



SOCIAL WATCH E-NEWSLETTER

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European Policies Fuelled Egyptian Crisis



Simon Stocker and MEP de Rossa
at the EU Parliament

Activists from Europe launched this week the second European Social Watch Report, which analyses poverty trends in the region. But not only that. "The unsustainability of governments that do not promote social cohesion for all, is the subline of what the Egyptian crisis is telling us, and which could equally affect the European Union member states," says Roberto Bissio, coordinator of Social Watch. "The IMF policies that have failed in developing countries are now coming home to Europe, prompting a new wave of privatizations of core government responsibilities."

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Europe Received Strong Claim to Support Egyptian Pro-democracy Movement

If supporting dictatorial regimes like Tunisia and Egypt has been seen as the way to maintain Europe's security, current events demonstrate the fragility of such strategies, warned three major civil society networks in a letter to Catherine Ashton, High Representative of the European Union for Foreign Affairs and Security Policy. In neglecting the interests of ordinary citizens, this strategy was never sustainable. Sustainability can only be assured by genuine democratic processes, according to the Arab NGO Network for Development (ANND), Eurostep and Social Watch,

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Can Moguls be Good Congresspersons?

Several top industrialists and moguls with financial interests in the burgeoning and largely privatised health and education sectors in India are members of the parliamentary committees on their sectors of interest. This was one of the major conclusions of the Sixth Social Watch India Report, released on December. At least ten major Hindi newspapers carried detailed stories on the study, and last month Hard News magazine published its own coverage.

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Diversity once again

Africa will be the stage where thousands of activists from all over the world will gather to say again that a different world is indeed possible. Dakar is the venue for a new meeting of diversities, the World Social Forum which have been gathering for ten years to lift its voice in protest at the overpowering prevalence of globalization. The challenge continues to be the construction of a viable alternative to neoliberalism.

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The Voice of the LDCs in Dakar

The World Social Forum (WSF) should be a forum to raise awareness among other things about the power of the people and how people are and should be at the heart of development processes, says LDC Watch, global alliance of national, regional and international civil society groups based in the less developed countries (LDCs) and supported by others in developed countries. The Forum in Dakar should be a time to devise effective strategies to strengthen the voice of the civil society after the Fourth UN Conference on the LDCs in order to get the international community to act on their commitments.

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Another Dish for the Economic Menu

Some 250 economist from all over the world, including the most prominent professors of Harvard and Columbia, set aside their differences and claimed together for "a broader menu of policy options to prevent and mitigate financial crises". The main course of this menu is the capital controls. These economists sent a letter to the Obama's administration with several recommendations.

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Time for Action: Responding to Poverty, Exclusion and Inequality

The second European Social Watch Report was launched in Brussels with a roundtable discussion at the European Parliament. The event was chaired by Irish MEP Proinsias De Rossa, who was labour minister and head of country delegation to the Social Summit in 1995, when Social Watch was created. From its mere title, "Time for Action: Responding to Poverty, Social Exclusion and Inequality in Europe and Beyond", the European Social Watch report reflects the Egyptian political crisis as a true demonstration of its findings.

The report points out that 17% of people in the European Union live below the poverty threshold. Social Watch looks at Europe's approaches to addressing poverty, social exclusion and inequality both inside the EU and in the wider world. The report examines the issues from different angles, including employment, healthcare, housing and financial

exclusion.

Since "one child in five is born and grows up with economic and social deprivation" and "twenty per cent of young people are currently living at risk of poverty in the EU" Mirjam van Reisen argues in the report summary that the policies in place to address poverty and social exclusion are "weak" and "have come under pressure in the aftermath of the financial crisis".

"The fiscal constraints that developing countries have experienced in previous decades resulting from IMF policies are now confronting European countries" says the report, and as a consequence "the ability of governments to implement their national and international obligation to guarantee social security has been compromised".

Social Watch Europe analyses the reality for groups of people particularly vulnerable to poverty and social exclusion, such as migrants and the Roma. Special attention is given to gender and poverty, as well as the young and old who are more vulnerable to social exclusion. It concludes by calling for a universal standard for social protection. It also concludes that if the EU is to play the global role that it claims then the EU must also establish its own "social floor".

Middle East: Activists Warn Europe of Faulty Foreign Policies

By Jaya Ramachandran (InDepthNews)

European anti-poverty and development cooperation policies were strongly criticized at the European Parliament by citizens from within the 27-nation bloc and neighbouring countries as the tide of unrest in the Middle East swells and grips mounting public attention.

"The unsustainability of governments that do not promote social cohesion for all, is the subline of what the Egyptian crisis is telling us, and which could equally affect the European Union member states," said Roberto Bissio, during a roundtable chaired by MEP Proinsias De Rossa at which the European Social Watch report was launched.

The uprising in Egypt is a popular demand for democracy, in a context aggravated by mishandling of the financial and economic crisis, he adds. While the banks have been bailed out the IMF (International Monetary Fund) has further restrained public budgets.

The Social Watch report points out that "in Egypt, aid from Europe has been directed to help keep (President Hosni) Mubarak in power with too little support to civil society organisations demanding a more equal and just distribution of resources."

The European Union (EU) has granted Egypt 2.26 billion Euros (3.12 billion USD) since 1995. In October 2010, it pledged 449 million Euros (623 million USD) "to support economic reforms and development between 2010 and 2013."

In a memorandum of understanding, the EU and Egypt agreed on a "national indicative programme (2011-2013)" aiming to support the Egyptian reform plans within the economic and social development programmes.

The EU also pledged 110 million Euros to support the health care sector, 10 million for rural development, 20 million in support for government institutions and 20 million for a wind farm project.

Analysts doubt that this money was really used as agreed.

In any case, EU foreign affairs spokeswoman Maja Kocijancic has rejected using aid to twist the arm of the regime. "Suspension of aid is slightly too premature. We are studying what actions can be taken but we say what we have always said, which is that actions should not target the population," the 'EU Observer' reported on January 26, 2011.

It commented: "Some of the weapons and vehicles such as helicopters, tanks and anti-riot trucks that may be used against the Egyptian people are sourced from the U.S. and EU. U.S. weapon sales to the country include Black Hawk helicopters, Abrams tanks and Humvees, while Egyptian anti-riot vans are supplied by Italy's Iveco SpA."

Expressing solidarity with the activists in Egypt, Social Watch emphasises that the crisis in that country is caused by inequality of distribution. European aid has been insufficiently targeted towards ensuring the inclusion of marginalised people living in poverty.

"It is a social revolution" says Lebanese activist Kinda Mohamadieh, spokeswoman from the Arab NGO network for Development which has members across the Arab region. "As civil society organisers our focus is on ensuring the post Mubarak era will have greater accountability mechanisms to the people," she adds.

While the crisis has an internal Egyptian agenda, it will have enormous ramifications for the region. The group is concerned about the lack of a robust response by the European Union, activists say.

"This is the end of Mubarak," asserts Mirjam van Reisen, Professor of International Social Responsibility at Tilburg University. "The Berlin Wall has come down in the Southern border of Europe. Northern Sudan, Eritrea, Yemen, Jordan -- people in the whole region are taking inspiration from Tunisia."

She adds: "When the Berlin Wall fell (1989), Russia was key. Israel is the nuclear power in the region now. Israel's own survival will ... depend on its ability to make peace with its neighbours respecting human rights for all."

Van Reisen wants the EU to "make it very clear" to Israel that people in the region must be listened to. This will be an opportunity in the Middle East to bring democratically elected voices of the region to the table in a political process for a sustainable negotiated peace, she suggests.

"We encourage that EU Member States demand the EU (first permanent) President (Herman van) Rompuy provides

Israel with a clear direction that its responses must be in accordance with international law. People in Egypt are demanding basic democratic rights: basic foods stuffs, basic education, basic health and the right of assembly. It will justify the Palestinian demand for basic rights," Van Reisen said.

She is the founder of the Brussels-based Europe External Policy Advisors (EEPA) working on a wide variety of subjects relating to the EU's external policies, including legal frameworks, the annual budget and programming.

Referring to other aspects of the Social Watch report, Simon Stocker, Director of the development network 'Eurostep' says it shows "the growing poverty in Europe, which is not high enough on the European agenda."

He adds: "The Europe 2020 strategy prioritises economic growth over social policy. The emergence of slums in European cities, inhabited by undocumented migrants is evidence that social justice needs to move up on the EU policy agenda."

Eurostep, based in Brussels, is a network of autonomous European non-governmental development organisations working towards peace, justice and equality in a world free of poverty. Its membership, rooted in their own societies, works together to influence Europe's role in the world, particularly in pursuing the eradication of injustice and poverty.

It advocates changes in Europe's policies and practice based on the perspectives drawn from direct experiences of an active involvement of its members and their partners in development in over 100 countries across the world.

Fintan Farrell from the European anti-poverty network argues: "It is time the European Union establishes a consistent approach to social protection, both inside and outside the European Union."

Genoveva Tisheva from the Bulgarian Gender Research Centre says: "EU's foreign policy should focus on poverty eradication, and make sure women equally benefit. Aid should not be used to keep dictators in place. We have experienced ourselves that the people ultimately will demand justice and claim their rights."

[Claim to Support Pro-democracy Movements in the Arab World](#)

Catherine Ashton

High Representative of the European Union for Foreign Affairs and Security Policy

Dear Mrs Ashton,

The European Union must support the popular revolutions in Egypt and in other dictatorial regimes in the Arab Region

The eruption of the people's revolutions in Tunisia, Egypt and other countries in the region is a response to years of political oppression, and the implementation of economic and social policies that have impoverished increasing number of citizens. While economies in the region have been growing, benefiting a privileged minority, large sections of the population have been denied access to affordable social services and the basic necessities of life for themselves and their families. Their rights have been eroded. For too long significant numbers of citizens living in the Arab region have been facing social, economic and political marginalization.

The spontaneous demonstrations in Tunisia and Egypt were initially responding to social and economic hardship. They have been rapidly transformed into political expressions of mass mobilization, reflecting the basic links between political and socio-economic rights.

The determination of the people to bring democracy to their countries is both courageous and inspiring. In Egypt the Mubarak regime will not go easily, as the increasing violent response to pro-democracy supporters demonstrates. It is likely that the outcome will be determined in the next few hours.

As you are acutely aware, the EU's response to the popular demands for change, and the actions by autocratic regimes towards these popular manifestations, will be a significant determinant for future relations with the Arab states and their peoples. The current framework for the Union's partnership with the region has formerly been based on respect for human rights, equality, democracy and adherence to the rule of law. The Euro-Mediterranean partnership seeks to promote solidarity and mutual respect between peoples, and the eradication of poverty.

The reality has been somewhat different. The EU has been building close partnerships with the oppressive regimes controlling their countries, including the ousted regime in Tunisia and the disclaimed regime in Egypt. EU policies have helped to maintain the regimes in office at the expense of the rights and livelihoods of the majority of their citizens. The economic and social policies that have been pursued in the name of this partnership may have helped achieve economic growth; but they have clearly contributed to increased poverty, social exclusion and inequality.

If supporting dictatorial regimes has been seen as the way to maintain Europe's security, current events demonstrate the fragility of such strategies. In neglecting the interests of ordinary citizens, this strategy was never sustainable. This can only be assured by genuine democratic processes. In the current turbulent situation there is clearly a need to secure a viable transition. However, asking autocratic governments to reform themselves and implement such changes is unlikely to result in genuine democracy. The current regimes will not enable the space required, but seek to continue exerting control. This will only lead to further frustration and alienation in which "extremism" is more likely to flourish.

There is a need to empower democratic alternatives whether from civil society or political movements. For this to be possible the dictatorial regimes must go. Only then can there be more space for such alternatives to be empowered.

The current events in the region offer an opportunity similar to the popular demonstrations that resulted in the fall of the Berlin Wall and the end of the cold war. The opportunity must be grasped. The EU can, and must act with responses that support and help in this process. This must include encouraging the rapid departure of discredited leaders and their allies; encouraging the creation and maintenance of the space in which democratic alternatives can be built; and working to prevent external interventions that seek to subvert the outcome, not least from Israel. The dictatorial regimes in the region, and the Mubarak regime in particular, must be left in no doubt that their actions will not be tolerated, and the EU's aid should be stopped if they continue.

It is inevitable that the institutions and apparatus of the current regimes will not change overnight. Indeed there is clear evidence of their attempts to turn back the tide of reform. In Egypt the orchestrated and violent confrontations instigated by 'pro-Mubarak supporters' and reports we have received today of military police raids on the offices of respected civil society organisations affiliated to ANND, and the arrests of their clearly aim to undermine the capacity of the current protests to continue.

The ongoing response from these institutions will continue to be driven by past policy and practice defined by decades of dictatorship and oppression. The concept of state security, which has been synonymous with the security of the regime, must be transformed to a comprehensive human security approach in which adherence to human rights, social justice and sustainable development are at the core.

This not only requires the fostering of the demands for genuine democratic processes, but also an urgent and rapid assessment of the current economic policies and social models so as to ensure that they can actually deliver this broader approach to human security and according to the principles of the partnership. This includes reviewing elements of those policies such as trade liberalisation and deregulation that have undeniably contributed to increased social and economic exclusion for large number of people.

While the main responsibility for this lies within the countries of the region themselves, it is also crucial that future EU policies and their implementation are revised to ensure that they support these processes and address the real needs and aspirations of people in the region. Civil society organisations will have a crucial role to play in the process of transition, but their ability to engage effectively will be constrained without access to adequate resources. The EU, its member states and other donors could provide vital support in this regard.

Future EU policies must truly reflect the values and objectives of the Barcelona process, be rooted in a comprehensive partnership that seeks peace and stability, shared prosperity, and social, cultural and human partnerships. The EU should also play an active role within the international community to foster support for this approach. The EU's future relationship with the region must be based on a partnership that benefits all. It is only when this is achieved that peace and stability within the region will be possible.

The Mubarak regime has not yet accepted defeat and will continue to seek the destruction of the people's revolution. Should they succeed the opportunities to achieve far reaching reform –not just in Egypt but also in the region as a whole– will be lost. We sincerely hope that this will not be the outcome, and that we are indeed at the beginning of a new era.

Sincerely,

Ziad Abdul Samad (Director Coordinator-ANND)

Simon Stocker (Eurostep)

Roberto Bissio (Social Watch)

[Democracy, Strings Attached](#)

By Sadiq Naqvi Delhi.

The rich man's shadow looms large over our corridors of power, suggests a recent report on governance, MPs and development

Several top industrialists and moguls with financial interests in the burgeoning and largely privatised health and education sectors are members of the parliamentary committees on their sectors of interest. This was recently brought out in the 'Citizens' Report on Governance and Development' prepared by National Social Watch, a Delhi-based NGO, and released by Jaipal Reddy, the Union minister for urban development.

According to the report, several industrialists including Rajeev Chandrashekhar from Karnataka, Jaganmohan Reddy from Andhra Pradesh et al are members of the parliamentary standing committee on finance. In the case of the standing committee on industry, nine of the 26 members have interests in various industries. They include perfume baron Badruddin Ajmal from Assam and businessman Akhilesh Das from Uttar Pradesh. Navin Jindal, a top industrialist, is a member of the public accounts committee.

The standing committee on health has three members who run medical education institutions: Prabhakar B Kore, BJP MP from Karnataka and chairman of Karnataka Lingayat Education Society, which runs 18 medical colleges; MAM Ramaswamy, Rajya Sabha MP and pro-chancellor of Annamalai University; and Datta Raghobhaji Meghe, Congress MP and president of Radhikabai Meghe Memorial Trust.

In December 2008, CPM MP Brinda Karat and Amar Singh had protested when automobile magnate Rahul Bajaj asked a question in the Rajya Sabha on steps taken by the finance ministry to ameliorate the problems faced by the auto sector. They argued that as Bajaj is himself a major player in that sector, he should not be allowed to ask

questions.

The report notes that nearly 25 per cent of the members of the Lok Sabha are either industrialists, businessmen or from other trading classes. In the Rajya Sabha, this figure stands at 10 per cent. "With money power becoming a key element in elections at all levels, 'moneybags' have found prominence in getting tickets, regardless of political parties..." the report says.

Moreover, the wealth of many MPs increased manifold through the course of their terms. Congress MP L Rajagopal's assets climbed an astonishing 3023 per cent since his last election in 2004.

To stem the use of parliamentary privilege by members to further their own business interests, Rajya Sabha has come up with a mechanism in the form of a 'Register of Interest', "which entails members to register their 'pecuniary interests'". No such mechanism, however, exists in the Lok Sabha. "... just creating a 'Register of Interest' will not suffice as the specific business and industry interests and their role in it, needs to be specified," the report reads.

Taking a dig at the working of parliamentary committees, the report says, "the committees have prepared ATRs (Action Taken Reports) of reports on demands for grants of different departments very quickly." It must be noted that besides giving their inputs on the bills referred to them, the committees also examine the demands for grants, policy and working of ministries. In the case of department related standing committees, the report says, most of the evidence is taken in one session and the draft approved in the next: "The draft report in almost all cases is approved in a single session. This clearly shows that the time devoted to the deliberations is not sufficient."

Moreover, the participation of MPs in discussion on legislations had come down to a measly 8.8 per cent in 2009 from 11.5 per cent in 2008.

In matters of public policy formulation, the report notes, "...the current paradigms belie the objective of 'inclusive growth' and fail to address the issues of growth and equity." According to the report, government expenditure on the social sector is insufficient and there is a dire need to finetune even the flagship programmes to address the myriad problems of implementation.

Dealing with the state of the judiciary, the report says that although a "mapping of key verdicts" of the Supreme Court and various high courts "gives an impression that the Courts have been accessible to a range of public issues", this "is not the whole truth". In 2008, of the 24,666 letters, postcards or petitions asking for the apex court's intervention in cases that might be considered public interest litigation, only 226 were placed before the judges on admission days and only a fraction of these were heard as regular hearing matters. According to the report, "the jury is out on the accessibility of the Supreme Court on public interest issues today."

Source: Hard News magazine

[WSF: A Change for the Changers](#)

Carlos Bedoya

While many consider that time has run out for the World Social Forum, or at least that it is in serious trouble, the truth is that hundreds of international social organizations still answer its call and view this mega-event as a meeting place for exchange and the coordination of efforts in every corner of the world.

And although the Social Forum is no longer a novelty and the meeting of diversity has not been able to produce effective thinking in the face of the neoliberal model of development, the current worldwide situation of acute economic crisis, particularly in the North, and the major political crisis which has led to turbulent social explosions riding on the winds of revolution in Tunisia and Egypt, and which threatens to spread to Algeria, Yemen, Mauritania and other countries, make this a perfect time to relaunch this alter-globalizing opportunity.

However, there is no doubt that for this to become a reality, it will be necessary to understand why the World Social Forum has for some time no longer been attracting the heady mobilizations which used to nurture hopes for the profound economic, social, political and cultural transformations which are still imperative in the world.

The Genesis of the Social Forum

The World Social Forum has its roots in the mass mobilizations which took place in the late nineties in reaction to the attempts of the wealthy countries to create a Multilateral Agreement on Investment. This would have given the go-ahead to investors who, with no consideration and in any territory on the planet, would have been able to maximize their profits while claiming to generate well-being for all at the same time.

France became the first stage for these wide-reaching social conflicts in late 1998, and resulted in the country withdrawing from negotiations for the Multilateral Agreement on Investment and at the same time, causing the demise of this instrument. The mass mobilization which took place in France was soon followed by other explosions, such as those in Seattle against the policies of the World Trade Organization and those in Washington against the International Monetary Fund and the World Bank.

Several unusual forms of protest accompanied the large demonstrations which used to spring up in protest at official meetings of the Group of Eight (G8) governments, the Davos Economic Forum, or the International Financial Institutions (IFIs). This resistance was key during a period of neoliberal subjugation.

Naked students, mime theatre, ethical courts combined with workshops, debate panels, trade-union marches,

clashes with the police and youth vanguard movements ready to unleash their discontent began to set the tone with regard to the way to prevent large capitals from riding roughshod over us all. Equally, a social summit methodology acting in parallel to the summits of the power brokers began to emerge.

With this background, in 2001 the first edition of the World Social Forum was organized in Porto Alegre, Brazil, thanks to the coordination of several organizations which were at the fore of the large worldwide mobilizations of the period. It seemed as though a time of maturity had arrived; a time to provide a regular and institutional channel for social repudiation during the stage of the neoliberal burden.

The first World Social Forum was a complete success and it was therefore proposed to hold the event every year. And so it happened. There were yearly Forums until 2005. It was after that year that conversations began with regard to adopting a decentralized methodology, or a "polycentric forum"; that is, with a number of separate venues at the same time. This change was made precisely because it was necessary to move a step further, which to a large extent showed that the notion of a centralized and yearly World Social Forum was beginning to erode.

In fact, although the organization of the World Social Forum made efforts to uphold horizontal, open and plural principles as being essential in preserving this opportunity for social movement, in practice the theory that "power is not necessary for change to occur" imposed itself and, willing or unwillingly, a mobilization whose spontaneity could not be framed within a charter of principles or a yearly meeting ended up by being ensconced within the straightjacket of theory.

Unwittingly, the response of the global society to the scourge of subjugating global power was reduced to a format in which all were involved in their own issues; each problem was enshrined in its own tent, and dialogue between them did not necessarily take place. People interested in economic integration were in one tent, economic solidarity in another, those interested in the debt in yet another, and sexual diversity in one of their own. Each with his or her own subject. To be honest, the Opening March at the start of each Social Forum, and the Youth Camp were no solution to the fragmentation of the "big tent methodology". Diversity broke down into its thematic focal points.

As a result, the diversity meeting has not yet produced a single real alternative to neoliberalism over the course of ten years. It should be clear by now that the gathering of the diverse only gives rise to more gatherings of the diverse; which is positive, but not actually transforming. This is the extent of the World Social Forum as we know it today.

What does not mutate, rots

It is impossible to disregard the fact that the Social Forum has placed major issues on the world agenda. Many governments have been moved to adopt transformation in key matters such as the rights of indigenous peoples, women's rights, sexual diversity and the environment.

But at the same time, nobody can say that the World Social Forum has been able to change the correlation of world forces and stop, for example, the war in Iraq.

A further issue has to do with the difficulty of permanently transferring the World Social Forum process to a national level. The closest we have got to this has been the celebration of Hemispheric Social Forums. A clear example was the celebration of several editions of the Americas Social Forum and of the People's Summits as a specific answer to an official meeting of presidents.

A result of the Americas Social Forum was the encouragement given to the Continental Campaign Against the Free Trade Area of the Americas (FTAA), which in 2005 led to the death of this initiative which had been promoted by the United States. This would not, of course, have been possible without the actions of the governments of Argentina, Brazil and Venezuela, which goes to show that it is necessary to explore at least the need to link international social mobilization with changes in the correlation of forces in each country. It is obvious that there have been no close links between the World Social Forum and the progressive governments which came into power in South America within the same context.

Beyond the presence of Lula, Hugo Chávez, Rafael Correa, Fernando Lugo or Evo Morales at several World Social Forum and Americas Social Forum events to give speeches or be bathed in a glow of popularity, most of the Social Forum's agendas and platforms have not been reflected in the public policy of these countries. In other words, the other possible world is still out of reach.

Dakar and the change of direction

From 6 to 12 February the World Social Forum returns to Africa after four years, when Nairobi (Kenya) hosted the forum's characteristic workshops and seminars in 2007. This return is taking place in the midst of a major political crisis which is beginning to spread to several countries of the Arab world. The first to feel the effects of unrest was Tunisia, whose government fell and whose social mass seems ready to overcome any transitional solution. Egypt was next, with hundreds of thousands of people mobilizing against the regime of Hosni Mubarak, which threatens to make its repercussions felt beyond the north of Africa.

At the same time, the countries in the euro zone, previously only rich, but now rich and heavily in debt, are starting to dismantle their welfare States, giving rise to a variety of social protests which began to make themselves heard in 2010.

This an ideal scenario for a change of direction for the World Social Forum, which must make a call for mobilization, taking social polarization to the electoral political stage where appropriate, or to the fall of regimes which are opposed to the interests of the people if need be.

The challenge facing the World Social Forum – to be held in Dakar on 6-12 February – will be to determine its new role and aim its programmatic content towards a different stage to the one at which it was born. A stage marked by the transition of the world's economy and the emergence of neo-revolutions, in which talks, concerts and marches do not suffice.

[Urgent Need for an Alternative Agenda on LDCs](#)

There are 48 countries in the world that come under the UN defined category of Least Developed Countries (LDCs). In 1971, when the term was first introduced, 24 countries were classified as members of this group. Since then, the number of LDCs has doubled, and only three countries have managed to graduate from the group. Botswana was the first country to graduate in 1994, Cape Verde graduated in 2007 and the Maldives, which graduated on 1 January 2011, is the newest country to have graduated from the Least Developed Countries group.

The graduation of the three countries indeed is symbolic sending positive message that it is not insurmountable. However, it also underscores that it is not an easy job given LDCs continue to face critical problems and overwhelming challenges in the form of weak economies, conflict and weak governance, unsustainable levels of debt, environmental vulnerabilities and susceptibility towards natural disasters. It also begs progressive questions for discussion on global aid effectiveness.

The UN has called for LDC-targeted special measures to help enable LDCs to overcome the obstacles to their development. In that context, there have been three conferences that have been held to attract international attention towards the plight of LDCs and to discuss and produce outcomes to tackle the special development needs of these countries.

Fourth UN Conference on the Least Developed Countries (UN LDC-IV)

In 2011, the Fourth UN Conference on LDCs will take place in Istanbul, Turkey from 9-13 May 2011. The Civil Society Forum will be held in parallel to LDC-IV and will start two days before the official Conference. The Conference will review the implementation of the Brussels Programme of Action (BPoA) adopted at the UN LDC-IV in 2001 to address the specific needs of the LDCs, and adopt a new Programme of Action for LDCs. In the preparation for LDC-IV there have been events at the local, national, regional, as well as global levels to gather input from various sectors of the society in the preparation of the new Programme of Action.

LDC-IV will take place against the backdrop of the energy, food and economic crises, as well as the growing concern about climate change, all of which have not only had a severe effect on LDCs, but have also exposed the seriousness of their vulnerabilities.

It is therefore important to ensure that the Conference and preparations for it involve a wide range of stakeholders, not least from the LDCs themselves. Equal importance needs to be given to inputs provided by all sectors of society as opposed to the prevalent practice of incorporating suggestions of only a few selective members of the global community.

The tenth World Social Forum being organised in Dakar, Senegal from 6-11 February 2011, will be an opportunity for reflection and evaluation of the achievements and challenges faced by social movements. It will also be a time to prepare ourselves for proactive struggles to ensure that the global priorities such as human rights, democracy, sustainable economy and development, global order, and humane principles such as equality, dignity and justice for all are brought to the forefront.

Involvement of civil society

Civil society actors were present at all three (1981, 1990 and 2001) previous UN Conferences for LDCs. In the first two conferences in Paris, those present were NGOs and associations that had consultative status with the UN. They were few in number, mostly representing NGOs from donor countries. The third UN Conference on the Least Developed Countries held in Brussels in 2001 was different in terms of significant participation of civil society actors and was marked with the organisation of an NGO Forum parallel to the official conference. It laid the basis for coherent mechanisms to be established for follow up, and establishment of a provisional NGO Forum structure at the end of the Forum which had a base in the Least Developed Countries. LDC Watch was established on the basis of this follow up structure.

It has become apparent in the past four decades that the importance of the civil society and its role has been duly recognised. Civil Society has managed to make its presence felt and is playing a meaningful role in influencing decision making processes at national and the international level. In the preparatory process for LDC-IV and the Civil Society Forum, civil society actors need to understand the significance of this recognition and harness the power in a constructive way to bring about changes that are result-focused. LDC-IV should be about the effectiveness of the civil society and social movements in bringing about actual people-centric changes.

Civil society is not only important in advocating for the needs of the people with governments and their partners, but also holding LDC governments and their development partners accountable for the commitments they have made. The World Social Forum should not be just another event, but instead should be an opportunity for effective civil society movement to bring the agenda of the people to the forefront and prepare for the Civil Society Forum at LDC-IV. A social movement is indeed needed and the World Social Forum should be a platform to garner support from all levels for collective efforts towards finding alternative solutions to the problems faced by LDCs and ensuring their overall development.

LDC Watch Panel at the World Social Forum

LDC watch will be co-organising an interactive panel at the World Social Forum, to be held in Dakar, Senegal from 6-11 February 2011 to create a powerful and effective Civil Society Agenda towards LDC-IV. The panel will take place on 8 February 2011 and will explore the development of an alternative people's agenda for the upcoming Fourth UN Conference on LDCs (LDC-IV) in Istanbul on 9-13 May 2011. The event will be from 04:00pm-07:00pm and will

accommodate up to 200 people. The Association of African Women for Research and Development (AAWORD) is the local co-organiser for this event.

The other co-organisers are the South Asia Association for Poverty Eradication (SAAPE) and Jubilee South-Asia Pacific Movement on Debt and Development (JS-APMDD). The event will feature activists and advocates from various sections of the civil society who will shed lights on issues that are germane to the predicaments faced by LDCs, as well as the pre-conference events leading to the Civil Society Forum at the LDC-IV. The speakers at the panel will be from various civil society organisations and will be covering a wide range of issues.

LDC Watch and SAAPE will also be hosting a stall at the WSF from 6-11 February where participants can pick up IEC materials and learn more about the world's least developed countries including those in South Asia and also about the upcoming Civil Society Forum at the UN LDC-IV.

The urgent need for an alternative agenda stems from the realisation of the fact that, three decades and three Programmes of Action later, the plight of the citizens of the LDCs haven't changed substantially and they continue to remain vulnerable and marginalised. The fact that the number of countries have increased from 24 to 48 in the last four decades calls for a change of approach. Apart from the criteria that make them LDCs, they also suffer from the added strain of unsustainable debt, impacts of unfair trade agreements, food and fuel crises, and recently, the dire consequences of climate change. These crises seem to have exacerbated with time and many of the countries are now worse off with not much change in gender parity and more and more people living without access to food, health, education, and other essential services. What needs to be understood is there is no 'one size fits all' solution to the problems of LDCs, and that special measures need to be taken to address LDC specific issues. Civil Society must get together and present a collective voice at LDC-IV to ensure that these issues are properly addressed and that clear and effective people-oriented commitments are incorporated into the next Programme of Action.

The World Social Forum should be a forum to raise awareness among other things about the power of the people and how people are and should be at the heart of development processes. It should be a time to assess the strengths and weaknesses of civil society movements, and to devise effective strategies to strengthen the voice of the civil society post LDC-IV in order to invoke the international community and get them to act on their commitments.

Source: LDC Watch

[FTAs Should Admit Capital Controls](#)

Initiated by the Global Development and Environment Institute, Tufts University (GDAE) and the Washington, DC-based Institute for Policy Studies (IPS), this economist statement calls for the United States to recognize that capital controls are legitimate prudential financial regulations that should not be subject to investor claims under U.S. trade and investment treaties.

Following a number of official and academic findings that show capital controls are legitimate tools to prevent and mitigate financial crises, an increasing number of governments around the world are using capital controls and other macro-prudential measures in responsible ways to deal with heightened international financial instability. Meanwhile, the Obama administration is seeking approval of a trade pact with South Korea and is in the final phase of a review of the U.S. "model" bilateral investment treaty, which they say will be the basis for new deals with India, China, and several other countries. The United States is also negotiating the "Trans-Pacific Partnership Agreement," which is intended to be a trade agreement "for the 21st century."

These initiatives offer a real opportunity to apply lessons from recent financial crises and make U.S. trade policy more consistent with economic theory and practice.

Full Statement

Dear Secretary Clinton, Secretary Geithner, and Ambassador Kirk:

We, the undersigned economists, write to alert you to important new developments in the economics literature pertaining to prudential financial regulations, and to express particular concern regarding the extent to which capital controls are restricted in U.S. trade and investment treaties.

Authoritative research recently published by the National Bureau of Economic Research, the International Monetary Fund, and elsewhere has found that limits on the inflow of short-term capital into developing nations can stem the development of dangerous asset bubbles and currency appreciations and generally grant nations more autonomy in monetary policy-making.

Given the severity of the global financial crisis and its aftermath, nations will need all the possible tools at their disposal to prevent and mitigate financial crises. While capital account regulations are no panacea, this new research points to an emerging consensus that capital management techniques should be included among the "carefully designed macro-prudential measures" supported by G-20 leaders at the Seoul Summit. Indeed, in recent months, a number of countries, from Thailand to Brazil, have responded to surging hot money flows by adopting various forms of capital regulations.

We also write to express our concern that many U.S. free trade agreements and bilateral investment treaties contain provisions that strictly limit the ability of our trading partners to deploy capital controls. The "capital transfers" provisions of such agreements require governments to permit all transfers relating to a covered investment to be made "freely and without delay into and out of its territory."

Under these agreements, private foreign investors have the power to effectively sue governments in international tribunals over alleged violations of these provisions. A few recent U.S. trade agreements put some limits on the

amount of damages foreign investors may receive as compensation for certain capital control measures and require an extended "cooling off" period before investors may file their claims.iii However, these minor reforms do not go far enough to ensure that governments have the authority to use such legitimate policy tools. The trade and investment agreements of other major capital-exporting nations allow for more flexibility.

We recommend that future U.S. FTAs and BITs permit governments to deploy capital controls without being subject to investor claims, as part of a broader menu of policy options to prevent and mitigate financial crises.

Sincerely,

Initial Signatories: Ricardo Hausmann (Director, Harvard University Center for International Development), Dani Rodrik (Rafiq Hariri Professor of International Political Economy, John F. Kennedy School of Government, Harvard University), Joseph Stiglitz (University Professor, Columbia University, Nobel laureate), Arvind Subramanian (Senior Fellow, Peterson Institute for International Economics, and Senior Fellow, Center for Global Development), Nancy Birdsall (President, Center for Global Development, Washington, DC), Olivier Jeanne (Professor of Economics, Johns Hopkins University, and Senior Fellow, Peterson Institute for International Economics), Pranab Bardhan (Professor of Economics, University of California, Berkeley), Lance Taylor (Department of Economics, New School for Social Research), Jose Antonio Ocampo (School of International and Public Affairs, Columbia University), Stephany Griffith-Jones (Initiative for Policy Dialogue, Columbia University), Ethan Kaplan (IIES, Stockholm University and Columbia University), Dimitri B. Papadimitriou (President, The Levy Economics Institute of Bard College), Ilene Grabel (Josef Korbel School of International Studies, University of Denver), Alice Amsden (Department of Urban Studies and Planning, MIT), Gerald Epstein (Department of Economics, University of Massachusetts-Amherst), Kevin P. Gallagher (Department of International Relations, Boston University), Sarah Anderson (Global Economy Project Director, Institute for Policy Studies), Arindrajit Dube (Department of Economics, University of Massachusetts-Amherst), William Miles (Department of Economics, Wichita State University), Adam Hersh (Center for American Progress), James K. Galbraith (Lloyd M. Bentsen Jr. Chair in Government/Business Relations and Professor of Government, University of Texas at Austin), Paul Blustein (Nonresident Fellow, the Brookings Institution, and Senior Visiting Fellow, Centre for International Governance Innovation), Anton Korinek (Department of Economics, University of Maryland)

Source: Global Development and Environment Institute, Tufts University

SOCIAL WATCH IS AN INTERNATIONAL NGO WATCHDOG NETWORK MONITORING POVERTY ERADICATION AND GENDER EQUALITY

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