



## SOCIAL WATCH E-NEWSLETTER

Issue 26 - March 04, 2011

### [Egyptian Civil Society Stay Alert](#)



If the Supreme Council of Armed Forces hastens to celebrate elections this year in Egypt, "the outcome (...) will continue to be disputed by the ability of (Hosni Bubarak's) NDP members to mobilize factional sentiment and money, and the organizational ability of the Muslim Brotherhood to employ religion and charitable work to attract votes", alerts 22 civil society organizations in an open letter to the current military authorities.

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### [Yunus Removal Seen as Harassment Move](#)

Economists, rights activists and jurists saw the removal of Muhammad Yunus from Grameen Bank as a move to harass an individual instead of bringing remedy to people's sufferings caused by the much-hyped micro credit.

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### [Opposition Activists Released in Bahrain](#)

The 23 political prisoners whose reclusion in Bahrain sparked the protests last month were released by order of King Hamad bin Isa al-Khalifa. The authorities face claims to investigate if they were tortured while in custody.

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### [Civil Society, Indispensable in Development](#)

In light of the recent events in the Arab regions, civil society organizations are becoming more and more vocal with respect to the importance of the roles they play. Connecting people and keeping governmental forces accountable to their responsibilities is just one of their tasks. Ziad Abdel Samad, head of the Arab NGO Network for Development, explained the role and the work of Social Watch in a meeting organized by DG DEVCO and Europe External Policy Advisors (EEPA).

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### ["Citizen participation should be key to the budget process"](#)

Philippine Professor Leonor Magtolis Briones explains, interviewed by Pamela Pipose for [Women's Feature Service](#), why it is important for citizens to be involved in the process of national budget. She also emphasises on framing a gender-sensitive budget as the cornerstone for the empowerment of women in any country.

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### [Integration, the Best Way to Manage Water Resources](#)

The increasing competition for water for agriculture and other uses, the effects of pollution on water resources, the degradation of ecosystems and the greater interdependency demand an integrated approach to developing and managing water resources between the countries of the Indus Basin, which have for the most part been largely self-sufficient where water availability and food security is concerned, writes Zulfiqar Halepoto in this article published by Pakistani newspaper Dawn.

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### [Doha Talks: Unfair and Extreme Demands on Developing Countries](#)

Few players really wanted the WTO's Doha talks when they were launched on 2001, almost ten years ago. And nobody knows how to put an end to this decade of roller-coaster, writes Martin Khor.

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### [The Poker Game of Prices](#)

A key factor at the centre of the global crisis is the (de)regulation of financial markets. Investment banks, hedging funds and other players manoeuvre for "market positions" that they use as chips to bet on future rises or falls in commodity prices, and this affects the pockets of everybody in the world.

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### [Pakistan: Minister of Minorities Shot Dead](#)

A large number of concerned Pakistani citizens marched on the streets of Hyderabad on Thursday to condemn the brutal murder of the Minister for Minorities, Shahbaz Bhatti, who was shot dead by unknown gunmen the day before.

The demonstrators chanted slogans against fundamentalism, religious, ethnic and communal hatred and extremism, and called upon the government to ensure the rule of the law and the Constitution.

The rally was organized by the Movement for Peace and Tolerance (MPT) and the Pakistan Peace Coalition (PPC)

## [Egypt: A Clean Break](#)

Twenty two Egyptian civil society organizations urged the Supreme Council of the Armed Forces to open the doors for democratic transformation and secure accountability of Hosni Mubarak's regime. This is the text of their statement:

The undersigned Egyptian human rights organizations are closely following the efforts of the Supreme Council of the Armed Forces as it manages the country's affairs in this difficult period, during which the council must assume its responsibilities and honor its vows to respond to the demands and aspirations of the Egyptian people as expressed in the January 25 revolution. Additionally, it must face the repercussions of the overthrow of the Mubarak regime and the disintegration and suspicious withdrawal of the security establishment that accompanied it. The Council must also expose and curb the catastrophic consequences of theft, financial and administrative corruption, and the ruination of the country's political life perpetrated by a broad network of interests, including the office of the presidency, prominent figures of what was previously known as the ruling National Democratic Party (NDP), and influential leaders within the parliament and the executive branch.

We realize that the armed forces acted as a pillar of support for the Egyptian revolution, helping to achieve its first goal of the removal of the former president and the dissolution of the People's Assembly and Shura Council, which were stigmatized and delegitimized by flagrantly fraudulent elections.

Nevertheless, the undersigned organizations feel growing concern about the path being taken in the transitional phase, which should presumably lay the foundation for a democratic, civil state that respects human rights—the overriding goal for which Egyptians made costly sacrifices.

In this context, we make the following observations:

1. Making a clean break with the former dictator's regime required the immediate removal of the government created by him to mislead the people and contain their revolution. Attempts to repair this government with piecemeal changes will not dispel the legitimate fears many people feel about the political survival of certain figures close to the deposed president and cannot so easily shirk their responsibility for both the wide range of crimes committed during Mubarak's tenure and the criminal misinformation campaigns designed to discredit the goals of the revolution and incite against those who were part of it.

2. Making a clean break with the policies and crimes of the Mubarak regime, restoring the rule of law, and subordinating state institutions to that law requires more decisive, transparent steps to hold accountable and punish figures responsible for crimes and grave abuses committed under Mubarak's regime in public and fair trials.

We regret to note that measures taken thus far seem selective and not aimed at establishing a legal system for accountability and punishment or announcing facts to the public. In particular, the undersigned organizations note severe shortcomings, or at the very least an unjustified secrecy, surrounding the measures that must be taken to ensure accountability for major crimes, first and foremost:

a) The identification and prosecution of those responsible for issuing orders to open fire on demonstrators.

b) The identification and prosecution of those responsible for giving the green light to acts of murder and paid thuggery in the name of "loyalty to Mubarak."

c) Making public the facts surrounding the agencies and persons responsible for the suspicious withdrawal and disappearance of police forces and the release of prisoners and criminals from prisons, which left the country vulnerable to widespread looting and theft.

d) Former Information Minister Anas al-Fiqqi must be prosecuted for his responsibility in managing the media campaigns aimed at misleading public opinion, smearing participants in the popular revolution, and the xenophobic campaign inciting hatred of foreigners.

3. Confirming the legitimacy of the demands of the Egyptian labor movement since 12 February demanding its social and economic rights, the undersigned organizations announce their solidarity with the labor strikes and urge the Supreme Council of Armed forces to:

a) Quickly implement court decisions to set a minimum wage that is truly compatible with prices

b) Quickly transform temporary into permanent labor.

c) Set unemployment benefits

d) Dissolve the board of directors of the Egyptian General Federation of Trade Unions and of the general labor unions, which their elections were held in violation to orders of the administrative courts and the Supreme Administrative Court.

e) Depose the heads and board members of holding companies, who took part in wasting public money and assets, crushing national industry, and overlooking labor rights.

4. Making a clean break with the police state, the systematic practices of torture, involuntary disappearance, and murder, and the executive's control of the Public Prosecutor's Office that have existed in Egypt for several decades requires the dissolution of the State Security apparatus. It is unfortunate that the leaders of this agency—responsible for grave human rights abuses, the destruction of political life, and the undermining of Egyptians' dignity—are still

walking the streets freely. Thus far the public has been given only brief statements indicating that the director of the agency has been suspended and is being investigated, with no clarification as to the nature of these investigations. In addition, the Supreme Council of the Armed Forces should open an immediate investigation in the documented reports indicating the involvement of members of the Military Police in cases of arbitrary detention and torture of detainees during the last period and refer those responsible to trial.

We have previously stated that the coming elections, both parliamentary and presidential, should come at the end of a transitional period of no less than one year during which civil liberties are fully respected, particularly the freedom to establish political parties, trade unions, NGOs, and all forms of media.

The undersigned organizations note with regret that the desire on the part of the Supreme Council of the Armed Forces to complete its mission as soon as possible is liable to lead to the establishment of constitutional institutions in a manner that differs little from those under the Mubarak regime and will do little to enable the forces and youth movements that led this revolution to express themselves politically in new political parties and independent media. Indeed, as it currently stands, the outcome of the coming elections will continue to be disputed by the ability of NDP members to mobilize factional sentiment and money and the organizational ability of the Muslim Brotherhood to employ religion and charitable work to attract votes.

We further stress that the blood shed by Egyptians to confront tyranny and restore their freedom and dignity makes it indispensable to provide a climate and adequate safeguards to ensure the realization of their aspirations by engaging in a real democratic transition and the construction of genuine constitutional institutions—the noble goals for which they shed their blood.

The democratic transition process – under the joint leadership of a presidential council and a new civil government – should enjoy the wide partnership of the people represented in the forces that led the revolution – women and men – and the Supreme Council of the Armed Forces. This needs opening an institutional dialogue with political parties and groups and civil society, led by youth groups who have instigated the revolution. The dialogue should not be reduced to discussion with individuals and must provide the opportunity for the widest societal dialogue to make the aspired future.

The undersigned organizations stress that the democratic transition requires the rapid formation of a temporary presidential council composed of independent civilian figures along with a representative of the Supreme Council of the Armed Forces to assume the task of forming a transitional, technocratic government. The presidential council should form a constituent assembly responsible for drafting a new constitution that reflects the aspirations of the Egyptian people, as expressed in the revolution, for a civil state that is impartial toward all religions and beliefs and the establishment of democratic parliamentary governance. This council should also immediately take the necessary measures to ensure the exercise of civil liberties to enable equitable and fair parliamentary and presidential elections, based on the principle of equality and non-discrimination on the basis of sex or other considerations, and guarantee representation and expression for opinions and ideas across the political spectrum. The undersigned organizations stress on the importance of putting in place sufficient guarantees for the representation of youth and women in the interim civil government and the constituent assembly drafting the new constitution.

We caution that holding elections after only minor constitutional revisions threatens aspirations for a real separation and balance of powers and runs the risk of preserving the same dictatorial prerogatives enjoyed by the president in the suspended constitution, with no accountability or genuine parliamentary oversight. This threatens the perpetuation of the same autocratic system, only without Mubarak and some of his supporters.

*Signatures:*

*Cairo Institute for Human Rights Studies*

*Al Nadim Center for Treatment and Psychological Rehabilitation of Victims of Violence*

*Alliance for Arab Women*

*Appropriate Communication Techniques for Development (ACT)*

*Arab Penal Reform Organization*

*Arabic Network for Human Rights Information*

*Association for Freedom of Thought and Expression*

*Association of the Women Development Forum*

*Cairo Center for Development*

*Center for Egyptian Women's Legal Aid*

*Egyptian Association for Community Participation Enhancement*

*Egyptian Foundation for Family Development*

*Egyptian Initiative for Personal Rights*

*Egyptians Against Religious Discrimination*

*Helwan Foundation for Community Development – Bashayer*

*Hesham Mubarak Law Center*

*Human Rights Association for the Assistance of Prisoners*

*Land Center for Human Rights*

*Nazra Association for Feminist Studies*

*New Women Foundation*

*Women and Memory Forum*

*Youth Coalition of the Egyptian Revolution*

**Source: Egyptian Association for Community Participation Enhancement (EACPE)**

[Unfair and Ominous Exit](#)

Economists with huge policy-making experience denounced the way the Bangladeshi government decided to remove Prof Muhammad Yunus from the Nobel Prize winning Grameen Bank.

Prof Wahiduddin Mahmud, Dr Hossain Zillur Rahman, and Dr Debapriya Bhattacharya said the move will send a negative signal to the country's microcredit sector.

US Ambassador in Dhaka James Moriarty pressed the Bangladesh government to treat Yunus with respect, and the embassy yesterday said it was "deeply troubled" by the attempt to remove him, reported AFP.

#### *Not decent*

Noted economist Prof Wahiduddin Mahmud said the leadership change of Grameen Bank should have happened in a more decent and appropriate way with due respect and courtesy to the man who founded the bank.

Prof Wahiduddin, who was a teacher at Dhaka University, said a lot of things are at stake here, the image of Grameen Bank at home and abroad, the self-esteem of its thousands of employees, and the confidence of its numerous borrowers. This is after all a financial institution, and about two-thirds of its revolving fund for microcredit comes from the savings of the poor group members, he said.

"Nobody would like to create a crisis of confidence in the country's microcredit sector that serves two crore poor borrowers. This is a matter that needs to be handled with more care and sensitivity," he said.

#### *Who has gained and who has lost in this move?*

Former adviser to a caretaker government Hossain Zillur Rahman raised several questions: Who has gained and who has lost in this move? Have the beneficiaries of microcredit gained? Has governance improved?

"The answers to these questions are rather negative," said Zillur.

"He [Yunus] is a respected person across the world," he said, adding that he sees lack of open-mindedness in the way the issue was dealt with.

He also questioned the intent of the Bangladesh Bank letter. It was issued from a controlled mindset rather than from the good governance angle, he said.

"I appeal to the government to see the matter in a broader line considering the image of the country, the poor, and good governance," he added.

#### *"Borrowers may decline to pay back loans"*

Economist Debapriya Bhattacharya termed the move unfortunate but not totally unexpected.

The transition, which is an administrative issue has now become a legal one, Debapriya said. And possibly, it is not the end of it, he added.

"The hostile nature of transition may affect Grameen Bank's performance as the borrowers may decline to pay back loans, and withdraw their savings," he said.

"It is going to send negative signals to other microfinance institutions involved in poverty alleviation. As a result the government policy of accelerated poverty reduction may get a negative shock," he added.

He said in the global arena where Bangladesh is praised for its contribution to microcredit innovation, it will create a confusion to say the least.

"I wish we could find a way for Grameen Bank to institutionally continue to draw from Prof Yunus' experience, wisdom, and image," he added.

#### *"Government-Led Actions Are Legally Groundless"*

Friends of Grameen, a voluntary association chaired by former president of Ireland Mary Robinson in a statement said, 'This new development appears as a renewed and immediate threat for Grameen Bank as an independent institution and a new step in the destabilisation campaign persuaded by the [Bangladesh] government.'

This association, established under the French law, denounced the attempt to remove Nobel Peace Prize winner Prof Yunus. The announcement made by the new chairman of Grameen Bank is without enforceability, it said in a statement.

The new development is a renewed and immediate threat to Grameen Bank as an independent institution, it added.

The organization added: "The government-led actions have increasingly been legally groundless over the last few days, and Friends of Grameen will keep monitoring the situation closely and continue to advocate for a lawful and fair treatment of Grameen Bank and Professor Yunus, as their contribution to the world is unique and ultimately belongs to the poor of Bangladesh and beyond."

#### *In eyes of politics*

BNP yesterday said getting the Nobel Prize has turned out to be a trouble for the microcredit pioneer.

"The present government could not tolerate Muhammad Yunus from the very beginning, and they [the government] defamed the country by defaming him, who brought unprecedented honour for the country," said Mirza Fakhru Islam Alamgir, senior joint secretary general of BNP.

"His removal from the bank is nothing but an ill-motivated decision. The government disrespected the country by insulting the Nobel laureate," he added.

Workers Party of Bangladesh President Rashed Khan Menon in his reaction said there had been complaints against Prof Yunus at the international level, and after reviewing the allegations the government made the decision.

"There is no problem with the removal, if it is done legally. The Bangladesh Bank has also said that he should not stay as the managing director of the bank," said Menon, a top level leader of ruling Awami League-led grand alliance.

*Not appropriate*

Jahangirnagar University's economics teacher Anu Muhammad said that the government's action was not appropriate as it would not end the sufferings of the thousands of people who were caught in a cycle of debt because of micro-credit.

'There was no move to assess the functionality of micro-credit and to investigate the anomalies in the bank's corporate process. What the government is doing will create an impression that it was being done out personal vengeance,' he said.

'Removing only Yunus or taking the bank under government control keeping the model and the structure intact would bring no good for the people,' he said.

*"The exit doesn't look decent"*

Dhaka University's development studies teacher Mahbubullah said that the way Yunus was removed was indecent. 'Yunus contributed a lot to establishing Bangladesh's image in the global arena. Such an unceremonious exit of him does not look decent,' he said.

'Yes, there are so many points to criticise him such as the interest rate of the bank. But we should recognise that the bank's activity had contributed to the empowerment of the poor too,' he said. 'We should also take into account the participation of a huge number of people in the Grameen network. Are all of them fool?'

The executive director of Nijera Kori, Khushi Kabir, said that the way Yunus was removed seemed to be a synchronised attempt to harass him. 'I have been seriously critical of micro-credit for long and still believe that it could bring no good for the poor. But the way Yunus has been dealt with is not acceptable,' she said.

One of the senior lawyers, M Zahir, questioned the bona fide intention of the Bangladesh Bank's action.

He told New Age, 'After so many years they are coming and saying this? The Bangladesh Bank knew very well that Yunus was the managing director and now they are suddenly waking up and saying that he does not have the sanction. It is not bona fide.'

'Why, I ask, did Bangladesh Bank wake up so late and why against such a person as the Nobel Laureate?'

Another senior lawyer said removing a person from his office without issuing a notice and giving any scope to defend himself was against the fundamental of the rule of law.

*Source: New Age and The Daily Star*

**Bahrain: Probe Call as Release of 23 Activists Welcomed**

Amnesty International has welcomed the release of 23 opposition activists in Bahrain, but again called for an independent investigation into claims that some of them were tortured while in custody.

At least 250 detainees were released on February 23 by order of Bahrain's head of state, King Hamad bin Isa al-Khalifa, apparently in response to demands made by protesters seeking political reform in the country. There were 23 opposition activists among them facing trial on an array of security-related charges, which they denied but which could have resulted in their being sentenced to death.

"While we welcome the release of these opposition activists, we continue to urge Bahraini authorities to conduct a thorough, independent investigation into allegations that some of them were tortured in pre-trial detention, and to bring to justice anyone found responsible for torture," said Malcolm Smart, Amnesty International's director for the Middle East and North Africa.

The 23 opposition activists were arrested in August and September last year during a clampdown in the run up to parliamentary elections held in October 2010.

Their release was one of the demands of the peaceful demonstration cracked down by security forces that killed seven and wounded hundreds of people. The protest was called by a group of activists on Facebook and Twitter on February 14, near Manama and other cities and villages all over the country. They also claimed for the dismissal of the government, the drafting of a new constitution by an elected assembly and the investigation of human rights abuses.

The prisoners were charged with forming an illegal organization, aiming to overthrow the government and dissolve the Constitution, inciting people to "overthrow and change the political system of the country", fundraising and planning terrorist acts and other offences under Bahrain's 2006 anti-terrorism law.

According to a lawyer for the group, Mohammed al-Tajer, it is not clear whether they were released under royal pardons or if the cases against them can be reinstated at a later date.

Two other political activists who were charged together with the 23 but in their absence as they reside in London - Hassain Meshaima', secretary general of the unauthorized opposition organization, al-Haq, and Sa'eed al-Shehabi, secretary general of the Bahrain Freedom Islamic Movement – are also reported to have had the charges against

them withdrawn under a pardon issued by the King.

The 23 detainees' cases were featured in "Crackdown in Bahrain: Human Rights at the Crossroads", an Amnesty International report which highlighted the deteriorating human rights situation in Bahrain.

The unrest in Bahrain started with a "Day of Rage", organized on Facebook and Twitter, February 14, and apparently inspired by popular protests in Egypt and Tunisia.

The anti-riot police fired tear gas and rubber bullets into the crowds. In the following five days, the protests spread to Pearl Square and other areas of Manama and the Bahraini security forces committed a number of grave human rights abuses:

- Extrajudicial summary killings of seven peaceful protesters through a variety of means, including live rounds. Some protesters were shot by live bullets in their heads, thereby confirming concerns that security forces were shooting to kill rather than to scare demonstrators. The anti-riot police

- Use of weapons prohibited under international and Bahraini law such as pelleted ammunition and rubber bullets that were shot from short distance causing death or serious wounds to target.

- Shooting without notice, leaving no time for the crowds to disperse. In some cases, such as in Sanabis on 14 February, the protesters were assured by police officers that they would not be attacked if they confined themselves to a certain area. Regardless, police officers attacked them. The same happened in the Pearl Square, where sleeping protesters and families were attacked at 3am in the morning.

- Attacking funeral processions for killed demonstrator Ali Mushaim, killing yet another demonstrator on the morning of 15 February just outside the premises of the Salmaniyya hospital in Sanabis. Fadil al-Matruk was shot at with pellet bullets from a very short range, which killed him.

- Attacks on medical staff trying to help the injured protestors on the morning of 17th February after the attacks on protesters. The first-aid tents set up by protesters in the square were also attacked, despite being clearly designed as such.

- Barring ambulances from reaching injured and killed protesters in Pearl Square, thereby further increasing the death toll

- Attacking of journalists covering the protests and confiscating their cameras

- Barring journalists from entering the country, detaining them for 15 hours at the airport

- Slowing and partly blocking Internet access in the whole country and jamming mobile phone access in demonstration areas

Source: *Bahrain Human Rights Society*.

### [Political Reform and Redistribution of Growth Must Be Key of EU Policy](#)

On the occasion of an InfoPoint meeting organized by DG DEVCO and Europe External Policy Advisors (EEPA), the head of the Arab NGO Network for Development Ziad Abdel Samad made a presentation of the role and work of Social Watch, a global civil society coalition that was established in 1996 to focus on the implementation of the commitments made by the international community at the 1995 World Summit on Social Development and the 4th UN Conference on Women.

With its network of over 60 national coalitions, it produces global annual reports that assess how far individual governments are meeting their commitments. These bring together the work of thousands of civil society organisations from across the world, linking national, regional and international levels.

Abdel Samad argued that civil society organizations not only play an important role in monitoring performance and promoting accountability, but are also important for predicting outcomes and for identifying alternative policy options. He cited the article provided by ANND in the recent European Social Watch report which predicted that national security in these regions cannot be maintained without social, economic and political justice.

Interviewed by EUobserver on the future of the European Neighbourhood Policy, Mr Samad also commented that strengthening civil society within the framework of this strategy is essential. He emphasised that economic growth must not be its sole objective, but must be coupled with political reform and the redistribution of growth.

This is the article written by Andrew Willis about the meeting in Brussels and published by EU Observer.

*Africa shock to cause 'sea change' in EU foreign policy*

The European Commission has promised a "sea change" to the European Neighbourhood Policy, with critics saying that recent events in north Africa have highlighted its ineffectual nature.

Stricter "conditionality" attached to EU funds and a greater "differentiation" between how much target states receive are two ideas due to come up in a forthcoming review of the policy, a commission spokeswoman said on 24 February.

"We do recognise that lessons need to be learnt," Natasha Butler said of the recent turmoil in North Africa. "There has been a sea change in the region and we are ready for a sea change in terms of our approach," she added. "That



means we are ready to strengthen differentiation, we are ready to move more on conditionalities."

The European Neighbourhood Policy reform proposals are to be published in a review on 20 April and were debated by the 27 EU commissioners on Wednesday. EU diplomats are also expected to discuss the subject ahead of a meeting of EU foreign ministers next month.

Devised in 2004 as a means of building better relations with the Union's closest neighbours, the European Neighbourhood Policy has recently taken flak from a wide range of people.

British Prime Minister David Cameron this week said it needed "radical reform" after EU financial assistance worth around €1.7 billion for countries such as Tunisia, Egypt and Libya in recent years failed to bring about the political and market reforms they were supposed to.

Ziad Abdel Samad, director of the Arab NGO Network for Development, whose members include NGOs in many of the north African and Middle East countries currently seeing turmoil, said the European Neighbourhood Policy must focus on strengthening civil society.

"The main objective of the EU policy was to sign 'Association Agreements' with neighbouring states, primarily designed to boost economic growth," Mr Samad told EUobserver on Thursday 24. "But societal changes were not addressed properly ... the redistribution of wealth is a very important factor ... and economic growth is not enough without political reform."

After a day of meetings in Brussels, Mr Samad said it was clear EU officials were "under shock" from bloodshed in the Libya, Tunisia and Egyptian uprisings. "They are listening very attentively, they want to know what went wrong ... but don't know in what direction [to go]," he said.

In a letter to EU high representative Catherine Ashton this month, France, Spain and four smaller EU members said the Union should give less money to its post-Soviet neighbours in the east and more to southern neighbours on the Mediterranean rim.

An analysis paper attached to the letter noted that out of the €12 billion set aside for the European Neighbourhood Policy from 2007 to 2013, just €1.80 is being spent per capita in Egypt and €7 in Tunisia compared to €25 in Moldova. Two-thirds of overall European Neighbourhood Policy money already goes to the south, but the countries in question are more populous.

The EU's difficulties in dealing with the region have also been highlighted by the near collapse of the Union for the Mediterranean, a multilateral club set up in 2008 encompassing 43 countries from Europe and the Mediterranean. The body failed to hold a planned summit last year and its secretary general resigned last month citing "difficult circumstances."

EU member states have also struggled to reach a co-ordinated position on Libya sanctions or a strategy to deal with the recent arrival of thousands of migrants from Tunisia.

Source: *EU Observer and EEPA*

### ["People need to be interested in the national budget"](#)

By Pamela Pipose

Professor Leonor Magtolis Briones is a well-respected public figure in the Philippines. A professor by training, she has served in government in various capacities, including as National Treasurer, Presidential Advisor for Social Development (Cabinet rank), Secretary to the Commission of Audit. She was also the vice president for finance and administration in the University of the Philippines. Today, as lead convener of Social Watch Philippines, a network of civil society organisations that work for equitable social development, Briones is one of the anchors of a unique strategy to ensure that citizens participate more directly in budget making. This she sees as a central factor for more responsible and democratic governance. Pamela Philipose met up with her on a recent visit to Manila.

*Q: Why is it important for citizens to be involved in the national budget?*

A: People need to be interested in the national budget because it is a reflection of the kind of development adopted by their governments. Two aspects need to be highlighted here. First, the money comes from the people. So they have a right to know how it is being spent and how it is being raised. In a sense, the people should own their country's budget. Second, the priorities of the government are different from the priorities of people. Therefore, there is a need to ensure that people's priorities find their way into the government's priorities. Today, there are a lot of discussions on data and development – and this, of course, is important. But it will have to be linked to the real interests and preferences of ordinary citizens. This is all part of the accountability process.

*Q: But the budget process seems so opaque.*

A: We need to de-mystify the process and that's why we need a massive involvement with the media. As civil society, you have to build capacity within people, and even within the media, to understand budget making and participate in the process.

*Q: In Philippines, civil society organisations seem to have built up a very interesting model of people's participation in budget-making.*

A: Traditionally, there have always been different lobbies for the budget and we wanted our voices to be heard as well. Although we have been doing this for years, from 2006 onwards we tried to formalise things. We chose to focus on

health, education and the environment. Later, we added agriculture to the list.

Q: What does this process entail?

A: The first thing we needed to do was to look at the macro-economic framework for the budget. There are usually four stages in budget-making. The first is budget preparation, which is done by the executive. We needed to penetrate this process and we tried to do this by working on an alternate budget. Then there is budget appropriation, when it gets published and debated in public. At this stage we analyse the budget from the point of view of our alternate budget, and meet with partners in the legislature with our observations. Then there is budget implementation when we actually monitor the budget. For instance, if you have been successful in getting some of your agendas into the budget document, you must take care to ensure that they are actually implemented. Finally, there is the budget accountability stage, when you look at the audits of the budget and point out where things were badly implemented. We actually shadow the executive all the way. They find this very annoying of course, but we are not there to make their lives comfortable, after all. When we do all this, we also make sure that we publicise our findings all the time, so that there is public awareness.

Q: How did you personally get interested in budget-making?

A: It was a combination of my academic background and my experience in government. I was Secretary to the Commission On Audit. Then I became Treasurer of the Philippines and then President of the University of the Philippines. So it was quite natural for me to be interested in budget-making. My concern always was to make sure that the government sets enough resources aside to address social concerns. In order to assess this, you must actually estimate how much this would cost. That's why the alternative budget process is so important.

Q: How do you bring a concern like gender on to the table?

A: Gender is a cross-cutting issue. You can look at the gender aspect in all four phases that I have just underlined. Is the budget gender-sensitive? That's the biggest concern. Is there gender-consciousness in the executive's various interventions? More than half the population is women, and they are among those who are suffering the most. If you look at a poor person – at least in the Philippines – she is more likely than not to be a woman, a minority/tribal, and be located in a rural region. We need to do more for that person.

Q: At what point in your career did you feel that gender was a central concern?

A: For a long time, my success as a professional woman made me blind to the gender dimension. I used to argue that if I, as an individual, can achieve success on my own merit, why can't other women also do so? But later, when I became part of civil society activism, I realised the innumerable disempowering aspects of being a woman. Take even the local school – if it does not have proper facilities like toilets and so on, you are exposing girls to dangers. Yet how many of our politicians and administrators bother to even consider such aspects? Gender sensitivity is very important, and today I try and underline this whenever I can.

Source: [Women's Feature Service](#), *One World South Asia*

### [Indus Basin: An Integrated Approach](#)

By *Zulfiqar Halepoto* \*

But for the last couple of decades, the Indus Basin has witnessed unprecedented threats of water scarcity and environmental degradation, and has been linked to the possibility of conflict arising from this shortage.

Unprecedented population growth, unplanned urbanisation, mismanagement of water-related development, climate change and poor pollution control are permanent threats to water and food security. These should be addressed holistically and on a priority basis.

On the one hand, the basin is jeopardised by rivalry between Pakistan and India on issues of water-sharing and the construction of new dams. On the other, there is intrastate rivalry among various riparian provinces and states inside Pakistan and India. The Indus Basin's importance is underscored by the fact that the area is home to hundreds of millions without sufficient access to key needs including safe drinking water. This region has abysmal human development indicators. All this is exacerbated by the political conflict between Pakistan and India.

Constant pressure on water resources intensifies hydrological, social and ecological interdependencies in river basins. The increasing competition for water for agriculture and other uses, the effects of pollution on water resources, the degradation of ecosystems and the greater interdependency demand an integrated approach to developing and managing water resources at the basin level.

Many countries elsewhere have begun to implement or are testing an integrated or one-basin approach for effective trans-boundary water management. Even more, they are struggling with devising institutional arrangements to support more cooperative and integrated management

The basic rules of the integrated basin approach are reflected in a 1997 United Nations convention calling upon states to be mindful of the impact of their actions vis-à-vis international watercourses. However, the Lake Lanoux

case, concerning a water dispute between France and Spain, not only explores the issues surrounding the convention, but also highlights the major cases and controversies concerning international watercourses as a background against which to consider the substantive and procedural rights and obligations of riparian states, and is a useful example to note.

An integrated approach to the Indus Basin is perhaps the only solution to the crises in water management, availability and supply at the interstate and intrastate levels to provide the basis for trans-boundary cooperation and a water- and



The UN Environment Programme recommendation — in which ecosystem functions, such as flood mitigation, water supply, groundwater recharge, agricultural production, fisheries and tourism are recognised as factors that must be resolved in order to help mitigate conflicts over the common resources of water — must be studied. In the light of this, it would be crucial for ecosystem functions to be taken into account in river basin management.

The example of the European Union is before us. The EU is using this approach for water management successfully since the adoption of the EU Water Framework Directive. The situation of European water resources is relatively favourable compared to other regions of the world. There is generally enough water due to plenty of rainfall, but in many areas its quality is not always up to scratch.

Historical evidence and the background of water rivalry between various countries and regions around the world suggest that the one-basin approach is a workable solution between water-sharing states. Towards this end, the best way to protect and manage water resources is through close trans-boundary cooperation that involves all countries relying on a river basin, to protect the interests of riparian states upstream or downstream.

Unfortunately, countries often fail to use trans-boundary natural resources in an efficient and sustainable manner because they are averse to looking at ground realities. They restrict themselves to a national outlook and disregard contemporary international norms and policy recommendations, which could provide incentives for states to cooperate and that could prove better for all of them.

A multi-level approach and long-term vision, that does not allow political animosities to dominate the agenda, is required to understand the benefits of transnational institutions for the management of trans-boundary resources. Regional efforts are needed to develop a strategy for collective river basin management. For this purpose, national needs and demands must be aligned with international laws and systems and the reliance on scientific knowledge rather than past practice.

In the case of the Indus Basin, there is a strong need for adaptive and collaborative institutional arrangements at the state level for the idea of the one-basin approach to materialise and address the potential threat to agriculture and environment in the region. It is heartening to note that in such a complex scenario, the Indus Waters Treaty between India and Pakistan has withstood a torrid 50 years. It is an indication that cooperation on an integrated system is the only hope for a food-secure region and can, in fact, be achieved.

Trans-boundary water management can reduce natural and man-made threats emanating from scarcity, the impact of climate change and the construction of new dams and riverine structures on a common river basin. Otherwise implementing plans for numerous river dams and power plants including Kishanganga and Baglihar by India can hamper not only water-sharing but also the bilateral peace process.

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Source: Dawn.com

### [Blame Game Stalls Doha Talks](#)

By Martin Khor

World leaders pledge to finish the WTO's Doha talks this year, but this goal is difficult to meet because of the unfair and extreme demands being made on developing countries.

Few really wanted it started, and now no one knows how to end it. In between there's been almost a decade of roller-coaster of the Doha negotiations at the World Trade Organisation.

Many political leaders have now proclaimed that the "Doha Round" must be completed this year.

Otherwise, it may have to be abandoned altogether, some have predicted.

But there is not a lot of chance the deal will be done now. Although the main proposals on the table are already so imbalanced against the developing countries, the developed countries want even more from them.

It is not likely that the big developing countries will give in to these unfair demands.

However, in the blame game that has been a significant part of the Doha talks, the rich countries have prepared the ground to pin the blame of a possible collapse on the developing countries.

The latest set of talks were held in Geneva in the last fortnight, among 11 WTO members called the G11 – United States, the European Union, Japan, Canada, Australia, China, India, Brazil, Argentina, South Africa and Mauritius.

In fact, much of the negotiations took place not among the 11, but in bilateral talks between the United States on one hand, and China, India and Brazil.

As it is well known among those in the negotiations, the major block to Doha's completion is the US.

President Barack Obama and his trade team have limited real negotiating authority because the Congress has to approve any trade deal.

However, the Congress is not in the mood to cooperate with the Obama administration.

In order to avoid a fight with the Congress even on a draft WTO deal, the US officials have to show that they have not given up anything.

Otherwise, there would be opposition from the influential farm, union and business lobbies, afraid they would lose ground to imports.

This is especially problematic during the economic slowdown and with high unemployment.

They also have to show that US companies and farms are going to get new business through increased exports.

Since there are limited gains from other rich countries, the US is insisting on the bigger developing countries to open their markets in both goods and services.

But the developing countries have their own story. The draft deal (put forward in texts in December 2008) do not require developed countries to make any significant concessions.

In particular, they will be able to maintain their high agricultural subsidies because of the peculiar WTO system requiring some subsidies (known as the red box) to be reduced while allowing others (green) to continue without limits.

The US and EU have shifted boxes from red to green, while maintaining or even increasing total subsidies.

The Organisation for Economic Cooperation and Development (OECD) countries' total support to agriculture in 2009 was US\$ 384 billions in 2009 compared to US\$ 326 billions in 2007.

Real cuts in agricultural subsidies in rich countries were supposed to be the priority aim of the Doha talks, when they started in 2001.

It's quite clear that is not going to happen, given their entrenched farm interests.

The rich countries are also unwilling or unable to open up labour services, to allow more skilled personnel from developing countries to enter and work.

This was one of the key demands of developing countries, but has become almost a hopeless cause.

Meanwhile, the 2008 drafts require developing countries to drastically cut their industrial tariffs on industrial goods, in some countries by an average of 50%-60%. They also have to cut their agricultural tariffs by up to 36%.

Least developed countries are exempted, but most of them are asked to cut 80% of all their tariffs in free trade agreements outside the WTO.

These tariff cuts mean cheaper imports, damaging the markets and even survival of local firms and farms of developing countries.

Thus, the developing countries will potentially suffer losses in production and jobs, while gaining little in new exports to the rich countries.

But that is only part of the story.

The US is demanding that the major developing countries do even more, by cutting tariffs to zero in three large industrial sectors (chemicals, industrial machinery and electrical goods), or at least in two of them – and that they also open up their service sectors even more than what are already offered to foreign ownership and competition.

This is where Brazil, China and India have objected.

The December 2008 texts are already imbalanced, but these new demands (which not only the US but also EU, Japan and others are making) are too much, especially since the rich countries are not offering anything extra either.

So the talks have been stuck. But the countries are still trying. By April, new drafts of all the issues are expected to be ready, for a meeting of some Ministers to add the finishing touches in July.

Schedules of commitments will then be worked on, for a final deal in December.

Of course these are all timelines, and as of now no one is willing to bet they will be fulfilled, no thanks to the many broken deadlines prior.

*Source: The Sun.*

*\*Martin Khor is Executive Director of the intergovernmental organisation of developing countries South Centre.*

### [Speculators Don't Have to Show Their Cards](#)

*By Carlos Bedoya\**

An economist friend of mine commented that food prices are going up because of increased demand from China. But

in fact population increase or the growth of emerging economies have less and less effect on the terms of exchange of steel, sugar, copper, gold, silver, foodstuffs and other goods. This trade is negotiated in a huge world casino called the "commodity markets", and these are still expanding in spite of the global economic crisis.

These markets lend themselves to speculation by agents whose only motivation or criterion is to find the easiest way to accumulate as much capital as possible. It is like a game of poker. The "investors" – or rather "speculators" – base their calculations on real variables in stocks of the merchandise in play and make bets on how these variables will influence future prices. And they do not have to show their cards. They can replace luck with pure speculation. But, and here is the rub, their game affects world prices for these goods.

Not only stocks but also prices respond to the replacement cost of the good. If the winners in the game of gambling on future prices are the speculators who bet on an increase, prices will go up today. Or if the winners are those who bet on a fall, the speculators who have managed to manoeuvre best in this game of fluctuating prices will make a lot of money.

And they always win because the chips are not the merchandise itself but market positions, which are quotations that have to do with price variations in the future. And very often the profits made in this game are greater than those generated in the dynamic of the real economy that shifts real goods. This casino is what makes the bubbles, and when the bubbles burst we are in for a new global crisis.

#### *The World Bank acknowledges this situation*

In a recent publication by the Red Latinoamericana sobre Deuda, Desarrollo y Derechos (Latindadd, [www.latindadd.org](http://www.latindadd.org)) (Latin American Network for Debt, Development and Rights) we are reminded that the World Bank itself, in its 2009 report *Global Economic Prospects: Commodities at the Crossroads*, stated that "the activities of financial investors may have contributed to the rise in prices... These funds could have had an indirect influence on commodity prices. This business does not create any real demand but it may have inflated prices because these funds are large compared to their counterparts in physical markets and because they have expanded rapidly."

This was the first time the World Bank recognised the impact that speculation in hedge funds and investment in prices has. It can no longer keep pretending this is not a factor, because in 2008 there were record prices not only for most commodities but also for their derived markets and futures, which had been rising steadily since 2003, as the Latindadd report notes.

However, after the first stage of the 2007-2008 financial crisis, the world economy collapsed because the property market bubble burst, stock exchanges plummeted, investment banks went bankrupt, and the imminent threat of other institutions collapsing led to a tightening of credit, which adversely affected real trade.

Subsequently governments undertook a massive financial rescue operation to save the big players in the system who were stuck with the time bomb of inflated mortgages, although now in many cases these players have managed to pay back the amounts of the rescue operation thanks to new gains in the world poker game, which was only suspended for a few months.

After the financial earthquake, the speculators went back to their game of betting on gold, silver, copper, aluminium, steel, foodstuffs and sugar, and very soon they were making as much profit as they had before the crisis. And this indicator has been used by defenders of the system as a sign that the world is emerging from the hole we fell into. But in fact Europe, the United States, Japan and other countries and regions are still mired in fiscal, employment and banking crises; the ill effects are still with us. And like rising prices, this situation affects each and every person on the planet.

The countries that produce these commodities have seen their fiscal incomes increase, but if the bubbles burst again they will realise that their national effort to bet on "finance" is misguided. Only a limited number of speculators can play the game. Not even the great mining and extractive transnationals are admitted. Only the jet set of global finance is allowed in the game: JP Morgan, Citigroup, Deutsche Bank, Goldman Sachs and other investment and hedging funds and top speculators.

The wealth that flows from these markets generates tremendous political power, which is why up to now these leaders of world finance have been untouchable. There have been efforts to set up new regulatory institutions in Europe and there was the famous Dood-Frank Law in the United States; in both cases the idea was to impose limits on speculation, and there was much discussion of this in the G-20, but in the end they have been ineffective.

#### *Speculation versus investment*

In its report, the World Bank put forward strong evidence that in the period 2006-2008 investors' futures positions in Index Funds affected the price of soybean (but not that of maize), and that from January 2006 to February 2008 investment funds were responsible for making cotton an additional 14 per cent more expensive.

But only for a few months in 2009 were commodity prices governed by speculation connected to the merchandise itself, like players retaining stocks out of uncertainty or purchasing more than they needed for the same reason. But when the casino came into full operation again, prices went back to the usual system of responding to ups and downs in the game of speculation poker.

Moreover, multilateral financial institutions and many representatives of political power in the world are actually defending the role of commodity markets and putting a brake on initiatives to implement radical reforms, which are ultimately aimed at restricting or closing the speculators' casino. For example, after its early pronouncements, the World Bank has not inquired into whether the way markets are designed provides an incentive for speculation in funds, and nor does it question the speculative nature of those markets.

According to Jorge Trefogli, a consultant at Latindadd, the World Bank view is that investment funds are agents that act independently and on their own initiative, but the truth is they act in a coordinated way in very organized structures

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[www.socialwatch.org/sites/default/fil...](http://www.socialwatch.org/sites/default/fil...)

independently and on their own initiative, but the truth is they act in a coordinated way in very organized structures (markets) so as to have an organized impact on prices. And Trefogli adds that the World Bank does not consider that the current situation may involve the manipulation of markets by big players abusing their dominant positions, and nor does it reflect on the dangers of confusing speculation with investment.

*\*Carlos Bedoya is a Peruvian lawyer and journalist, and a member of the central Latindadd team.  
Source: Agenda Global*

Full article in Spanish available at [http://agendaglobal.redtercermundo.org.uy/2011/03/03/el-poker-de-los-precios/...](http://agendaglobal.redtercermundo.org.uy/2011/03/03/el-poker-de-los-precios/)

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