Africa’s elections: Hope and despair
The African continent is mostly reported as a land of poverty, civil strife and endless lines of begging hands. Problems facing the continent are portrayed and communicated mostly by foreign eyes through the monopoly-controlled news media.

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African elections: plus ça change

A record seventeen African countries are gearing up for elections from local, legislative to presidential this year after a couple of decades of multi-party democracy on the continent. Is it time to re-look at democratic practice in Africa and the ‘democratic dividends’? asks *Cornelius Adedze.

Elections, largely, regarded earlier as signposts of deepening democracy and development in Africa are beginning to be questioned over their integrity especially with respect to the processes leading to them and the conduct of the elections themselves. The re-emergence of political instability in some countries, a thing more associated with dictatorships, is a worrying situation.

The overall governance picture across Africa over the last ten years has seen some improvement though, according to the 2018 Ibrahim Index of African Governance (IIAG). “3 out 4 African citizens”, the report says “live in a country where public governance has improved over the past 10 years”. This according to the report is indexed to, “performance of the provision of political, social and economic public goods and services that every citizen has the right to expect from the state”. These achievements especially, the increase in the number of “free and fair executive elections does not necessarily translate into a better participatory environment”.

The list of elections (some presidential and legislative, others just legislative) this year is quite a long one, from Algeria, through Botswana, Cameroun, Chad, Comoros Guinea, Guinea Bissau, Libya, Madagascar, Malawi, Mali, Mauritania, Mozambique, Namibia, South Africa and Tunisia. Nigeria and Senegal have just had theirs not without controversies though. Nigeria’s election apart from being marred by violence resulting in the deaths of a reported 600 people is alleged to be fraught with irregularities. The main opposition candidate, former Vice-President Atiku has rejected the results and is headed for the Constitutional Court for redress.

Last December, the DRC held presidential elections, which had been on hold for a couple of years, and was marred by violence both during the chaotic pre-election campaign and the election itself. Cameroun a month earlier was embroiled in violence that characterised the re-election bid of Paul Biya, who at 85, and in power for 36 years was seeking a seventh term. In the end, he
got re-elected with official results putting him at winning 71.2 percent of the votes cast. The running battle with Anglophone Cameroun separatists and the accompanying violence which has characterized political activity over the years persist and are likely to increase the instability and insecurity in the country. Legislative elections which involve a lot more candidates and individual campaign crisscrossing constituencies are likely to be more violence-prone and no wonder no date has been fixed for it yet.

Meanwhile in Algeria after weeks of demonstrations across the country 82-year old incumbent Abdelaziz Bouteflika, finally agreed not to go for a fifth term in elections initially fixed for April. That has however, not stopped the demonstrations as there are now calls for a transitional government to oversee new elections and not the incumbent government.

Togo has also been embroiled in turmoil since the death of former strongman Gnassingbe Eyadema in 2005 and his succession by his son, Faure Gnassingbe who has gone on to win “disputed” elections since then. In December, the mainstream opposition parties boycotted legislative elections in reaction to alleged various irregularities prior to the elections, which mediators from the Economic Committee of West African States (ECOWAS), according to them, failed to address. These included opposition complaints of refusal to implement constitutional amendments, alleged killing, harassment, and imprisonment of its members on trumped up charges and arbitrary judicial processes which have not ceased since the days of late President Gnassingbe Eyadema. President Faure Gnassingbe’s ruling party, UNIR, won 59 of the 91 seats at stake with a number of its close allies winning most of the rest 31 in the December elections assuring it of absolute majority in parliament.

Meanwhile, Ghana, a poster boy for ‘free and fair elections’, just witnessed a by-election in which masked, heavily armed, ‘official’ security details were for the first time involved in elections even to the extent of shooting at people and beating up an opposition Member of Parliament whilst other known security details looked on. A local election observer group, CODEO (Coalition of Domestic Election Observers) described the elections as being undermined by the unusual numbers of heavily armed security operatives at polling stations which could have resulted in intimidation leading to the unheard of (in Ghana) very low turnout of 19 percent. The Electoral Commission however, declared the elections as free and fair and disagreed with CODEO’s observations. A presidential commission set up to look into the issues has revealed many contradictions in the accounts by various security capos. The looming spectre of the escalation of vigilante groups organized by the two main political parties, the governing New Patriotic
Party, NPP, and the opposition, National Democratic Congress, NDC can not been ruled out.

Elections have not yet snuffed out violence in politics across Africa and have indeed, in some cases, fueled it. Kenya suffered two such unfortunate situations in 2007 and 2015. Guinea-Bissau has been in political turmoil for years now despite elections and abortive/postponed ones. Egypt has not been left off the hook as Hosni Mubarak's departure has not changed much the democratic credentials of the country.

Senegal, generally seen as an oasis of peace and democracy in a largely, hitherto 'undemocratic' Francophone Africa, has had a shock as clashes in Tambacounda, between the opposition and government supporters a couple of weeks prior to the February 24 elections resulted in one death. The stakes may be getting higher in Senegal this time round. Hours after incumbent Macky Sall was declared winner with 58.27 percent, one of the opposition leaders, Idrissa Seck, speaking on behalf of the opposition at a joint press conference rejected the result saying it was “a confiscation of the popular will of the people” and that the opposition, “will not validate calculated elections and prefabricated results”, and will not have any recourse to the Constitutional Court but warned the country to be ready for the consequences of their ‘stolen victory’. Offshore natural gas deposits in an area close to the Senegal/Mauritania border, Grand Tortue Ahmeyim, reportedly, with 35 years production lifespan beginning 2021 has been sighted by some as the prize at stake in the elections.

The presence of election observers and monitors in the electoral process in Africa, have raised eyebrows in some quarters. Conflicting reports on elections by observers is at the centre of this. In the 2002 Zimbabwean presidential elections, which then incumbent President Mugabe won by 54 percent, the African Union mission passed it to be free and fair. The Commonwealth Observer Mission said, “the election was marred by a high level of politically motivated violence”. In the DRC’s last December elections, the African Union, SADC and other observers pointed to noticeable irregularities but in the end, both gave in and the declared winner, Felix Tshisekedi, was sworn in as new president. The AU had earlier expressed “serious doubts” about the results and called for the suspension of the declaration of results. Observers from France, Germany and the US as well as the local Catholic Church disputed the results. The DRC’s electoral debacle from delayed elections to the declaration of Tchisekedi as winner despite the reservations expressed by some observers are likely to raise the political temperature of the country.

Meanwhile, the fears expressed by some analysts about a collusion between outgoing President Kabila and Tchisekedi, resulting in the latter being declared winner of the elections appear to have been confirmed by the announcement of a coalition government by the two parties. A joint statement by Tshisekedi’s party, CACH and Kabila’s, FCC has declared “their common will to govern together as part of a coalition government.” Others however, dispute any ‘arrangements’ between the two parties arguing it is purely a marriage of convenience as Kabila’s FCC party hold the majority in the Legislature.

Invariably, elections and democracy in Africa have come to be seen by some as a gimmick by the elite, an intra-elite power play for state capture, with the support and influence of foreign powers who have an interest in who takes charge and is pliable to them. In the recent Madagascar presidential elections as many as four former presidents, Didier Ratsiraka, Marc Ravalomanana, Andriy Rajoelina and the outgoing Hery Rajaonarimampianina stood for election. In Kenya, the battle has over the years been between in and out ministers, vice-presidents in all kinds of coalitions. The last-two elections were between President Kenyatta and Raila Odinga, whose ‘rivalries’ are perceived as a continuation of their parents’, Jomo Kenyatta, (Kenya’s first post-independence leader) and Oginga Odinga, his one-time partner and later fierce opponent. However, the current differences between President Uhuru Kenyatta and
Vice-President Ruto and the rapprochement between him and Raila Odinga have been interpreted as a preparation to hand over power to him in the next elections leaving Ruto in the cold.

The Comoros, go to the polls to elect a new president on March 24th. Incumbent Azali Assoumani is seeking re-election. Cries of foul play by his 11 other contestants already cloud the event. The Electoral Commission, some argue is not able to guarantee fair play as it does not have civil society or opposition membership. In Benin, legislative elections scheduled for April 28, are facing challenges as some opposition parties head to the courts to reverse their disqualification. 7 parties, 5 of which are in alliance with the ruling party have been cleared so far to contest. Former President Yayi Boni’s party has been disqualified and is among those disputing the disqualification.

South Africa also heads to the polls in May under challenging times for the incumbent ANC party, as corruption, unemployment, and worsening socio-economic conditions and inequality are issues that are likely to determine the outcome of the elections. The ANC is particularly accused of not having delivered on the post-Apartheid promise of delivering the majority black population from poverty but are instead pandering to the interests of the few black elite who have partnered with the minority whites to continue the status quo. A report published last year in *Africa Focus* says inequality has increased drastically in South Africa with poverty levels alarming. Possibly alarmed by trends suggesting more losses by the ANC, former President Zuma has called on the parties “not to punish the ANC because you don’t like me”.

Mali is also preparing for legislative elections in April. The elections were postponed from November/December 2018. The country has been engulfed in insecurity mostly in the North as jihadist groups commit attack after attack in spite of the presence of international peace-keepers. The influx of arms from Libya into the hands of the jihadists has strengthened their hands. Mali in recent years has been touted as a likely member of “Africa’s petroleum club” due to as some 700,000 sq kms in the Taodeni Basin, an area known as “the El Dorado of petroleum reserves” which has been carved up into 29 blocks and given as ‘shared concessions’ to 15 foreign petroleum companies from, Australia, Canada, the US, Ireland, United Arab Emirates (UAE), France, Spain, Italy and Qatar. Control of natural resources may also play a key role in Mali’s electoral debacle.

Malawi which goes to the polls in May has seen heightened tension as candidates criss-cross the country for votes. Former President Joyce Banda, and incumbent Peter Mutharika are seen as the frontrunners in a race seen as not just a re-run of the 2014 elections which Banda as incumbent lost to Mutharika but also a choice between two leaders who were formerly members of the same party, the Democratic Peoples’ Party, DPP. Banda formed the People’s Party after she split from the DPP in 2011. Corruption accusation against both candidates is likely to play a major role in who wins as both candidates have been accused of corruption whilst in office with Banda going into exile soon after losing the 2014 elections because of what is referred to as the ‘Cashgate’ scandal.

Elections in some countries like Cameroun, Egypt, Togo, Chad and Algeria over the years have seen the strangle hold on to power by individuals, families or political parties resulting in regime perpetuation. Corruption, foreign power influence, unfair electoral practices that undermine free and fair elections have come to be associated with the democratic dispensation churned out on a regular basis. Another question on the lips of many is whether these electoral activities that are supposedly, ‘entrenching’ democracy are giving ‘dividends’ to the citizens. Are they contributing to improved socio-economic development? Are they leading to set out objectives like national and regional integration and security? Or they are just mere machinations that allow for ‘state capture’ by powerful elites, demagogues and dictators to hold on to power and enjoy the spoils thereof?

Inequality continues to deepen as the gulf widens between the few elite, political class and their economic allies to the detriment of the majority population that remains worse off. According to World Data Lab estimates, 70 percent of the world’s poor can be found in Africa, majority of them in Nigeria and the DRC, which have just held elections. Same report says by 2030, 13 African countries will have an increase in the number of those living in extreme poverty. Unemployment is another major challenge and with the large numbers of unemployed youth forming a readily available pool to be used for all manner of political violence, the countries have become very fragile, likely to go up in flames with the lightest spark.

Africa’s democracy has not stopped the bleeding of the countries resources by foreign interests. Apart from legal but bad agreements signed with multi-nationals, illicit financial flows aided by “democratic laws” make Africa lose some $35 billion annually as well as $46 billion as profits that multinational companies ‘spirit’ away from the continent. Could this be possible under a democratic dispensation that allows for transparency, freedom of expression, freedom of association, anti-corruption laws, rule of law, an independent judiciary and legislature among others? As pointed out elsewhere, Africa needs to replace “the façade of democracy” to achieve a better lease of life for its teeming populations.

* Cornelius Adedze is editor, African Agenda.
Africa’s Democracy Log

Based on Democracy Index, 9 African countries are considered democratic:

- **Full Democracy**: Mauritius
- **Flawed Democracy**: Botswana, Cape Verde, Ghana, Lesotho, Namibia, Senegal, South Africa, Tunisia

The index was determined by the following factors:

- Electoral process and pluralism
- Functioning of government
- Political participation
- Political culture
- Civil liberties

Top 10 Most Democratic Countries in Africa, 2018
(Source: Economic Intelligence Unit)

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Ibrahim Index of African Governance (2018)

Top 5 in Safety and Rule of Law

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Nigeria's much-anticipated presidential election took place on Saturday, February 23, 2019, after a one-week extension. Originally scheduled to hold on Saturday, February 16, the election was shifted at the eleventh hour by the country's election umpire, the Independent National Electoral Commission (INEC), citing logistical challenges. It was a decision that didn’t go down well with political parties and politicians—who claimed they had expended a lot of resources preparing for the February 16 date—and Nigerians who had to travel long distances, many to their states of origin, to cast their votes. That perhaps would explain the record low-turn when the election eventually held a week after. With more than 82 million registered voters, fewer than 29 million, representing about 35% voted, a shortfall from the 43.65% of registered voters that turned out in 2015.

In the early hours of Wednesday, February 27, after four days of suspense, the incumbent president, Muhammadu Buhari of the ruling All Progressives Congress (APC), was declared winner with 15,191,847 votes, beating his main challenger, Atiku Abubakar, who scored 11,262,978. Buhari won in 19 states while Mr. Abubakar won in 17 states and the Federal Capital Territory (Abuja). While there are 91 officially registered political parties in Nigeria, 73 parties fielded presidential candidates, the highest in the history of the country. The election as expected was essentially a two-horse race between the incumbent, a retired general, Muhammadu Buhari, and the candidate of the main opposition party, the People’s Democratic Party (PDP), and former vice president, Atiku Abubakar.

It was a race between two political
heavyweights. After three previous attempts, Buhari defeated then president, Dr Goodluck Jonathan, in 2015—the first time an incumbent president would be defeated in an election in Nigeria. A veteran of the Nigerian Civil War that lasted from 1967 to 1970, Buhari has been in government since 1975 when he was appointed military administrator of former North-eastern state, comprising today’s Borno, Yobe, Adamawa, Taraba, Bauchi and Gombe States. He would become Nigeria’s federal commissioner (minister) of petroleum between 1976 and 1978, and head of state after he seized power in a military coup on December 31, 1983, ending Nigeria’s Second Republic.

Buhari’s main challenger, Atiku Abubakar, a former vice president and billionaire businessman, worked for many years with the Nigeria Customs Service before his foray into politics. A protégé of Shehu Musa Yar’Adua, a retired general who opposed Abacha’s dictatorship and would later die in prison, Atiku emerged as vice-president under retired general, Olusegun Obasanjo, when Nigeria returned to civilian rule in 1999 after 16 years of military dictatorship. He had a rocky relationship with his boss during their second term from 2003 to 2007 and failed in his bid to succeed him in 2007. He ran for president for the first time in 1992 and would run again in 2011 and in 2015—in the APC primaries—against the eventual winner, Muhammadu Buhari.

While the candidates offered a lot in terms of political pedigree, the campaign itself didn’t offer much in terms of the fundamental challenges confronting Nigeria, particularly the question of national integration. Some people have argued that not since the 30-month civil war that lasted from July 1967 to January 1970 has Nigerian been divided the way it has in the last four years of the Buhari administration. Much of that was reflected in the voting pattern.

Even though Buhari and Atiku are Fulani, Muslims and from northern Nigeria, much of Buhari’s support during the election came from northern Nigeria as opposed to Atiku who controlled the votes in the South-east, South-south and parts of the South-west while gaining some grounds in the North. Even though Mr. Buhari scored better in the South-east and South-south in the 2019 election than he did in previous election, the low numbers compared to those of his opponent reflected the crisis of confidence that has trailed Buhari’s style of governance and questioned the unity of the country under his watch.

President Buhari came to power four years ago promising “change,” and a break from the past. He vowed to tackle corruption, insecurity and unemployment. Very little appears to have changed after four years. Insecurity continues to be a major issue in the country with the unrelenting onslaught of the Boko Haram terrorist group in the North-east, kidnappers and freelance assassins in the southern part of the country and banditry in the North-west, including in the president’s home state of Katsina. Much of the first term of the Buhari administration witnessed an upsurge in deadly violence by itinerant herdsmen on local farmers in the country’s North-central zone and critics accused the president of not doing enough to tackle the problem.

On the economic front, while the country witnessed some gains, particu-
larly in the areas of road and rail infrastructure, unemployment remains high. The country’s unemployment rate increased from 18.8 per cent in the third quarter of 2017 to 23.1 per cent in the third quarter of 2018, according to a report released in December 2018 by the country’s apex statistical agency, the National Bureau of Statistics (NBS). The report noted that the economically active or working age population (15 – 64 years of age) increased from 111.1 million in Q3 2017 to 115.5 million in Q3 2018.

Corruption, or fighting it, remains a touchy issue. The introduction of a whistleblower policy—which rewards Nigerians who report fraud and corruption—by the government in December 2016, has led to the recovery of large sums of money by the country’s anti-corruption agencies while the Treasury Single Account (TSA) which was initiated by the Goodluck Jonathan administration in 2012 and implemented by the Buhari administration, has helped reduce graft in the public service by consolidating all government revenues in a single account at the Central Bank of Nigeria. On the issue of politically exposed persons (PEPs), the opposition has severely accused the Buhari administration of only targeting those opposed to the government.

These concerns, including the need to diversify the economy and reduce, if not end, the country’s dependence on oil will dominate Mr. Buhari’s second term which starts on May 29. The reliance on oil has not only exacerbated prebendal politics in Nigeria, it has led to widespread poverty, created huge environmental problem, a booming “ransom industry” and an army of “militants” whose stock-in-trade often includes destruction of oil pipelines and kidnapping of oil workers, particularly expatriates in Nigeria’s oil-producing Niger Delta region.

Yet, there appears to be no let-up in the quest for what some people have described as the “curse of oil.” Indeed, the last four years has witnessed intensified exploration—bordering on maniacal obsession—for crude oil in the Lake Chad Basin and other parts of northern Nigeria, a search that was initiated many years ago when Mr. Buhari was Federal Commissioner (Minister) for Petroleum between 1976 and 1978 under the military regime of Gen. Olusegun Obasanjo. There is also the issue of a new minimum wage which pitted the Nigeria Labour Congress (NLC) against the government last year with labour threatening to shut down the country on several occasions.

Though the election is over, there remains great uncertainty. Mr. Abubakar, the runner-up, has yet to congratulate President Buhari who was declared winner by the electoral commission. He has signified his intention to challenge the result at the election tribunal. A week after the result was announced, the Presidential Election Petition Tribunal sitting in Abuja granted Mr. Abubakar leave to inspect all election materials used by INEC during the presidential election.

The expectation is that the coming weeks will witness legal fireworks at the election tribunal and ultimately at the Supreme Court in case parties decide to appeal the decision of the tribunal. The opposition has also taken its case to the court of public opinion. A day before the election tribunal’s ruling, Uche Secondus, National Chairman of Mr. Abubakar’s People’s Democratic Party (PDP), led hundreds of party supporters to the national headquarters of the Independent National Electoral Commission (INEC) to register their dissatisfaction with the outcome of the presidential election. The opposition is accusing the government of vote buying, suppression of votes in its stronghold, manipulation of results and militarizing the election. More than two dozen people, including security personnel, died during the election, the highest number of deaths on election day since the country returned to democracy in 1999.

The opposition is also accusing the government of muzzling the judiciary in anticipation of the outcome of the election. President Buhari suspended the country’s Chief Justice, Walter Onnoghen, over allegation of false declaration of assets, and appointed an acting Chief Justice, Ibrahim Tanko Muhammad, to replace him on the eve of the swearing-in of judges who will oversee election petitions. The president’s action didn’t have the input of the National Judicial Council (NJC), a body constitutionally mandated to undertake such task, and many legal experts worry that Mr. Buhari’s action could lead to a constitutional crisis if not handled carefully.

The president’s health will be a major issue in his second term. Mr. Buhari was in and out hospital in the UK for treatment for undisclosed illness, staying on one occasion for more than three months.

While the major election for president, 109 senators and members of the Federal House of Representatives—among the highest paid legislators in the world—took place on February 23, elections for the country’s 36 governors and state assembly members will take place on March 9.

Whoever is eventually sworn in as the president of Nigeria on May 29—Nigeria’s Democracy Day—after the courts would have had their say, would have to contend with the elephant in the room, how to heal a deeply fractured nation and revamp the country’s ailing economy that has given it the unenviable label as the world’s poverty capital.”

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* Chido Onumah, Nigerian journalist and rights activist, served as Assistant Editor of African Agenda from 1998-2000. He is currently the coordinator of the African Centre for Media & Information Literacy.
Why it’s so hard for most countries to be economically independent from the West

The structures of the global economy present challenges to any country or political party that wants to try to break out of US hegemony, writes Justin Podur.

Why is it so difficult even for huge countries with large, diversified economies to maintain independence from the West? If anyone could have done it, it was Brazil. In the 19th century it was imagined that Brazil could be a Colossus of the South to match the US, the Colossus of the North. It never panned out that way.

And 100 years later, it still hasn’t happened. With a US$2 trillion GDP (a respectable $9,800 per capita), nearly 200 million people, and a strong manufacturing base (the second largest in the Americas and 28.5% of its GDP), Brazil is far from a tiny, weak island or peninsula dependent on a patron state to keep it afloat.

When Luiz Inacio “Lula” da Silva won a historic election to become president of Brazil in 2003, it seemed like an irreversible change in the country’s politics. Even though Lula’s Workers’ Party was accused of being communists who wanted to redistribute all of the country’s concentrated wealth, the party’s redistributive politics were in fact modest — a programme to eradicate hunger in Brazil called Zero Hunger, a family-based welfare program called the Family Allowance, and an infrastructure spending program to try to create jobs. But its politics of national sovereignty were ambitious.

It was under Workers’ Party rule...
(under Lula and his successor, president Dilma Rousseff, who won the 2010 election to become president at the beginning of 2011) that the idea surged of a powerful BRICS (Brazil, Russia, India, China, South Africa) alliance that could challenge the ambitions of the US-led West. Brazil took steps to strengthen its manufacturing and held its ground on preventing pharmaceutical patent monopolies. Lula’s Brazil accused Western countries of hypocrisy for insisting both on “free trade” with poor countries and farm subsidies for themselves. Brazil even moved in the direction of building an independent arms industry.

Contradictions remained: The Workers’ Party government sent Brazilian troops to command the UN force that enacted the US-impelled occupation of Haiti—treating the world to the spectacle of the biggest, wealthiest country in the region helping the US destroy the sovereignty of the poorest as part of its foreign policy. But in those years Brazil refused to renounce its alliance with Venezuela’s even more independent-minded government under Hugo Chavez; it defended ideas of South-South cooperation, especially within Latin America, and it made space for movements like the Landless Peasants’ Movement (MST).

But after more than a decade of Workers’ Party rule, what happened? President Rousseff was overthrown in a coup in 2016. When polls showed that Lula would have won the post-coup election, he was imprisoned to prevent him from running. And so with the Workers’ Party neutralized, Brazil elected Jair Bolsonaro, a man who famously saluted the American flag and chanted “USA” while on campaign (imagine an American leader saluting the Brazilian flag during a presidential campaign). No doubt the coup and the imprisonment of Lula were the key to Bolsonaro’s rise, and failings like supporting the coup in Haiti played a role in weakening the pro-independence coalition.

But what about the economy? Or Brazil’s leaders now dragging the economy into the US fold? Or did the Brazilian economy drag the country back into the fold?

Brazil’s economic history and geography have made independence a challenge. Colonial-era elites were interested in using slave labor to produce sugar and export as much of it as possible: The infrastructure of the country was built for commodity extraction. Internal connections, including roads between Brazil’s major cities, have been built only slowly and recently. The various schemes of the left-wing governments of the last decade for South-South economic integration were attempting to turn this huge ship around (not for the first time — there have been previous attempts and previous US-backed coups in Brazil), and to develop the internal market and nurture domestic industries (and those of Brazil’s Latin neighbors).

Yesterday’s dependent economy was based on sugar export — today’s is based on mining extraction. When Bolsonaro was elected, the Canadian Broadcasting Corporation quickly posted a story speculating on how the new government would be good for Canadian mining companies. The new Brazilian president plans to cut down huge swaths of the Amazon rainforest. Brazil is to return to its traditional role of providing natural resources to the US and to the other rich countries.

A smaller country with a stronger pro-independence leadership, Venezuela faced similar structural economic problems that have imperiled and nearly derailed the independent-minded late president Hugo Chavez’s dream that Venezuelans would learn to eat arepas instead of hamburgers and play with Simon Bolivar dolls instead of Superman ones. There, too, the pro-independence project had a long-term goal of overcoming the country’s dependence on a single finite commodity (oil), diversifying its agricultural base and internal markets. And there, too, the challenge of doing so proved too great for the moment, especially in the face of an elite at least as ruthless as Brazil’s and nearly two decades of vindictive, pro regime-change US policy. Today Venezuela’s “Bolivarian project” is in crisis, along with its economy and political system.

There are other sleeping giants that remain asleep, perhaps for economic reasons. In the face of relentless insults by Trump, the Mexican electorate chose a left-wing government (Mexicans have elected left-wing governments many times in the past few decades, but elections have been stolen). But locked into NAFTA, dependent on the US market, Mexico also would seem to have little option but to swallow Trump’s malevolence.
Egypt is the Brazil of the Middle East. With 100 million people and a GDP of $1.4 trillion, the country that was for a few thousand years the center of civilization attempted in the 20th century to claim what is arguably its rightful place at the center of the Arab world. But today, this giant and former leader of the nonaligned movement is helping Israel and the US starve and besiege the Palestinians in Gaza and helping Saudi Arabia and the US starve and blockade the people of Yemen.

Egypt stopped challenging the US in the 1970s after a peace deal brought it into the fold for good. Exhaustion from two wars with Israel were cited as the main cause—though a proxy war with Saudi Arabia in Yemen and several domestic factors also played a role. But here, too, is there a hidden economic story?

Egypt has oil, but its production is small—on the order of 650,000 barrels a day compared to Saudi Arabia’s 10 million barrels, or the UAE’s 2.9 million. It has a big tourist industry that brings in important foreign exchange. But for those who might dream of an independent Egypt, the country’s biggest problem is its agricultural sector: It produces millions of tons of wheat and corn, but less than half of what it needs. As told in the classic book Merchants of Grain, the politics of US grain companies have quietly helped feed its power politics all over the world. Most of Egypt’s imported grain comes from the US. As climate change and desertification wreak havoc on the dry agricultural ecosystems of the planet, Egypt’s grain dependence is likely to get worse.

The structures of the global economy present challenges to any country or political party that wants to try to break out of US hegemony. Even for countries as big and with as much potential as Brazil or Egypt, countries that have experienced waves of relative independence, the inertia of these economic structures helps send them back into old patterns of extraction and debt. In this moment of right-wing resurgence, it is hard to imagine political movements arising with plans to push off the weight of the economic past. But that weight cannot be ignored.

*Justin Podur is a Toronto-based writer who teaches at York University in the Faculty of Environmental Studies. The article is reproduced from Naked Capitalism, 13 December 2018.*
DEVELOPMENT

Financial Globalization, North-South Wealth Distribution and Resource Transfers

At a time when the world economy is seen poised for yet another financial turmoil, there is a widespread recognition that emerging economies (EMEs) are particularly vulnerable because of their deepened integration into the global financial system, contends *Yılmaz Akyüz.*

What is less appreciated is the implication of financial globalization and integration for external wealth distribution between emerging and advanced economies and resource transfers from the former to the latter.

This is the subject matter of a new study by this author on external balance sheets of emerging economies, focussing on nine G-20 EMEs (Argentina, Brazil, China, India, Indonesia, Mexico, Russia, South Africa and Turkey) and four major advanced economies, the US, Japan, Germany and the UK.

The new millennium has seen a rapid increase in gross external assets and liabilities of EMEs, both as a result of ultra-easy monetary policy in major advanced economies (AEs) and capital account liberalization in EMEs – a process of deepened integration described as ‘Playing with Fire’.

Almost 90 per cent of outstanding external assets and liabilities of G-20 EMEs have been accumulated since the turn of the century. Although debtor-creditor relations and foreign direct investment (FDI) within the Global South have been growing rapidly, a very large proportion of gross external assets and liabilities of EMEs are still with AEs. This is true not only for financial assets and liabilities but also for FDI. Even in China less than 20 per cent of the stock of outward FDI are in other EMEs.
While foreign investment and lending in EMEs have reached unprecedented levels, even EMEs with current account deficits have been able to accumulate large amounts of gross external assets because inflows of capital have often exceeded what is needed to finance deficits. In fact, with the exception of China and Russia, which have run current account surpluses since 2000, the entire foreign assets accumulation in G20 EMEs has relied on borrowed money, resulting in significant leverage in external balance sheets.

There are also significant changes in the structure of external balance sheets of EMEs. The share of equities (FDI plus portfolio equity) in total external liabilities increased and the share of debt declined as governments sought to shift from debt to equities by opening up equity markets and liberalizing FDI regimes on grounds that equity financing is more stable and less risky than debt.

The share of equities in gross external assets also increased, but not as fast as in liabilities. Consequently, the net equity position (external equity assets minus liabilities) of G20 EMEs taken together, which was already negative at the beginning of the century, deteriorated further.

The share of international reserves in total external assets increased rapidly as countries sought to build self-insurance against speculative attacks, often with borrowed money. The share of local currency in external sovereign debt increased as bond markets have been opened to foreigners to pass the currency risk. But the corporate sector has come to account for a growing part of external debt of EMEs by increasingly borrowing in international markets in dollars to benefit from lower rates.

Over the short term, these valuation changes can be much more important than current account balances in the movement of NFAP, particularly at times of severe instability as was seen during 2008-09. Since foreign assets and liabilities of EMEs are mainly with AEs, these gains and losses entail redistribution of external wealth between the Global South and the North.

Indeed, there is a strong negative correlation between year-to-year changes in net external wealth of nine G20 EMEs and four major AEs in the second, with the expansion of gross foreign assets and liabilities, international investment income receipts and payments have gained added importance in the current account. Generally, EMEs are red in net international investment income not only because their external liabilities exceed assets, but also because the rate of return on their foreign assets falls short of the rate of return on their foreign liabilities.

Their liabilities are concentrated in high-yielding equities while a large proportion of their assets consists of low-yielding reserve assets. For this reason, even some EMEs with positive net external wealth positions such as China and Russia have deficits in net international investment income.

Furthermore, all EMEs including China earn lower return on their outward FDI than they pay on inward FDI. They also pay more on their external debt liabilities in risk premia than they receive on their external debt assets including reserves (US Treasuries), other bonds or deposits abroad. The shift to domestic currency debt by governments of EMEs has widened the return gap between debt liabilities and assets because the exchange rate risk assumed by foreign investors needs to be compensated.

By contrast, the return differential between external assets and liabilities is positive for all four major AEs. The US registers the highest positive return differential and runs a surplus on its current account because they both suffered large amounts of capital losses on their outstanding external assets and liabilities.

For instance, China had a cumulative current account surplus of over $3 trillion during 2000-2016 but its net external wealth increased by only $1.6 trillion. By contrast the US had a cumulative current account deficit over $8 trillion during the same period but its net external debt deteriorated by less than $7 trillion because of capital gains. Even though some smaller G-20 EMEs also had capital gains, the nine EMEs taken together suffered capital losses in the order of $1.9 trillion during 2000-2016 while the four AEs enjoyed capital gains over $1.6 trillion.
international investment income balance despite having a negative net external wealth in the order of some 25 per cent of its GDP.

The return on its outward FDI is higher than in all other countries and exceeds by a large margin the return it pays on its inward FDI. As the country issuing the dominant reserve currency, the US also earns higher return on its external debt assets than it pays on its external debt liabilities (mainly Treasuries), thereby enjoying what is commonly known as “exorbitant privilege”.

The nine G-20 EMEs taken together have been transferring around 2.7 per cent of their combined GDP per year in the new millennium mainly to AEs as a result of the negative return gap between their foreign assets and liabilities and capital losses resulting from changes in asset prices and exchange rates.

These resource costs are incurred in large part because EMEs favour a particular structure of external balance sheets (highly liquid low-yielding assets, less liquid high-yielding liabilities) that is believed to be more resilient to external financial shocks.

This means that, in effect, EMEs are transferring large sums of resources to AEs in order to protect themselves against the shocks created mainly by policies of the very same countries. This is underpinned by an international reserves system that allows a handful of reserve-issuing countries, notably the US, to constantly extract resources from the rest of the world.

On the other hand, it is not clear if EMEs can adequately protect themselves against shocks when capital can move freely. Judicious use of capital account measures can secure reasonable protection while avoiding such costs.

For instance, one would not need to issue high-yielding liabilities to acquire large stocks of low-yielding reserves assets as self-insurance if inflows of fickle capital are effectively controlled.

Resource transfers from the South to the North through financial channels will continue unabated as long as capital flows remain unrestricted, the international reserves system favours a handful of rich countries which can also pursue self-seeking policies without regard to their global repercussions.”

*Yılmaz Akyüz who is former Director, UNCTAD, and former Chief Economist, South Centre, wrote this for IPS.*
UN warns of the confluence of significant risks threatening global development

The convergence of several significant risks is endangering efforts to achieve the 2030 Agenda for Sustainable Development – the universally adopted plan containing 17 specific goals to promote prosperity and social well-being while protecting the environment, a new report has warned.

The risks with the potential to severely disrupt economic activity and inflict significant damage on longer-term development prospects include waning support for multilateral approaches; the escalation of trade policy disputes; financial instabilities linked to elevated levels of debt; and rising climate risks, as the world experiences an increasing number of extreme weather events.

"Alongside various short-term risks, there is an increasing urgency to deal with much more fundamental problems. What we have hitherto viewed as long-term challenges, such as climate change, have become immediate short-term risks," Elliott Harris, UN Chief Economist and Assistant Secretary-General for Economic Development, said.
The report titled United Nations World Economic Situation and Prospects 2019 underscores that strengthening global cooperation is central to advancing sustainable development. Though, the multilateral approach to global policymaking is facing significant challenges, including a trend toward greater unilateral actions. Pressures have materialized in the areas of international trade, international development finance and tackling climate change.

These threats come at a time when international cooperation and governance are more important than ever – many of the challenges laid out in the 2030 Agenda for Sustainable Development are global by nature and require collective and cooperative action.

Waning support for multilateralism also raises questions around the capacity for collaborative policy action in the event of a widespread global shock, adds the report. It warns that after an expansion of 3.1% in 2018, the global economy will continue to grow at a steady pace of around 3% in 2019 and 2020. However, a worrisome combination of development challenges could further undermine growth.

Commenting on the report, UN Secretary-General António Guterres said: “While global economic indicators remain largely favourable, they do not tell the whole story.” The report “raises concerns over the sustainability of global economic growth in the face of rising financial, social and environmental challenges,” he added.

The report launched on January 21 expects growth in the United States to decelerate to 2.5% in 2019 and 2% in 2020, as the impulse from fiscal stimulus in 2018 wanes. Steady growth of 2% is projected for the European Union, although risks are tilted to the downside, including a potential fallout from Brexit.

Growth in China is expected to moderate from 6.6% in 2018 to 6.3% in 2019, with policy support partly offsetting the negative impact of trade tensions. Several large commodity-exporting countries, such as Brazil, Nigeria and the Russian Federation, are projected to see a moderate pickup in growth in 2019-2020, though from a low base.

However, economic growth is uneven and is often failing to reach where it is most needed, states the UN report. It warns that per capita incomes will stagnate or grow only marginally in 2019 in several parts of Africa, Western Asia, and Latin America and the Caribbean. This is because even where per capita growth is strong, often core industrial and urban regions drive economic activity, leaving peripheral and rural areas behind.

Eradicating poverty by 2030 will require both double-digit growth in Africa and steep reductions in income inequality, declares the report.

The report points out that amid the rise in global trade tensions – triggered by US President Donald Trump – global trade growth moderated over the course of 2018, from growth of 5.3% in 2017 to 3.8 percent. While tensions have materially impacted some specific sectors, stimulus measures and direct subsidies have so far offset much of the direct economic impacts on China and the United States.

But a prolonged escalation of trade tensions could severely disrupt the global economy. Directly impacted sectors have already witnessed rising input prices and delayed investment decisions.

These impacts can be expected to spread through global value chains, particularly in East Asia. Slower growth in China and the United States could also reduce the demand for commodities, affecting commodity exporters from Africa and Latin America.

Furthermore, as global financial conditions tighten, an unexpectedly rapid rise in interest rates or a significant strengthening of the US dollar could exacerbate emerging market fragilities, leading to a heightened risk of debt distress.

This risk can be further aggravated by global trade tensions, monetary policy adjustment in developed economies, commodity price shocks, or domestic political or economic disruptions, cautions the report.

Many low-income countries have already experienced a substantial rise in interest burdens. Countries with a substantial amount of dollar-denominated debt, high current account or fiscal deficits, large external financing needs and limited policy buffers are particularly vulnerable to financial stress.

The report finds that a fundamental shift in the world powers economic growth is imperative. Economic decision-making must fully integrate the negative climate risks associated with emissions, says the report, adding that this can be achieved through tools such as carbon pricing measures, energy efficiency regulations such as minimum performance standards and building codes, and reduction of socially inefficient fossil fuel subsidy regimes.

Governments can also promote policies to stimulate new energy-saving technologies, such as research and development subsidies. In countries that remain highly reliant on fossil fuel production, economic diversification is vital, asserts the report.

* The article is reproduced from Third World Network Features.
TRADE

Trade Wars: The Pain and the Gain

With trade wars topping the news agenda, who’s feeling the pain and who’s seeing gains? And what does the ongoing wrangling mean for developing countries? Amid tit for tat tariff hikes between the United States and China, trade is being diverted and a handful of countries will capture a slice of the giants’ exports, UNCTAD estimates.

A new study by UNCTAD looks at the repercussions of existing US and Chinese tariff hikes, as well as the effects of the increase scheduled for 1 March.

“Because of the size of their economies, the tariffs imposed by United States and China will inevitably have significant repercussions on international trade,” said Pamela Coke-Hamilton, who heads UNCTAD’s international trade division, as she launched the Key Statistics and Trends in Trade Policy 2018. The study underlines that bilateral tariffs would do little to help domestic firms in their respective markets.

“Our analysis shows that while bilateral tariffs are not very effective in protecting domestic firms, they are very valid instruments to limit trade from the targeted country”, Ms. Coke-Hamilton said. “The effect of US-China tariffs would be mainly distortionary. US-China bilateral trade will decline and replaced by trade originating in other countries”, she added.

The study estimates that of the $250 billion in Chinese exports subject to US tariffs, about 82% will be captured by firms in other countries, about 12% will be retained by Chinese firms, and only about 6% will be captured by US firms. Similarly, of the approximately $85 billion in US exports subject to China’s tariffs, about 85% will be captured by firms in other countries, US firms will retain less than 10%, while Chinese firms will capture only about 5%. The results are consistent across different sectors, from machinery to wood products, and furniture, communication equipment, chemicals to precision instruments.
The reason is simple: bilateral tariffs alter global competitiveness to the advantage of firms operating in countries not directly affected by them. This will be reflected in import and export patterns around the globe.

Countries that are expected to benefit the most from US-China tensions are those which are more competitive and have the economic capacity to replace US and Chinese firms. The study indicates that European Union exports are those likely to increase the most, capturing about $70 billion of US-China bilateral trade ($50 billion of Chinese exports to the United States, and $20 billion of US exports to China). Japan, Mexico, and Canada will each capture more than $20 billion.

Although these figures don't represent a large slice of global trade – which was worth about $17 trillion in 2017 - for many countries they make up a substantial share of exports. For example, the approximately $27 billion of US-China trade that would be captured by Mexico represents a non-negligible share of Mexico's total exports (about 6%). Substantial effects relative to the size of their exports are also expected for Australia, Brazil, India, Philippines, Pakistan and Vietnam, as shown below.

However, the study also underscores that even for countries whose exports are set to increase because of the trade sparring, not all the results will be positive. The soybean market is a case in point. Chinese tariffs on US soybeans have resulted in trade distortionary effects to the advantage of several exporting countries, in particular Brazil, which suddenly became the main supplier of soybeans to China. But because the magnitude and duration of tariffs is unclear, Brazilian producers have been reluctant to make investment decisions that may turn out to be unprofitable if the tariffs are revoked. Moreover, Brazilian firms operating in sectors using soybeans as inputs – such as livestock feed — are bound to lose competitiveness because of price rises stoked by Chinese demand for Brazilian soybeans.

The study also underlines that while some countries will see a surge in their exports, negative global effects are likely to dominate. A common concern is the unavoidable impact that trade disputes will have on the still fragile global economy. An economic downturn often accompanies disturbances in commodity prices, financial markets and currencies, all of which will have important repercussions for developing countries. One major concern is the risk that trade tensions could spiral into currency wars, making dollar-denominated debt more difficult to service.

Another worry is that more countries may join the fray and that protectionist policies could escalate to a global level. As protectionist policies generally hurt weaker countries the most, a well-functioning multilateral trading system able to defuse protectionist impulses and maintain market access for poorer countries is of fundamental importance.

Finally, in an interconnected global economy, the tit-for-tat moves of the trade giants are likely to have a domino effect beyond the countries and sectors targeted. Tariff increases penalize not only the assembler of a product, but also suppliers along the chain.
From trade war to global anarchy?

The arrest of a top Huawei executive may spark a conflict that could cripple America’s rivals and unleash chaos in the world, contends *Martin Khor.*

We shouldn't be misled into thinking that the “trade war” between the United States and China is being resolved following their presidents’ recent meeting.

Instead, President Donald Trump is taking the conflict way beyond tariffs into many other areas in a comprehensive attempt to stop or slow down China’s economic development. This has implications not only for China and countries like Malaysia, which are integrated into the Chinese production chains.

The evolving conflict spells the end of the Western countries’ belief in the win-win benefits of trade and investment liberalisation. It accompanies the emergence of an alternative view that China and some other countries are not partners after all but rivals that must be checked.

Just as Trump and China President Xi Jinping were sitting down for dinner on the sidelines of the G20 summit to thrash out a “truce” to their tariff war, the Canadian authorities were arresting the daughter of the owner of Huawei, China’s giant technology company whose smartphone sales are now bigger than that of Apple’s iPhone and second globally only to Samsung phones.

Huawei chief financial officer Meng Wanzhou was in transit at Vancouver airport when she was detained at the request of the US on the grounds that her company violated US sanctions against Iran years ago. Only after many days was she released on bail, and she has to wear an electronic tracker.

The Chinese government called the action “very nasty” and Chinese citizens are outraged. It would be equivalent to China arresting Melinda Gates, co-head of the Bill and Melinda Gates Foundation, for alleged violation of China’s regulations on healthcare. In the whole Western world, there would have been a tremendous outcry and threats of very dire consequences.

Yet the Chinese are supposed to accept Meng’s arrest as a routine matter
that is unrelated to the trade war. It cannot be sheer coincidence that years after the alleged crime, the arrest took place at the exact hour that Xi was having dinner with Trump to work out a truce.

The incident reminds us of the US accusation against another Chinese tech leader, ZTE Corp, in 2017 of breaking the same sanctions. A ban was imposed on ZTE from buying telecom chips from US company Qualcomm, which paralysed the company for weeks. Only much later was a political deal struck, with ZTE paying a fine before resuming production.

With China, Trump is concerned not so much with his country’s big trade deficit, but more with the threat to America’s global supremacy.

Suspicions over China’s global ambitions became certainty in the fevered minds of Trump and his hawkish advisers when Xi moved from the rhetoric of the Chinese dream to the concrete industrial plan of Made in China 2025.

This was to get Chinese firms to be world leaders in 10 high-tech sectors, including artificial intelligence, robotics, semiconductors, electric cars and aerospace.

Alarmed by the prospect of Chinese domination of the commanding industries of the future, Trump has been countering the ways by which China is developing its world-class companies. This is through trade, investments, subsidies and support, and acquisition of technologies and intellectual property.

The extra tariffs are meant to inhibit Chinese exports. The new Export Control Reform Act increases powers to regulate US exports of emerging and foundational technologies of importance to national security and can be used to ban sales of components and technologies to China.

To prevent Chinese companies from buying into US companies (and acquiring their technologies), the review powers of the US Committee on Foreign Investment have been strengthened.

In November, new national security rules were passed to allow review of small minority investments into sensitive US technologies, including biotechnology, nanotechnology and wireless communications equipment. The aim is to hinder Chinese firms from buying even small stakes in US tech start-ups.

The US has also been blocking attempts by Chinese firms to take over or buy controlling stakes in US companies, also on national security grounds. For example, the same committee recently refused to approve a US$1.2bil deal between MoneyGram, a US money transfer company, and Ant Financial, a Chinese electronic payment company.

European countries and Australia are also increasingly restricting Chinese companies from investing in or taking over domestic firms. Moreover, the US has banned the use of Huawei’s 5G-related equipment, with Australia and New Zealand following suit.

US officials have also been touring Europe to warn against choosing Huawei equipment, leading to growing concerns over the risk of Chinese spying and the security of 5G networks that use Huawei technology.

When slapping extra tariffs on Chinese products, Trump accused China of intellectual property theft and forced technology transfer.

The US actions cited national security grounds or used the unilateral Section 301 of its domestic trade law. Most World Trade Organisation (WTO) law experts view these actions to be a violation of various WTO laws.

Many countries have taken cases against the US in the WTO.

Perhaps feeling that the WTO rules constrain several of its planned actions, the US has moved to cripple the organisation’s dispute settlement system by blocking its appellate body from adding new members.

By the end of 2019, that body will not have enough members left and the WTO will become ineffective as it loses its strongest function.

There would be no more formal way within the multilateral trade system to legally challenge the US actions against China or other countries. Or for any country to challenge the actions of another. The system would break down.

Then the global trade order would slip from rules-based to each country for itself. America first, France first, Britain first, are already in vogue, and many others will follow suit.

The trade war that started with some aluminium and steel may thus snowball into a world of anarchy, where only might prevails.

It is an awful scenario, but not an unrealistic one to ponder upon as 2018 draws to a close.

It is not too late to halt this trend, but something has to give or change drastically in the US, if we are to have even a small chance to avoid disaster.

“Perhaps feeling that the WTO rules constrain several of its planned actions, the US has moved to cripple the organisation’s dispute settlement system by blocking its appellate body from adding new members. By the end of 2019, that body will not have enough members left and the WTO will become ineffective as it loses its strongest function.”

*Martin Khor is an adviser to Third World Network. The article is reproduced from Third World Network Features.*
Sanctions of mass destruction: US war on Venezuela

From the first moment Hugo Chavez took office, the US has been trying to overthrow Venezuela’s socialist movement by using sanctions, coup attempts, and funding the opposition parties. After all, there is nothing more undemocratic than a coup d’état, argues Garikai Chengu.

American economic sanctions have been the worst crime against humanity since World War Two. America’s economic sanctions have killed more innocent people than all of the nuclear, biological and chemical weapons ever used in the history of mankind.

The fact that for America the issue in Venezuela is oil, not democracy, will surprise only those who watch the news and ignore history. Venezuela has the world’s largest oil reserves on the planet.

America seeks control of Venezuela because it sits atop the strategic intersection of the Caribbean, South and Central American worlds. Control of the nation, has always been a remarkably effective way to project power into these three regions and beyond.

From the first moment Hugo Chavez took office, the United States has been trying to overthrow Venezuela’s socialist movement by using sanctions, coup attempts, and funding the opposition parties. After all, there is nothing more undemocratic than a coup d’état.

United Nations Human Rights Council Special Rapporteur, Alfred de Zayas, recommended, just a few days ago, that the International Criminal Court investigate economic sanctions against Venezuela as a possible crime against humanity perpetrated by America.

Over the past five years, American sanctions have cut Venezuela off from most financial markets, which have caused local oil production to plummet. Consequently, Venezuela has experienced the largest decline in living standards of any country in recorded Latin American history.

Prior to American sanctions, socialism in Venezuela had reduced inequality and poverty whilst pensions expanded. During the same time period in America, it has been the absolute reverse. President Chavez funnelled Venezuela’s oil revenues
into social spending such as free healthcare, education, subsidized food networks, and housing construction.

In order to fully understand why America is waging economic war on the people of Venezuela one must analyse the historical relationship between the petrodollar system and Sanctions of Mass Destruction: Prior to the 20th century, the value of money was tied to gold. When banks lent money they were constrained by the size of their gold reserves. But in 1971, US President Richard Nixon took the country off the gold standard. Nixon and Saudi Arabia came to an Oil For Dollars agreement that would change the course of history and become the root cause of countless wars for oil. Under this petrodollar agreement the only currency that Saudi Arabia could sell its oil in was the US dollar. The Saudi Kingdom would in turn ensure that its oil profits flow back into U.S. government treasuries and American banks.

In exchange, America pledged to provide the Saudi Royal family’s regime with military protection and military hardware.

It was the start of something truly great for America. Access to oil defined 20th-century empires and the petrodollar agreement was the key to the ascendancy of the United States as the world’s sole superpower. America’s war machine runs on, is funded by, and exists in protection of oil.

Threats by any nation to undermine the petrodollar system are viewed by Washington as tantamount to a declaration of war against the United States of America.

Within the last two decades Iraq, Iran, Libya and Venezuela have all threatened to sell their oil in other currencies. Consequently, they have all been subject to crippling US sanctions.

“Threats by any nation to undermine the petrodollar system are viewed by Washington as tantamount to a declaration of war against the United States of America. Within the last two decades Iraq, Iran, Libya and Venezuela have all threatened to sell their oil in other currencies. Consequently, they have all been subject to crippling US sanctions.”

World War Two, President Truman issued an order for American bombers to drop “Fat Man” and “Little Boy” on the cities of Hiroshima and Nagasaki, killing 140,000 people instantly. The gruesome images that emerged from the rubble were broadcast through television sets across the world and caused unprecedented outrage. The political backlash forced U.S. policy makers to devise a more subtle weapon of mass destruction: economic sanctions.

The term “weapons of mass destruction” (WMD) was first defined by the United Nations in 1948 as “atomic explosive weapons, radioactive material weapons, lethal chemical and biological weapons, and any weapons developed in the future which have characteristics comparable in destructive effect to those of the atomic bomb or other weapons mentioned above”.

Sanctions are clearly the 21st century’s deadliest weapon of mass destruction.

In 2001, the US administration told us that Iraq had weapons of mass destruction; Iraq was a terrorist state; Iraq was tied to Al Qaeda. It all amounted to nothing. In fact, America already knew that the only weapons of mass destruction that Saddam had were not nuclear in nature, but rather chemical and biological. The only reason they knew this in advance was because America sold the weapons to Saddam to use on Iran in 1991.

What the US administration did not tell us was that Saddam Hussein used to be a strong ally of the United States. The main reason for toppling Saddam and putting sanctions on the people of Iraq was the fact that Iraq had ditched the Dollar-for-Oil sales.

The United Nations estimates that 1.7 million Iraqis died due to Bill Clinton’s sanctions; 500,000 of whom were children. In 1996, a journalist asked former U.S. Secretary of State, Madeleine Albright, about these UN reports, specifically about the children. America’s top foreign policy official, Albright, replied: “I think this is a very hard choice, but the price – we think the price is worth it.”

Clearly, US sanctions policies are nothing short of state-sanctioned genocide.

Over the last five years, sanctions have caused Venezuelan per capita incomes to drop by 40 percent, which is a decline similar to that of war torn Iraq and Syria at the height of their armed conflicts. Millions of Venezuelans had to flee the country. If America is so concerned about refugees, Trump should stop furthering disastrous foreign policies that actually create them. Under Chavez, Venezuela had a policy of welcoming refugees. President Chavez turned Venezuela into the wealthiest society in Latin America.
America with the best income equality.

Another much vilified leader who used oil wealth to enrich his people, only to be put under severe sanctions, is Mu'ammar Gaddafi. In 1967 Colonel Gaddafi inherited one of the poorest nations in Africa; however, by the time he was assassinated, Gaddafi had turned Libya into Africa's wealthiest nation. Perhaps, Gaddafi's greatest crime, in the eyes of NATO, was his quest to quit selling Libyan oil in US Dollars and denominate crude sales in a new gold backed common African currency. In fact, in August 2011, President Obama confiscated $30 billion from Libya's Central Bank, which Gaddafi had earmarked for the establishment of an African Central Bank and the African gold-backed Dinar currency.

Africa has the fastest growing oil industry in the world and oil sales in a common African currency would have been especially devastating for the American dollar, the US economy, and particularly the elite in charge of the petrodollar system.

It is for this reason that President Clinton signed the now infamous Iran-Libya Sanctions Act, which the United Nations Children's Fund said caused widespread suffering among civilians by “severely limiting supplies of fuel, access to cash, and the means of replenishing stocks of food and essential medications.” Clearly, US sanctions are weapons of mass destruction.

Not so long ago, Iraq and Libya were the two most modern and secular states in the Middle East and North Africa, with the highest regional standards of living. Nowadays, US Military intervention and economic sanctions have turned Libya and Iraq into two of the world’s most failed nations.

“They want to seize Libya’s oil and they care nothing about the lives of the Libyan people,” remarked Chavez during the Western intervention in Libya in 2011.

In September 2017, President Maduro made good on Chavez’s promise to list oil sales in Yuan rather than the US dollar. Weeks later Trump signed a round of crippling sanctions on the people of Venezuela.

On Monday, US National Security adviser John Bolton announced new sanctions that essentially steal $7 billion from Venezuela’s state owned oil company. At that press conference Bolton brazenly flashed a note pad that ominously said “5,000 troops to Colombia”. When confronted about it by the media, Bolton simply said, “President Trump stated that all options are on the table”.

America’s media is unquestionably the most corrupt institution in America. The nation’s media may quibble about Trump’s domestic policies but when it comes to starting wars for oil abroad they sing in remarkable unison. Fox News, CNN and the New York Times all cheered the nation into war in Iraq over fictitious weapons of mass destruction, whilst America was actually using sanctions of mass destruction on the Iraqi people. They did it in Libya and now they are doing it again in Venezuela. Democracy and freedom have always been the smoke screen in front of capitalist expansion for oil, and the Western Media owns the smoke machine. Economic warfare has long since been under way against Venezuela but military warfare is now imminent.

Trump just hired Elliot Abrams as US Special Envoy for Venezuela, who has a long and torrid history in Latin America. Abrams pleaded guilty to lying to Congress about the Iran Contra affair, which involved America funding deadly communist rebels, and was the worst scandal in the Reagan Era. Abrams was later pardoned by George Bush Senior. America’s new point man on Venezuela also lied about the largest mass killing in recent Latin American history by US trained forces in El Salvador.

There is nothing more undemocratic than a coup d’état. A UN Human Rights Council Rapporteur, Alfred de Zayas, pointed out that America’s aim in Venezuela is to “crush this government and bring in a neoliberal government that is going to privatise everything and is going to sell out, a lot of transitional corporations stand to gain enormous profits and the United States is driven by the transnational corporations.”

Ever since 1980, the United States has steadily devolved from the status of the world’s top creditor country to the world’s most indebted country. But thanks to the petrodollar system’s huge global artificial demand for US dollars, America can continue exponential military expansion, record breaking deficits and unrestrained spending.

America’s largest export used to be manufactured goods made proudly in America. Today, America’s largest export is the US dollar. Any nation like Venezuela that threatens that export is met with America’s second largest export: weapons, chief amongst which are sanctions of mass destruction.

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UN backs seed sovereignty in landmark peasants’ rights declaration

The challenge now is to mobilize small-scale farmers to claim those rights, which are threatened by efforts to impose rich-country crop breeding regulations onto less developed countries, writes *Timothy A. Wise.*

On December 17, the United Nations General Assembly took a quiet but historic vote, approving the Declaration on the Rights of Peasants and other People Working in Rural Areas, by a vote of 121-8 with 52 abstentions. The declaration, which was the product of some 17 years of diplomatic work led by the international peasant alliance La Via Campesina, formally extends human rights protections to farmers whose “seed sovereignty” is threatened by government and corporate practices.

“As peasants we need the protection and respect for our values and for our role in society in achieving food sovereignty,” said Via Campesina coordinator Elizabeth Mpofu after the vote. Most developing countries voted in favour of the resolution, while many developed country representatives abstained. The only “no” votes came from the United States, United Kingdom, Australia, New Zealand, Hungary, Israel, and Sweden.

“To have an internationally recognized instrument at the highest level of governance that was written by and for peasants from every continent is a tremendous achievement,” said Jessie MacInnis of Canada’s National Farmers Union. The challenge now, of course, is to mobilize small-scale farmers to claim those rights, which are threatened by efforts to impose rich-country crop breeding regulations onto less developed countries, where the vast majority of food is grown by peasant farmers using seeds they save and exchange.

Seed sovereignty in Zambia

The loss of seed diversity is a national problem in Zambia. “We found a lot of erosion of local seed varieties,” Juliet Nangamba, program director for the Community Technology Development Trust, told me in her Lusaka office. She is working with the regional Seed Knowledge
untied the top of the bag and began to emerged with a large fertilizer bag. She said her survey found very little presence of finger millet, a nutritious, drought-tolerant grain far better adapted to the region’s growing conditions.

Farmers are taking action. Mary Tembo welcomed us to her farm near Chongwe in rural Zambia. Trained several years ago by Kasisi Agricultural Training Center in organic agriculture, Tembo is part of the SKI network, which is growing out native crops so seed is available to local farmers. Tembo pulled out chairs into the shade of a mango tree to escape the near-100-degree Fahrenheit heat, an unseasonable reminder of Southern Africa’s changing climate. Rains were late, as they had been several of the last few years. Farmers had prepared their land for planting but were waiting for a rainy season they could believe in.

Tembo didn’t seem worried. She still had some of her land in government-sponsored hybrid maize and chemical fertilizer, especially when she was lucky enough to get a government subsidy. But most of her land was in diverse native crops, chemical free for ten years.

“I see improvements from organic,” she explained, as Kasisi’s Austin Chalala translated for me from the local Nyanja language. “It takes more work, but we are now used to it.” The work involves more careful management of a diverse range of crops planted in ways that conserve and rebuild the soil: crop rotations, intercropping, conservation farming with minimal plowing, and the regular incorporation of crop residues and composted manure to build soil fertility. She has six pigs, seven goats, and twenty-five chickens, which she says gives her enough manure for the farm.

She was most proud of her seeds. She disappeared into the darkness of her small home. I was surprised when she emerged with a large fertilizer bag. She untied the top of the bag and began to pull out her stores of homegrown organic seeds. She laughed when I explained my surprise. She laid them out before us, a dazzling array: finger millet, orange maize, Bambara nuts, cowpeas, sorghum, soybeans, mung beans, three kinds of groundnuts, popcorn, common beans. All had been saved from her previous harvest. The contribution of chemical fertilizer to these crops was, clearly, just the bag.

She explained that some would be sold for seed. There is a growing market for these common crops that have all-but-disappeared with the government’s obsessive promotion of maize. Some she would share with the 50 other farmer members of the local SKI network. And some she and her family would happily consume. Crop diversity is certainly good for the soil, she said, but it’s even better for the body.

Peasant rights crucial to climate adaptation

We visited three other Kasisi-trained farmers. All sang the praises of organic production and its diversity of native crops. All said their diets had improved dramatically, and they are much more food-secure than when they planted only maize. Diverse crops are the perfect hedge against a fickle climate. If the maize fails, as it has in recent years, other crops survive to feed farmers’ families, providing a broader range of nutrients. Many traditional crops are more drought-tolerant than maize.

Another farmer we visited had already planted, optimistically, before the rains arrived. She showed us her fields, dry and with few shoots emerging. With her toe she cleared some dirt from one furrow to reveal small green leaves, alive in the dry heat. “Millet,” she said proudly. With a range of crops, she said, “the farmer can never go wrong.”

I found the same determination in Malawi, where the new Farm-Saved Seed Network (FASSNet) is building awareness and working with government on a “Farmers’ Rights” bill to complement a controversial Seed Bill, which deals only with commercial seeds. A parallel process is advancing legislation on the right to food and nutrition. Both efforts should get a shot in the arm with the UN’s Peasants’ Rights declaration.

The declaration now gives such farmers a potentially powerful international tool to defend themselves from the onslaught of policies and initiatives, led by multinational seed companies, to replace native seeds with commercial varieties, the kind farmers have to buy every year.

Kasisi’s Chalala told me that narrative is fierce in Zambia, with government representatives telling farmers like Tembo that because her seeds are not certified by the government they should be referred to only as “grain.”

Eroding protection from GMOs

As if to illustrate the ongoing threats to farm-saved seed, that same week in Zambia controversy erupted over two actions by the government’s National Biosafety Board to weaken the country’s proud and clear stance against the use of genetically modified crops. The Board had quietly granted approval for a supermarket chain to import and sell three products with GMOs, a move promptly criticized by the Zambian National Farmers Union.

Then it was revealed that the Board was secretly drawing up regulations for the future planting of GM crops in the country, again in defiance of the government’s approved policies. The Zambian Alliance for Agroecology and Biodiversity quickly denounced the initiative.

The UN declaration makes such actions a violation of peasants’ rights. Now the task is to put that new tool in farmers’ hands. “As with other rights, the vision and potential of the Peasant Rights Declaration will only be realized if people organize to claim these rights and to implement them in national and local institutions,” argued University of Pittsburgh sociologists Jackie Smith and Caitlin Schroering in Common Dreams. “Human rights don’t ‘trickle down’ — they rise up!”

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The article is reproduced from Food Tank, December 2018.
Changing the gender bias in agriculture

Women entrepreneurs are playing an important role in transforming global food security for economic growth, but they have to work twice as hard as men to succeed in agribusiness, writes *Busani Bafana.*

“Agriculture and agribusiness are generally perceived as run by men,” entrepreneur and Director of the Nairobi-based African Women in Agribusiness Network (AWAN) Beatrice Gakuba, told IPS. She noted that women entrepreneurs have to prove themselves, even though they are as capable and innovative as men.

“Women entrepreneurs face more challenges in getting their foot in the door in agricultural business than men when it comes to access to finance because of several factors, including socio-cultural beliefs,” adds Gakuba, who runs a flower export business.

“The relationship between money and human beings has always been handled by men, so when a woman says ‘I want to grow my business, or I want to get a loan’, there are many questions asked. Women define agribusiness because more are employed in agriculture.”

Agriculture is an important source of livelihood for the poorest and is a way...
“Being a woman entrepreneur in agribusiness comes with a catalogue of challenges, which include gender inequality, cultural and social barriers, limited markets, lack of land tenure, and skewed access to knowledge and information, finance and a range of productive assets. Women put in more into agriculture, but get far less from it, and can do more with a little recognition of their innovation and knack for enterprise.”

of eradicating extreme poverty, especially among rural women. According to the Food and Agriculture Organization of the United Nations (FAO), if women had the same access as men to resources such as information, land, improved technologies and credit facilities, they could increase agricultural yields by up to 30 percent, and lift more than 100 million people out of hunger.

Given their contribution to agricultural development, how can women be empowered, and how can digitalisation in agriculture help to close the growing gender gap? These were some of the critical questions posed at a recent workshop hosted in Wageningen by the Technical Centre for Agricultural and Rural Cooperation (CTA).

The workshop, organised this month in response to conditions in and outside the community, said Rubin. She stressed the need to focus on specific constraints faced by women in agriculture, in order to design the right interventions.

“Roles have changed over time in response to conditions in and outside the community, said Rubin. She stressed the need to focus on specific constraints faced by women in agriculture, in order to design the right interventions.

“We have to look for things we can do immediately – either provide support, or change a discriminatory policy, or give access, for example for women to be able to cultivate land, not necessary ownership but to provide access,” she added, warning against generalisation about the rigid roles of women and men in agriculture.

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Researcher and development economist Cheryl Doss said the narrative about women and agricultural productivity should be reframed because narrow analyses have diverted focus from the bigger and more important question of how to target women for agricultural development interventions. In a 2017 research study, Doss cautioned that gender-blind approaches to designing interventions will miss key constraints, opportunities and impacts, because gender is embedded in the distribution of all resources for agriculture.

Despite the challenges of entering and staying in agribusiness, change lies within women themselves: “Women empower themselves, said Rubin. “There is a role for policies and organisations to support the act of women empowering themselves, but in the end it is the women who have to take that responsibility, and who can act on it.”

* Busani Bafa writes for the IPS.*
People in Africa live longer but their health poor in those extra years

Data suggest that people are living many years in poor health in Africa, writes *Charles Shey Wiysonge.*

People are now living longer in sub-Saharan Africa than they did two decades ago. This is an achievement, given that life expectancy in the region went down the drain from the 1990s to the mid-2000s as it choked under the devastating effects of the HIV epidemic.

The question to ask is whether the additional years are spent in good or poor health. This question matters because how long people live affects the population’s state of health and leading causes of disability. Longevity means that these change over time which in turn has implications for policy, planning and provision of services.

We used information from the Global Burden of Disease study to calculate healthy life expectancy in sub-Saharan Africa. Healthy life expectancy refers to the average number of years that a person at a given age can expect to live in good health, taking into account mortality and loss of functional health.

The data suggest that people are living many years in poor health in the region. And our paper shows that there are large inequalities in healthy life expectancy and disease burden between – and within countries – in sub-Saharan Africa.

This points to the fact that much more effort is needed to increase healthy life expectancy in the region.

**Discrepancies**

We found that the increase in healthy life expectancy in sub-Saharan Africa was smaller than the increase in overall life expectancy. This indicates that many years are lived in poor health in the region. In 2017, life expectancy at birth...
in sub-Saharan Africa was 63.9 years, but healthy life expectancy was only 55.2 years. This means that 13.6% of years of life in the region is spent in poor health.

Life expectancy in 2017 varied by sub region, ranging from 62.4 years in Central Africa to 65 years in Southern Africa. However, in Central Africa 14.4% and in Southern Africa 13.8% of these years are estimated to be spent in poor health, respectively.

The proportion of years of life spent in poor health varied between countries, ranging from 11.9% in Djibouti to 14.8% in Botswana.

While women live longer than men, many of these extra years are lived in poor health. The life expectancy at birth for women in sub-Saharan Africa in 2017 was 66.2 years, but healthy life expectancy was only 56.8 years. Thus, women spend 14.2% of their years in poor health. For men, life expectancy was 61.7 years and healthy life expectancy was 53.7 years. Thus, men in sub-Saharan African spend 13% of their lives in poor health.

Healthy life expectancy

The average healthy life expectancy at birth in sub-Saharan Africa increased by 9.1 years, from 46.1 years in 1990 to 55.2 years in 2017. The increase in health life expectancy at birth varied from 0.9 years in Southern Africa to 12.4 years in Eastern Africa.

Even larger variations in healthy life expectancy than these were observed between countries, ranging from a decrease of 4.9 years in Lesotho (51.9 years in 1990 to 47 years in 2017) to an increase of 23.7 years in Eritrea (30.7 years in 1990 to 54.4 years in 2017).

In most countries, the increase in healthy life expectancy was smaller than the increase in overall life expectancy, indicating more years lived in poor health.

We calculated a measure known as disability-adjusted life-years, which captures both early death and ill health in 2017, the leading causes of disability-adjusted life-years in sub-Saharan Africa for all ages and both sexes combined were neonatal disorders, pneumonia, HIV/AIDS, malaria, and diarrhoea.

However, we observed various dramatic changes in causes of early death and disability between 1990 and 2017. Measles decreased from a ranking of 5th to 20th, heart attacks increased from 16th to 11th, stroke from 12th to 10th, and diabetes from 27th to 14th. We are thus witnessing gradual shift from communicable to non-communicable causes of disease burden.

There was wide variation between countries in the causes of early death and disability.

In Eritrea, the top causes of early death and disability were neonatal disorders, diarrhoea, tuberculosis, pneumonia, and congenital defects. The most dramatic changes were with conflict and terror (1st in 1990 to 4th in 2017), measles (7th to 47th), tetanus (9th to 82nd), heart attacks (17th to 11th), stroke (12th to 10th), and diabetes (22nd to 15th).

In the Central African Republic, the top causes of early death and disability were diarrhoea, neonatal disorders, pneumonia, HIV/AIDS, and tuberculosis. The main changes were with conflict and terror (16th to 9th), measles (7th to 20th), heart attacks (14th to 11th), and diabetes (21st to 16th).

In South Africa, the top causes of early death and disability were HIV/AIDS, neonatal disorders, pneumonia, interpersonal violence, and diabetes. The most dramatic changes occurred with HIV/AIDS (53rd to first), measles (12th to 55th), diarrhoea (2nd to 8th), and diabetes (13th to 5th).

In the Gambia, the top causes of early death and disability were neonatal disorders, pneumonia, HIV/AIDS, diarrhoea, and sickle cell disease. There were substantial changes in rankings for HIV/AIDS (61st in 1990 to 3rd in 2017), malaria (4th to 25th), measles (9th to 70th), heart attacks (13th to 6th), stroke (14th to 9th), and diabetes (28th to 18th).

Extraordinary progress

Since 1990, we have seen exceptional progress in sub-Saharan Africa in reducing the burden of communicable diseases, especially measles, tetanus and other vaccine-preventable diseases. However, early death and disability due to these causes remain unnecessarily high in many countries. Immunisation efforts have been helpful, but progress in coverage has slowed in the past decade. Close to 20 million children worldwide, most of them in sub-Saharan Africa, didn’t receive vaccines against these deadly diseases in 2017. Conflict, inadequate investment in national immunisation programmes, and vaccine stock outs were among the reasons for the stalled progress in immunisation coverage.

Our report shows that there is an unfinished agenda of controlling communicable diseases – compounded by an increase in non-communicable diseases – in sub-Saharan Africa. The continued burden of disabling conditions has serious implications for health systems and health-related expenditures in the region.

*Charles Shy Wiyange, Director, Cochrane South Africa, South African Medical Research Council. The article is reproduced from The Conversation, 20 December 2018.
Bringing greener pastures back home

One month on since the Global Compact for Migration was approved, civil society has highlighted the need to turn words into action, supporting those who have been displaced or forced to migrate as a result of environmental degradation, writes *Tharanga Yakupitiyage.*

In December, over 160 countries adopted the landmark Global Compact for Migration (GCM) which recognised environmental degradation and climate change as drivers of migration. It is the first time a major migration policy has specifically addressed such issues.

While there have been some hiccups along the way, including the withdrawals by the United States and most recently Brazil, the next steps are even more uncertain.

“Now we have the recognition in the GCM, now we need to move from text to action,” Norwegian Refugee Council’s (NRC) Senior Advisor on Disaster Displacement and Climate Change Nina Birkeland said to IPS.

“Because people are moving, we can’t pretend that it is not happening,” she added.

According to the Global Humanitarian Forum, approximately 135 million people may be displaced by 2045 as a result of land degradation and desertification.

A study by the University of Oxford estimates that up to 200 million may be displaced due to climate change by 2050. But this is not simply a phenomenon that will happen in the future—it is already a reality for some.

As migrant caravans from Guatemala, Honduras, and El Salvador continue to make their way towards the U.S., many have pointed to climate change and years of crop failure as the main drivers.

Lesser known is the role of defore-
station and land degradation in prompting such movements.

Between 1990 and 2005, almost 20 percent of Guatemala’s rainforests were cut down for palm oil plantations and cattle ranches. This has since lead to soil degradation and eroded land in a country where one-third of the population is employed by the agricultural industry. Across Africa, agriculture accounts for 80 percent of employment but land degradation is leaving families and young people without food or income security and thus forcing them to search for greener pastures.

According to the United Nations Environment Programme (UNEP), inaction on land degradation in Africa costs 286 billion dollars annually as 280 million tons of cereal crops are lost each year.

“If land is degrading and the productive capacity of the land is degrading and there are no income opportunities anymore, there is no reason for people, young people in particular, to stay in the village,” World Resources Institute’s (WRI) Sustainable Land Management Specialist Chris Reij told IPS.

“The general lesson is: fight land degradation, improve living conditions and more young people will stay rather than leave,” he added.

According to the U.N. Convention to Combat Desertification (UNCCD), restoring just 12 percent of degraded agricultural land could boost smallholders’ incomes by 35-40 billion dollars per year. Reij pointed to the case of Burkina Faso which saw promising results after villages invested in sustainable land management practices.

According to a study by Reij and his team, Burkina Faso’s Ranawa village saw a decline in land productivity, prompting almost a quarter of its population to leave between 1975 and 1985.

Once the village began improving soil and water conservation techniques, there was no recorded outmigration and some families even returned due to restored productivity.

Comparing villages that implemented sustainable land management and those that did not, the study found that rural poverty decreased as much as 50 percent in the former while poverty increased in the latter.

“In 1980 only two families had cattle, now all families have cattle. Almost no one had a roof of corrugated iron… just look around you and you’ll notice that almost every family has such roofs… the land where we stand used to be barren, but now it has become productive again,” one farmer from Ranawa told Reij’s team.

In 2016, UNCCD implemented a similar project known as the 3S initiative which aims to restore 10 million hectares of land in areas most impacted by land degradation in Africa. It also hopes to provide 2 million green jobs to the 11 million young Africans who enter the job market each year.

Though it is not the silver bullet and migration will of course still continue to some capacity, investing in land restoration and providing economic opportunities is certainly a part of the solution. While many countries focus on border security as part of their migration policy, Birkeland urged governments to look at reduction and prevention of displacement.

“We need to look at where this is actually happening and why it is happening. Before you even start to talk about border control, you need to look at how you can try to reduce displacement,” she said.

This includes investments into projects in developing countries, especially with climate change or environmental degradation-induced displacement in mind, and increased protections for those who are forced or choose to leave.

While it is an enormous challenge, Reij highlighted the need for donors and governments to focus action on improving livelihoods and economic well-being as well as supporting land restoration.

“If you look at the most extreme scenario, unless the economic perspectives of young people can be improved in the next decade, what choice do they have? They can migrate to cities and maybe continue subsequently to Europe, or they can join Boko Haram and similar groups,” he told IPS.

“I think donors and governments have an interest in supporting the scaling of existing restoration success so that millions of smallholders will be able to improve their lives and livelihoods, and that will help reduce migration… we know what to do, we know how to do it. We now need to do it,” Reij concluded.

* Tharanga Yakupitiyage writes for the IPS.
E-com pluri-talks at WEF aimed at digital colonisation of South

A global coalition of more than 35 civil society organisations (CSOs) has charged that the plans to launch plurilateral negotiations on e-commerce on the sidelines of the World Economic Forum (WEF) meeting in Davos are really about rules for digital colonization, reports Kanaga Raga.

In a statement, the Just Net Coalition, a global network of civil society actors committed to an open, free, just and equitable Internet, called on the people and governments of the world to oppose the legitimisation of the new land grab of people’s, communities’, and nations’ data. [The e-com pluri-talks, and the pith and substance of any accords and rules emerging therefrom, apart from the objections of Civil Society to this effort at “digital colonisation”, in effect amounts to an effort to provide a particular method (business-to-business or business-to-consumer) of international trade preferential treatment over other methods.

[These rules (conditional plurilateral or unconditional multilateral accords), whether negotiated within the WTO or outside, will amount to a colourable attempt at amending various provisions of the WTO rule book on the multilateral agreements on trade in Goods, in Services (GATS), and in Intellectual Property (TRIPS), in Annexes I, II and III of the WTO treaty. Such an effort at circumventing the mandatory provisions of the WTO treaty for Amendments (Art. X), will ab initio be invalid. SUNS]

The full statement of the civil society coalition is reproduced below: “World Economic Forum’s (WEF) Davos meeting in January, 2019, is expected to witness the launch of plurilateral negotiations on e-commerce rules, bypassing the WTO.

Dominant digital interests – global digital business and governments supporting it – plan the proposed rules to be a blueprint for a whole new global digital order.

Agrarian-feudal economic and social
relationships centred on land ownership, and industrial age ones on ownership of industrial and later intellectual capital. In the digital age, these relationships will revolve around ownership of data and the resultant artificial intelligence.

The proposed e-commerce rules mandate unrestrained global flow of data – the primary resource of the digital society. This in essence means that data will be the property of whoever collects and hoards it. It provides, in perpetuity, legitimacy to global data land-grabs by a few digital corporations such as Facebook, Google, Amazon, Alibaba, etc.

These rules would insulate global digital corporations from national regulation by disallowing any requirement for their “local presence” in the domestic territory, and inspection of their software and algorithms. Digital inter-connections, payments, authentication, cyber-security, etc, get mostly subject to global private law – under probig business arbitration – further curtailing the remit of domestic jurisdictions over global digital interactions. Prohibition against any border-crossing tax on commercial digital transactions would, in turn, debilitate the nation state’s finances in the digital era.

Digital economy is not just a sector. It pervades and increasingly transforms all sectors – like the industrial society/economy paradigm did before it. As every sector and activity becomes digital, and infused with artificial intelligence, this proposed political economy and private governance framework for the digital will dominate all aspects of societies. It will increasingly upend the social contract that underlies the nation-state based on mixed economy and welfarism for the last many decades.

Digital opportunities, many believe, can bring unprecedented prosperity for all. But for this, digital governance must be based on principles of social justice and equity within and across societies. This is required even more in this formative period of the digital society. Quite the opposite is sought, however, through rules for global usurpation of the most valuable digital resource and hamstringing national regulation.

A few powerful businesses and governments plan to digitally control all social activities and economic sectors across the world. The omnipresent tentacles of the Internet, globally extracting granular data about every person and thing, underpin these new controls.

The biggest bluff of global e-commerce rules is how they get sold in the name of helping micro, small and medium enterprises in developing countries. So apparently, the new messiahs of small enterprises in developing countries are going to be a few US-based global digital corporations, that monopolise e-commerce to take up to 40 percent commissions, abuse sellers’ and manufacturers’ data to manipulate them and/or replace their products by in-house ones, are most arbitrary and exploitative in their relationships with sellers/producers, and beyond national regulations to impose any fairness on their activities!

Some developing country leaders get led to believe that global e-commerce simply represents a great expansion of the marketplace, opening more market opportunities for their struggling businesses. For one, expanded and more open markets are not necessarily better for their small businesses, an overwhelming majority of which deal in goods that are easily out-priced by global mass manufacturing centres like in China. The latter can now so much more readily penetrate even the remotest local markets.

These leaders that are enthusiastic about global e-commerce perhaps need to first list the actual goods that their domestic businesses produce in a globally competitive manner! Artisan and other cultural goods tend to form the staple of the “global e-commerce for development” rhetoric, but they constitute an extremely small part of any economy.

Digitisation can enhance efficiencies in every economic activity and layer of the economy. It is NOT digital efficiencies in the global trade layer that will bring the most immediate benefits to developing countries. It will simply expose their vulnerable economies and markets to endless exploitation.

Developing countries need to first digitalise their domestic production processes, to produce globally valuable products cheaply. They must focus on developing domestic digital platforms. In short, they need to undertake digital industrialisation before they can benefit from global digital trade. To the extent that trade across borders also can stimulate industrialisation, and scale being important for the digital economy, developing countries should first collaborate among those with comparable digital development.

The founder of e-commerce giant Alibaba, Jack Ma, himself considers e-commerce to be an outdated concept. This clearly underlines the fallacy of seeing e-commerce primarily as digitally-expanded marketplaces. What global digital platforms really do is to re-organise every sector employing data-based digital intelligence, and then control them in a monopolistic manner. Such controls tend to be very one-sided and highly exploitative, with deep lock-ins.

This situation demands new kinds of digital regulation, and national frame-
works mandating local ownership of data for nurturing domestic digital businesses. The proposed e-commerce rules preempt all such possibilities, which shows how their proponents know their game well into the future.

Developing countries cannot simply hope that the benefits of their local producers getting new markets through global e-commerce will somehow outweigh the disadvantages of cheap products from mass manufacturing centres inundating their domestic markets. They would be equally misplaced to expect that global e-commerce rules will help the flourishing of their domestic digital platforms, where they already exist. The latter face quick annihilation as soon as global digital majors cast their eyes on the corresponding markets.

India, which has been a little ahead of the curve among developing countries (other than China), has already seen its major digital platform companies unionise and seek government protection against global “capital dumping”.

A reality check is needed for the chimera of “global e-commerce for development” created by digital superpowers, with the support of some donor and international agencies.

Global business leaders from the South – like Bob van Dijk, CEO of Naspers, Africa’s biggest company; Anil Ambani, head of India’s largest business house; and Nandan Nilekani, Chairman of India’s top IT company – have been warning against data and digital colonisation.

Traders’ groups in many developing countries are holding protests, and local digital businesses are complaining, as they face being captured or wiped out by global digital corporations.

Some developing country leaders, however, remain blinded by the lure of sitting at the high table with global digital business leaders, this time at the snow-white Davos. They keep hoping that these business leaders will somehow magically usher in the appropriate digital economy/society in their countries.

It would be useful to understand the future that dominant digital interests have in mind through the proposed e-commerce rules. Data flows unchecked from all countries to a very few global digital corporations, mostly in the US and some in China. Such expansive and minute data enables them to develop thorough real-time digital intelligence about every sector and every single economic activity and actor. It would be as if the “brains” of all physical activities and processes in all other countries are “outsourced” to these few corporations.

A complete cognitive lock-in and digital intelligence dependency soon sets the conditions for total economic and social domination. As it gets entrenched, future options for developing countries to ever extricate themselves also get foreclosed.

In any case, as explained earlier, the proposed rules simultaneously defang key levers of national digital regulation, render digital relationships subject to global private law, and considerably squeeze the taxation base of the state.

The choice of the Mecca of global business, WEF, for launching this potent new framework for domination of the world by a few digital corporations indeed rings of poetic appropriateness!

We, the undersigned, call upon the people and the governments of the world to oppose this blatant attempt at a new elitist digital social contract which is nothing but one between the digital masters and the rest of us, laying out the rules of our digital servitude for all times to come.

Let us claim our data, and our digital future, for ourselves!”

* Kanaga Raga is editor of SUNS