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BRAZIL ON THRESHOLD OF NEW ERA WITH LULA VICTORY

By Walden Bello*

SAO PAULO, Oct. 24. As the countdown to Brazil's final round of elections begins, it is no-holds-barred campaigning on television. With Luis Inacio da Silva of the Workers Party (PT) widening his lead in the polls over Jose Serra of the Social Democratic Party of Brazil (PSDB), the reigning coalition is throwing everything, including the kitchen sink, at the former metalworker. Some television spots depict states and cities governed by the PT as garbage dumps, complete with scavengers and dogs. Others cut from da Silva—more popularly known as Lula—delivering a militant speech to workers to him charming businessmen with more moderate message, followed by the question “Who is the real Lula?” Then there is unadulterated scaremongering: Serra warning the electorate that Lula's economic policies are similar to those of President Hugo Chavez in neighboring Venezuela, which is in the midst of bitter class warfare and on the brink of civil war.

But Lula gives as good as he gets. Clinton-like, he ties around his opponent's neck the collapse of the Brazilian economy during President Fernando Henrique Cardoso's administration, which Serra has served as Planning Minister. Pounding on the government's record, he forces Serra to run what one commentator has called a “schizophrenic” campaign, unable to defend Cardoso's policies yet unable to distance himself from them.

Perhaps as decisive as substance in the electoral homestretch is Lula's telegenic edge: in contrast to the boring Serra, the ex-factory worker is perfect for the medium, down to the mischievous wink that establishes an intimate tie between him and the viewer.

The atmosphere in this country of close to 175 million is electric as it awaits something truly historic. According to Candido Grzybowski, head of a social policy think tank in Rio de Janeiro, Lula's victory would represent a “new stage of the national project, where the poor, the marginalized, the workers become the driving force in the rebuilding of the nation.” Citing the Italian thinker Antonio Gramsci, he says, “There are times when an individual becomes himself the project. This is one of those times.”

ORIGINS

Starting out as an impoverished migrant from the Northeast, Lula entered political life as the feisty head of a metalworkers' union in San Bernardo de Ocampo, one of the proletarian strongholds in the vast Sao Paulo industrial belt. Persecuted by the military government, he came into prominence as a mass leader at a time

when social struggles were gathering the momentum that would eventually displace the dictatorship and establish social movements as a key actor in Brazilian political life. The PT, which Lula helped found in 1980, was one of the points of confluence of the struggles of workers, peasants, urban poor, the progressive intelligentsia, and Church activists.

Over the last 22 years, the PT under Lula's leadership has developed a distinctive elan, one that combines the fervor of an insurgent movement with the hard-nosed pragmatism of an electoral party. It is perceived as a non-traditional party that is solidly rooted in the masses and uncorrupt. It is seen as innovative, with its experiment in “participatory budgeting” in the city of Porto Alegre widely known not only in Brazil but the world over. It is also seen as tough on crime and drugs: the PT Governor of Rio de Janeiro Benedita da Silva has probably swung many urban voters to Lula's side with her uncompromising war against Rio's powerful drug lords, who have retaliated by sending motorcycle gangs to shoot up government offices and shopping centers and threatening to kill her.

Unlike other parties on the left, the PT is seen as non-doctrinaire and flexible. “The party started out quite sectarian,” recounts Kjeld Jacobson, head of the international relations department of the Central Federation of Workers (CUT). “But it soon learned that to win elections it had to make alliances. Without these alliances, the most you could get was only one third of the vote, so if you wanted to win elections, you had to win the center.”

The PT “formula” has been immensely successful, with the party not only winning governorships in key states and cities but also becoming the party with the largest number of deputies in the Federal Chamber of Representatives, today claiming 99 out of the 500 members of that body. As important as winning elections is the experience gained in mastering the intricacies of legislation and managing Brazil's unwieldy municipalities, cities, and states. As it prepares to conquer executive power, the PT, contrary to the propaganda of the Cardoso government, is a tested force.

ALTERING THE POLITICAL LANDSCAPE

In the current elections, the PT's sophisticated—some would say, opportunistic—alliance-building has altered the political landscape. One result is the fragmentation of the political and economic establishment. The PT vice presidential candidate, Jose Alencar, is a textile entrepreneur who has headed up the Federation of Industries of the state of Minas Gerais. Critical backing for Lula comes from the Liberal Party, which is

dominated by Christian evangelicals, who make up 12.5 per cent of the population. Among the key Lula backers are well-known politicians from the center-right and right, like former President Jose Sarney and the notorious hardline conservative kingpin from the Northeast Antonio Carlo Magalhaes.

Lula's success in winning over key sectors of the business, says Jose Correa Leite, a leader of the civil society movement ATTAC, stems from his ability to convince them that he will inaugurate a new era of "national capitalist development" that would protect and reconcile their interests with those of the lower classes. Taking advantage of the cross-class distress caused by eight years of neoliberalism, Lula has managed the feat of uniting the peasants, urban poor, workers, middle class, and fractions of the elite behind a distinctly non-radical program of reviving the Brazilian economy via an expansion of domestic demand and stimulating national industries. Indeed, during the campaign, the details of the program have been given less prominence by the PT than the spirit of a civic cross-class nationalism that is captured in the main campaign slogan "For a decent Brazil."

Such broad cross-class electoral alliances are not unique in the history of Brazil and Latin America. What is distinctive this time, according to PT partisans, is that the center of gravity of the alliance lies in the lower classes and marginalized groups

Still, there are those in the Lula camp who wonder if this is in fact the case, who miss the strong laborist bias of the old PT, and who speak apprehensively about Lula's "capitalist-worker alliance." Like everybody else in the party, however, their doubts are, for the moment, happily suspended in anticipation of a Lula victory.

THE NEOLIBERAL DEBACLE

To many, Lula's being at the cusp of power stems partly from what prominent Brazilian political scientist Emir Sader describes as the "resounding collapse" of the economic project of Fernando Henrique Cardoso, the distinguished left-wing intellectual who transmogrified into a proponent of neoliberalism, friend of transnational corporations, and ally of the United States. So great is Cardoso's loss of credibility that even his party's candidate has rarely asked him to make a campaign appearance for him. According to University of Rio de Janeiro economist Reinaldo Goncalves, a comprehensive index that takes into account key items like the public debt, external debt, inflation, inequality, and unemployment would "unambiguously show that the economic record of Cardoso is the worst among all of the country's 24 chiefs of state."

Under Cardoso, the external debt of the country has

more than doubled, from \$148.2 billion when he assumed office in 1994 to \$400 billion today. This has its origins in the president's famous Plano Real, which pegged Brazil's currency to the dollar in an effort to flight inflation as well as attract foreign investment to Brazil. The strategy seemed to work in the first few years, with inflation brought under control and with total capital inflows more than doubling between 1994 and 1996. But as economist Geisa Maria Rocha shows in painful detail in a brilliant article in the latest issue of *New Left Review*, Cardoso's early triumphs were pyrrhic. The pegged currency quickly became overvalued as the dollar gained strength in the mid-1990s, resulting in the erosion of the competitiveness of Brazil's exports. In the context of the trade liberalization that was pursued simultaneously in accordance with neoliberal, free-market doctrine, the overvalued real triggered a flood of imports that produced a yawning trade deficit that needed more and more foreign capital to finance it. This meant higher and higher interest rates to attract foreign capital.

When Brazil was "infected" in late 1997 by the Asian financial crisis, interest rates hit the roof—rising to 50 per cent in October 1998 as the government, with the International Monetary Fund's encouragement, sought to prevent foreign capital from leaving Brazil. Simultaneously, the authorities spent \$50 billion defending the overvalued real from speculative attack before finally giving up the dollar peg and watching helplessly as the real quickly lost over two-fifths of its value against the dollar. It was downhill for the real from there. Recently, with foreign investors' fears of Lula's candidacy, renewed speculative pressure speculation has driven down the real to 4 four reales to one dollar, from 1:1 in 1994.

THE UNDERSIDE OF GLOBALIZATION

Cardoso's monetary policy was part of a bigger policy package aimed at globalizing Brazil's economy. Reinaldo Goncalves says that instead of pursuing a "discriminating process of relating to the world economy," Cardoso opened up uncritically and simultaneously in the key areas of finance, trade, technology, and investment. In all four areas, Brazil came out the loser.

The situation in investment was paradigmatic. The liberalization of the foreign investment law and the privatization of state enterprises brought in \$1.8 billion in net foreign direct investment in 1994 to \$30 billion in 2000. The foreign investment boom put Brazil the country in sixth place among developing countries in terms of penetration by transnational corporations, with transnational corporations now accounting for 40 per cent of Brazilian exports.

But what seemed a few years ago to be part of the solution has now become a major part of the problem, in the view of many Brazilians economic analysts. With so much of local production coming under the control of transnational corporations, control of

decisions over national production has passed to the hands of enterprises that respond more to international conditions of profitability than to the needs of the local economy. Thus has emerged the great paradox of the Cardoso period: the dominance of foreign capital has not led to greater fixed capital investment, greater international competitiveness, and greater technological innovation. Indeed, UNCTAD Secretary General Rubens Ricupero claims the transnationalization of the Brazilian economy has been accompanied by deindustrialization.

The massive entry of foreign capital has led, according to Geisa Maria Rocha, not to a strengthening of domestic capital in association with foreign capital but to its displacement. While certain sectors of finance capital and big industrial capital benefited from association with foreign capital, the greater part of the local industrial elite and medium and small industry that have serviced principally the domestic market have seen their fortunes sink. Enter Lula, who has cleverly captured the Brazilian industrial sector's discontent by using the high interest rates as a symbol of the dire state of the Brazilian industrial sector. As the campaign hits the homestretch, Lula constantly tells his audiences that it is time to lift a "blind" policy that foists 20 per cent interest rates that "strangle" the economy while benefiting only the few foreign and local interests that are the main prop of the Cardoso-Serra dispensation. Under Cardoso and the IMF's watchful eye, Serra is tongue-tied.

TIGHT SPACE

Yet in spite of the populist rhetoric, the Lula camp is cautious when asked about its short-term economic strategy. The reality of the crisis brought on by neoliberalism, Antonio Prado, the executive coordinator of the PT's electoral program, tells us, is that "there is little room for maneuver in the short-term." This means "we'll have to continue some of the current administration's policies like inflation targeting, the floating exchange rate, and raising the budget surplus in the first year."

Indeed, the IMF has practically imprisoned the future Lula government by warning that the remaining \$24 billion of the \$30 billion emergency loan negotiated with the Fund in August will not be released unless government continues the stringent conditions agreed to by the Cardoso government. To prevent a massive capital flight that would destabilize the economy, Lula said he will live up to the conditions demanded by the IMF, just as earlier he had agreed to honor Brazil's foreign debt obligations.

Given the prominence he has given to the interest rate issue, however, Lula will not be able to avoid taking a stab in this direction, even in the first year. Interestingly, the key initiative he plans to set in motion to achieve this is one that he shares with his rival Serra: an aggressive export program to trigger a rise in earnings that would allow interest rates to drop,

enterprises to borrow, and investment to resume. This strategy out of the crisis is, the economist Goncalves points out, fraught with difficulties and dangers since not only have Brazil's industries lost competitiveness but the international economy is currently marked by deflation, recession, and overcapacity.

Lula's Restless Base

No major redistributive program is planned for the first year of a Lula government owing to the crisis and the simple lack of resources. The question is: will Lula's main base of workers and peasants cooperate? Public employees have not had their wages raised for eight years, and land reform is at a standstill. Prado of the Lula campaign says, "we are confident the workers' civic consciousness will prevail and they will agree with the government's gradualist approach."

As for the countryside, it continues to be in ferment, with land occupations by the militant Movement of the Landless (MST) and other groups taking place even during the electoral period. Nevertheless, Lula's room for maneuver in the rural sector seems to be greater compared to the urban areas. Geraldo Fontes, an MST leader, claims Lula is favorable to an MST proposal for a short-term program in the countryside that has three elements: expropriation of all land that is now occupied, provision of people in the reformed areas with seeds, tools, and other basic needs, and food for the first three months.

THREAT FROM THE NORTH

Lula's main problem in his first year may, in fact, not be internal actors but international ones. Foreign capital is likely to be skittish, watching for signals to head for the exit. The IMF will be watching the new economic program with eagle eyes, determined in particular to make the PT to live up to its promise to achieve a budget surplus of 3.75 per cent of Gross Domestic Product (GDP). Then there is the United States and its pet project, the Free Trade for the Americas (FTAA).

The PT might not be as resilient when it comes to the Free Trade Area of the Americas (FTAA), as it has been on the IMF loan and the foreign debt. Lula campaign adviser Prado, who is an economist, tells me that the current FTAA, as negotiated by the Cardoso government, is a "non-starter."

Its provisions on investment, patents and trademarks, and government procurement are seen as particularly damaging to the PT's strategic economic program.

With its investment program closely patterned after the current North American Free Trade Area—including something similar to NAFTA's Chapter 11, which allows TNC's to sue governments for discriminatory treatment—Prado sees the current FTAA as making it practically impossible for Brazil to pursue an industrial policy. Its provisions on government procurement would make it difficult for Brazil to carry out an import

substitution strategy by allowing the government to offer national industrialists preferential incentives to produce important industrial inputs. Its patent provisions would “endanger public health” by making it difficult to produce the necessary chemicals to make cheap medicines for people. “It is impossible to defend the FTAA before the Brazilian people under these conditions,” he maintains.

The PT is, of course, only expressing the overwhelming negative sentiment expressed by Brazilians in a recent unofficial referendum. Mindful of this resistance, US Trade Representative Robert Zoellick recently warned that Brazil’s choice was either to trade with ALCA [the Spanish acronym for FTAA] or with Antarctica.” This created an uproar in Brazil, which Lula, who had earlier characterized the FTAA as a “type of economic annexation of Latin America by the US,” tried to defuse by saying, “We have a number of things to settle with Comrade Bush.” Not surprisingly, this “lulism” made things worse.

A clash with the United States might be eventually unavoidable on the FTAA, but with Washington preoccupied by the Middle East, Iraq, and the so-called war against terror, Lula, like Hugo Chavez in Venezuela, might, for the moment, be spared the full brunt of a US response.

Keeping the US at bay, keeping the establishment divided, keeping his mass base in line as he and his team try to restart an economy in the throes of recession. Such is the magnitude of Lula’s task in the next 12 months. “All new governments enjoy a honeymoon period with the Brazilian people,” says Jacobson of CUT. Luis Inacio da Silva will need as long a honeymoon as he can possibly get from the Brazilian people and as little attention as possible from the United States.

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COLLECTIVE SECURITY IS WORKING

By Jeremy Brecher*

As an American, I would like to thank all those people and countries around the world who are helping to pull my country back from the brink of war. And I want to assure you that your efforts are having a big impact in the United States.

Unfortunately, the claim that the Bush Administration is determined to make a pre-emptive attack on Iraq has been validated over and over – most recently by Colin Powell’s assertion on the BBC that Washington might pursue “regime change” in Iraq even if the Iraqi leader complies fully with weapons inspections.

Softening up bombing, the classic first phase of an invasion, has already begun. So has the transport of war personnel and materiel to the Persian Gulf region. The war marketing campaign is in full gear. To paraphrase Bertolt Brecht, “When the leaders speak of peace, the mobilization orders have already been given.”

The Bush team’s meticulous planning had presumed UN and Congressional votes authorizing US attacks on Iraq by now, laying the groundwork for permission to use Saudi Arabia, Turkey, Pakistan, Jordan, and other countries as bases for attack. After President Bush’s address to the UN, the US Congress was poised to overwhelmingly pass a bi-partisan resolution giving the President a blank check for war.

But a funny thing happened on the way to the battlefield. For months people around the world have been expressing their outrage. Overwhelming majorities in almost every country except Britain and Israel opposed US plans. Politicians and national elites, while loathe to court the wrath of their patrons and protectors in Washington, have been even more terrified of the forces likely to be unleashed by the Bush Administration’s irrational obsession.

The effects of this global opposition on the US have been greatly underestimated. There is broad support here for international efforts to deal with Iraq’s alleged weapons of mass destruction. But there is virtually no sector of American society that supports a unilateral preemptive attack against Iraq without international support except the President’s immediate clique, a few members of Congress in both parties, and the Air Force.

The top uniformed military, except for the Air Force, have been widely reported to be extremely skeptical of such an effort. This summer they aroused the wrath of the pro-war clique by submitting estimates of troop requirements and casualties so high as to make the war seem too costly to pursue. While the military brass hasn’t spoken against a unilateral attack on the

record, their retired colleagues have done so forcefully. Top Republican military experts like Brent Scowcroft, many of them cronies of former President George Bush and formerly high officials in his Administration, spoke out against a unilateral attack.

This summer, popular and Congressional support for the Bush war plans seemed overwhelming. But as members of Congress visited their districts in August they were met both by organized delegations opposing the war and by profound worry among their ordinary constituents. Democratic leaders announced hearings and no “rush to judgment” on war policy. As the Administration launched its war marketing campaign in September, floods of phone calls and e-mails to members of Congress led former Democratic Presidential candidate Al Gore and the leadership of the Democratic Party in Congress to end silence or reverse explicit support for Bush’s policies.

Most of the popular and elite opposition is not opposition to any attack on Iraq, but rather to an attack on Iraq without allies. Little of this opposition would have arisen had the rest of the world caved in to Bush Administration demands for support. But the global united front against a US war is transforming the balance of forces within this country. While panicky Democrats in Congress may pass a watered-down resolution authorizing war, US opinion is now clearly divided, and policy elite, especially the Vietnam-burned military, is strongly averse to going to war without broad popular support. If the international front holds, there is a real chance that a US attack can be averted.

If the Security Council refuses to authorize US military action and the UN inspectors go to Iraq, Bush Administration war promoters will have at least two big problems. Neither public nor elite opinion in the US is likely to support a unilateral, unprovoked attack. Neighboring states are more likely to be firm in their resolve not to let their countries be used as bases for US attacks on Iraq. (Bush’s friend Ariel Sharon is also making it easier for them to just say no to US demands.)

If a full-scale attack on Iraq becomes untenable, the Bush Administration will probably follow three tactics. First, it will try its best to undermine and discredit the UN inspection process; the faintest hint of Iraqi non-cooperation will be met with fresh attempts to initiate war. Second, it will expand the bombing it is conducting already. Third, it will look for new openings to bully or bribe other countries back into line.

This indicates the probable next steps needed to contain US aggression. The tacit coalition of people and states opposing the US war on Iraq, acting through the UN, should demand that the US stop bombing Iraq while the inspection process goes forward. Of course the US will veto such a resolution,

but the demonstrated international opposition will strengthen both popular and elite opposition in the US. “State-supported nonviolence” — for example placement of foreign volunteers in Baghdad and other Iraqi cities with the support of their national governments — might also provide a deterrent to US bombing.

It is also essential that the inspection process go forward successfully. While it is impossible to know exactly what led Iraq to readmit inspectors, there was clearly at least a tacit quid pro quo that other countries would attempt to stave off an American attack. Iraq must be made to feel that it is safest if the inspection process proceeds successfully. After all, Iraq can reasonably feel that, by allowing inspection of its real or imagined weapons of mass destruction, it is giving up a significant deterrent to US attack. The containment coalition needs to indicate that it will try to protect Iraq from US attack as long as the inspection process goes forward, but that it will be much less able to do so if Iraq’s cooperation is less than complete.

Finally, it is necessary to block US efforts to bribe or bully other countries back into line. The Bush Administration’s snub of German Prime Minister Schroeder in the aftermath of his reelection is only the publicly visible tip of the iceberg of Bush Administration bullying. There have been many journalistic references to other countries being offered a share of the spoils of war — Iraq’s oil, for example, or the contracts for post-war reconstruction — as a quid pro quo for joining the US in the kill.

Russia has indicated an interest in US acquiescence in a Russian attack on Georgia, justified as a means to root out Chechen rebels. Apparently this is a price the Bush Administration is not yet willing to pay. No doubt they would see it as giving the green light to restoration of the Russian empire — establishing Russia’s right to ignore the new national boundaries that divide its once-and-future empire. But there is no telling what bribes they will be willing to offer if they find their way to war successfully blocked.

The Bush people tend to think of the world as a football game, and their strategy is to knock off those who get in their way one at a time. In the long-run, containing them will require not just opposition by individual nations, but rather some more conscious form of collective security. There needs to be a global understanding that containing US power is a collective responsibility. This might be expressed, for example, in providing financial and other support for countries like Jordan that are being threatened with US reprisals if they refuse to serve as bases for war against Iraq.

Another step could be to forcefully stigmatize any country selling out to the Bush Administration for such a “mess of pottage” as a share of the spoils of war,

some supposed geopolitical concession, or (for poorer countries) cold cash. For a historical analogy, we might recall that the Western powers tried to keep Russia in World War I by means of scandalous secret treaties offering them other country's territory when the war was won. The exposure of those secret treaties may have done more than any other single act to destroy the legitimacy of the Russian regime.

Most important of all is to continue the popular pressure on governments around the world. Movement pressure in Britain has already forced Tony Blair to publicly split with Bush over "regime change" and if it continues to grow will make British participation in a unilateral attack untenable; withdrawal of British support might well be the final nail in the coffin for US war plans. German popular opposition swung the election; it is leading American policy elites to fear that Bush policies are undermining European acquiescence in US global dominance. The fact that not one country in the world beside Britain has offered to help the US attack Iraq has a major impact on US opinion. Please, keep up the good work!

One of the central tasks for the tacit coalition of people and states opposing the US war on Iraq is to win the hearts and minds of the American people. Americans are still hurt and terrified by the 9/11 attacks and easily led to support absurd policies sold as "anti-terrorism." Nonetheless their views are volatile and conflicted. In a September 24 CBS News poll, 57 percent wanted the US to give the UN more time to get inspectors back into Iraq and 52 percent thought the US should follow the recommendations of the UN when it comes to taking action against Iraq, instead of taking action on its own.

National leaders and ordinary people around the world need to reach out to Americans and help them bring their government to its senses. An example: A delegation of British anti-war religious leaders is coming to the US to share with American religious communities their concerns about US threats against Iraq. Containment of Bush Administration aggression is – and should present itself – as pro-, not anti-, American.

Ultimately, the issue here is far larger than the conflict between the US and Iraq. Bush's new policy document, "The National Security Strategy of the United States," which codifies previous pronouncements, indicates the megalomaniacal scope of the Administration's ambitions. The document notes, "The United States possesses unprecedented – and unequalled – strength." It proclaims that "we will not hesitate to act alone, if necessary, to exercise our right of self-defense by acting preemptively." The US will use its power for "convincing or compelling states" to accept what it calls "their sovereign responsibilities."

This strategy for global domination is not limited to

military matters, but proposes to shape the whole of global society and political economy. Indeed, the document goes so far as to declare that there is only "a single sustainable model for national success."

Blocking the US attack on Iraq is a crucial step but only the first step in the containment of these awesome aspirations for global domination. It represents the emergence of a tacit but nonetheless real policy of collective security to contain US aggressiveness. If such collective security can be maintained, it bodes well for the containment of "pre-emptive aggression" in the future. And perhaps it will lay a foundation for addressing such other threats to collective security as global warming, poverty, economic crisis, AIDS, and weapons of mass destruction.

Nothing could be more in the genuine interest of the American people.

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FROM SEATTLE TO DOHA: SOLIDARITY IS THE ONLY WEAPON OF DEVELOPING COUNTRIES

By Nguyen Van Thanh

After the World War II, the three revolutionary upsurges, namely the three movements of world socialism, national liberation in colonised countries and workers' struggle in developed capitalist countries, constituted a synthesized and direct attack to both the stronghold and the backyard of capitalism. The struggle between capitalism and socialism, between the capitalist road and the non-capitalist road became the major contents of the transitional time from capitalism to socialism all over the world.

In response, the US, Britain and other capitalist countries sought to establish a new capitalist system to obtain global domination - the ambition the German and Japanese fascists once had failed to realise through war. The new capitalist system was to fulfil these three essential tasks - consolidating and reinforcing the capitalist countries' alliance, of which the North Atlantic Treaty Organisation played the pivotal role; taming the Third World countries and bringing them back under the control of imperialism; and terminating the socialist system - the greatest menace to the survival of capitalism.

However, after the World War II, when people had just escaped from the hell of slaughtering and destruction, of concentration camps and human gas chambers, they tended to be more humanitarian and tolerant, and ardently wished for a peaceful and better life. Countries' economies recovered and strongly developed. Capitalism embarked on an unprecedentedly long period of growth, seemingly challenging all theories on the chronic crisis circles. Reviving from the war, capitalism in 1950-1960 withdrew its fangs and claws and did its utmost to "peacefully emulate" with the socialist system obviously of great superiority in many aspects. The capitalism launched a new strategy, which first and foremost aimed at winning over the socialism in economic terms, provoked arm races to weaken the USSR and other socialist countries, supported Germany-Japan and the bourgeoisie governments in some formerly colonised countries of important geo-political position, and implemented some social policies to buy off workers and Trade Union's leaders.

It can be said that Keynes' post-World War II model of capitalism was a transitional model that capitalists must temporarily accept amidst adverse world's changes. Welfare States, Trade Union's movements and democratic socialism existed in parallel with the newly-born socialism system. The struggle inside capitalism and the external changes both took effect and created a more human face for capitalism. It was in this period that "people's capitalism" (!) was first mentioned. However, the real ideological foundation for

post-World War II capitalism was the doctrine of neo-liberalism by Friedrich Hayek, a Nobel economic laureate who considered inequality not a failure of capitalism but an inevitable consequence and an indispensable condition for good performance of the economy. Capitalism ranks inequality as a major value not only within countries but also in international affairs. This is reflected through capitalism's unequal development mentioned by Marxist-Leninist classics. Neo-liberalism is against State control over the market and against welfare state, which, according to its argument, encourages egalitarianism. Neo-liberalism views social justice as a destroyer to market's freedom, citizen's liberty and talent's vitality - two major determinants of people's success; considers it's ideal to create conditions for the strong to win and the weak to lose; regards competition as the only motivation for development and opts for liberalisation, deregulation and privatisation as fundamental strategies. In 1948, with six percent population of the world the United States owned fifty percent of world assets. Advancing on that road of inequality, 50 years later, 25 million of US rich people, or 0.4% of the world population, have gained the wealth equal to that of two billion poor people, or 43% of the world's population.

To maintain this disparity, no sooner had the war ended than the US and Britain gave birth to the International Monetary Fund (IMF), the International Bank for Reconstruction and Development (IBRD), usually known as the World Bank, and the General Agreement on Trade and Tariffs (GATT), or the World Trade Organisation (WTO) since 1995. These are the three major instruments for capitalism to establish its global economic-financial and trade dominance. The delayed inception of the WTO is due to the inability to form a single market, given the existence, alongside the capitalist system, of the socialist system with totally different sets of rules and modes of production and exchange. Consequently, the US proposed to create a General Agreement on Trade and Tariffs (GATT) instead of an International Trade Organisation (ITO). GATT would constitute a set of rules that covered tariffs reduction, non-tariffs barriers removal and strictly limited room for Government's intervention in private economy and trade. They argued that fast economic growth could only be achieved in such free trade.

This is a false rhetoric. Realities show the contrary. Extremely high tariffs barriers were indeed put in place in the stage of development and industrialisation in capitalist countries to protect their domestic industries. Tariff liberalisation had not been introduced until their domestic industries gained enough strength to compete

with imported goods. In late eighteenth century, the industrial revolution began in Britain in favorable conditions brought about by pragmatic mercantilism for raising export of textile and other industrial goods. The principle of laissez-faire, Adam Smith's theory of free market or David Ricardo's theory of free trade were accepted in the United Kingdom only when the country had reached a far higher productive capacity over its neighbouring countries France and Germany.

In 1913, all big countries implemented protection policy. After its Civil War, the US implemented the industrial policy of import-substitution with the protection of a high tariffs barrier. Japan imposed protection tariffs for its industries in late 1890s after regaining the right to determine its tariff policy under the Meiji reign. France and notably Britain adopted economic liberalism, but not for the colonies which were forced to cede industrialisation. India, a Britain's colony, had to implement de-industrialisation.

Obviously the realities over the past several centuries have shown that industrialisation and economic growth in developed countries were guaranteed by protection. Those who developed later, even the "tigers" or the "dragons", all took advantage of the struggle between the two socialist and capitalist camps to protect their fledgling industries. In early 1960s, when South Korea first embarked on its "miraculous" economic period, US assistance covered as many as 7% of South Korea's GDP. If the US were also that "generous" to the subSaharan Africa, it had to spend a tenfold higher amount of assistance than at present, meaning US\$ 20 billion instead of US\$ 2 billion. No doubt about the importance of geo-politics!

The ministerial meeting in Doha has really pulled the WTO round after the debacle of the third ministerial meeting in Seattle. C. Fred Bergsten, a prominent partisan of the WTO, once said that this organisation is like a bicycle: it collapses if it does not move forward. By agreeing on a declaration giving momentum to new negotiations for liberalisation, the Doha meeting got the bicycle upright and moving again. Mike Moore, the WTO General Director, was not exaggerating when he thanked the ministerial for "saving the WTO" after the debacle two years ago in Seattle.

Doha meeting took place amidst conditions that were already unfavorable from the point of developing country interests. The September 11th events provided a heaven-sent for Robert Zoellick, the US Trade Representative and Pascal Lamy, the EU Trade Commissioner. They quickly seize this golden opportunity to increase pressure on developing countries and force the latter to agree to the launching of a new trade round which, according to their rationale, is needed to counter the global downturn that had been worsened by the terrorist actions. In fact, this "war against terror" is merely a pretext to justify the war for oil and minerals, for geo-political

advantage and the demand of military expansion in the interest of TNCs. Thus, the war, which claims to revenge for the victims of the September 11th attack, is in nature a war against civilians, against all citizens' rights to freedom; a war against the rule of law in the name of the ruling class's order. It is an act of replacing anarchical terrorism by State terrorism, which actually resembles former colonial invasions. As the result, more pressure is imposed on developing countries by threatening that developing countries must be responsible for the possible failure of another ministerial meeting, the possible collapse of the WTO and the likely worsened global recession in the wake of the first two debacles.

Instead of acknowledging the failures and traps of trade, the trade ministers of big capitalist countries keep on urging the application of free trade principles in all fields of global trade, in rich and poor countries alike, leaving too little room for national strategies and putting aside such important social issues as environment and labour. Furthermore, they no longer respect the commitments they themselves previously made to ending their economic protection policies. They intentionally ignore the promises of giving special and differential treatment to poor countries. Obviously the increasing financial, investment and trade integration is demanding an equal and democratic form of economic management in the whole world.

Can the answer be the WTO? Many doubts remain over this organisation and the neo-liberalism it is practising, its endorsed partiality for rich countries and its opacity, which has become a so-called trade culture of developed countries. If the WTO is to maintain its relevance, it should be organisationally restructured, ideologically reformed and methodologically democratized. When the balance of power is tilting to capitalist countries and their controlled institutions, it is not easy to have a WTO that speaks for the rights of poor countries or at least is not so partial. However, if developing countries unite and manage not to be bribed, divided or lured by transient interests, then this is not totally unlikely.

The WTO general director Mike Moore wrote in the International Herald Tribune (p.8): My message to the conference will be blunt: trade is a major factor in development. The Doha development agenda, agreed upon last November, saw developing countries put conditionality on rich countries. And they will consider moving forward on the trade round if capacity-building promises are kept and market access is improved. According to Moore, the removal of all tariffs and non-tariffs barriers may earn developing countries as much as US\$ 182 billion in services, US\$ 162 billion in industry and US \$32 billion in agriculture. He continues his rhetoric, saying that the benefits can still be bigger to under-developed countries thanks to US's raising imports from these countries by 11 times. But this is 1960s' experience: for every single dollar channeled

from the North to the South, “only” three dollars flowed back to the North. At late 1990s, i.e. 30 years of globalisation and free trade, the rate has become 7 out of 1, meaning that the North takes back 7 dollars for every single dollar it gives to the South.

An Oxfam’s report on Fair Trade in April 2002 reveals that over 40% of the world’s population live in low-income countries, but these 40% occupy exactly 3% of the world trade. Within the past decade, 5% of the world’s poorest have lost nearly a quarter of their real income, while 5% of the world’s richest risen by 12%. Out of every US\$ 100 brought about by world export, US\$ 97 flow to high-income countries, leaving on average only US\$ 3 for low-income countries. For every 1 assistance dollar to poor countries, they rob back US\$ 2 through unfair trade. Unfair trade takes US\$ 100 from poor countries every year. If Africa, East Asia, South Asia and Latin America each could increase by 1% in the world trade, 128 million people would escape poverty. One more per-cent of Africa’s volume in the world’s trade could generate US\$ 70 billion, which is 5 times bigger than the amount of assistance and debt reduction given to this continent.

Furthermore, rich countries impose fourfold higher tariffs on imports from poor countries than those from developed ones. In every assistance dollar, Africa loses 50 cents due to their plunging exports’ price. Since 1997, coffee price has reduced by 70%, costing coffee producers US\$ 8 billion. The total daily agricultural subsidy by rich countries is as much as US\$ 1 billion. This results in oversupply and dumping in international market, hence falling price and shrinking income to poor countries’ farmers. Many of the WTO’s rules on intellectual property rights, investment and services protect the interests of rich countries and mighty TNCs while impose heavy duties, and therefore, heavy damage, to developing countries. The world trade report is actually too gloomy to poor countries.

A recent report by the World Bank itself reveals the catastrophes on the globe. Rwanda’s maternal mortality rate is 1/40, 200 times higher than that of rich countries. Within the past decade, the life expectancy of Ugandan has reduced by 5 years, and that of South Africa fallen by as many as 14 years. This is caused by HIV-AIDS. The continent’s AIDS victims cannot afford the medicines by the pharmaceutical TNCs enjoying production and distribution monopolies under the umbrella of the WTO’s rules on intellectual property rights. This partiality raises doubts about the legality and legitimacy of the WTO.

The current situation is somewhat similar to the pre World War I period, with the former imperialist countries on one side and the former colonies on the other. The then missionaries are now replaced with the neo-liberalism advocates; the direct ruling regime with the prescription of structural reform, privatisation,

liberalisation and deregulation, and the colonial officials by those of the International Monetary Fund and the World Bank, who sit haughtily in the capitals of developing countries and make decisions over budget affairs and even plans of privatising the whole economy, step by step dissolving the public sector and removing the collective economy. But these are not enough. Should their needs arise, they can even uphold the pretexts of “human right”, “anti-terrorism” to wage destructive bombings and send invading troops to other countries. It cannot but be something of a neo-colonialism, a “super-colonialism”

At present, the developed countries, especially the ringleader US, are trying to promote the victories in Doha. As discussed in the first plenary session of the Trade Negotiations Committee, the new round, which will tentatively last until January 2005, will cover services, agriculture, industrial tariffs, reforming of anti-dumping measures, market access, environment and regional agreements. Another ministerial meeting is tentatively scheduled in either September or October/2003 in Cancun or Acapulco, Mexico.

Cooperation and struggles should be companions; cooperating while holding fast to the principles of independence and sovereignty, accepting no form of interference into internal affairs and always mainly resorting to national strength. The imperialism’s nature is unchanged. The Seattle event reveals that the solidarity power of the world’s progressive people can intercept the intrigues of the neo-liberalism, while Doha shows that big countries do not exclude any possible artifice, including intimidating, buying off, coaxing, etc., to make the developing countries follow them, of which the defection of Nigeria and Kenya is a proving evidence. Most recently, president Bush signed a bill on agricultural subsidy of US\$ 180 within the next 10 years, despite the objection of the developing countries, the US allies and the World Bank.

The struggle is going on, from Seattle to Doha, in different forms but with the same content: the solidarity of developing countries. This solidarity may be their sole weapon in the striving for a common goal of fair trade, for the sake of an inclusive development, the development of all people. The developing countries wish this round to be a Round of Development. However, this can only be achieved when they themselves unite and struggle.

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WASTED BY THE WORLD BANK

By Sulak Sivaraksa*

Western capitalism and its multinational tools have had plenty of opportunity to fulfill their promise to bring prosperity to all. That they have failed is becoming more evident by the day.

The mission of the World Bank, which is probably the richest international organisation in the world in terms of human and financial resources, as engraved on the walls of its headquarters in Washington, DC, is to eradicate poverty.

But since its establishment five decades ago, the policies of the World Bank have contributed to greater and widening income inequalities between and within states. Besides, the number of poor people based on the World Bank's definition of poverty has actually increased. And the natural environment has seriously deteriorated.

The president of the World Bank once queried me about the Buddhist conception of prosperity. I responded that from the Buddhist perspective a prosperous person is (1) self-reliant, (2) has self-dignity and is proud of his or her culture, (3) is humble and values simplicity (in short has contentment), (4) is generous, and (5) is ever mindful.

The president of the World Bank then noted that this Buddhist definition of prosperity does not mention about income and wealth at all. I responded that money and wealth are like a double-edged dagger.

The Buddha even stated that in reality money is more a source of suffering than of happiness.

The political and economic system under capitalism and consumerism is capable of using the mass media to indoctrinate the people to feel that they are poor due to the following reasons.

(1) Capitalism opens no avenue for self-reliance. Everyone is at the mercy of the infamous market, is completely dependent on the market, which is free but riven with injustices.

(2) Capitalism, which destroys local and traditional cultures, fosters an inferiority complex. In their places, capitalism promotes a culture of materialism and consumerism often called McWorld Culture.

(3) Capitalism views contentment as a sign of weakness and abnormality. Since the times of the Phibunsongkram and Sarit Thanarat military dictatorships, the Thai ruling elites have been indoctrinated by American modernisation experts to

abhor contentment. Back in those days, monks were even forbidden to preach contentment. A contented person does not aspire to things beyond his or her needs. On the contrary, capitalism breeds competition for wealth, status, etc. This is a root cause of poverty.

(4) Capitalism teaches the people the gospel of wanting and possessing, and not giving. Moreover, an act of giving in the capitalist context is often laden with ulterior motives, e.g., to obtain benefits in return.

(5) The practice of mindfulness in the capitalist context is almost impossible. Investment is all about taking risks and chances in order to obtain the greatest profit.

Many years ago, World Bank officials concluded that the inhabitants of Pak Moon communities in Ubon Ratchathani, Siam, met their criteria of poor and marginalised people. The World Bank thus helped fund the Thai government's construction of the Pak Moon dam to help the poor people in Siam in general, and the poor Pak Moon villagers in particular.

The unfortunate result is that the World Bank and the Thai government ended up destroying the Pak Moon villagers' way of life, which is rooted in Buddhism and local traditions, as well as environmental sustainability.

The case of Pak Moon illustrates how knowledgeable and well-meaning experts trained in the Western tradition were blinded by ignorance and prejudice and ended up destroying a community and the natural environment.

At least, the World Bank is beginning to realise its shortcomings and failures: it now recognises that the construction of large dams is more destructive than beneficial. World Bank officials even went out of their way to listen to the grievances of poor people at first hand. There is now a small office in the World Bank that deals with poor people. The employees of this office have travelled worldwide to interview some 60,000 poor people.

The product of their endeavour is a two-volume book entitled *Voices of the Poor*. It is also noteworthy that the staff members of this small office are all motivated by spirituality and morality and that they all value humility and simplicity. These characteristics enabled them to truly open their minds and listen to the poor.

SOCIALISM WITHOUT TOTALITARIANISM

Let us return to Siam. During the reign of King Rama VII, the government of absolute monarchy commissioned Dr Zimmerman of Harvard University to examine the kingdom's economic situation.

The Zimmerman report stated that the country had no poor citizens.

On the contrary, Mr Pridi Banomyong who had lived with the poor in Ayutthaya understood the problems of poverty and indebtedness of farmers. Therefore, when he led the 1932 revolution, he not only strove for political equality but economic justice as well.

This reasoning is evident in his Draft on National Economic Policy, which is commonly known as the Yellow Book. Unfortunately, aristocrats of the ancien regime relied on the White Book, which was allegedly written by King Rama VII, to refute and overwhelm Mr Pridi's proposal. They instead argued that not even dogs die of starvation in prosperous Siam. Poverty in Siam was mainly the result of laziness, gambling, and drug addiction, not unjust socioeconomic structures, they asserted.

Lamentably, Mr Pridi's Draft on National Economic Policy was crushed in its cradle in 1932.

Great Britain successfully established a welfare state after the Second World War; that is, almost two decades after the vision of Mr Pridi. That Britain succeeded in creating a welfare state is because the Labour Party was voted into office. Socialism was able to plant its roots on British soil because intellectuals, writers, academics, activists, etc. went down to the grassroots to truly experience the suffering of the poor and marginalised; and because they were able to channel these grievances into works of art that were able to convince the public.

Working as a united front, they were able to tame capitalism in the context of socialism that was not totalitarianism.

The previous sentence is very important. China, Vietnam, Eastern Europe, and the former Soviet Union, though professing socialism, actually practiced totalitarianism.

Though these states had poor people, their suffering was mitigated by the welfare program organised by the state or communist party.

Unfortunately, the welfare program was only concerned with the material domain and ultimately robbed the people of the initiative to cultivate self-reliance. Moreover, their people, including party cadres, were forced to parrot socialist principles without believing in them. They quickly embraced capitalism after the demise or weakening of communism.

If countries that experimented with socialism without a totalitarian face, like Britain and the Scandinavian countries, were to unequivocally embrace free market

capitalism (at times called free market fundamentalism), the welfare system would inevitably be dismantled.

Led by the iron-lady Margaret Thatcher, the Conservative Party virtually demolished the welfare system in the UK. Even though Tony Blair and the Labour Party are in power, they have done nothing to arrest the trends triggered by Thatcher's neoliberal revolution.

Similar trends can be observed in Denmark and Sweden. This is because these countries are following the footsteps of the United States.

AMERICAN DOMINATION

Neoliberalism is also unlikely to spare the European Union. Although many EU member states have Socialist or Social Democratic and Green parties, these two parties are not sufficiently principled and strong to challenge capitalism.

It is also illustrative that in New York, as Noam Chomsky has noted, almost 60 percent of black youth lack economic and educational opportunity and access to basic social security.

Their plight is not significantly different from the inhabitants of Bangladesh, even though the latter is considered the poorest country in Asia. Interestingly, the BBC has recently pointed out that the living condition of poor children in London is similar to that of Dickens' time more than a century ago.

Let us direct our gaze at Kerala state in India. Based on their GDP per capita, the inhabitants of Kerala would be categorised as poor. However, the unemployment rate in Kerala is very low. The state's social welfare program is extended to fully incorporate the poorest and most marginalised.

Kerala has a higher literacy rate than the United States.

Local politics is also highly democratic in substance.

However, Kerala has received scant attention from the Western mass media. At the same time, the United States and transnational corporations have almost completely routed all of India economically.

Only one decade ago, India was more socialistic than capitalistic.

Ladakh, to give another example, is a small province in Jammu-Kashmir state. It can be said that the power of the local government has not penetrated Ladakh. This is because the inhabitants of Ladakh are mostly Buddhist. On the other hand, Muslims dominate the political and economic affairs of the state. Nevertheless, as practicing Buddhists, the inhabitants

of Ladakh may be considered prosperous and happy based on the five criteria mentioned earlier.

Anyone interested in Ladakh should consult Helena Norberg-Hodge's book, *Ancient Futures*.

Helena argues that the future must be built on traditional wisdom and culture. The future of the world cannot be found in New York or London. Rather it is to be found in a small community like Ladakh.

In the case of Siam, our future may well be found among the Assembly of the Poor. The Assembly of the Poor deserves credits for engaging the country's middle class, convincing the latter to overcome their prejudices and selfishness and struggle with the poor for justice. If the increasingly politically conscious Siamese middle class collaborates with the poor in Pak Moon, Yasothorn, Surin, etc., then a new political movement may be set in motion, paving the way for local governance as in Kerala. Or at least they will have more bargaining power vis-a-vis the government; for example, pressuring the Thai Rak Thai Party to be more transparent and accountable, to be more considerate and sincere to the poor, to be more protective of the country's citizens against foreign investors and transnational corporations, to be more open to criticism, and so on.

In this globalizing world, we are all tied to the American superpower and transnational corporations.

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NO ONE IS IMMUNE

By Supara Janchitfah*

There are many good reasons why the middle class should concern themselves more with the struggles of farmers

Most of Thailand's middle class do not - nay, cannot - relate to or understand the violence that rural folks face. They have yet to understand that they, too, are affected by the structural violence that is inflicted on farmers. They same goes for such burdens as poverty, poor quality of life and dropping out of school.

Everything is interrelated.

For instance, the land problems in Northern Thailand mushroomed during the economic 1997 slump, which in turn caused 2.92 trillion baht of non-performing loans in the real estate sector. It was all part of a nationwide land speculation scheme valued at about three trillion baht.

Today, these lands lay fallow, while all the citizenry pay the costs of these failures by private groups and individuals.

In another instance, state projects to build coal-fired power plants under present economic conditions will give the country an energy reserve margin of more than 30 percent. In other words, it will create a lot of useless excess.

The urban middle-class will pay for this unused, extra fuel — all electric bills will have added costs such as "Ft-Fuel adjustment" and "Availability Payment".

In yet another case, the Thai-Malaysian gas pipeline is being rushed by the government. But why the rush? And who benefits most of all? Thailand will earn 15 percent from Block A, 18 and 25 percent from Blocks A17 and C19. Where does the 85 percent and the other 75 percent go?

Some other projects, such as the Pak Moon Dam and the Klong Dan wastewater treatment plants are funded by taxpayers' money. Construction, foreign advisers, foreign technology — these are all paid for by public taxes. Then there are all the usual unofficial commissions and percentages.

Who would have known about all these, if the farmers had kept quiet?

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CANADIAN POTASH MINER FACES CONSTITUTIONAL HURDLES AND COMMUNITY OPPOSITION

By Project for Ecological Recovery (Bangkok), MiningWatch Canada (Ottawa)

Vancouver-based Asia Pacific Resources Ltd. (APR) holds 90% of the Udon Thani potash concession in northeastern Thailand. APR wants to exploit the resource through underground mining but is facing both constitutional challenges and vigorous community opposition to its plans.

Local communities fear widespread subsidence, salt contamination of agricultural land, and groundwater contamination.

“While potash mines in Canada operate at depths of more than 1km underground and have rarely caused subsidence problems, APR will mine at depths of less than 350 m beneath densely populated agricultural communities. The geology above the salt deposits is not stable and subsidence is almost certain to occur. It is predicted in the Environmental Impact Assessment prepared by the company and independent geologists also warn of the dangers” says Dr. Catherine Coumans of MiningWatch Canada. Dr. Sasin Chalermklap, a geologist and environmental engineer at Rangsit University in Bangkok, has evaluated the mining project plans and presented his findings to a provincial committee appointed to investigate the potential impacts. He states that “if mining were to be carried out beneath hard rock the potential for land subsidence is slim, however in the Northeast [of Thailand] there is claystone, which is a soft rock and the mining will be carried out under agricultural area so the impacts will be great.”

Protests over damage done by exploration began in 1993 and have gained considerable momentum with currently over 1000 people from 21 villages within the proposed mining area, joining regular protest marches and rallies at the provincial hall, local temples and in Bangkok in front of Parliament house.

According to Mr. Suwit Gulapwong of the Northeastern Mineral Resources Management Committee, the site has been effectively blockaded for the past six months by local villagers. A permanent banner protesting the mine has been installed and villagers stop company officials from driving up to the site. Mr. Gulapwong, who has been working closely with local residents, reports that villagers are also chasing away consultants and company officials whom APR sends to talk to them. Community events have been declared “no go” zones for APR officials and villagers have chased APR employees out of an office that was recently established in one of the villages.

While the protests remain peaceful government officials and local district heads have threatened several community members with arrest for voicing their concerns. “Conflict within the community is growing

rapidly. Several local influential businessmen are being awarded construction contracts by the company in return for gathering support for the mine from other villages,” says Mr. Gulapwong. He adds, “If this mine goes ahead I foresee great conflict within the community. People are afraid that the impacts will effect their children and grandchildren and that their agricultural based livelihood will be destroyed.”

On two occasions villagers traveled to Bangkok to submit petitions to the Canadian Embassy requesting that it ensure the Canadian company follow the same social and environmental standards as required in Canada.

Sayamol Kaiyoowong, Director of Project for Ecological Recovery based in Bangkok, is working with the local communities and says that Canadian standards are not been followed: “The company did not pay compensation for damages caused by exploration activities and so the community cannot believe that they will solve problems that will occur as a result of the mining activities. There is no guarantee that the mine site will be rehabilitated after mining ceases as no Assurance Fund has been set aside. I understand that this is a basic legal requirement for mine operators in Canada. APR has taken advantage of weak environmental laws in Thailand and has not prepared decommissioning and rehabilitation plans to the social and environmental standards required were it operating within Canada.”

Ms Sayamol also stressed the lack of public consultation and participation on the part of the APR. “During the exploration stage neither the company or government informed villagers of the drilling activity nor gave information about the type of mine that was to be built. They only talked about how rich the people would become and increased job opportunities.”

APR also faces political opposition. As there has never been a large-scale underground mine in Thailand, this project necessitated an amendment to the Minerals Act. After being rejected several times, the House of Representatives in Thailand passed the amendments on August 21, 2002. On August 23, 2002, seventy-seven Senators, who argue that the amendment violates landholder property rights under section 48 of Thailand’s constitution, filed a petition requesting the Constitutional Court to assess whether the new Minerals Resources Bill contradicts the charter. The Constitutional Court has agreed to hear the case. Senator Jon Ungphakorn says: “We are certain that this legislation is being pushed forward specifically for mining of the Udon Thani potash deposit, yet under the constitution a law cannot be passed when it relates to one specific situation.” Senator Ungphakorn adds that:

“We believe in community rights as set out under the constitution such as rights to have a say in managing natural resources. This bill allows the government to grant concessions to private companies without requiring permission from the community.”

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Also, see: www.terraper.org; www.miningwatch.ca
Asia Pacific Resources Ltd: Potash Mining in Northeast
Thailand

Written by Catherine Coumans, September 2002, for
PER and MiningWatch.