems drastically different. While a number of international organisations have been able to retain or even reinforce their roles and new organisations have been created, the United Nations in particular, and many other organisations with a ‘progressive’ rather than market-oriented or technical agenda, seem out of vogue. The end of the Cold War is only one in a series of events that have radically modified the operational environment of international organisations since their establishment. These changes, many of which have lately been discussed under the term ‘globalisation,’ include: decolonisation; growing awareness of the global nature of many economic, environmental, and public health problems; multiplication of non-government organisations; globalisation of mass media and the market; rapid developments in the field of biotechnology; and the emergence of new information technologies, particularly the Internet. These developments suggest that the time has come to take fresh look at the philosophy of international organisation.

The Legitimacy of International Organisations presents the results of an interdisciplinary research project of the Peace and Governance Programme of the United Nations University. The authors are prominent experts in the fields of social and political philosophy, law, political science, economics and environmental studies.

Inter-linkages: the Kyoto Protocol and the International Trade and Investment Regimes

In 1997 delegates to the third session of the Conference of the Parties to the UN Framework Convention on Climate Change (UNFCCC) agreed by consensus to adopt the Kyoto Protocol, under which industrialized countries would reduce their combined greenhouse gas emissions by an average 5.2 per cent from their 1992 levels. Any hope of achieving these emission reductions and averting global climate catastrophe will require a fundamental shift in the way in which energy is produced and used. This factor, in itself, is enough to catapult the Protocol out of the purely environmental realm and into the domain of global economics. With this added economic dimension, Inter-linkages: The Kyoto Protocol and the International Trade and Investment Regimes examines the Climate Change Convention in the context of potential synergies and conflicts that could arise between it and the World Trade Organization, international investment agreements and private and contractual trade law.

Effective environmental protection will be impossible unless the different international regimes and relevant environmental bodies locate their common ground and actively coordinate their policies. Inter-linkages makes a practical study of the Climate Change Convention to demonstrate how synergism and coordination could be accomplished in practical terms.
Power, politics and organisational change: winning the turf game.

The 48 laws of power

The power game: the black art of corporate and personal power to get the results you want

The new Machiavelli: the art of politics in business

These four books, a cross-section of recent writings on the subject of gaining and using power in an organisation, reflect increasing academic and practitioner attention to a topic that is a relatively new component in the management literature. The games that some people play in organisations are very familiar, and sometimes of deep concern, to all of us. These books argue, to a greater or lesser extent, that change cannot be effected without the use of organisational politics and the possession of power. In the developing world, where change and improvement are major objectives of aid programs, and where institutional strengthening and effective governance are significant components of this process, the relevance of these arguments must be assessed.

The most common definition of power in organisations is the ability of others to exert influence over us, so that they get the outcomes that they want. The use of organisational politics is part of the process of achieving this end, and has long been regarded as an unacceptable aspect of management behaviour. The four books argue to the contrary - that a change agent, and most of those working in developing countries are agents of change, must be aware of and use political behaviour. They argue that a manager will be more successful adopting political tactics to achieve power and influence.

All four draw on Niccolo Machiavelli’s The Prince, a book that on one hand explores the deeper, more complex aspects of managing people, at the same time leaving its author’s name behind as a synonym for duplicity and intrigue. Two examples, of many, illustrate his principles. ‘Princes who have achieved great things have been those who have given their word lightly, who have known how to trick men with their cunning, and who, in the end have overcome those abiding by honest principles.’ ‘Men such as (those described), once they have succeeded and begin to be venerated, having destroyed those who were envious of their abilities, ...stay powerful, secure, respected and happy.’ Other advice provided by Machiavelli would appear to be quite useful. Avoiding flatterers, honouring your word, preventing hatred and adopting compassion, are examples. The problem with these precepts, however, is that all are conditional, to be ignored when it is to your advantage to do so.

Buchanan and Badham, behavioural scientists from universities in Leicester and Wollongong respectively, in Power, politics and organisational change, draw extensively on recent academic writings, and on The Prince, to argue strongly that change agents should use political tactics to gain power, in order to bring about improvements in organisations. They state that ‘management ... is a contact sport. Those who do not wish to get bruised should not play’. They also argue that the advocates of the ‘squeaky clean’ approach to management would be ‘outmanoeuvred’; that they could be viewed as ‘unskilled, incompetent, unprofessional and unethical.’ Buchanan and Badham list a series of incidents in Chapter 3, illustrating some of the games that people have played in actual practice. They are only too familiar to many who have spent time in a large organisation. On the broader issues of power, politics and the turf game, the positions of Buchanan and Badham are relatively clear. On the details of how they believe one plays the game, however, they are less specific. Their approach is to cite numerous references, often without critical comment, giving the impression that they endorse these suggestions. For instance, they quote Feldman and Klitch (‘Impression Management and Career Strategies’ in G. Giacalone and P. Rosenfelds (eds) Applied impression management, Sage, London, 1991) who give six career enhancing strategies: merit alone is not enough, one has to look promorable; it is critical to pursue social relationships with superiors and co-workers; looking like a team player is central, while pursuing self-interest; one must appear to be loyal to an organisation whilst keeping other options open; dishonest or unethical behaviour is sometimes necessary, but it cannot be openly acknowledged; and individuals need to become adept at inconsistency. The real work of many jobs cannot be easily validated. It is therefore necessary to construct the illusion of success — dress, office, having visitors’ chairs lower than the desk, etc. While not specifically endorsing these techniques, Buchanan and Badham support the concept of sending out an impression of success. They themselves list the benefits of playing this type of political game. Their stance on the role of ethics in organisations, however, is far from clear. They reject the need for the effective change driver to be Machiavellian. However, they quote a statement that says managers become ‘amoral chameleons, who survive this messy, not to say dirty, environment by engaging in Machiavellian micro politics.’ Their own ethical stance depends on the situation and the change being implemented, but would
appear to be summed up in their final recommendation: 'recognise the hypocrisy, shed the innocence, shed the guilt, play the turf game and play to win on one's terms.'

Robert Greene's *The 48 laws of power,* are drawn from the less edifying lessons of world history, and would initially appear to be more relevant to the competing conflicts among political systems and nation states than to the managers within a public or private organisation. A large percentage of the 48 laws, however, are specifically directed at senior managers. Greene also reflects the conundrum seen in all the books and the writings of Machiavelli himself - that there are some aspects of power seeking that are beneficial and acceptable. Others are totally unethical. Some of his laws echo the worst side of Machiavelli. For example, Greene's law no.12 and law no.15 are 'use selective honesty and generosity' and 'crush your enemies totally', both of which reflect the Machiavellian principles quoted above.

Others that the more fastidious reader might find disconcerting are 'always take the credit' (no. 7); 'discover each man's thumb screw' (no. 33), or 'pretend to share the values of others' (no. 44). A number of laws that Greene advocates, however, are commonsense: 'plan through to the end' (no. 29); 'master the art of timing' (no. 35); 'keep your hands clean' (no. 26); and 'isolate the trouble maker' (no. 42). They would give nobody cause for complaint. Other rules might appear political game playing but they are not unethical. His first law, for instance, 'never outshine the master', translated as never deliberately upstaging your superior, makes good sense in a hierarchical organisation where people hold onto and guard their positions of power. His second rule, 'never put much trust in friends', might seem a little strong to some, but, if written in a less confrontational style to refer primarily to people other than friends, it could possibly be accepted.

It could be argued that Greene's major weakness is a relative inattention to the positive methods which can be used to influence others - competence and ability, ethical behaviour, by assigned responsibility or authority, or even by an old-fashioned capability known as leadership.

Gerry Griffen's *The power game* has the daunting subtitle 'The black art of corporate and personal power to get the results you want'. Griffen's book is another modernisation of the Machiavellian approach to gaining and using power, an impression reinforced by the author's hypothetical discussions with Niccolo Machiavelli at the end of each chapter. Griffen advocates that power is exercised through two forces, belief and fear: 'two fundamental tools to create and maintain advantageous power relations.' Belief (of the employee) is in the values and purpose of the organisation; fear is of the supervisor, of being dismissed, or of suffering the opprobrium of senior officers or even fellow employees. Griffen analyses a number of power relationships - the power of airlines over customers, a telemarketing company over its employees (whom he likens to battery hens) and the employer over the person working from home. He suggests that 'belief is a more productive power principal than fear.' It is this statement that tells the reader that Griffen, despite his subtitle's advocacy of the 'black art of ... personal power' is not a totally committed supporter of the Machiavellian use of power. In his sections on making and breaking power, he advocates that new contracts between the organisation and the employee are needed to create a new and invigorating work climate. 'The process of creating an internal entrepreneurial culture, or inspiring team-based innovative behaviour' is not consistent with fear-based power relationships. He suggests that if you 'treat people like partners and colleagues instead of employees, you are going to end up with a ...(sound) result.'

Lord Alistair McAlpine, author of *The new Machiavelli: the art of politics in business* is a member of the family construction company, Sir Robert McAlpine and Sons. Lord McAlpine was Treasurer and Deputy Chairman of the Conservative Party during the Thatcher years. McAlpine has 'read and reread The Prince over the last twenty years.' In his book he argues that selected Machiavellian principles have considerable relevance in today's business world. Machiavelli wrote on politics and public administration in sixteenth century Italy, McAlpine places his precepts in a modern management context. Early sections are on starting or acquiring businesses. On the latter, McAlpine does point out that the last 500 years have placed limits on Machiavelli's advice to destroy the former ruling family. 'Clearly', he states, 'at the turn of the twentieth century, it is not possible to behead managing directors.'

He writes on relationship between business and government, paralleling Machiavelli's chapter on relationships with the church, inherited businesses (akin to the Prince inheriting his principality), family businesses, takeovers (conquering city-states in Machiavelli's time), the use of consultants (Machiavelli's much despised 'mercenary troops'). McAlpine admires Machiavelli. 'The thrust of Machiavelli's words are still relevant today, still at the heart of the advice that should be given to one who would prosper in business.' However, McAlpine does at times disagree with the master. He notes that 'right through The Prince, Machiavelli gives examples of how to gain the upper hand...they nearly always require the extermination of competitors...' McAlpine regards this as 'not a practical way to conduct business today.'

In examining the control of a captured company (city), he quotes Machiavelli's 'most famous precept. 'Men must be either caressed or annihilated.' McAlpine disagrees, making the comment that 'ours is an age that demands subtler methods' and then proceeds to detail these subtler methods. He also disagrees on the issue of integrity - 'whether princes should keep their word.' Machiavelli's view is that 'in the end they (princes who confuse men's minds with cunning) have overcome those who have preferred honesty.' McAlpine says these words 'have a ring of truth about them (but) that a person who lies to achieve his or her ends will, in time, be found out, and such achievements exposed.'

Other chapters deal with finances, flattery, public relations, and luck, an issue to which Machiavelli also pays considerable attention. Despite, or perhaps due to his 'reading and rereading' of the master, McAlpine is two sided, which perhaps does
exemplify his belief in Machiavellian principles. In giving the characteristics of a good leader, he states that such a leader must be guided by morality; loyal to staff; trustworthy; fair; able to assess sound subordinate performance; commanding of respect and able to respect others; constant to old friends and those who have given loyalty; not shirking of respect to others and always expressing appreciation to others; never afraid to express one's own beliefs.

Machiavelli would support all these principles, but he would place conditions on them. McAlpine places no conditions, although it is difficult to see how he can advocate morality, trustworthiness and fairness at the same time as he advocates support for Machiavellian principles.

The arguments of Buchanan and Badham, in particular, but also the less strident advocates of Greene, Griffen and McAlpine do have relevance. We are all aware of the political games that some play in order to gain and use power, from hidden back-stabbing to direct and unpleasant personal confrontation, a tactic used to intimidate those who think differently from the power seeker.

There is an alternative view to the modern day Machiavellians. The popular, best selling books on management rarely mention playing organisational politics. Peter Drucker's books, Peters and Waterman's In search of excellence, recent best sellers, do not discuss playing power politics except to advocate the 'squeaky clean approach.' Such an advocacy is not necessarily correct, for as Buchanan and Badham argue, the use of politics in organisations has been a long neglected issue, due to the opprobrium that will be heaped on anybody who argues that political manoeuvring is necessary to accomplish change. There is a growing volume of literature that states that this opprobrium is misplaced - that organisational politics do exist and that political manoeuvring can be successful.

There is another group of writers who take the issue much further; they argue that ethical behaviour is an essential aspect of a strong management capability. Ken Blanchard, in his still popular seller The one minute manager (Fontana Collins, 1983), specifically advocates an ethical approach. He also argues the same viewpoint in The power of ethical management, written with Norman Vincent Peale (Morrow and Co New York, 1988). The best known writer in this group is Steven R. Covey, who wrote The seven habits of highly effective people, (New York, Simon & Schuster. 1989). Another is Blaine Lee, an associate of Covey's, in The power principal: influence with honor (New York, Simon and Schuster, 1997). Blaine states that we all seek influence, even power, not necessarily through ambition, but so that we may achieve the objectives we seek, or influence others with the values that we espouse. Otherwise mankind would try still, nothing would ever be accomplished.

He provides three types of power, with some 10 or so ways to acquire it, essentially advocating that we gain power through relations with others which are open, honest and conducted with integrity. Blaine's and Covey's books rely on argument, and their own beliefs, but they do build a reasonably convincing case.

One of the strongest set of counter-arguments to Machiavelli and his modern followers lies in the work of Rosabeth Moss Kanter in The change masters: corporate entrepreneurs at work, (London, International Thomson Business Press, 1996), and others of her books. Kanter, director of her own Boston based consultancy and Professor of Management at the Harvard Business School, identified 47 companies with a 'most progressive' reputation in their industry. She then matched them with companies in the same industry, in terms of size, sales and number of employees, and compared the financial performance of each group over a 20 period.

'The companies with reputations for progressive human resource practices were significantly higher in long term profitability and financial growth than their counterparts'. Kanter defined the progressive companies as integrative, the less progressive companies as segmented. Integrative companies are participative, hold respect for individuals, have a fluidity of boundaries and have a free flow of ideas across the organisation. They are innovative, fun places to work, with a high level of employee involvement. Segmented companies, on the other hand, are more traditional, with separate compartments walled off from each other; they are more hierarchical, operating along a line of command that follows the boxes on the organisational chart. It is not difficult to believe that in such organisations senior managers select people for advancement who 'can get the job done,' or who may even be seen as aggressive, 'who can show people who is in charge' - the antithesis of a participative organisation.

It is drawing a long bow to transfer the reasons for the superior financial performance of Kanter's 40 or more integrative US companies to the organisations and institutions of the developing world. But there are parallels. Participation, employee commitment (as well as beneficiary commitment), fluidity and flexibility are well-established institutional principles in the development lexicon. Kanter accepts the need to gain power, but notes the need to use it effectively. In her When giants learn to dance: mastering the challenges of strategy, management and careers in the 1990s. (Unwin, London, 1989) she identifies seven characteristics of the entrepreneurial manager in her flexible, integrative organisation: having an ability to work independently; being an effective collaborator, able to compete in ways that enhance cooperation; being able to develop high trust based on high ethical standards; having self-confidence tempered with humility; having respect for change; having an ability to work across the organisation, being multifaceted and ambidextrous; being willing to stake reward on results, to gain satisfaction for success. None of these hold even the slightest hint of Machiavellian politics. Nevertheless, the issues are not clear cut. We are all aware of organisational politics; many of us are aware of instances where they have been successful. Whether they are necessary ingredients for achieving change, and whether we will be able to distinguish ethical behaviour from self-serving policies, would appear to be questions that we still need to resolve.

Peter Bowden, formerly Professor of Administrative Studies, University of Manchester
The mass media in Vietnam

David Marr 1998, Monograph Number 25, Department of Political and Social Change, Research School of Pacific and Asian Studies, Australian National University, website: http://rspas.anu.edu.au/

It is increasingly understood that the media of a country, in particular the news media, will closely reflect the prevailing political climate. As what is usually the primary bridge between the political institutions of state and civil society, the media is deeply enmeshed in the political processes and is, in that sense, a political actor. It is therefore not surprising that the media in authoritarian countries should reflect an authoritarian element, being deeply controlled - probably state owned - and authoritarian states move towards more de-restricted or liberal models, the media can also be seen to move along similar lines. In some cases the media will lead, acting as an agent for change; in others they will follow, as a more passive recipient of state beneficence.

The edited book *The mass media in Vietnam* confirms this general view, offering insights into the restrictions and very tentative steps the media has taken towards de-restriction in Vietnam since the advent of doi moi, or economic 'renovation'. The impression left is that the Vietnamese media is still perhaps as controlled as any in the world today, with one or two exceptions, but that it has begun to move away from the more rigid control of the pre-doi moi era.

One of the more useful aspects of this book is the contributions from Vietnamese practitioners themselves. In a country in which self-censorship is in most cases taken for granted, some of the Vietnamese contributions do lack a critical edge, and are more descriptive than analytical. However, these are balanced by other somewhat more thoughtful contributions. In particular, there is some insight into the haphazard way in which the media has achieved some small degree of freedom, reflecting in turn the lack of certainty within Vietnam's political institutions about the rate and direction of change. As with the political structure itself, those in the media who ventured too far from a cautious line were often victims of the reassertion of conservativism. One insight in particular is useful, and helps explain political development in Vietnam more generally, as well as in regard to the media. Beneath Vietnam's poverty and corruption lies a floor of Soviet-style desire for party control (p 34, 36, 43). In implementing this control, or in freeing it, there is a superstructure of French colonial bureaucracy, which in even the most liberal of states would be inefficient and inept. And then, as a foundation, there is Vietnam's Confucian legacy, of deference for authority and a strict sense of hierarchy. None of these are conducive to free inquiry or the open dissemination of information.

Yet countered against them is Vietnam's own tradition of intellectual pursuit, creative and critical expression and dissent. Vietnamese scholars and intellectuals had a well developed history of exploration, discussion and debate, and elements of this live on despite the dead hand of colonialism and subsequent Stalinism. Not surprisingly, the one area where the media in Vietnam has moved ahead has been in publishing on economic matters. As economic renovation has progressed over the past decade, albeit fitfully, so too has reporting in this area. This reflects not only a structural linkage between the two, but also recognition by economic planners that this area of the media and the section of society it reports do not benefit from a heavy controlling hand.

Another driver for change in the Vietnamese media is technology and, increasingly, competition from overseas sources. Although still restricted, the increasing access to foreign movies, television programming and the Internet, have begun to chip away at state control. In this respect, the media not only reflects, but is a conduit for the process of (gradual) globalisation.

Finally, there is a look at journalism in Vietnam from the perspective of a foreign correspondent. Peter Mares was an ABC reporter in Hanoi from 1993 until 1996, and his anecdotal experience is illuminating. Yet in the real issue of information flow in Vietnam, foreign reporting is a sideshow, and it is the domestic provision of information that remains critical to the political development of the country.

*The mass media in Vietnam* is the first English language account of the subject and, thus a building block of understanding of the changing shape of Vietnam's development. It is a useful, if smallish, contribution to this understanding, and to understanding more widely the role of the media in political development of Southeast Asia.

Dr Damien Kingsbury, Senior Lecturer in International Development at Deakin University and co-editor of 'Foreign devils and other journalists: the news media in South-East Asia' (Monash Asia Institute, 1999).
The aim of the Issues in Society series of educational resource books is to offer current, diverse information about important issues in our world. Foreign aid and world debt explores the extent of global poverty; the provision of development aid to poorer countries by Australia and other developed nations; and the role of developed nations and international finance bodies such as the World Bank and the International Monetary Fund in dealing with the debt crisis experienced by poorer countries. Foreign aid and world debt offer a useful starting point for those who need convenient access to information about the many issues involved. It also contains lists of recommended readings and resource materials.

Global economic prospects and the developing countries 2001

This report reviews the recovery from the financial crisis and the prospects for developing countries; traces the impact of the crisis on poverty; analyses the difficulties facing businesses and financial institutions in the East Asian crisis countries; and discusses the implications of the recent volatility in commodity prices, in part caused by the crisis, for commodity dependent economies.

Global development finance 2001: building coalitions for effective development finance

World Bank, May 2001, ISBN 0821348930 SKU: 14893, US$300, 656 pages, World Bank, PO Box 960, Herndon, VA 20172-0960, USA, Tel: +1 703-661-1580, Fax: +1 703-661-1501, Email: books@worldbank.org, Website: http://publications.worldbank.org/ecommerce

Global development finance 2001 tracks the annual movement of international capital flows to developing countries, and discusses selected analytical and policy issues in international finance for developing countries. International financial flows to developing countries are probably more valuable than traditionally thought and the prospects for using them more effectively continue to improve. These resource transfers from rich countries to poor ones create investment opportunities, and influence development, by stimulating improvements in the policies and institutions of developing countries. They can thus reinforce those countries' efforts to raise productivity and increase efficiency in the economy. These are some of the conclusions reached by this report, which also highlights current international initiatives to leverage the extensive potential of international financial flows. These include the global reform of the international financial architecture and the World Bank's Comprehensive Development Framework at the country level, which advocates a holistic approach to development.
1980 and 1990) argues that major reductions in all dimensions of poverty are possible— that the interaction of markets, state institutions and civil societies can harness the forces of economic integration and technological change to serve the interests of poor people and increase their share of society’s prosperity. Actions are needed in three complementary areas: promoting economic opportunities for poor people through equitable growth, better access to markets, and expanded assets; facilitating empowerment by making state institutions more responsive to poor people and removing social barriers that exclude women, ethnic and racial groups, and the socially disadvantaged; and enhancing security by preventing and managing economy-wide shocks and providing mechanisms to reduce the sources of vulnerability that poor people face. Global actions need to complement national and local initiatives to achieve maximum benefit for poor people throughout the world. The report recommends that developing country governments at all levels, donor countries, international agencies, NGOs, civil society, and local communities, mobilise behind the priority areas. More than two years in the making, the World development report 2000/2001 draws on a large volume of research, including a background study, ‘Voices of the poor’, which systematically sought the personal accounts of more than 60,000 men and women living in poverty in 60 countries. In addition, the report’s authors conducted extensive research and consultation with a wide array of governments, non-government organisations, civil society groups, universities, development think tanks, private business groups and others around the world. The report builds on the view that poverty means not only low incomes and low consumption but also lack of education and poor nutrition and health. Based on the testimony of poor people themselves, and changes in thinking about poverty, the report goes further and expands the definition of poverty to include powerlessness, ‘voicelessness’, vulnerability, and fear.

Forthcoming world development report 2001/2002: institutions for markets

Mail enquiries to: The World Bank, PO Box 960, Herndon, VA 20172-0960, USA,
Fax order to: +1 703 661-1501,
Phone: +1 703 661-1580,
Email: BOOKS@worldbank.org

Market reforms have had a mixed record at promoting growth, increasing productivity and alleviating poverty in developing countries across the world: from considerable success in some parts of East Asia, Latin America and Central Europe to disappointment in parts of Africa and the former Soviet Union. This has led policy makers to ask: could market reforms do more to improve living standards if greater attention were devoted to developing institutions to support markets, where are the institutions which make markets effective in delivering inclusive growth and how do countries get these institutions?

The World Development Report 2001, due for release in September 2001, will be the 24th in the series. Entitled ‘Institutions for Markets,’ it will discuss how it is that only countries with efficient and inclusive markets have seen significant income growth and poverty reduction. A key factor in developing such markets is market-enhancing institutions, which perform three essential functions: reduce information asymmetries; reducing the costs of dispute resolution/contact enforcement and enhancing competition in markets.

Confronting corruption: the elements of a national integrity system

Transparency International Source Book by Jeremy Pope, 2000, US$50.00 for private/NGO purchasers, Source Book order, Transparency International secretariat, Otto-Suhr-Allee 97-99, 10585 Berlin, Germany, Tel: +49 30 343 8200, Fax: +49 30 3470 3912, Email: n@transparency.org.

Email author: jeremypope1@compuserve.com, available online in .pdf format at: http://www.transparency.org/sourcebook/index.html

Corruption appears to be increasing, despite a growing number of empirical evidence as to the destructive forces it unleashes. When important decisions are determined by ulterior motives with no concern for the consequences of the state and the wider community, the political, economic and social costs are high. Corruption control is therefore not simply an end in itself but is crucial and instrumental in reaching the broader goal of more effective, fair and efficient government for the benefit of all. With many initiatives being taken in many different parts of the world, emerging best practice is a rapidly growing area and this publication has references to best practice documentation.

Trade, income disparity and poverty


This report argues that trade liberalisation helps poor countries to catch up with rich ones and that this faster economic growth helps to alleviate poverty. The report finds that, to alleviate poverty, developing economies need to grow faster, and the poor need to benefit from this growth. Trade can play an important part in reducing poverty, because it boosts economic growth and the poor tend to benefit from that faster growth. In general, living standards in developing countries are not catching up with those in developed countries. But some developing countries are catching up. What distinguishes them is their openness to trade. The countries that are catching up with rich ones are those that are open to trade; and the more open they are, the faster they are converging. Poor people within a country generally gain from trade liberalization. The report concludes that ‘trade liberalisation is generally a strongly positive contributor to poverty alleviation—it allows people to exploit their productive potential, assists economic growth, curtails arbitrary policy interventions and helps to insulate against shocks’. This concurs with a new World Bank
study by Dollar and Kraay which, using data from 80 countries over four decades, confirms that openness boosts economic growth and that the incomes of the poor rise one-for-one with overall growth. Some people do lose in the short run from trade liberalisation. Some are well off, others not.

The report argues that the plight of the losers should not be ignored, but that the right way to alleviate their hardship is through social safety nets and job retraining rather than by abandoning reforms that benefit most people.

Results of the eighth United Nations inquiry among governments on population and development

United Nations 2001, ISBN 92 1 151346 4, 197pp, paperback, for further information contact Dr. Joseph Chamie, Director, Population Division, Department of Economic and Social Affairs, United Nations, New York, NY 10017, USA, Tel: +1 212 963 3179, Fax: +1 212 19632147, Email: chamie@un.org or population@un.org

The Eighth United Nations inquiry among governments on population and development provides a statistical summary of the responses of governments to population growth; size and age structure; health and mortality; fertility, reproductive health and the family; population distribution and internal migration; and national population policies and the implementation of the Programme for Action of the 1994 International Conference on Population and Development. Information on selected views and policies of governments is represented in the report, reflecting the collective perspectives of 90 countries and focusing on issues with which governments concern themselves most.

Beyond Krismon: the social legacy of Indonesia's financial crisis


Most of the countries caught up in the Asian financial crisis appear to have weathered the storm. But Indonesia's prospects are far more uncertain. In this Innocenti Insight, development journalist and writer Peter Stalker describes how the financial turbulence of the 'Krisis Moneter' or 'Krismon' set off a dramatic social and political chain reaction, with effects on children that could reverberate for years to come. Beyond Krismon examines the legacy of Soeharto's New Order regime in terms of child wellbeing, the impact of the financial crisis on areas essential to their survival and development and the crippling burden of debt that may jeopardise the nation's hopes for the future.

Forthcoming: the global corruption report

Project manager for the Global Corruption Report is Robin Hodess, Transparency International Secretariat, Otto-Suhr-Allee 97-99, D-10585 Berlin, Germany, Tel: +49 30 343 8200, Fax: +49 30 3470 3912, Email: rhodess@transparency.org

Transparency International (TI) will launch a new yearly publication, The global corruption report, in autumn 2001. The report will be an important advocacy tool for Transparency International and the entire anti corruption movement. The report will be global in scope and theme, providing an annual survey of key topics in corruption and the fight against corruption, highlighting noteworthy cases, addressing international and regional trends, and providing useful empirical evidence of corruption, including TI's well-known 'corruption perceptions index' and 'bribe payers index'.

Development Bulletin 55
Newsletters and journals

New Internationalist issue 334, May 2001, World Trade Organization: shrink it or sink it

New Internationalist Publications is a communications cooperative based in Oxford with editorial and sales offices in Toronto, Canada; Adelaide, Australia; Christchurch, Aotearoa/New Zealand; and Lewiston, USA. It exists to report on issues of world poverty and inequality and to focus attention on the unjust relationship between the powerful and the powerless in both rich and poor nations; to debate and campaign for the radical changes necessary if the basic material and spiritual needs of all are to be met. Originally the group published only the New Internationalist Magazine, sponsored by Oxfam, Christian Aid and the Cadbury and Rowntree Trusts. Today sponsorship is no longer needed. Besides the income earned from sales of the magazine, the group now produces films, books and other communications material for various United Nations and related bodies concerned with world development.

Website: http://www.newint.org
For subscription enquiries contact: in Australia:
28 Austin St
Adelaide SA 5000
Tel: +61 (0) 8 82321563
Fax: +61 (0) 8 82321887
Email: helena@newint.com.au
Subscription price: £65.40 inc GST,
single issue cost £6.20 inc GST
Rest of the world:
Tower House, Lathkill Street,
Market Harborough LE16 9EF
Tel: +44 (0) 858 438896
Fax: +44 (0) 858 461739
Email: newint@subscription.co.uk
Subscription price: £34.85, single issue £2.95

Development ISSUES

Development ISSUES is the newsletter of the Institute of Social Studies (ISS), covering a wide range of academic and applied fields. Development ISSUES replaces the previous ISS publications of Alumni Magazine and the ISS Bulletin and extends the readership to include colleagues in other OECD countries, with similar interests. Issues which have been published so far are provided as downloadable files in Adobe Acrobat .pdf file format at: http://www.iss.nl/index1.htm

Contact details:
Institute of Social Studies
P.O. Box 29776
2502 LT The Hague
Cables: SOCINST
Tel: 31 31704260 460
Fax: 31 31704260 799
URL: http://www.iss.nl/
The following journals are available from:
Taylor & Francis
11 New Fetter Lane
London EC4P 4EE
United Kingdom
Tel: +44 (0) 20 7583 9855
Fax: +44 (0) 20 7842 2298
Email: enquiry@tandf.co.uk or beverley.acremam@tandf.co.uk
URL: http://www.tandf.co.uk/journals/alphabet.html

Asia-Pacific Review

Asia-Pacific Review analyses global political, economic, security, energy and environmental issues, with specific emphasis on the Asia-Pacific region, providing readers with excellent insights on a variety of crucial topics. Articles are written by leading scholars, diplomats, politicians and businessmen - people who are involved in important decisions that affect the Asia-Pacific region as it faces the twenty-first century. Asia-Pacific Review was launched in 1994 by the Institute for International Policy Studies (IPPS), an independent, non-profit research institute in Tokyo founded by former Prime Minster Yasuhiro Nakasone. The institute examines critical issues facing the world and Japan from an independent standpoint and with a global perspective. It organises and sponsors a number of conferences in Japan and abroad, and works with other institutes in Europe and the United States to conduct joint research projects. The editors welcome scholarly contributions concerning the political, economic, environment and security issues that affect the world and the international community, and in particular papers that focus on how these issues affect the Asia-Pacific region in the twenty-first century.

Pacific Review

Editor: Professor Richard Higgott, University of Warwick, UK, Volume 14, 2001, 4 issues per year, ISSN 0951-2748, 2001 Subscription rates: Institutional: US$292/£179,
Individual: US$70/E44, available online
The Pacific Review provides a major platform for the study of the Pacific Basin. It is an interdisciplinary forum for the exchange of ideas on this increasingly important region, published with the intention of promoting understanding. The specific aims and objectives of the journal are: to break down barriers between areas of study and between the worlds of academia, journalism, government and business; to focus on issues of policy and as a forum for the exchange of ideas from different fields of expertise and to be global in perspective and not narrowly concerned with the interests of a specific country or political system. Contributors include specialists in domestic and foreign politics, economics, business and industrial issues, military strategy and cultural issues. The accessible nature of the Pacific Review and a focus on current policy issues make it a valuable source of information for the business community and government agencies in addition to academics.

Pacific Review: Peace, Security and Global Change

Editors: Shahram Akbarzadeh - School of Sociology, Politics and Anthropology, La Trobe University; Michael O'Keefe - Centre for Applied Philosophy, and Public Ethics, The University of Melbourne, published in July 2001
Pacific Review is a scholarly journal that addresses the difficult practical and theoretical questions posed by the sheer scale and complexity of contemporary change. More specifically, it analyses the sources and consequences of conflict, violence and insecurity, but also the conditions and prospects for conflict transformation, peacekeeping and peacebuilding. While Pacific Review focuses on the international dimension of political, economic and cultural life, its perspective cuts across traditional boundaries, between states, economies and societies and also between disciplines and ideologies. Pacific Review seeks to illuminate the sharp and often perplexing contradictions of an increasingly integrated yet fragmented world. Ethno-nationalism, the break-up of established states, and religious and civilisational divisions coexist with new forms of economic and financial integration. Gross violations of human rights, environmental degradation, large and uncontrolled population movements, and rapidly expanding transnational crime are taking place at a time of unparalleled UN activism, and the rise of a host of new legal and institutional arrangements, both regionally and globally.

Bulletin of Indonesian Economic Studies

Editor: Ross H. McLeod, Indonesia Project, Division of Economics, Research School of Pacific and Asian Studies and Asia Pacific School of Economics and Management, The Australian National University, Canberra, ACT, 0200, Australia, Volume 13, 2001, 3 issues per year, ISSN 13239104, 2001 Subscription rates: Institutional: US$257/£156, Individual: US$65/£46, available online

The Bulletin of Indonesian Economic Studies provides a well respected outlet for high quality research by both Indonesians and foreigners on any and all matters pertaining to the Indonesian economy - from poverty to public administration, from small business to state enterprise, from peasant farming and fisheries to financial crises - and touching on closely related fields such as law, the environment, demography, education and health. In doing so, it has played an important role in helping the world, and the Indonesians themselves, to understand Indonesia. The journal has been recognised worldwide as one of the top ranking economics journals in terms of citations. In addition to the usual papers reporting economic analysis and research, each issue leads with a comprehensive 'Survey of Recent Developments', which aims to be accessible even to non-economists, and helps to account for the journal's diverse readership within academia, government, business and the public as a whole. The journal also includes a number of book reviews on Indonesian economics and related issues.

Journal of the Asia Pacific Economy

Editors: Anis Choudhury, University of Western Sydney, Macarthur, Australia, Iyanatul Islam, Griffith University, Australia, Colin Kirkpatrick, University of Manchester, UK, Salim Rashid, University of Illinois, Urbana-Champaign, USA, Volume 6, 2001, 3 issues per year, ISSN 13547860, 2001 Subscription rates: Institutional: US$292/£179, Individual: US$63/£41

The Journal of the Asia Pacific Economy (JAPE) aims to promote greater understanding of the complex economic, historical, political, social and cultural factors which have influenced and continue to shape the transformation of the diverse economies that make up the Asia-Pacific region. The editorial policy is to maintain a sound balance between theoretical and empirical works. JAPE publishes research papers written from the perspective of a single discipline, such as economics, politics or sociology, and it particularly welcomes multidisciplinary perspectives. The submissions can range from overview articles spanning the region to papers with a detailed focus on particular issues facing individual countries. In addition to articles, it publishes short notes, comments and book reviews. Contributors are encouraged to spell out the practical policy implications of their work for governments and business. All articles are reviewed by at least two referees.

Global Society: Journal of Interdisciplinary International Relations


Global Society covers the new agenda in international relations and encourages innovative approaches to the study of international issues from a range of disciplines. It promotes the analysis of international transactions at multiple levels, and in particular, the way in which these transactions blur the distinction between the subnational, national and transnational levels. Global Society promotes the analysis of the internationalisation of various levels of social interaction from a multitude of disciplines, including international relations, political science, political philosophy, international political economy, international law, international conflict analysis and sociology. Global Society is published by Carfax Publishing Limited, on behalf of the University of Kent at Canterbury.

The International Trade Journal


International Trade Journal is a quarterly journal of high professional standards devoted to both the theoretical and practical aspects of international trade. It is a refereed
journal intended for the exchange of ideas among academicians, government officials, and both macro- and micro-practitioners of international trade. Its editorial objective is to provide a forum for the scholarly exchange of research findings and for significant conceptual or theoretical contributions to the field.

Oxford Development Studies
Editors: Professor George H. Peters, Sanjaya Lall, Nandini Gopin and Raouf Mustapha, International Development Centre, Queen Elizabeth House, University of Oxford, UK, Volume 29, 2001, 3 issues per year, ISSN 13600818, 2001

Oxford Development Studies incorporates Oxford Agrarian Studies, which was launched in 1972 by the University of Oxford Institute of Agricultural Economics and has been published by Carfax since 1990. Oxford Development Studies first appears as Volume 24, 1996 and is a multidisciplinary academic journal aimed at the student, research and policymaking community, which provides a forum for rigorous and critical analysis of conventional theories and policy issues in all aspects of development, aiming to contribute to new approaches. It covers a number of disciplines related to development, including economics, history, politics, anthropology and sociology, and will publish quantitative papers as well as surveys of literature.

Third World Quarterly: Journal of Emerging Areas
Editor: Shahid Qadir, Royal Holloway, University of London, UK, Volume 22, 2001, 6 issues per year, ISSN 01436597, 2001

Third World Quarterly (TWQ) is the leading journal of scholarship and policy in the field of international studies. For more than two decades, it has set the agenda on development discourses of the global debate. As the most influential academic journal covering the emerging worlds, TWQ is at the forefront of analysis and commentary on fundamental issues of global concern. Third World Quarterly examines all the issues that affect the many third worlds as we enter the threshold of the Third Millennium. TWQ is not averse to publishing provocative and exploratory articles, especially if they have the merit of opening up emerging areas of research that have not been given sufficient attention. Third World Quarterly is a journal that looks beyond strict 'development studies', providing an alternative and overarching reflective analysis of microeconomic and grassroots efforts of development practitioners and planners. It furnishes expert and interdisciplinary insight into crucial issues before they impinge upon media attention, as well as coverage of the very latest publications in its comprehensive book review section.

Nicotine and Tobacco Research
Editor-in-Chief Gary E. Swan PhD, Center for Health Sciences, SRI International, Menlo Park, USA, Volume 3, 2001, 4 issues per year, ISSN 14622203, 2001

Nicotine and Tobacco Research, the official journal of the Society for Research on Nicotine and Tobacco, is the world's first and only peer-reviewed journal devoted exclusively to nicotine and tobacco research. Nicotine and Tobacco Research aims to provide a forum for empirical findings on the many aspects of nicotine and tobacco including research from the bio-behavioral, neurophysiological, epidemiological, prevention and treatment arenas. Along with manuscripts from each of the areas mentioned above, it seeks to encourage submissions that are integrative in nature and that may cross traditional disciplinary boundaries. Nicotine and Tobacco Research's goal is to serve international and interdisciplinary scientific communication devoted exclusively to nicotine and tobacco research. A specific objective of the journal is to stimulate submissions that are multidisciplinary in nature. Submissions are sought that not only are technically competent but are original and contain information or ideas of fresh interest to the international readership.
Conference reports

Third United Nations Conference on the Least Developed Countries LCDIII
14-20 May 2001, Brussels
URL: www.unctad.org/conference

The week-long UN Conference on the Least Developed Countries (LDCs) adopted a 10-year plan aimed at breaking the cycle of poverty and despair of the world's poorest countries and bringing them into the economic mainstream. Poor and wealthy countries agreed on a new aid and trade partnership, aiming to bring the most destitute countries out of poverty in 10 years. The plan sets out a vision of a new partnership in which wealthy countries would increase their efforts to help the poorest, while the poor countries would act to strengthen the rule of law and improve the business climate.

Recent decisions include an EU plan to allow duty free access to its market for virtually all products from the poorest countries and an agreement by the OECD to make less aid conditional on recipients buying products from the donor countries. The plan; 60 pages long, sets out commitments for both wealthy and poor countries to provide more development aid and debt relief, as well as giving higher priority to trade and investment. The plan also calls for several trust funds to be established to improve food safety and foreign investment, as well as a $10 billion global fund to combat AIDS and other diseases. In their declaration, participants agreed that they had a 'shared responsibility' to eradicate the poverty and deprivation of approximately 630 million people who live on less than $1 a day. The plan amounted to broad strokes of a decade-long programme. 'It's a beginning,' said conference chairman and UNCTAD Secretary-General Rubens Ricupero. 'It's a movement. The objective is a work plan for 10 years. We cannot achieve in one day or in one week what must be achieved over a long period.'

4-10 September 2000, New York

In the words of Convening Chairman Mikhail Gorbachev, the State of the World Forum is a 'global brain trust with a mission to focus on the present and future of our civilization.' During the past five years, a broad network of leaders from business, government, and civil society have gathered to examine the principles and values that may guide humanity and to initiate progressive actions.

Forum 2000 was a 'post Seattle' dialogue on 'shaping globalisation: Convening the community of stakeholders'. The seven-day event was unprecedented in its scope and diversity. It attracted over 2,000 individuals from more than 80 countries, including heads of state and representatives of governments, non-government organisations, protest groups, corporations, trade unions, international institutions, the science and technology sector, religious communities, academia and the media. Forum 2000 covered the social implications of globalisation; the growing impact of digital technology and biotechnology; global finance and capital flows; core economic productivity and sustainability issues; the threats to Earth's ecosystems and biodiversity; the need for an ethical foundation for the emerging global society; and questions of global governance.

The conference's success gave rise to an enthusiastic consensus that substantive and diverse interaction and dialogue should continue in light of the growing public and political debate on globalisation and global governance. In this spirit, the State of the World Forum, in partnership with organisations worldwide, is launching the Commission on...
Globalisation to continue such dialogue. The Commission will explore the opportunities and challenges posed by globalisation that will ultimately shape civilisation’s future. Its goal is to enable all stakeholders to work together and envision a globalisation process that is ethical for all of life and is equitable for all major constituencies.

Capital Account Liberalisation: The Developing Country Perspective

Overseas Development Institute, London, 21 June 2000
URL: http://wwwodiorg/uk/programmes/capital-account.html

This conference brought together distinguished economists and policy makers from a wide range of governments, international organisations, research institutes, universities and non-government organisations. The aim was to set out the policy choices facing poorer countries and explore whether the lessons from middle income countries are relevant. Participants considered the effectiveness of capital controls, and practical capacity building and policy implementation issues in the poorer countries, particularly in relation to issues around monitoring flows, the effectiveness of monetary policy and the ability to sterilise capital flows. The idea was to involve developing countries in the debate, to shift attention away from the recent crisis-ridden countries towards other regions and to comprehend the problems that other countries have in the capital account liberalisation process.

The main conclusions were as follows:

- The forces leading to globalisation and moves towards greater liberalisation of capital account transactions are irreversible.
- While liberalisation is generally beneficial, it also greatly heightens a country’s vulnerability to reversals in capital flows that can precipitate severe currency and balance of payments crises.
- The risks inherent in capital account convertibility thus justify a gradual approach to liberalisation.
- Liberalisation of the controls on the current account combined with a relatively closed capital account leads to the loss of capital through leads and lags in the current account.
- Capital account liberalisation requires that central banks have effective regulatory, supervisory, enforcement and informational structures in place.
- The composition of capital flows must also be closely monitored.

The Conference clearly revealed the promise and the risks inherent in capital account convertibility. Participants emphasised the need for gradualism and preconditions in laying a strong foundation on which to base full convertibility. Without this foundation, the chances of a severe crisis are greatly heightened. The conference concluded on the note that each country has to work out the degree of capital account liberalisation based on its own preconditions and move along the spectrum as the economy undergoes reforms and enters a dynamic process of change and progress. Prudential limits and regulation can be used to work out the transition phase. Experience reveals that a gradual approach to capital account convertibility is an achievable and largely beneficial policy objective for developing countries to pursue.

Solomon Islands Government National Seminar on Poverty Assessment

8 March 2000, Honiara

The seminar provided an opportunity to conduct consultative discussion between agencies of governance and research, NGOs, civil and religious groups. The main purpose was to obtain consensus on the concept of poverty, as well as to entice general support and commitment for the study of poverty and the development of policy and strategy for poverty prevention and alleviation. Specific objectives of the workshop were to:

- create collective understanding of the situation and the concept of poverty within Solomon Islands context;
- clear perception of relevant indicators, statistical surveys and studies for poverty assessment;
- research consensus on the technical approach and work programme for the study of poverty in the country; and
- gain support, commitment and guidelines for poverty assessment in the country.

It was stressed that there is a need to strengthen the capacity of the data collecting agencies. There is also a need to coordinate their efforts in collecting and making available economic and social statistics on the Solomon Islands.

Poverty was defined from its multi-dimensional perspective. The Human Development Index (HDI) and Human Poverty Index (HPI) were developed by UNDP to capture the multi-dimensional nature of poverty. Both the HDI and HPI for the Solomon Islands indicated a relatively lower level of human development, as compared to other Pacific nations.

There are three main reasons that have forced the Pacific governments to address poverty. These are:

- external forces (the banks, United Nations families, and the donor communities);
- internal forces (subsistence sector under stress due to population pressure, environmental degradation and new expectations) and a traditional social security system under stress due to monetarisation, migration and attitudinal change; and
- the need to address negative impacts of structural adjustment and the effects of globalisation.

It was recommended that for future assessment the focus must be on the 'disadvantaged' with income poverty recognised as a common manifestation. We should initiate poverty focused analysis of existing data and consciously improve the relevance of data instruments to poverty analysis and build on existing findings.

The ADB's poverty reduction strategy recommended four basic strategies for alleviating poverty:

- maximise GDP growth through improved savings and investment and allocative efficiency;
- redirect public investment to the poor in the form of education and health services, physical infrastructure, credit access, etc.
- redistribute income or consumption through fiscal transfers or direct allocation of consumption goods; and
• transfer existing assets to the poor.

A brief highlight of the thematic areas for the preceding sessions was presented. The floor was then opened for 'the way forward' discussion. The following are questions, suggestions and recommendations made during the discussion:

• use local and existing capacity (including local networks and institutions) for carrying out poverty alleviation assessment and strategies;

• assessment should give particular attention to disadvantaged localities (e.g. poor urban provincial centres) and to address new and emerging concerns such as sustainable resource utilisation and the quality of life of Solomon Islands people;

• poverty prevention/alleviation should be incorporated into the medium term development strategy.

The commitment of the government for an intervention programme for the disadvantaged groups was reaffirmed. The seminar was viewed as a cornerstone for addressing the real needs of the country.
The Development Studies Electronic Forum

This Forum was established by the Australian National University (ANU) to provide a world-wide communications vehicle and a central electronic archive for anyone working on or interested in the study of social and economic development, with a particular focus on Third World countries.

How to join

To join (subscribe to) the forum send e-mail

to: majordomo@cairo.anu.edu.au  
message: subscribe Development-Studies-L your e-mail address  
[eg: subscribe Development-Studies-L xyz@abacus.abc.edu.au]

To join (unsubscribe to) the forum send e-mail

to: majordomo@cairo.anu.edu.au  
message: unsubscribe Development-Studies-L your e-mail address  
[eg: unsubscribe Development-Studies-L xyz@abacus.abc.edu.au]

It will be helpful for all members of the Forum to provide a brief introductory note, as their first communication with the Forum: who you are, your institution or affiliation, your general and specific interest in development studies research. Most email systems permit the appending of a signature block to a message.

Participants are free to join and leave the Forum at any time. English is the preferred language of communication of this Forum.

Contributions

To contribute, you must have subscribed and been approved as a member of the list of contributors. Approval to join the Forum is a 'proforma' operation, but subscription does permit some basic control of the contents of submissions by the list owner. Any submission to the forum is immediately broadcast to all subscribed members, and a copy automatically archived.

Anyone, whether a registered member or not, can electronically view and retrieve the communications to the forum using a database 'ANU-Development-Studies-L' accessible through the standard WAIS software and through the ANU's COOMBSQUEST Social Sciences and Humanities Information Facility gopher running on the coombs.anu.edu.au as well as on the cheops.anu.edu.au machines.

To post your contribution to the forum send e-mail

to: Development-Studies-L@cairo.anu.edu.au  
message: [the body of your contribution comes here]

If you are reporting findings or research results, treat the text as if it were a short note/abstract to a professional journal. Bibliographic information is always welcome and such contributions, if submitted, will be archived on in the Coombspapers Social Sciences Research Data Bank at ANU available by ftp/gopher/www access on the cairo.anu.edu.au system.

If in doubt how to interact with any of the coombs.anu.edu.au lists, send a message 'help' to: majordomo@cairo.anu.edu.au
Organisations

Transparency International (TI)

Transparency International works to ensure that the agendas of international organisations give high priority to curbing corruption. TI was established in 1993 as a not-for-profit non-governmental organisation. TI has adopted a three-pronged approach to fighting corruption. First, it builds broad coalitions against corruption in order to work cooperatively with governments, business and civil society organisations. Secondly, TI employs a gradualist approach promoting focused and specific plans of action in an incremental process. The third component of the TI strategy is the creation and expansion of its worldwide network of national chapters. As of late 2000, TI has approximately 80 chapters worldwide. In the past several years, TI has helped to raise global awareness of corruption, partly through improving understanding in the North of the role played by corporations and institutions in fostering corruption in the South and East. Another major contribution of TI has been its role in persuading the World Bank to join the efforts to combat corruption. The IMF, other development banks, and international organisations soon followed suit. TI was also involved in promoting the 1997 OECD Convention on Combating Bribery of Foreign Public Officials and, more recently, in facilitating the adoption by 11 leading international private banks of the Wolfsberg Principles, aimed at eliminating global money-laundering. TI is promoting new inter-governmental agreements to fight corruption in an internationally coordinated manner. Both the TI Secretariat and TI National Chapters around the world actively monitor the implementation of such agreements by the signatory countries. This includes monitoring of conventions concluded within the framework of the OECD, the Council of Europe, the European Union and the Organisation of American States. Special emphasis is on monitoring the OECD Convention on Combating Bribery of Foreign Public Officials.

Contact details:
Transparency International
Otto-Suhr-Allee 97/99
10585 Berlin, Germany
Tel.: +49 30 343 8200
Fax: +49 30 3470 3912
Email: ti@transparency.org
Website: http://www.transparency.org/

Oxfam

Oxfam GB is a development, relief, and campaigning organisation dedicated to finding lasting solutions to poverty and suffering around the world. Oxfam believes that every human being is entitled to a life of dignity and opportunity; and works with poor communities, local partners, volunteers, and supporters to help this become a reality. Oxfam works internationally as part of a worldwide movement to build a just and safer world. Oxfam is an independent British organisation, registered as a charity, affiliated to Oxfam International, with partners, volunteers, supporters, and staff of many nationalities. Oxfam is accountable both to those who support it and to those whom it seeks to benefit by its efforts. Oxfam works internationally as part of a worldwide movement to build a just and safer world.

Contact details:
Development Team, Oxfam House, 274 Banbury Road, Oxford, OX2 7DZ
Tel: + 44 (0)1865 312610
Email: oxfam@oxfam.org.uk
http://www.oxfam.org.uk/about.htm

Department for International Development (DFID)

DFID is the British government department responsible for promoting development and the reduction of poverty. Since its election in 1997 the current UK government has increased its commitment to development by strengthening the department (formerly the Overseas Development Administration) and increasing its budget. Its policies are set out in two White Papers on International Development, published in 1997 and 2000. The 2000 White Paper deals...
explicitly with globalisation. The central focus is a commitment to the internationally agreed target to halve the proportion of people living in extreme poverty by 2015. Associated targets include ensuring basic health care provision and universal access to primary education by the same date. Both White Papers, and a wide range of other publications, are available on the Internet. DFID aims to work in partnership with other governments committed to these targets, and with business and the private sector, civil society and the research community, supporting efforts to reduce world poverty. It also works with multilateral institutions, including the World Bank, UN agencies and the European Commission. The bulk of DFID's assistance is concentrated on the poorest countries in Asia and Sub-Saharan Africa. DFID has offices in many countries, including in New Delhi, Bangkok, Nairobi, Kampala, Dar es Salaam, Harare, Pretoria, Dhaka, Seva, Bridgetown and Kathmandu. In other parts of the world, DFID works through staff based in British embassies and high commissions.

Contact Details:
94 Victoria Street
London, SW1E 5JL
or
Abercrombie House
Eaglesham Road
East Kilbride, Glasgow G75 8EA
Tel: +44 (0) 1355 84 3132
Email: enquiry@dfid.gov.uk
Website: http://www.dfid.gov.uk/

Poverty Research Centre

The Poverty Research Centre has recently been established within the Division of Economics of the Research School of Pacific and Asian Studies (RSPAS) at the Australian National University. The aim of this centre is to promote high quality research on the measurement of poverty, its social and economic causes and the way in which policy interventions, demographic change, technological developments and changes in the external environment interact, directly and indirectly, with domestic institutions to influence the incidence of poverty. The research will involve scholars from fields including economics, demography, anthropology and political science. Poverty alleviation has become a central policy issue for the Asia-Pacific region and RSPAS is well placed to contribute significantly to the search for workable solutions. Over the last three decades considerable progress has been made in reducing poverty, but in most countries of the region it remains a central social problem. Efforts to reduce poverty have attracted increasing attention, from both domestic governments and from international institutions. Poverty alleviation has been declared the central focus of multilateral institutions such as the World Bank, the Asian Development Bank and the United Nations Development Programme, and of bilateral aid agencies such as the Australian Agency for International Development and the Australian Centre for International Agricultural Research. Unfortunately, this focus is not yet well supported by knowledge of the causes of poverty or of the mechanisms by which economic and social change and the policy measures of domestic governments and international institutions affect it. The Asia-Pacific region (including South Asia and China) accounts for 70 per cent of the world's poor people. Both the causes of poverty and the obstacles to reducing it are multi-faceted. Because of its unmatched expertise in the Asia-Pacific region and its broad strength in the social sciences, RSPAS is uniquely placed to contribute to research of this kind, which would involve scholars from economics, demography, anthropology, geography, history and political science. In addition to research, the centre will aim to contribute to graduate education within the Australian National University by taking responsibility for one or more courses specifically orientated to the economics of poverty, including measurement issues and the economics of poverty reduction within existing programs of graduate student training and, finally, the centre will contribute to the supervision of PhD students working on issues related to poverty reduction. The founding Director of the new centre is Professor Peter Warr.

Contact details:
Professor Peter Warr, Director
Poverty Research Centre
Division of Economics
Research School of Pacific and Asian Studies
Australian National University
Canberra, ACT, Australia, 0200
Email: Peter.Warr@anu.edu.au
http://rspas.anu.edu.au/

ATTAC (Association for the Taxation of financial Transactions for the Aid of Citizens)

A group linking citizens, associations, trade unions and newspapers founded ATTAC
in France on June 3rd, 1998. The idea for this initiative came from an editorial article written by Ignacio Ramonet: 'Disarm the markets', published in Le Monde Diplomatique in December 1997. The French association later contributed towards the birth of the international movement ATTAC, while working with numerous partners in the world.

Contact details:
6, rue Pinel - 75013 Paris
Tel: +33(0)153609240
Fax: +33(0)153604072
Email: attacfr@attac.org
Directeur administratif, Jean-Louis Sounes
Email: jean-louis@attac.org
www.attac.org/indexen.htm

CIDSE (International Co-operation for Development and Solidarity)

CIDSE is an international coalition of 14 Catholic development organisations, working with organisations and partners in the South and the North on issues of advocacy, TRIPS (Trade Related Intellectual Property Rights), trade and agriculture, EU coherence, financing for development (ODA/ CTT/ Global Governance), structural adjustment/ poverty reduction strategies (PRS) and debt.

Contact details:
Secretariat: Rue Stevin 16, B-1000, Brussels, Belgium
Tel: +32 2 230 7722
Fax: +32 2 230 7082
E-mail: postmaster@cidse.org
http://www.cidse.org/

Isis International

Isis International is a feminist NGO dedicated to women's information and communication needs. The organisation focuses on documenting ideas and visions, creating channels to communicate, collecting and moving information, networking and building links to advance women's rights, leadership and empowerment in Asia and the Pacific. With connections in over 150 countries, Isis International also keeps up with changing trends and analyses concerning women worldwide. Isis International was formed in 1974 to: create opportunities for women's voices to be heard, strengthen feminist analyses through information exchange, promote solidarity and support feminist movements across the globe. Starting in Rome, Italy, and Geneva, Switzerland, today Isis International has three independent offices in Asia (Manila, Philippines), Africa (Kampala, Uganda) and Latin America (Santiago, Chile), reflecting a commitment towards South-South cooperation and South-North linkages. The office in Rome moved to Manila in 1991. The organisation is named after the ancient Egyptian goddess Isis who symbolises wisdom, creativity and knowledge.

Contact Addresses:
Street address: 3 Marunong St., Bgy. Central Diliman,
Quezon City, Philippines
Postal address: PO. Box 1837, Quezon City Main, Philippines
Tel: +632 435 3405/3406, +632 436 0512/7863
Fax: +632 924 1065
Email: isis@isiswomen.org
Resource center/information email: library@isiswomen.org
sysadmin@isiswomen.org
Website: http://www.isiswomen.org/

Friends of the Earth International (FoEI)

Founded in 1971, FoEI is now the world's largest federation of environmental groups. FoEI member organisations in 68 countries campaign internationally, nationally and locally to protect the environment and create sustainable societies. They are united by the common conviction that environmentally sustainable development requires strong grassroots activism and effective national and international campaigning. FoEI is committed to the preservation, restoration and rational use of the environment.

Contact addresses:
FoEI Secretariat
PO Box 19199
1000 GD Amsterdam
The Netherlands
Tel.: +31 20 6221369 Fax:+31 20 6392181
E-mail: foei@foei.org
Website: www.foei.org

CIVICUS

CIVICUS is an international alliance dedicated to strengthening citizen action and civil society throughout the world. It is a worldwide community of informed, inspired, committed citizens engaged in confronting the challenges facing humanity. CIVICUS is dedicated to pursuing a world in which: citizen action is a predominant feature of the political, economic and cultural life of all societies; private action for the public good is expressed by a rich and diverse array of organisations operating sometimes apart and sometimes in dialogue with governance and business; and a healthy society is one in which there is an equitable relationship among citizens, their associations and foundations, business and governments.

CIVICUS' special purpose is to help nurture the foundation, growth, protection and resourcing of citizen action throughout the world and especially in areas where participatory democracy, freedom of association of citizens and their funds for public benefit are threatened. As a global alliance of citizens and their organisations, we help advance regional, national and international initiatives to strengthen the capacity of civil society. In partnership with its members, CIVICUS is committed to: strengthening the visibility and understanding of civil society; working to develop a more supportive environment of laws, policies, and regulations; developing permanent, self-sustaining, and creative resource mechanisms; having an open forum to: facilitate and establish cross-sectoral dialogue, exchange information, develop a common understanding and shared identity; to promote solidarity, cooperation, and communication within civil society from various regions, and promote a common vision about the role of civil society.

CIVICUS
World Alliance for Citizen Participation
919 18th Street, N.W., Third Floor
Washington, DC 20006 USA
Tel: 202-331-8518 Fax: 202-331-8774
Email: info@civicus.org
http://www.civicus.org

July 2001
Natural Resources Cluster,
Business Partners for Development (BPD)

Business Partners for Development (BPD) is a project-based initiative that studies, supports and promotes strategic examples of partnerships involving business, civil society and government working together for the development of communities around the world. BPD believes tri-sector partnerships benefit the long-term interests of the business sector while meeting the social objectives of civil society and the state by helping to create stable social and financial environments. The World Bank convened a range of global firms and civil society organisations, willing to share expertise and experience, devote resources, and work alongside governments and local community development organisations, to test these hypotheses. BPD decided to spend three years working intensively with 29 'focus projects' (pilots) in 20 countries and grouped into four 'clusters'. The purpose of the 'focus projects' is to share practical experience in building partnerships and to learn together how to achieve the greatest impact on businesses and communities. The four clusters are water and sanitation, global partnership for youth development, global road safety partnership and the knowledge resource group.

Secretariat contact:
Michael Warner
Coordinator, (based at CARE International UK, London)
Tower House
8-14 Southampton Street
London WC2E 7HA, UK
Tel: 44 (0) 20 7379 5247, extn 239/244
Fax: 44 (0) 20 7379 0543
Email: info@bpd-naturalresources.org
Website: www.bpdweb.org

The Pacific Institute for Studies in Development, Environment, and Security

The Pacific Institute for Studies in Development, Environment, and Security is an independent, non-profit centre created in 1987 to conduct research and policy analysis in the areas of environment, sustainable development, and international security. Underlying all of the Institute's work is the recognition that the pressing problems of environmental degradation, regional and global poverty, and political tension and conflict are fundamentally interrelated, and that long-term solutions require an interdisciplinary perspective. The Institute strives to improve policy through sound research and consistent dialogue with action-oriented groups from the international to local level.

The Institute has three broad goals:

To conduct policy-relevant research on the nexus of: international security, environment change, and economic/social development;

To collaborate on complementary research efforts with other organizations and individuals;

To actively work on developing solutions with policymakers, activists and the general public.

Contact:
Pacific Institute for Studies in Development, Environment, and Security
654 13th Street, Preservation Park
Oakland, CA 94612 U.S.A.
Phone: 510 251 1600
Fax: 510 251 2203
Website: www.pacinst.org

The Pacific Institute for Studies in Development, Environment, and Security

The Pacific Institute for Studies in Development, Environment, and Security is an independent, non-profit centre created in 1987 to conduct research and policy analysis in the areas of environment, sustainable development, and international security. Underlying all of the Institute's work is the recognition that the pressing problems of environmental degradation, regional and global poverty, and political tension and conflict are fundamentally interrelated, and that long-term solutions require an interdisciplinary perspective. The Institute strives to improve policy through sound research and consistent dialogue with action-oriented groups from the international to local level.

The Institute has three broad goals:

To conduct policy-relevant research on the nexus of: international security, environment change, and economic/social development;

To collaborate on complementary research efforts with other organizations and individuals;

To actively work on developing solutions with policymakers, activists and the general public.

Contact:
Pacific Institute for Studies in Development, Environment, and Security
654 13th Street, Preservation Park
Oakland, CA 94612 U.S.A.
Phone: 510 251 1600
Fax: 510 251 2203
Website: www.pacinst.org
Materials


Order online: http://www.oecd.org/da/cdrom.html 
Mail order from OECD Paris Centre, 2, rue André Pascal, 75775 
Paris cedex 16, France, 
Tel +33 1 45 24 81 67, 
Fax +33 1 45 24 19 50, 
E-mail sales@oecd.org

Published by the Development Assistance 
Committee (DAC) of the OECD, this CD­ 
ROM provides economists and researchers 
with a unique source of up-to-date 
comparative statistics and information on 
international development. Contents cover: 
volume, origin and types of aid and other 
resource flows to over 180 recipient 
countries; individual aid activities on bilateral 
and multilateral official development 
assistance or official aid commitments by 
sector type, donor, recipient, with textual 
searchable bibliography of some 
special focus on grey literature. The database 
includes a free annual subscription to 
the International Development Statistics 
Online databases, which allows access to 
the most up-to-date data.

The World Development Indicators (WDI)

The World Bank, PO Box 960, Herndon, VA 20172-0960, USA, price US$295.00, 
Email: books@worldbank.org, 
URL: http://www.worldbank.org/data/ 
wdi2001/index.htm

The world development indicators (WDI) is the World Bank’s premier annual 
compilation of data about development. WDI 2001 includes approximately 800 
indicators in 87 tables, organised in six sections: World View, People, Environment, 
Economy, States and Markets, and Global Links. The tables cover 148 economies and 
14 country groups with basic indicators for a further 59 economies. This WDI print 
edition offers the current overview of reliable 
data from the past few years.

The WDI 2001 CD-ROM Query 
database contains over 550 time-series 
indicators for 207 countries and 18 country 
groups, covering 1960 to 1999, and offers 
mapping, charting and data export formats. 
The tables function presents more than five 
sets of country tables, covering specialised 
topics such as social indicators, economic 
indicators, education and population 
projections. In addition, it provides the full 
contents of the WDI book, and some quick 
reference tables on GNI per capita, country 
classification etc.

URL: http://www.worldbank.org/data/ 
wdi2001/cdrom.htm

CORIS (Corruption Online 
Research and Information System) Database

Transparency International Secretariat, 
Otto-Suhr-Allee 97-99, 10585 
Berlin, Germany, 
Tel: +49 30 343 8200, 
Fax: +49 30 3470 3912, 
E-mail: tr@transparency.org, 
http://www.transparency.org/sourcebook/ 
index.html

CORIS provides anti-corruption 
practitioners and researchers with easy access to literature, information and documentation 
on corruption and related issues. It has a 
special focus on grey literature. The database 
is maintained by the TI Library. CORIS is a 
comprehensive database on corruption and 
governance, which will offer a fully 
searchable bibliography of some 8,000 
documents, with more than 200 corruption 
specific keywords that help to give access to 
the material collected. It also offers access to 
full-text documents, as well as to best 
practice examples and a listing of the ‘best 
of’ essential corruption readings.

Forthcoming: Encyclopedia of the Developing World

Thomas M. Leonard, Project Editor, 
International Studies Program, University 
of North Florida, 
commissioning editor Lorraine Murray, 
email bmurray@fitzroydeardorn.com, 
Tel. +44 312-587-0131, ext. 243.

In 2003 the Chicago-London academic 
reference publisher Fitzroy Dearborn will 
publish the Encyclopedia of the Developing 
World, an ambitious two-volume work of 
approximately 800 entries in 2,000 pages, 
offering a comprehensive review of the 
pivotal concepts, theories, organizations, 
persons, and events that encompass an 
examination of the developing world and 
covering primarily the period since the end 
of World War II. A special feature of the 
encyclopaedia will be a comparative analysis 
of the global regions that comprise the 
developing world. The website contains a 
detailed description of the project, a list of 
advocacy board members, and payment 
information. Entries will be assigned based 
upon availability and contributor expertise. 
The first round of assignments will be made 
prior to the end of June, with deadlines 

Contributors are currently being sought: 
see ‘contributor information and essay 
request’ online at the website: http:// 
www.fitzroydearborn.com/chicago/ 
devworld/default.php3

The encyclopedia will serve as a 
standard, comprehensive reference work for 
high schools, universities, public libraries, 
media outlets, and individual academics. 
Contributions should contain information 
of interest to a wide cross-section of readers, 
ranging from laypersons to students and 
scholars specialising in the study of the 
developing world. The encyclopaedia will 
be published and distributed worldwide 
through the offices of Fitzroy Dearborn 
Publishers in Chicago and London.

July 2001
Electronic fora

**Development News**
Email: devnews@lists.worldbank.org  
Website: http://www.worldbank.org/developmentnews  
Subscriptions: http://www.worldbank.org/subscriptions/

*Development News* is produced by the External Affairs Department of the World Bank. All material is taken directly from published and copyright wire service stories and newspaper articles. All *Development News* articles, photos and graphics are copyrighted to the World Bank, unless otherwise noted. If you would like to reproduce an article and graphics for your personal use, please e-mail newsbureau@worldbank.org. Weekly email subscriptions are available in English, French and Spanish. An e-subscription page is on the website. Other World Bank newsletters are available online at http://www.worldbank.org/subscriptions/  
They include:

**World Bank Weekly Update**  
http://wbweek.nsf  
The *Weekly Update* provides the media, development agencies, academic institutions, think tanks and NGOs with timely information on World Bank projects, new studies, and other development initiatives.

**AIDS Economics Newsletter**  
http://www iaen.org/news/arcv.htm  
The International AIDS Economics Network (IAEN) provides a monthly e-letter that announces the availability of new policy-relevant economic research, data and analytical tools to help foster compassionate, cost-effective responses to the global HIV/AIDS epidemic. The letter also includes occasional job postings and scholarship opportunities.

**Adapting to Change Newsletter**  
http://www reproheath.org/news/archive.htm  
The Adapting to Change Program prepares and e-mails this newsletter featuring updates to the site and news of interest on the topic of population, reproductive health and health sector reform.

**Conflict Newsletter**  
*Conflict Newsletter* provides updates on the Economics of Civil War, Crime, and Violence Research Project and creates a network of researchers working on conflict issues worldwide.

**The Development Forum newsletter**  
The Development Forum newsletter provides a monthly report of upcoming electronic discussions on development topics, highlights of previous discussions, and links to online resources. Contact:  
Development Forum  
World Bank Institute  
Knowledge Products and Outreach (WBKIP)  
The World Bank  
1818 H St., NW, Washington, DC  
20433, USA  
Email: devforum@worldbank.org

**East Asia Social Policy Update**  
http://www.worldbank.org/eapsocial/  
The *East Asia Social Policy Update* provides an update of recent developments in social and governance issues and research and events focused on the socioeconomic aftermath of the East Asia Economic Crisis. The newsletter sends a call to combat corruption coming from governments, civil society and the international community.

**Economic Growth Research**  
http://www.worldbank.org/research/growth/  
This newsletter notifies members when new articles, working papers and associated data sets are published on the economic growth section of the World Bank’s Internet site.

**Economic Policy and Prospects Newsletter**  
http://www.worldbank.org/prospects/  
*Economic Policy and Prospects Newsletter* offers analysis and advice on the prospects for economic growth, world trade, financial flows, primary commodities, the impact of global economic trends on developing countries, and global and regional economic forecasts. The Development Prospects website offers analysis and advice concerning the prospects for economic growth, world trade, financial flows, primary commodities, the impact of global economic trends on the developing countries, and information about global and regional economic forecasts. The information is to help policy-makers and their advisors anticipate and adapt to rapidly changing global economic trends.

**Global Development Network e-Letter**  
The Global Development Network e-Letter provides updates on the quality and availability of policy-oriented research and institutions which undertake this work. Readers also receive information on notable events, including launches of new products, schedules of conferences, electronic forums, and seminars.

**HNPFlash**  
*HNPFlash* covers recent trends and developments in the fields of education, health, nutrition, population, and reproductive health. The bulletin announces breakthrough technology, new publications,
The site is designed to serve a range of users - academics, teachers around the world: schools seeking partner schools, highlights of school Internet projects, teaching resources on the Internet, technical tips and more.

Transparency International Online Directory of Anti-Corruption Programmes in Central and Eastern Europe

http://www.transparency.org/sigma/index.html
Email: Directory@transparency.org

The Transparency International Online Directory (former SIGMA/TI Directory) is a database of relevant anti-corruption programmes, organisations and initiatives in the Central and Eastern European Countries (CEECs), including the Baltics and some of the Balkans. The entries are listed alphabetically on a country by country basis. International organizations and aid agencies supporting the fight against corruption, are listed separately.

Transition Newsletter


The Transition Newsletter reports on the latest economic, social and business developments in transition countries of Europe and Asia, as well as lending activities of the World Bank and International Monetary Fund, and keeps track of related research, books, working papers, and conferences. This newsletter is also available in Russian. The Transition newsletter is a regular publication of the World Bank's Development Economic Research Group. Information on economies, letters to the editor, and other reader contributions can be sent to the editor Richard Hirschler, Tel: +1 202 4736982, email: RHirschler@worldbank.org

Contact details:
Phone: +1 202 4737466; Fax: +1 202 5221152
Email: JPtochnow@Worldbank.org
Mail: 1818 H Street NW, Room MC3-374, Washington, D C, 20433, USA

AsianWomenOnline.com

AsianWomenOnline is an independent forum of Asian women's voices encouraging dialogue and debate on issues affecting women. It seeks to challenge and dispel the myths and stereotypes surrounding Asian women, to stake out a space for Asian women in cyberspace and to challenge the sad and demeaning images of Asian women who are typically romanticised, exoticised, or traded. AsianWomenOnline is conceptualised, developed and managed by a group of Asian women spread across continents. Its writers, editors and web-team are all Asian women who share a common vision networking with women across spaces, races, cultures, and nations.

For further information: www.asianwomenonline.com
Email: editorial@asianwomenonline.com

___

PovertyNet Newsletter

http://www.povertynet.org/news1/index.flml

PovertyNet Newsletter is a monthly newsletter that contains updates on new information and resources available on the PovertyNet website covering poverty monitoring and evaluation, the impact of growth and inequality on poverty, the role of human capital development in the fight against poverty, safety nets, social capital, the impact of the East Asian crisis on poverty, and the World Bank's World Development Report on poverty and development.

PovertyNet is a World Bank website developed to provide resources for people and organisations working to understand and alleviate poverty at: http://www.worldbank.org/poverty/index.htm

The site is designed to serve a range of users by providing both broad introductions to key issues more detailed analysis and data for researchers and practitioners.

WB Research E-Letter

http://econ.worldbank.org/

The World Bank Research E-Letter provides regular updates on the Bank's extensive research, data, and analytical work on pressing development issues and economic trends. It includes announcements of new online and paper-based publications, new research starts, new working papers, and research project updates.

DebtChannel.org

World leaders have failed the world's poor by not cancelling Third World debt by the end of the millennium. In response OneWorld has launched DebtChannel.org http://www.DebtChannel.org, the global portal on international debt, in partnership with over 70 leading aid agencies, human rights, research and campaign groups worldwide. For the first time, all the websites of organisations calling for debt cancellation across the world are being networked online by OneWorld. This is one place in cyberspace to 'net the debt'. http://www.DebtChannel.org offers:

- all the latest news and analysis on debt and related campaigns; actions you can take to help end the debt crisis; online discussions, events and networking; a web directory of direct links to organisations working on debt; the internet's largest collection of documents on international debt; the world's first dedicated search facility on debt issues.

DebtChannel.org is edited at OneWorld Africa in Zambia - one of the countries with a devastating debt burden.

AsianWomenOnline.com

AsianWomenOnline is an independent forum of Asian women's voices encouraging dialogue and debate on issues affecting women. It seeks to challenge and dispel the myths and stereotypes surrounding Asian women, to stake out a space for Asian women in cyberspace and to challenge the sad and demeaning images of Asian women who are typically romanticised, exoticised, or traded. AsianWomenOnline is conceptualised, developed and managed by a group of Asian women spread across continents. Its writers, editors and web-team are all Asian women who share a common vision networking with women across spaces, races, cultures, and nations.

For further information: www.asianwomenonline.com
Email: editorial@asianwomenonline.com

July 2001
US ‘failing to do enough’ on financial crime.

Financial Times (p.2), 25 June 2001

The Financial Action Task Force, set up in 1989 by the G7 and formed to crack down on money laundering, has found that the US fails to comply with more than a third of its 28 recommendations for action. The survey puts the US third from the bottom of 29 industrialized nations, with only Canada and Mexico scoring worse.

Vandalism mars Barcelona protest


A handful of protesters broke shop windows and damaged buildings in central Barcelona, marred a largely peaceful anti-globalisation protest, reports Reuters. Fearing anti-globalisation protests, the World Bank recently cancelled a meeting that had been scheduled to start in Barcelona today, announcing that the development conference will be conducted over the internet instead. El Pais (Spain), El Mundo (Spain), ABC (Spain), La Vanguardia (Spain), El Periodico (Spain), La Razon (Spain), TV3 (Spain), Radion Nacional Catalunya, TT (Sweden), Expressen.se (Sweden), Jyllands Posten (Denmark), Aftenposten (Norway), the Independent (UK) and the International Herald Tribune (p.4) also report on the clashes between police and protesters in Barcelona. The news comes as the BBC Online reports that World Bank Chief Economist Nick Stern said the Bank would not be intimidated by protesters. Meanwhile, Susan George, vice-president of the anti-globalization NGO Association for the Taxation of Financial Transactions for the Aid of Citizens (ATTAC), says in an interview that she was once invited to speak at the World Bank, but she did not accept. It would not have been worth it, she says, because the Bank did not want to listen. It has been propagating its structural adjustment model for the last 20 years, and says George, its rhetoric of reducing poverty, like that of the WTO, is pure marketing.

Call for corruption clampdown

Financial Times (p.6), 31 May 2001

Ministers and senior officials from 142 countries agreed in The Hague yesterday to cooperate in fighting corruption and to work to create a UN legal instrument governing the issue. International cooperation should extend to offshore centres, they said, in order to secure the return of misappropriated funds to their country of origin. A UN convention similar to that agreed by the world body last December on combating organised crime is expected by the US. The UN General Assembly resolved at the time to begin drafting a legal instrument against corruption.

G15 summit ends with call for unity

Press release 1 June 2001 from devnews@worldbank.org

The 11th summit of the G15 developing nations closed in Jakarta on 31 May with appeals from heads of state for greater unity among developing nations in closing the gap in wealth and privilege with the developed world. The 19 heads of state and government at the two-day summit agreed on a resolution called the Jakarta Declaration, which focuses on bridging the 'digital divide' between the developed and developing worlds. Its key platform is the establishment of a G15 taskforce on information and communication technology (ICT). The document called on multilateral institutions and developed countries to 'encourage and strengthen ICT-related applications and local industry in developing countries' through investment, education and training.
‘IMF has not walked out on Indonesia', Fischer

 Reuters News Agency, 1 June 2001

 IMF first Deputy Managing Director Stanley Fischer said the IMF is anxious to complete its latest review of aid to the troubled country. Fischer said two of the three main sticking points - the budget deficit, securities sales, and the central bank's role - had been resolved, leaving Bank Indonesia's independence as the lone issue. The IMF and Indonesia have been at loggerheads since late last year as the IMF insists on a raft of reforms before it will release fresh loans which would in turn trigger more foreign aid. Further, IMF Managing Director Horst Kohler expressed discomfort with recent political moves in Indonesia, but pledged his willingness to work with any new policy makers in the country.

Emerging markets face lean times

Financial Times, 1 June 2001

Net private capital flows to emerging markets are expected to decline this year to their lowest levels since 1992, largely due to financial turmoil in Turkey and Argentina, according to the world's leading association of financial institutions, the Institute of International Finance. Emerging markets were expected to draw net private flows of $140 billion this year compared with $168 billion in 2000. GDP growth in emerging markets will slow to 3.5 per cent this year from more than 5.5 per cent last year, the Institute said. The projections came as members of the Institute, which represents 320 of the world's largest banks and finance houses, gathered in Hong Kong for talks with IMF Managing Director Horst Kohler on greater cooperation to avoid financial crises. The Institute said it had established a special committee on crisis prevention and resolution in emerging markets to spearhead the talks. Kohler told the meeting that the IMF's 'best guess is that the slowdown in global growth will be relatively short-lived with a recovery beginning later this year and gathering strength in 2003,' notes the Wall Street Journal (p.A11). Reuters also notes Koehler as saying 'I believe that Asia will weather the storm'. He added: 'unfortunately, the record is mixed when it comes to financial sector reform, improving governance and strengthening the investment climate and these remain the sources of vulnerability in some cases.'

Macapagal steps up attempts to tackle poverty


Philippine President Gloria Macapagal Arroyo acknowledged in an interview that the root cause of the riot at her palace on 1 May was 'the longstanding problem of severe poverty among 50 per cent of our urban population' (p.A1). The Philippines needed to close the gap between the rich and poor parts of the population, she said. Identifying poverty as the country's main problem is nothing new, the story notes, as deep divisions between the wealthy political elite and the urban and rural masses have long held back economic development. What events have changed is the style and intensity with which the anti-poverty baton is being taken up, triggering new 'instant-gratification project' approaches such as repairing local sewerage systems. "These are things [the poor] will see immediately even while we are doing structural reforms," Macapagal is quoted as saying.

World religions agree to 'humanise' globalisation


Representatives of the world's largest religious groups have agreed to use spirituality to counteract the 'valueless' process of globalisation. Their pledge came last month at the close of a two-day international seminar organised by the Council of Europe's Lisbon-based North-South Centre and co-sponsored by the Portuguese Catholic and Islamic hierarchies and the Lusia University in Lisbon. Delegates expressed concern at the pace with which economic globalisation was concentrating wealth in the hands of a few, leaving two-thirds of the world's population in poverty. They unanimously agreed that spiritual values contained in all religious doctrines constitute a 'universal' patrimony of peace, solidarity and tolerance, which could exert a healthy influence on the process of globalisation. The representatives of Islamic and Jewish groups—Feisal Abdul Rauf, Imam of New York's Al-Farah Mosque, and Rene Sirat, vice president of the European Conference of Rabbis, both stressed the need for religious freedoms and solidarity. But they did not mention the issue of confessional states in which 'unofficial' beliefs are often marginalised or persecuted. Giovanni Celiento, Deputy Director of the North-South Centre, demanded that the world's churches play an active role in promoting a political dialogue resulting in universal respect for human rights, because 'religion cannot be confined to the spiritual life only'. The meeting agreed to establish an informal 'contact group' to follow up the experience, which will be coordinated by the North-South Centre.

UNICEF report: impact of 1997 financial crisis still widespread in Indonesia, with millions living 'on the brink of survival'

Wednesday, 14 March 2001

Nearly four years after the onset of the 1997 Asian financial crisis, Indonesia continues to reel from a wide range of social ills, according to a new report from UNICEF. The report, 'Beyond Krismon: the social legacy of Indonesia's financial crisis,' says millions of Indonesians were pushed into poverty and millions of children still suffer from malnourishment.
Quebec city, Canada, April 20, 2001

Environment News Service (ENS)
The official FTAA-Summit of the Americas web site: http://www.americascanada.org/
The alternative Peoples' Summit: http://www.sommetdespeuples.org/

Thirty four world leaders, 4,000 delegates, 2,500 international journalists, 6,000 police officers, 1,200 troops, several thousand protesters and a four kilometre chain link fence. What can it all mean? Why, another free trade summit of course. The democratically elected heads of government from North, Central and South America and the Caribbean gather in Quebec City today for the third Summit of the Americas. They came to continue negotiations for a free trade agreement. Departing Washington, DC, President George W. Bush told reporters that he wanted to create an 'entire hemisphere that is both prosperous and free.' The Free Trade Area of the Americas (FTAA) could provide free market access for goods and services to most of the Western Hemisphere by the time negotiations conclude in 2005. That is a market of nearly 800 million people who traded $2.7 trillion in goods and services in 1999. The Sierra Club and others claim that FTAA negotiations have taken place in secrecy and that no public text is available. Last week, trade ministers agreed to release the consolidated draft negotiating texts of the FTAA.
Copyright

Articles and reports published by the Network may be republished, but we would appreciate your acknowledgement of the source. No acknowledgement is needed for conference announcements, other notices or publication lists.

Manuscripts

Manuscripts are normally accepted on the understanding that they are unpublished and not on offer to another publication. However, they may subsequently be republished with acknowledgement of the source (see 'Copyright' above). Manuscripts should be double-spaced with ample margins. They should be submitted both in hard copy (2 copies) and if possible on disk or by e-mail, specifying the programme used to enter the text. No responsibility can be taken for any damage or loss of manuscripts, and contributors should retain a complete copy of their work.

Style

Quotation marks should be single; double within single. Spelling: English (OED with '-ise' endings).

Notes

(a) Simple references without accompanying comments to be inserted in brackets at appropriate place in text, e.g. (Yung 1989).
(b) References with comments should be kept to a minimum and appear as endnotes, indicated consecutively through the article by numerals in superscript.

Reference list

If references are used, a reference list should appear at the end of the text. It should contain all the works referred to, listed alphabetically by author’s surname (or name of sponsoring body where there is no identifiable author). Authors should make sure that there is a strict correspondence between the names and years in the text and those on the reference list. Book titles and names of journals should be italicised or underlined; titles of articles should be in single inverted commas. Style should follow: author’s surname, forename and/or initials, date, title of publication, publisher and place of publication. Journal references should include volume, number (in brackets), date and page numbers. Examples:


Publication/resource listings

An important function of the Network is to keep members up-to-date with the latest literature and other resources dealing with development-related topics. To make it as easy as possible for readers to obtain the publications listed, please include price information (including postage) and the source from which materials can be obtained.