

Focus-on-Trade is a regular electronic bulletin providing updates and analysis of trends in regional and world trade and finance, with an emphasis on analysis of these trends from an integrative, interdisciplinary viewpoint that is sensitive not only to economic issues, but also to ecological, political, gender and social issues. Your contributions and comments are welcome.

# Focus on Trade

Number 78, May 2002

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In this issue of Focus on Trade

THE OXFAM DEBATE: FROM CONTROVERSY TO COMMON STRATEGY  
Walden Bello

OXFAM'S RESPONSE TO WALDEN BELLO  
Angus Cleary

MUSHARRAF: THE WEST'S FAVOURITE MILITARY DICTATOR  
Aasim Sajjad Akhtar

WASHINGTON: TRIUMPHANT OR OVEREXTENDED?  
Walden Bello

THE WOLF'S OLD TRICKS FAIL IN VENEZUELA  
Theotonio Dos Santos

REPORT FROM SOUTH AFRICA: THIS IS WHAT EFFICIENCY LOOKS LIKE  
Sara Grutsky

KOREANS CALL ON SOCCER FANS TO GET ORGANISED

## THE OXFAM DEBATE: FROM CONTROVERSY TO COMMON STRATEGY

Walden Bello

In response to my critique of its market-access campaign, Oxfam International recently issued a lengthy rejoinder (below) authored by Angus Cleary, Oxfam Great Britain's campaigns director. I would like to thank Angus for taking the time to reply to my concerns.

Let me say at the outset that notwithstanding my differences with Oxfam, I feel that it has done the movement against corporate-driven globalization a great service by pushing the question of our strategy on the trade front to center stage. This is an issue I will return to after first dealing with a few items in the Oxfam response to my statement.

## OBFUSCATION RATHER THAN CLARIFICATION

Unfortunately, Oxfam's rejoinder promotes obfuscation rather than clarification of the issues.

For instance, Oxfam now denies that it is launching a global campaign for greater market access for developing country products in northern markets, saying that market access is just "one theme among many" of its trade campaign. Yet, Severina Rivera, senior policy advisor on trade to Oxfam America, recently resigned precisely because market access was the main thrust of the Oxfam campaign. To quote Ms. Rivera, "I cannot support Oxfam's trade campaign priority that calls, over the life of its 3-year campaign, for more market access and trade for poor countries as

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the solution to poverty. Nor can I support the year-one campaign objective: market access for textiles from least developed countries as the solution to, or even a solution to poverty in these countries.”

Another disconcerting example of this obfuscation has to do with the use of the word “globaphobes” to brand the anti-corporate globalization movement. The rejoinder says that the Oxfam Report was referring to some minuscule, marginal groups in the North. But what does the Oxfam Report really say? The summary reads: “Current debate about trade are dominated by ritualistic exchanges between two camps: the ‘globaphiles’ and the ‘globaphobes.’” This passage shows clearly that Oxfam uses the word globaphobes to describe the whole camp of free trade critics, not just a few marginal groups. In the very next paragraph, Oxfam makes clear that what it means by globaphobes is the “anti-globalization movement.” Oxfam cannot be unaware of the fact that “globaphobes” is a highly politically charged word with pejorative connotations that was coined by the Economist, Martin Wolf of the Financial Times, and other free-traders to denigrate and caricature the whole range of critics of the WTO and free trade, from labor unions to peasant groups, from environmentalists to proponents of managed trade.

Some have said that Oxfam’s painting the trade debate as being divided into two big camps, whose arguments it then proceeds to caricature, is an opportunistic ploy that is designed to project Oxfam as taking the rational, sensible middle road between two irrational blocs. Whether that was, in fact, the intention, that is in fact the effect. And the storm of protest this has evoked from so many activists that are otherwise respectful of Oxfam’s work should tell Oxfam that you can’t

have it both ways: You can’t say you’re part of us then score with the Establishment by caricaturing us in the crudest Economist fashion.

The rest of the Oxfam response pretty much proceeds in the same vein, so that in the end we are left not with clarification, but with the question: Where does Oxfam really, really stand on the key substantive issues at stake such as free trade, trade liberalization, export agriculture, and the World Trade Organization?

### THE LARGER ISSUE: WHAT STRATEGY ON THE TRADE FRONT?

We are, however, not engaged in an academic debate on the pros and cons of export agriculture or market access. Indeed, as I said above, if there is one thing that we can thank Oxfam for, it is that by pushing its market access campaign, it has forced the movement against corporate-driven globalization to confront the question of what should be its strategy on the international trade front. It is likely that at the heart of our debate with Oxfam are not only differences on substantive issues like the costs and benefits of market access or the domestic impact of export agriculture but also divergent postures on strategic issues like what priorities the movement should have at this point and how it should go about achieving them.

Strategy must respond to the needs of the moment in the struggle against corporate-driven globalization. This can only be derived by identifying the strategic objective, accurately assessing the global context or conjuncture, and elaborating an effective strategy and tactical repertoire that responds to the particularities of the conjuncture.

For the movement against corporate-driven globalization, it seems fairly clear that the strategic goal must be halting or

reversing WTO-mandated liberalization in trade and trade-related areas. The context or “conjuncture” is characterized by a fragile victory on the part of the free-trade globalizers at the 4th Ministerial at Doha, where they bludgeoned developing countries into agreeing to a limited round of trade talks for more liberalization on agriculture, services and industrial tariffs. The conjuncture is marked by the globalizers’ effort to build momentum so as to have the coming 5th Ministerial in Mexico launch negotiations for liberalization in the so-called trade related areas of investment, competition policy, government procurement, and trade facilitation. Their aim is to have the 5th Ministerial expand the limited set of negotiations they extracted at Doha into a comprehensive round of negotiations that would rival the Uruguay Round.

This expansion of the free trade mandate and the expansion of the power and jurisdiction of the WTO, which is now the most powerful multilateral instrument of the global corporations, is a mortal threat to development, social justice and equity, and the environment. And it is the goal that we must thwart at all costs, for we might as well kiss goodbye to sustainable development, social justice, equity, and the environment if the big trading powers and their corporate elites have their way and launch another global round for liberalization during the WTO’s 5th Ministerial Assembly in Mexico in 2003.

### CAMPAIGN OBJECTIVE: DERAIL THE DRIVE FOR FREE TRADE AT THE 5TH MINISTERIAL

Given the strategic goal of stopping and reversing trade liberalization, the campaign objective on which the movement against corporate-driven globalization must focus its

efforts and energies is simple and stark: derailing the drive for free trade at the 5th Ministerial, which will serve as the key global mechanism for advancing free trade.

The free trade partisan C. Fred Bergsten, head of the Institute of International Economics (IIE), has compared free trade and the WTO to a bicycle: they collapse if they do not move forward. Which is why Seattle was such a mortal threat to the WTO and why the globalizers were so determined to extract a mandate for liberalization at Doha. Had they failed at Doha, the likely prospect was not simply a stalemate but a retreat from free trade. For the movement against corporate-driven globalization, derailing the 5th Ministerial or preventing agreement on the launching of a new comprehensive round would mean not only fighting the WTO and free trade to a standstill. It would mean creating momentum for a rollback of free trade and a reduction of the power of the WTO. This is well understood by, among others, the Economist, which warned its corporate readers “globalization is reversible.”

If derailing the drive for free trade at the 5th Ministerial is indeed the goal, then the main tactical focus of the strategy becomes clear: Consensus decision-making is the Achilles heel of the WTO, and it is the emergence of consensus that we must prevent at all costs from emerging.

In the 16 short months before the 5th Ministerial, the anti-corporate globalization movement must focus its energy on ensuring that countries do not come into agreement in any of the areas now being negotiated or about to be negotiated, that is, agriculture, services, and industrial tariffs; and at the ministerial itself, preventing any consensus from emerging on negotiating the new issues of government procurement, competition policy,

investment, and trade facilitation. The aim must be, as in Seattle, to have the delegates go to the ministerial with a “heavily bracketed” declaration—that is, one where there is no consensus on the key issues—and at the ministerial itself, to prevent consensus via last minute horse-trading. As in Seattle, the end goal must be to have the ministerial end in disagreement and lack of consensus.

### COMPONENTS OF THE STRATEGY

If the goal is unhinging the game plan for greater free trade at the 5th Ministerial, then the anti-corporate globalization movement has its work cut out for it. We must unfold a multi-pronged strategy whose components must include:

- unraveling the alliance between US Trade Representative Robert Zoellick and EU Trade Commissioner Pascal Lamy by exacerbating the US-EU conflict on Europe’s agricultural subsidies, the Bush administration’s failure to obtain unrestricted fast-track authority to negotiate from the US Senate, Washington’s imposition of protective tariffs on steel and its resurgent trade unilateralism, and the US’ export of hormone-treated beef and genetically modified organisms (GMOs);
- instead of promoting the illusion of gaining market access for their products, consolidating the resistance of developing country governments to greater liberalization by underlining the reality that the US and the EU will never abandon the massive subsidization of their rich farming interests, the effective protection of their textile and garment sectors, and their monopolistic control of technology via the TRIPS agreement;
- intensifying our efforts to

assist developing country delegations in Geneva to master the WTO process and formulate effective strategies to block the emergence of consensus on the areas prioritized by the trading powers and reassert the priority of implementation issues;

- working with national movements, such as peasant movements for food sovereignty in the South and citizens’ movements in the North, to build massive pressure on their governments not to agree to further liberalization in agriculture, services, and other areas being negotiated;
- skillfully coordinating global protests, mass street action at the site of the ministerial, and lobby work in Geneva to create a global critical mass with momentum in the lead-up to the ministerial.

The task is immense and we have so little time. But we have no choice. The trading powers and the WTO learned from Seattle, and they brought the bicycle of the WTO back on its wheels in Doha. Likewise, we must learn from Doha so that we can wrestle the bicycle back to the ground in Mexico. And among the key lessons we need to absorb is that our coalition must have a coordinated strategy that brings our work on many different fronts, levels, and dimensions to bear on one goal: unhinging the drive for free trade at the 5th Ministerial.

### STRATEGIC FLAWS OF OXFAM’S MARKET ACCESS CAMPAIGN

Given these considerations, the Oxfam market access campaign reminds us of General Omar Bradley’s classic description of the Korean conflict, which was that “it was the wrong war at the wrong place at the wrong time.” In terms of strategy, the Oxfam

market-access campaign suffers on a number of counts:

One, it is unfolding in a strategic vacuum—that is, it lacks any connection or relevance to a broader strategy aimed at stopping and reversing trade liberalization by unhinging the free-trade drive at the 5th Ministerial. The Oxfam market-access campaign has all the hallmarks of a campaign that is driven not by a strategy derived from the global conjuncture on the trade front but by an internal organizational imperative to have a “winnable” short-term campaign.

Two, it simply distracts the movement from its real priority at this point, which should be derailing the free trade drive at the 5th Ministerial. Oxfam should realize that there is a great difference between doing an expose and mounting a campaign, that is between exposing the double standards and hypocrisy of the big trading powers when it comes to market access and actually launching a campaign for greater market access. Campaigns must focus on promoting the strategic priorities of a global movement that is finite in its resources and energies instead of waylaying the movement into side streets where the results can even be counterproductive.

Three, the market access campaign is, in fact, counterproductive. Oxfam knows that elimination of textile and garment quotas in developed country markets is already mandated under the Uruguay Round, and that the big trading powers are simply dragging out their elimination of textile and garment quotas until the last years of the 10-year phase-out period (to be replaced, as many suspect, with more aggressive anti-dumping action against developing country imports). WTO director general Mike Moore knows that this foot-dragging is a

sore point with developing countries—one which is undermining the credibility of the WTO in their eyes—and this is the reason he can readily support Oxfam’s campaign, which has a one-year focus on ending the quotas.

Indeed, part of the strategy that Moore and the WTO secretariat are unfolding to defuse developing country opposition to a comprehensive trade round seems to be to support market access campaigns launched by Oxfam and organizations such as the Cairns Group in order to pressure the big trading powers to accelerate the dismantling of quotas—and their replacement with other forms of protection like anti-dumping—so that they can increase their leverage on the developing countries to agree to more liberalization in areas deemed more critical to the WTO and the big trading powers, such as industrial tariffs, services, and the trade-related areas of investment, competition policy, government procurement, and trade facilitation. In other words, the WTO secretariat hopes to convince the big trading powers that by accelerating market access in areas they already agreed to years back, they will be able to extract concessions in the current and coming negotiations in those areas of greater strategic interest to their corporations, like investment and government procurement.

This kind of strategic maneuvering on the part of the WTO is, in fact, something that Oxfam leaders like senior analyst Kevin Watkins are very much aware of. In a recent article on the EU’s negotiating stance on services in the Guardian (“Money Talks,” April 24, 2002), Kevin asserted that “When it comes to the negotiating table, the EU will demand market openings in services as a condition for opening its own markets in garments and textiles...we buy your bananas and shirts if you

give our banks and insurance companies unrestricted access to your markets.” Kevin’s words make it even more puzzling why Oxfam would launch a campaign that could be easily co-opted into the WTO secretariat’s game plan to achieve the comprehensive trade round that is its strategic goal.

In conclusion, it was necessary and useful for Oxfam and its friends to have had this exchange. In Focus’ view, however, it is time for the movement to move forward and forge a comprehensive strategy to foil the effort of the WTO Secretariat and the big trading powers to launch a new comprehensive round of trade negotiations at the 5th Ministerial of the WTO. Oxfam’s participation in this coalition effort is something that is greatly desired. However, Oxfam can only be an effective partner if it first clarifies to itself and the movement where it really, really stands on the issues of globalization, trade liberalization, and the World Trade Organization.

We hope that many more organizations can participate in this effort to define a much-needed strategy on the trade front. What we have laid out above is meant to spark and to contribute to this process, not serve as an end. It is important that discussion of the issues and directions is not limited to policy analysts but involves input from the grassroots, especially from social movements. The “Our World is Not for Sale” global coalition is one of the most promising venues for the process of building consensus among our ranks.

The era of top-down, go-it-alone campaigns is over.

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# OXFAM'S RESPONSE TO WALDEN BELLO

Angus Cleary\*

Oxfam holds the work of Walden Bello in the highest regard. He has played a central role in challenging the legitimacy of global institutions that place corporate profit and the self-interest of Northern governments before the imperative of poverty reduction. We also recognise the enormous contribution made by Focus in mobilising support for change. In his critique of the Oxfam campaign (see Focus on Trade #77), Walden concludes by observing that 'it is only via debate and dialogue among partners and allies that we can chart a solid path forward'. This response is written in that spirit.

1. The Oxfam campaign starting point. In an earlier debate with Philippe Legrain of the WTO, Walden Bello wrote: 'Trade can be good or bad for national development — it all depends on the rules that guide it.' We share that view.

As our campaign report "Rigged Rules and Double Standards" makes clear, we believe that trade has the potential to act as a powerful force for poverty reduction. We go on to argue that this potential is not being realised precisely because the rules are designed to benefit the wealthy and marginalise the poor. We highlight the role of Northern governments and transnational companies in creating a system of world trade rules and institutions that systemically reinforce advantage and disadvantage. And we set out a case for changing the rules. That case does rest upon a proposition that some of our critics reject: namely that international markets, like national markets, can be made to work for the poor by challenging power relationships. At a global level that means challenging the domination of current IMF-World Bank-WTO prescriptions. At a national level, it means

undertaking redistributive reforms.

At no stage of the report do we argue for neo-liberal export-led growth models, let alone for free-market prescriptions in developing countries. In fact, we clearly argue that export growth under globalisation has increased inequalities. Nor do we claim that export growth is a substitute for effective poverty-reduction strategies. It would clearly be absurd to claim that a country such as Brazil can harness trade to poverty reduction in the absence of fundamental changes in the distribution of assets and opportunities. It would be equally absurd to endorse export models that generate ecological destruction. However, for reasons set out in the report, we do believe that exports can play a role in supporting poverty-reduction strategies, both through employment generation, and by creating wider conditions for economic growth.

2. Market access. Much of the Focus critique is based on a misreading of the Oxfam campaign. In his opening paragraph, Walden claims that the Oxfam campaign is 'a global campaign to promote wider access for developing country products in northern markets'. This is wrong.

Market access is one theme among many that will be taken up. As our report makes clear, the Oxfam campaign is aimed at challenging and changing world trade rules in a wide range of areas. We are calling for fundamental reforms of the TRIPs Agreement in the WTO. Along with others, Oxfam has consistently challenged the abuse of corporate power and the self-serving interests of Northern governments behind that

agreement. Like Focus, we also reject the case for using the WTO to prise open markets for foreign investors, liberalise service markets, or force a raft of new issues including competition and procurement policy on to the WTO agenda. One of the major themes in the first year of the campaign will be the crisis in international commodity markets, where we are arguing for international mechanisms to stabilise prices at more remunerative levels. One whole chapter of the report is spent criticising IMF/World Bank loan conditionality aimed at imposing import liberalisation on developing countries. And a major theme in the campaign is action to prohibit any loan conditions requiring such liberalisation.

That said, we make no apologies for attaching importance to improved market access. Northern protectionism is at its most excessive and arbitrary in precisely those areas such as textiles and agriculture where developing countries in general and the poor in particular stand to gain most. Liberalisation in this area has been glacial, massively skewing the benefits of international trade towards the industrialised world. We believe it is essential to highlight the issue of Northern protectionism, not as the primary or exclusive cause of poverty, but as one of the clearest examples of how corrupt, and profoundly distorted against poor economies, the international trading system is. Developing-country governments are attempting to use trade negotiations to redress this imbalance and we unreservedly support their efforts. We regard the record of the Quad countries in areas such as the phasing out of the Multi-Fibre Agreement and agricultural reform as indefensible. And the Oxfam

campaign will continue to attach a high priority to both areas.

### 3. Export-oriented agriculture.

Focus cites with apparent approval a Food First response to the Oxfam campaign report suggesting that we favour 'the paradigm of export-oriented growth'. The presumption appears to be that only monopolistic export agricultural interests stand to benefit from access to Northern markets. Does this mean that the industrialised world would be justified in prohibiting imports of rice from Vietnam and Thailand, tea from India, or sugar from Mozambique? Surely the real issue is whether or not national governments adopt policies that prevent monopolistic structures from emerging. We share many of Food First's concerns about the current pattern of agricultural export growth in developing countries. However, we reject simplistic contrasts between 'cash crops' and 'food crops', and between production for domestic and export markets. Indeed, we are of the view that such dichotomies divert attention from the real issue of national policies and the policies of international institutions that shape the distribution of benefits from participation in markets. After all, the same anti-poor growth model that prevents the poor from benefiting from exports is apparent in many domestic markets. These imbalances must be addressed through national policies that promote employment and food security in poor economies. What we do not share with Food First is the assumption that the current model is unchangeable, or the parallel assumption that agricultural exports are inherently anti-poor.

4. An advocate for the Cairns Group. According to Focus, Oxfam is now 'a civil society advocate for the Cairns Group position'. This is wrong. We categorically reject the Cairns Group approach to market liberalisation. As we argue in

some detail in the report, all developing countries should retain the right to protect their food systems, not just on the grounds that food security and poverty reduction are imperatives in their own right, but also because world markets are so heavily distorted. That is why we have joined others in calling for a 'Development Box'. Achieving rules that respect the right of developing countries to protect agriculture is a major campaign priority, as our report clearly specifies.

The Focus critique of Oxfam's position on agriculture raises an important tactical question that goes to the heart of a wider dilemma facing developing-country governments. That question is whether by entering into negotiations on improved market access, developing countries will be forced into an unequal bargain under which they will be obliged to open their own markets further in sectors such as agriculture, banking, services, and other sectors. The dangers are obvious and they extend far beyond the WTO. However, surely the real challenge here, as Focus suggests, is for Southern governments and civil society to work together in restricting the scope and mandate of the WTO. A campaign which exposes rich-country leaders as hypocrites and double-dealers can only help in this regard. It will be much harder for these rich-country leaders to demand a second phase of liberalisation from poor countries if they have been exposed for keeping their own markets firmly shut. Our campaign has been developed in this light.

5. Misrepresentation in the media. Commenting on a press report issued following the campaign launch, Focus describes as 'perfectly understandable' a Washington Post article labelling Oxfam as a member of the free-market camp. On any balanced and objective criteria, the article in question was a gross misrepresentation, as was the

highly selective use of quotations from Oxfam staff. On the same day as the Washington Post article appeared, Oxfam was condemned by the Herald Tribune for being anti-market, anti-free trade and anti-globalisation. Another article described the campaign report as being 'radical Keynesian'.

Finally, Focus criticises Oxfam for branding 'a large sector of the movement against corporate driven globalisation as "globaphobes"'. In fact, we make clear that we are not referring to the significant and important anti-globalisation and trade justice movements of which we are part, but rather to assorted small political groupings, principally in industrialised countries, that are fundamentally opposed to trade with developing countries. Some of these groupings are on the extreme right, while others represent an extreme minority which favours autarky.

We have received many, many comments on the Trade Report over the past few weeks. Some of these have been very challenging, but we welcome the debate that it has generated. The forces we are up against are hugely powerful, and it is only by working through our positions and strategies together that we have any hope of bringing about real change in the world. We hope that the debates that are taking place now throughout our networks around the world will help to build a stronger movement for social justice.

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# MUSHARRAF: THE WEST'S FAVOURITE MILITARY DICTATOR

Aasim Sajjad Akhtar\*

When General Musharraf came to power over two and a half years ago, most Pakistanis were relieved. The systematic de-politicisation of society that has taken place particularly over the past 25 years, had convinced citizens that inept elected governments could only be toppled by the armed forces. Sadly, a democratic culture has never evolved in Pakistan, and the persistent interference of the military in politics is the primary reason for this.

Thirty months later, the public sentiment is quite different. The extent to which this military government has abided by the policy prescriptions of the international financial institutions (IFIs) is quite amazing, and the effect has been devastating. The real price of gasoline in Pakistan is now twice that in the United States. Prices of utilities are amongst the highest in the world. The lethal regressive general sales tax (GST) has been slapped even on medicines, in a country where a meager 0.8% of GDP is spent on health, and thousands die from preventable diseases annually.

Especially post-September 11, the US seal of approval has transformed General Musharraf from an international outcast to becoming the world's favourite dictator-democrat. And the IFIs and Western governments are happy to keep the loans coming sure of the General's wholehearted commitment to the neo-liberal agenda. But the brewing discontent at home, coupled with the imminent threat of war with India, means that the Musharraf is as vulnerable as he ever has been.

The presidential referendum held on April 30 simply confirmed the completely farcical nature of

politics that the military seeks to impose on the country. With political parties largely co-opted by the state, the lack of organized resistance is telling. The trade union movement is virtually dead, and other groups such as students and professionals are largely silent. Journalists and lawyers played a more positive role in opposing the referendum, but the critical mass needed to really make an impact was missing. Perhaps the most active and meaningful pockets of resistance are amongst social movements, but those who are making their voices heard are also suffering the consequences.

## GOVERNMENT ATTACKS LANDLESS MOVEMENT

Landless tenants in Punjab province have been the target of state repression in recent months as a powerful and symbolic movement for land allotments has gotten under the government's skin. Three tenants have been shot and killed in the past few weeks, with thousands more charged under draconian anti-terrorist legislation. Squatters all over the country resisting summary evictions have also been victimized through the lodging of false criminal cases. Opponents of mega water projects are facing charges of spreading inter-provincial disharmony.

While these groups are fighting livelihood battles, the politicized nature of their struggles has brought them into direct conflict with the illegal and undemocratic military regime. Despite the liberal face that General Musharraf has shown the West, it is clear that his regime's level of tolerance to opposition is the same as all the dictatorial governments that have come before him – that is, virtually zero. Pakistani intelligence agencies have

masterminded the art of harassing political activists, thereby ruining the country's political culture, but they are still unable to stop gruesome events such as the bombing of a bus full of French engineers in Karachi.

## THE WEST PROTECTS ITS INTERESTS

The situation in Pakistan is at a boiling point. With India's religious right breathing down their necks, the military establishment has not made any clear attempt to distance itself from jihadi organizations. There is a chance that a war between India and Pakistan could give General Musharraf the excuse he needs to postpone elections. All signs point to the fact that the oppressive paradigm of development that has been propagated by the establishment for decades will continue to flourish.

In this environment, there is an acute need to support those who are resisting and highlight the ongoing violations of basic human and community rights. It is clear that Western governments and donors have abandoned any remaining principles concerning civil and political norms, and that their support for the military regime will continue to be based on their narrow self-interest. In fact, the IFIs have made it clear that continuity of the economic agenda of this government is essential – a clear validation of the Musharraf regime. It is left to civil and political society the world over to lend support to those who are increasingly isolated because of their political positions and their struggle in Pakistan.

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## WASHINGTON: TRIUMPHANT OR OVEREXTENDED?

Walden Bello\*

(A longer version of this piece was published on AsiaSource.org, the website of the Asia Society in New York, which granted permission to reprint it.)

Over eight months after the launching of the global war against terror, it is becoming increasingly clear that the US is caught in a relentlessly expanding conflict from which there is no easy withdrawal.

Trying to keep up the momentum of its war against terror after it declared “victory” in Afghanistan in early January, the US sent troops to the Philippines that same month to help hunt down members of the Abu Sayyaf bandit group that it alleged had ties with Osama bin Laden’s Al-Qaeda network.

The Philippines, an ex-colony, seemed to be a convenient choice as a site for expanding the war against terror as Washington debated from January to March a far more important question: whether or not to take out Saddam Hussein. But just as the faction favoring an invasion of Iraq appeared to have gained the upper hand, the brutal Israeli sweep into the West Bank threw a spanner on US calculations, which had rested on the assumption of political support from the pro-US Arab states.

### VINDICATION OR REPUDIATION?

Meanwhile, nearly three months after Washington’s designating the Philippines a “second front,” some 60 to 80 Abu Sayyaf bandits continue to elude 6,000 Filipino troops coached by 160 US advisers on the small island of Basilan.

Moreover, the realities of the Afghanistan campaign that filtered out after the ouster of the Taliban have punctured the triumphalist mood that reigned last December.

The idea that Afghanistan vindicated a new strategy of warfighting based on the employment of massive precision-guided airpower with little commitment of ground troops is now less persuasive. Thousands of civilians apparently died owing to less than precise bombing, and scores of people allied to the United States were targeted and killed by US forces acting on bad intelligence. Relying on Afghan mercenaries to do the fighting on the ground for the US is now acknowledged by some in the Pentagon to have resulted in Osama bin Laden’s escape from the Tora Bora mountains. And when US troops did engage in close-quarters fighting with the Taliban/Al-Qaeda forces during “Operation Anaconda,” which took place in the Shah-i-kot area near Pakistan in early March, they were bloodied by an enemy that was supposed to be on the run. As retired US Colonel David Hackworth put it in a television interview, the results of Operation Anaconda were “not something that the Pentagon can be proud of.”

Though it has not achieved its prime objective of capturing bin Laden or dismantling the Al-Qaeda network, Washington still thinks it has the strategic initiative. It seems to be the case, however, that it has launched itself into a multi-front war of attrition where it cannot consolidate victory on any front.

The momentum is also being lost on the political front. As the military campaign lessened in intensity in Afghanistan, the United Nations was brought in to broker a political settlement that would usher in representative democracy while the European Union was dragged in to police the peace via a British-led armed contingent. It has become clear, however, that the centralized

authority that had been forged by the Taliban has given way to the return of warlord hegemony in different parts of the country, and the role of the security force is increasingly to keep the ex-partners in the Northern Alliance from cutting each other’s throats. “Quagmire” is a word that is more and more frequently used in the US press to describe the Afghan situation.

As Afghanistan slides into anarchy, Pakistan’s Gen. Musharraf has been destabilized and delegitimized by American pressure to take sides in the war against terror. The prestige of Islamic fundamentalists among the population is now probably greater than before September 11. Saudi Arabia is seething with discontent, and Washington faces the unpleasant prospect of having to serve ultimately as a police force between an increasingly isolated Saudi elite and a restive youthful population that regards bin Laden as a hero.

Washington’s tilt towards Israel has not helped in shoring up the legitimacy of its Arab allies, including Egypt’s Hosni Mubarak, among their peoples. Israel is the great spoiler of the US effort to manage the Middle East, and it can get away with it because it can rely on its massive support in the US Congress to blunt pressure from the US executive, as the brazen Israeli moves to destroy the Palestinian Authority in defiance of Washington recently demonstrated.

### OVERSTRETCHED?

Indeed, the Afghan fiasco and Israeli intransigence, it can be argued, have combined to make Washington’s strategic situation in the Middle East worse rather than better. Nor have there been any political or military gains in Southeast Asia, with Indonesia maintaining its distance from

Washington and the US buildup in the Philippines turning out to be an open-ended commitment, like Vietnam.

The introduction of US forces in Georgia and some of the Central Asian republics — the so-called “Stans” — may, on the surface, seem to be a strategic plus, especially when one takes into consideration the energy reserves of the area. However, with the failure to achieve decisive military or political victory on any front, Washington’s Central Asian deployments may actually be stretching US imperial power, with little real strategic gain.

Not surprisingly, there are voices in Washington that now question if the US has the troops and resources to engage in a multi-front war of attrition. An invasion of Iraq, even if it does oust Saddam Hussein, would merely exacerbate the dilemma of overextension, since once one goes into Iraq, there is, as in Afghanistan, no easy extrication from the massive political mess that would create. Paul Kennedy had a colorful phrase for Washington’s emerging dilemma: “imperial overstretch.”

One is tempted to say, in fact, that there is a historical parallel to the US’ indiscriminate creation of new fronts against terror, and that is the Japanese rampage through the Southeast Asia and the Pacific in the first six months of 1942. Large swathes of territory were gained, but at the price of overextending Japanese imperial power. By creating so many fronts, Japan ended up unable to concentrate its forces and attention on the few strategic sectors.

## LOSERS

There are no clear winners so far in the so-called war against terror. But there are clear losers. The Taliban is one. The other big loser is liberal democracy in the United States. Not even the Cold War was presented in such

totalistic terms as the “War against Terror.” Laws and executive orders restricting the rights to privacy and free movement have been passed with a speed and in a manner that would have turned Joe McCarthy green with envy. The United States was scarcely three months into the war when legislation had already been passed and executive orders signed that established secret military tribunals to try non-US citizens; imposed guilt by association on immigrants; launched a massive effort to track down 8000 young Muslim men; authorized the Attorney General to indefinitely lock up aliens on mere suspicion; expanded the use of wiretaps and secret searches; allowed the use of secret evidence in immigration proceedings that aliens cannot confront or rebut; gave the Justice Department the authority to overrule immigration judges; destroyed the secrecy of the client-lawyer relationship by allowing the government to listen in; and institutionalized racial and ethnic profiling.

Americans have often prided themselves with having a political system whose role is to maximize and protect individual liberty along the lines propounded by John Locke and Thomas Jefferson. That Lockean-Jeffersonian tradition has been severely eroded in the last few months, as Americans have been stampeded to giving government vast new powers over the individual in the name of guaranteeing order and security. Instead of moving to the future, America’s limited democracy is regressing in its inspiration from the seventeenth century Locke to the sixteenth century Hobbes, whose masterwork *Leviathan* held that citizens owe unconditional loyalty to a state that guarantees the security of their life and limb.

The extent to which efforts to curtail traditional liberties are facing acceptance was illustrated during a memorable Senate hearing when Attorney General John Ashcroft said that critics of

the Bush administration’s security measures were fear-mongers “who scare peace-loving people with phantoms of lost liberty [and] aid terrorists.” The fact that liberal, Democrat senators against whom these remarks were directed dared not respond shows how skillfully the conservatives have used the anti-terrorist struggle to win the real war at home, which is the war against liberals and progressives. It is only recently that significant Democrats have moved to speak against curtailment of civil liberties, and rather timidly at that.

To conclude, over six months after September 11, the US has failed to achieve a decisive victory in the war against terror and may now find itself in a situation of strategic overextension. The alienation that has fueled fundamentalism has, in contrast, gained in strength in the Middle East, greatly assisted in the last few months by Israel’s acts of impunity against Palestinians. Southeast Asia is turning up into a strategic black hole swallowing up more and more American military manpower. But if there are no clear winners, there is, aside from the Taliban, a clear loser: civil liberties and democracy in the United States. And that is a pity.

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## THE WOLF'S OLD TRICKS FAIL IN VENEZUELA

Theotonio Dos Santos\*

We all know the fable of the wolf and the lamb. <sup>(1)</sup> We all know that the “reasons” offered by the wolf to the lamb are totally absurd. This is what is happening today in Venezuela.

A group of politicians, business people and military, aided by the media, who are at their service, and by diplomats and secret agents of the most powerful state in the world, recently prepared and carried out a barefaced coup d'etat. They put someone in power who had no legitimacy whatsoever, they dissolved existing institutions, beginning with the new constitution which was approved in a vote by a crushing majority and following up with the National Congress, and then whoever opposed these acts.

They also took off the air the only television station that was broadcasting the actions of their opponents, and they began a brutal repression of the deposed government's members and its popular base.

### REASONS OF THE WOLF

However, the main actors in the coup, who happily were defeated due to the effective and valiant response on the part of the population, the soldiers, and a number of military commanders, present the same “reasons” to the world that the wolf presented to the lamb.

Although you're down river, you're polluting my water. Although you're chosen by 60 per cent of the population, and establish a new constitution with the support of 80 per cent of the population, defeat a military coup with the action of the social majorities, you are a dictator and I am the democrat. It doesn't matter that I am the one that perpetrated the coup (a position

confirmed by the successive coups that I have carried out and admitted in my parliament), it doesn't matter that this time I failed and was caught red-handed. You are polluting my water, you are a dictator and you should abandon the government that the people confirmed with their votes and the lives they gave in the streets.

The worst thing of all is to witness the number of liberals and democrats that defend this line of argument. How many times have we seen them supporting or justifying coups and military governments based on state terror, on torture and on the disappearance of their opponents?

### POLITICAL 'TRADITIONS' DIE HARD

All this is not so strange when you look at the lack of credibility of the politicians in our region. How many of them became accomplices to this type of attitude? How many of them are involved with the authoritarian liberals of the 90's that are now in prison, or on the run, not for political reasons but due to legal proceedings related to deaths, the drug trade, the smuggling of weapons, corruption and other not specifically political crimes.

The Venezuelan epic was a very important victory against such forces. But their spokesmen continue to use the same weapons in order to continue with their coup attempts.

In Brazil, the coup efforts of this type of faction were successively defeated up until 1964, when they had the open support of North American troops, as has now been definitively proven by the papers of the US ambassador in Brazil, Foster Dulles, and other sources from the US government itself.

In Chile, the successive coup attempts against the Unidad Popular (Popular Front) finally triumphed in September 1973 with the victory of General Pinochet. Some months before this bloody event, the forces promoting a coup had failed in the famous “tancazo” that numbered amongst its main opponents General Pinochet, thus assuring him the command of the General Staff from which position he was able to carry out the coup of September 11, 1973.

Argentina also suffered successive coups until the most violent one finally took place in 1976. In Uruguay, the same techniques destroyed a democracy consolidated over dozens of years. In Bolivia, the use of the coup d'etat became a permanent technique after the victory of the Bolivian Revolution.

One must not be under any illusions. Nothing stops the wolf and its “reasons” of force. The coup technique has been a little underused in the last few years. But the growing tension in Latin America has led to an upsurge in a number of “wolfish” interventions in the region.

### THE WOLF'S METHODS BRING BACK MEMORIES

The method is clearly effective because it finds support in the struggles within the armed forces of the region, and fits with the ambitions of oligarchic sectors and the local middle classes. However, in the wake of the disastrous effects of the neoliberal and privatization policies, the nationalism and the professional conscience of the armed forces has recently increased, together with their identification with the middle classes.

These thoughts occur to all of us in the region. In my case, it

makes me re-live personal experiences of having escaped from several of these coups. From the coup of 1961 against the possession of president Goulart in Brasil, in which I was one of the main people being sought in my city, to the coup of 1964, that found me in Brasilia.

Immediately removed from my university post by the coup leaders, I lived two years of secrecy until leaving for exile in Chile. In that country I had the opportunity to get to know the details of the conspiratorial techniques against the Unidad Popular until the coup of 1973 when I had to seek shelter in the Panamanian embassy and ended up in exile in Mexico.

Returning to Brazil in 1979, after the amnesty, we were under constant threat of new coups until the consolidation of democracy by the constituent assembly of 1988. However, there is a great deal of insecurity around the new offensive of the popular forces in the country, with the possible victory of the left-wing opposition candidate Lula.

There is always hope that in the end the will of the people will be respected. But we know very well that the "reasons" of the powerful don't take into consideration the moderation and concessions offered by the leaders of the popular forces. In general, what they want is their practical and ideological capitulation.

These thoughts serve as a warning to the leadership that commands the process in Venezuela. They also serve as reference for the Brazilian left that is approaching power. It serves as a framework for the Argentinean politicians of various stripes, demoralized by the international pressure they are subjected to and the aspirations of their people who protest in the streets.

These reflections become even more serious when on the

international stage we witness the rise of fascism in Europe, inside the US government and in the Middle East. Intolerance seems to be the tone of this juncture.

For us there is a correlation between the economic recession, the increase in unemployment, failure of "third way" type solutions and the rise of fascism.

Let us hope that the recovery of economic growth, falling unemployment, new opportunities for personal realization, and solution of the crucial problems of the great mass of the population will allow the use of force to be left behind and open the road to a search for consensual solutions to the serious problems caused by the hegemony of neoliberal thought and practice during the difficult years at the end of the twentieth century.

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(1) The story of the wolf and the lamb\*  
Once upon the time, there was a nice little lamb that was quietly drinking out of a mountain stream, enjoying the fresh water running between its legs.

All of a sudden, a big wolf appeared upstream and told to the lamb "You are polluting my water, with your dirty legs in it! I will eat you!"

The poor frightened lamb told the wolf "But, Mr. Wolf, I can I pollute your water, if I am downstream...The water runs down, it doesn't run up!"

"If it is not you, who is polluting my water" said the threatening wolf "it was your father, and before him, your grandfather! So, in any case I will eat you!"

Which he did!

\* as told by Aldo dell'Ariceia  
First published in Spanish by "Alai-amlatina" 26 April 2002. Latin American Information Agency (ALAI), Quito, Ecuador info@alai.ecuanex.net.ec URL: <http://alainet.org> Translated by Gerard Coffey.

## REPORT FROM SOUTH AFRICA: THIS IS WHAT EFFICIENCY LOOKS LIKE

Sara Grutsky\*

In many townships and rural districts across South Africa and Swaziland, pre-paid water meters have been installed to improve the “efficiency” of fee collection - what is known as “cost recovery” in World Bank terminology. It is worth taking a minute to carefully describe this insidious technology. Instead of a regular tap that switches on and off, you have a large metal meter box with a slot for a plastic card and a water tap below. You pay a certain amount of money to officialdom and the card is computer coded to allow the allocated amount of water to run through the tap. (Much like a prepaid long distance phone card.) When the “credit” runs out you are cut-off until you can pay again.

This is considered very efficient by the water companies and the government because there is no need for billing or collecting and no need to deal face-to-face with people when you cut them off. Often these pre-paid meter boxes replace communal standpipes in rural villages and townships in South Africa and Swaziland. The only problem with this “efficient” system is human vulnerability: we need water to survive.

In developing countries the lack of access to clean and affordable water contributes to the spread of water-borne diseases, which kill more than 2 million people, mostly children, each year. From August 2000 to February 2002, since pre-paid meters were installed in many areas of KwaZulu Natal province, 113,966 people were infected with cholera and 259 people died. In contrast, during the previous two decades, from 1980 to 2000, only 78 people died of cholera. Authoritative research on the cholera outbreak in KwaZulu-Natal has linked it to the policies

of increased “cost recovery” for water, the installation of pre-paid meters, and the special vulnerability of people living with HIV to cholera.

Johannesburg – known to many local activists as the most unsustainable city in the world — will host the UN World Summit on Sustainable Development (Rio + 10) in August this year. It is estimated that 65,000 delegates will attend. Who’ll pay for their water?

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## KOREANS CALL ON SOCCER FANS TO GET ORGANISED

World Cup Campaign for Trade Union Rights in Korea and the KCTU Child Labour Campaign

KCTU and Korean workers extend warm welcome to all the football teams and all football lovers coming to Korea for the 2002 Korea-Japan FIFA World Cup.

KCTU, however, feels it is important to remind ourselves that not being among the 32 is in no way a sign of failure or shortcoming and that everyone involved, from the players on the field, spectators on the stands, and people following the matches in their own countries, should not forget the spirit of solidarity in the heat of competition.

It is sad, however, that many Korean workers will not be able to share in the excitement and festivities of the World Cup in a wholehearted manner. This is especially true of the trade unionists held in prison. KCTU president Dan Byung-ho, sentenced to two year imprisonment for leading the activities of the KCTU, is one member of the Korean World Cup Organising Committee who will not be able to attend any of the matches or ceremonies. (The officers of the Organising Committee called on the KCTU to request the KCTU to remain silent refraining from taking industrial action in the days before and during the World Cup. They returned instead with KCTU's reminder that the Committee should have made some efforts to bring about the release of one of the Committee's members, and a request to raise awareness about the child labour issue in the football business.)

The international trade union movement has not overlooked the mismatch of trade union rights violation in Korea and the World Cup being co-hosted by Korea.

Hans Engelberts, the General Secretary of the Public Services

International, who came to Korea to congratulate the inauguration of the Korean Government Employees Union, only to witness thousand of riot police storm the auditorium where the inaugural congress was being held and hundreds of delegates arrested, wrote to the FIFA, "If it is not possible for freedom of association to exist in Korea, then it should not be possible for FIFA to conduct the World Cup there."

The International Confederation of Free Trade Unions, International Metalworkers Federation, and the Public Services International are initiating special campaigns on the occasion of the World Cup being co-hosted by Korea to demand the release of imprisoned Korean trade unionists, the recognition of the Korean Government Employees Union, and an end to the repression of trade unions.

KCTU is appealing to all trade union movements to take up the campaigns being organised by the global union organisations. ICFTU, under the leadership of the new general secretary Guy Ryder, is initiating a Global Unions awareness raising campaign on the imprisonment of trade unionists in Korea. The IMF and PSI are joining in calling for an international day of action on June 27 to protest the Korean Government's continued attacks on trade union rights. PSI will, in cooperation with the ICFTU, organise a special workshop on trade union rights violation in Korea in Geneva during the International Labour Conference.

KCTU is calling especially on the trade union movements in the countries whose national football teams make up the 32 finalists taking part in the World Cup matches in Korea and Japan to send letters of protest to the Korean government, organise

parliamentarians to write appeals to the Korean government, and to approach their national football teams to show their concern.

The SIGTUR (Southern Initiative on Globalisation and Trade Union Rights) network is currently engaged in an ongoing solidarity campaign with Korean workers' struggles.

On April 16, the National May Day Committee in Indonesia organised a demonstration in front of the Korean embassy in Jakarta to call for the release of KCTU president Dan Byung-ho. In Pakistan, All Pakistan Trade Union Federation, held a similar protest rally of more than 150 workers on April 17 in front of the Korean embassy. More than 100 workers carried out colourful and forceful action on April 24 in front of the Korean embassy in Bangkok in a demonstration organised by CLIST. In these demonstrations, the workers of the South declared a full support for the Korean power workers struggle against privatisation.

KCTU hopes that June 27 can be adopted as an international day of action against the Korean Government's persistent trade union rights violation. The various separate and joint initiatives could make June 27 even more successful than the landmark January 22 international day of action when workers and unions in 34 countries took action.

The planned actions will have great impact in Korea.

The recent ILO Committee on Freedom of Association decision to call for the release all trade unionist imprisoned as a result of trade union activities and to "recognise, as soon as possible, the right to establish and join trade union organization for all

public servants” and the recent OECD decision to extend the Korean Labour Law Monitoring for further three years have jolted the Korean government.

On May 19, the Korean Government included 7 (out of 41 then held in prison at the time) trade unionists in the wider amnesty on Buddha’s Birthday. While the release has not meant a total change in the government’s attitude, as can be seen by the arrest of more trade unionists after it, it is material evidence of the impact of international pressure.

In Korea, KCTU has begun a post card campaign on the child labour issue. KCTU, the Korean Government Employees Union, and a number of civil society organisations will hand out post cards calling on the FIFA to comply with its agreement with the ICFTU and its own code of conduct to guarantee and demonstrate that no child labour is used and trade union rights are respected in the entire process of football production. KCTU-produced post card also calls on the FIFA to use its international prestige, in collaboration with trade unions and various child labour action groups, in the effort to end all forms of child labour. KCTU’s teachers union will hold special classes on child labour during the World Cup period.