

eradicate
extreme poverty
and hunger

achieve universal
primary education

promote gender
equality and
empower women

reduce child
mortality

improve maternal
health

combat HIV/AIDS,
malaria and
other diseases

ensure
environmental
sustainability

develop a global
partnership for
development

Civil Society Perspectives on the Millennium Development Goals



carol barton

martin khor

sunita narain

victoria tauli-corpuz

Civil Society Perspectives on the Millennium Development Goals * table of contents



Women's Movements and Gender Perspectives on the Millennium Development Goals
carol barton • women's international coalition for economic justice (WICEJ)

page 1



Implications of some WTO Rules on the realisation of the MDGs
martin khor • third world network (TWN)

page 28



MDGs: Linking Poverty and Environment for Sustainable and Equitable Growth
sunita narain • center for science and environment (CSE)

page 51



Indigenous Peoples and the Millennium Development Goals
victoria tauli-corpuz • tebtebba foundation

page 62

** These papers were commissioned by the Civil Society Organizations Division of UNDP. The views expressed by the authors are their own. This publication is also available on the web at www.undp.org/cso*

civil society
perspectives

Women's Movements and Gender Perspectives on the Millennium Development Goals

Carol Barton □ Women's International Coalition for Economic Justice (WICEJ)

Women's rights, women's movements and the Millennium Development Goals

Women's movements that have been engaged with the United Nations at all levels around the UN Conferences of the 1990s working on both gender equality and social and economic justice, approach the Millennium Development Goals (MDGs) with mixed feelings. On the one hand, these goals recognize the centrality of gender equality in the development agenda, and set measurable, time-bound goals on "commitments" with the support of the international community. On the other hand, there is great concern that they sideline key gains made in Beijing, Cairo and other UN conferences¹; set a minimalist agenda; and fail to integrate gender perspectives into all eight goals.

¹ These include the 1993 World Conference on Human Rights (Vienna), the 1994 International Conference on Population and Development (Cairo), the 1995 World Summit on Social Development (Copenhagen), the 1995 Fourth World Conference on Women (Beijing), the 2001 World Conference Against Racism, Racial Discrimination, Xenophobia and Related Intolerance (Durban), as well as the broader commitments from the 1992 Earth Summit (Rio de Janeiro), the 1995 Conference on Small Island Developing States (Barbados), and the 1997 Habitat-II conference (Istanbul).

Much more, there is growing dismay at efforts to eradicate poverty or attain gender equality without addressing the fundamental causes of these problems, including issues of power, distribution of resources, militarism, fundamentalisms and current economic orthodoxy.

Thus, in the year of the review of implementation of the Beijing Platform for Action (Beijing+10) and the Millennium Declaration (Millennium Summit), feminists are seeking to reshape the MDGs to advance their agendas for transformative gender justice and economic justice. This paper presents: 1) an exploration of gender economic analysis; 2) feminist concerns regarding the MDGs; 3) a feminist gender analysis of the MDGs; 4) a brief assessment of proposals made by Task Force 3 of the Millennium Project in terms of expanding the scope of MDG 3 on gender equality, as well as the Sachs report; 5) women's civil society organizations' engagement with the MDGs; and 6) Recommendations for the UN system regarding women's organizations' needs for advancing the MDGs.

I. Gender economic analysis

Ten years after the Fourth World Conference on Women in Beijing, which

affirmed the commitment to “mainstream gender” in all programmes and policies, the concept of *gender mainstreaming* is in crisis. This is because the concept has been instrumentalized by many UN agencies, donors and NGOs to merely integrate women into current social and economic policies, instead of transforming relations between men and women, between dominant and subordinate racial and ethnic groups, and among rich and poor within and between nations.

Gender refers to the socially constructed relations between men and women, as opposed to their biological differences. These gender roles are not static, but change over time.

While a mainstream *gender analysis* seeks to explore differential impacts of policies on men and women and to quantify the gendered outcomes of projects or policies within current systems, an integrated *feminist gender analysis* addresses power relations first and foremost, seeking to transform social inequities for all, not just for some groups of women. Frequently in development discourse, gender equality or women’s rights are seen as a means to an end (more growth, more successful development projects) instead of fundamental rights, as affirmed by the Beijing Platform and the Convention Against all Forms of Discrimination Against Women (CEDAW). (Elson 2004, Williams 2004b, Francisco 2004)

Feminist economic analysis seeks to understand how all of the institutions of society, from family and community to workplace, government and private sector embody patriarchal assumptions

that obscure women’s contributions and marginalize women from power and decision-making. It seeks to unmask the apparently “gender neutral” workings of the economy. (Riley) Central to this analysis is an understanding that race, class, ethnicity, caste, sexual orientation, national origin and other factors intersect in determining women’s experiences and in limiting the achievement of their rights. Policies that advance equality or meet the needs of women in the dominant group in a society may continue to marginalize other groups of women. Thus, policy responses must address this full range of societal exclusion in an integrated way for effective outcomes.

Neo-classical economic theory, and its application in economic policy, measures the paid work in the productive sphere of the economy. However this is only a portion of the overall labour needed to enable capitalist production. What is invisible in national accounts, and thus official policy, is the sphere of *social reproduction* or the care economy. The ability for workers to provide their labour each day presupposes a huge amount of labour in terms of cleaning, cooking, childrearing, healthcare and numerous other services provided in the home. In a patriarchal society, this role tends to be relegated to women and girls, and tends to be uncouned and undervalued. According to the 1995 *Human Development Report* (UNDP 1995), the non-monetized, invisible contribution of women is an estimated \$11 trillion a year, compared to the monetized output of \$23 trillion. (UNDP 1995)

When women enter the paid workforce they are often concentrated in jobs that are an extension of their social roles in

the household—services and garment industry for example. In many cases, this work is in the informal sector where entry may be easier and where women can balance demands at home with paid work, but this “off the books” work does not get formally counted in national accounts either.

Without consistent efforts to recognize the contributions of the reproductive economy (including home based, street based, part time and casual work), women will be marginalized. When women’s time appears as a free good, certain policies appear to be “efficient” when in fact, they merely shift costs from the public sphere to women’s unpaid labour. (Elson 1999, 2004) This has been well documented in the case of structural adjustment, now extended to IMF and World Bank economic reform programmes including PRSPs (Sparr 1994, Kalima 2002).

There is a consistent tendency to dichotomize the public and private sphere and to give less priority to the private sphere. This involves not only the failure to count women’s unpaid work in the home, but also the right to bodily integrity including issues of violence and sexual and reproductive rights as well as ownership of or access to resources, decision-making power and mobility, which tend to be relegated to the private sphere.

II. Feminist concerns on the MDGs

The following are some highlights of the many critiques by women’s organizations about the MDGs:

- The MDGs drastically limit the scope of their attention, and set a **minimalist agenda**;
- The MDGs were developed within the UN system without the broad participatory processes of UN conferences. As a result, **civil society does not have a sense of ownership** in this agenda (Kindervatter 2004);
- They are a **technocratic effort to solve systemic political issues**, which have to do with global distribution of power and wealth between and within nations;
- In their initial formulation, they **have left out too much of the Beijing and Cairo agendas** (as well as the outcomes of other key UN conferences), and restrict their understanding of gender equality, including it in only one of the eight goals. Absent is the overall Cairo goal of universal access to sexual and reproductive health for all by 2015. This vastly reduces government accountability on the broad range of women’s human rights and obscures key issues such as violence, labour, reproductive rights, and women’s unpaid labour. A gender-based review of national MDG reports produced by the United Nations in 2003 found that discussions on gender were limited to Goal 3 (gender equality), Goal 5 (maternal mortality) and Goal 6 (HIV/AIDS), illustrating a ‘ghettoization’ of gender issues within women-specific sectors (Kalyani Menon-Sen, UNDP 2003). “The faces of women in the MDGs are predominantly those of a ‘girl child’, a ‘pregnant woman’, and a ‘mother’ (Painter 2004).

- The MDGs **do not use the human rights framework** of the Millennium Declaration, which gives primacy to international law, including affirmation of CEDAW. The human rights framework sees people as ‘rights-holders’ who can mobilise to demand the realization of their rights, rather than “stakeholders.” While economic development goals are often seen as targets to be achieved when possible, a rights framework sees health or education as inherent rights to be claimed by all. If the MDGs are not considered as integral to existing human rights commitments, they could actually undermine international human rights law by setting lower standards than human rights treaty obligations. (Painter 2004, Symington 2004)
- They seek to eradicate poverty with a **top-down approach** that virtually excludes poor people, particularly women, from decision-making.
- The MDGs ignore an **intersectional analysis of multiple oppressions** due to gender, race/ethnicity/caste, class, sexual orientation, age and national origin. The outcome document of the Durban World Conference Against Racism (WCAR) linked racism to gender, poverty and denial of women’s human rights. If women’s poverty is exacerbated by biases due to race, ethnicity or caste, then efforts to end poverty that ignore this reality will fail, and efforts to increase access to education must specifically target the needs of diverse groups of girl. In women’s lived experience, oppressions due to gender, race and class are inseparable and policies to address them must address all of these

factors simultaneously. (Nazombe/Barton 2004)

- The MDGs assume that growth, via **macro-economic policies that conform to the Washington Consensus**, is the means to eradicate poverty, even when per capita income fell in 54 countries in the 1990s during the years of this same ‘economic reform’ (Bendana 2004).
- The MDGs **emphasize implementation in the global South**, without mechanisms of accountability for nations of the North. For peoples in the South, this is significant in relation to Goal 8 on ‘global partnership’, which calls on the North to increase aid, support debt reduction and open markets to Southern goods. For peoples in the North, this is problematic because it apparently absolves their governments of responsibility to address issues of poverty, gender equality and environmental sustainability within their own borders.²
- There is concern that, similar to the Monterrey Consensus (International Conference on Financing for Development, 2002), **a broad**

² “While there is an important push for global sharing of resources to support the development of poor nations, this emphasis should not ignore the mal-distribution of resources within developed countries and the reality of poverty in the global North...In New York City, home to the UN, 21per cent of children live in poverty and 9.6per cent of children die at birth. As Northern nations also signed the Millennium Declaration and World Conference Commitments, they should be held accountable for race, class and gender disparities within their borders.” (Ortega, 2004) Regarding Goal 8, see Vandemoortele, Malhotra and Lim (2003).

agenda on aid, debt, trade and global financial architecture is being boiled down to a request for increased donor assistance. Yet eradication of poverty and efforts to address education, healthcare and sustainable development cannot be achieved without addressing unsustainable debt, trade subsidies, terms of trade, net reverse flows of resources from South to North, and unequal power in global economic governance, which aid flows alone do not alter (Adaba 2004). It is worth recalling that NGOs in Monterrey soundly rejected the Monterrey Consensus, because it failed to challenge the fundamental tenets of neo-liberal globalization.³

- It is unclear how MDGs will mesh with **Poverty Reduction Strategy Papers** (PRSPs), developed through the HIPC initiative in conjunction with the IMF and World Bank. Economic reforms inherent to the PRSP process are in direct contradiction to development goals of poverty eradication, healthcare, education and environmental sustainability. Poor countries are being called on to increase expenditures on poverty reduction, health and education while

also servicing debt and cutting public expenditures.⁴

- **Achievement of numerical goals may mask continued inequalities**, particularly in terms of labour rights and gender justice. The target of reducing by half the proportion of people living on less than a dollar a day is likely to be reached in the two most populous countries, China and India, due to sustained economic growth (UNDP 2003). This masks the extreme gaps between rich and poor, urban and rural, men and women, and among different ethnic groups or castes within those countries. Economic growth does not necessarily lead to gender equality, but can in fact exacerbate inequalities (Kabeer 2003).⁵
- Many women's NGOs feel that it is impossible to view a "development agenda" outside of **current geo-**

³ The list of issues NGOs in Monterrey considered essential for financing development to achieve the MDGs included debt cancellation, a currency transaction tax, the subordination of global economic governance to human rights instruments, no conditionality on ODA, debt and national development plans, the protection of internal markets and the conservation of biological and genetic resources, the right to establish regulatory regimes for foreign direct investment, and the equal voice and vote for developing countries in global economic decision-making processes (NGO Statement, 2002).

⁴ In the Tanzanian PRSP "there are no specific targeted actions on behalf of the poor. In fact, seven of the 11 action strategies listed to reduce poverty directly support the large-scale private sector, including a private sector development programme. There are no gender-specific dimensions with respect to actions which focus on poverty reduction" (Mbilinyi 2004).

⁵ "If MDGs appear feasible at the global level it does not necessarily imply that they will be feasible in all nations or at all locations. {While averages} give a good sense of the overall progress, (they) can be misleading... (An example is) the failure to disaggregate for gender... Average household income is very much an abstraction for women who have little or no control over how it is spent; it may exist in the mind of economists, but it does not necessarily correspond with the reality faced by millions of poor women." (Vandemoortele 2002b). Therefore, "the simple extrapolation of global trends to 2015 is invalid; global poverty projections will only be meaningful if they are based on country-specific solutions" (Vandemoortele 2002a).

politics. This means addressing the inter-linked dynamics of militarism and military intervention; the rise of religious fundamentalisms and communalism as political projects; and neo-liberal economic globalization. To address only one aspect is to ignore the multifaceted ways that women's rights agenda is undermined. Thus, while the MDGs seek to address social and economic development issues, much of civil society is focused on the interlinkage of multiple forces, within a broader social change agenda.⁶

III. Gender perspectives on the MDGs

The fact that Goal 3 focuses on gender equality affirms that gender equality is a value in its own right, and not only a means to other ends. At the same time, achievement of the MDGs is dependent on the integration of gender equality targets within each of the MDGs, not merely Goal 3 and other women-specific goals including 5 (maternal health) and 6 (HIV/AIDS and other diseases). There is disappointment that gender was not established as an explicit cross-cutting theme in all of the goals. This has left it up to gender advocates at the national and international level to create gendered targets and indicators and make the case for gender once more.

From a *feminist gender analysis perspective*, the goals must be looked at holistically, as they are inextricably linked. This directly translates into sound policy. Goals related to women's health, control over their bodies, freedom from violence, and ability to have access

to sexual and reproductive rights are inextricably linked to Goals related to macro-economic policy, poverty and resource distribution. For example, the lack of access to jobs and extreme poverty has led thousands of women to turn to prostitution for income, exacerbating the AIDS pandemic. The collapse of public health systems under structural adjustment policies and the inability of poor nations to access low cost essential medicines due to intellectual property rights (both linked to Goal 8) have meant the inability of AIDS patients to get adequate care, as well as loss of public reproductive health services for women.

Goal 1: Eradicate extreme poverty and hunger

According to the UN Department of Public Information, the number of people living in extreme poverty worldwide, on less than one dollar a day exceeds 1.3 billion, and women are the majority (UNDPI 2003). Moreover, the focus on the quantitative measurement of a dollar a day ignores the fact that for poor women, access to affordable housing and transportation, water and sanitation, primary health care for their families and education are essential to well-being for their families and communities (Antrobus 2005). There are multiple factors that lead to this reality, which may differ by region or locality.

In general, women's unpaid labour is discounted and women are relegated to a secondary status, with less access to property, little power to make decisions over resources and production, and little control over personal life choices. Paid jobs are still segregated by gender, with women concentrated in the lowest

⁶ See, for example, Feminist Dialogues 2005, WICEJ 2003.

paying jobs with fewer benefits. Women head single headed households in disproportionate numbers. Violence affects women's ability to access certain jobs and income, as does the ability to choose when and whether to have children. The lack of ability to limit family size, and women's role as primary caregivers, mean that women often cannot seek remunerative work outside the home.

At the local level, approaches to poverty eradication must empower women to make decisions about priority services and how they are delivered. This points to the need to increase women's participation in decision-making at local levels (Antrobus 2005). A human rights approach to eradicating poverty "is fundamentally about empowering vulnerable groups so that they can demand economic and social rights" (Robinson 2004).

Rural women are the primary producers of food for their families and the domestic market. Thus, strategies for increasing food production must ensure that women have access to and control of land, credit, training and the technologies required to increase production. This links Goal 1 (poverty), Goal 3 (gender equality) and Goal 7 (environment) (Antrobus 2005).

There is a need to address the gender implications of national macro-economic policy (from expenditures on social services to privatization to labour and industrial policy, to taxation to trade and investment policy). How do these policies play out differently for men and women? In addition, efforts to address poverty must link Goal 1 with Goal 3 and

Goal 8 (global economic policy). Debt, trade, aid and global economic decision-making are key factors in both poverty eradication and gender equality.

Goal 2: Achieve universal primary education

This goal is linked to Goal 3, which includes a goal of gender equity in education, as well as literacy rates. It explicitly mentions the inclusion of girls in primary education. A gender and intersectional analysis would explore what keeps girls from accessing schools. This might include the fear of violence from teachers or male students; the lack of separate sanitary facilities; the lack of transportation (and fear of walking long distances); the expectation that girls' work at home take precedence over school; the idea that girls do not need to be educated; the creation of user fees as budgets are cut under economic reform programmes; the lack of money for shoes, uniforms and school supplies (and the assumption that whatever resources there are should go to boys first), and many other factors. Beyond this, we must address the impact of privatization and economic reforms on public education.

A recent case study on AIDS in Uganda noted that young girls in secondary school were taking on "sponsors" in exchange for sex, in order to pay school fees, even when they knew this increased their risk of AIDS (*The New York Times*, 2003). In these conditions the statistics do not tell the full story – access to school has a deadly price. Further, the content of curricula, be it gender, race, ethnic or religious biases, must be considered as factors that undermine girls' potential. Thus, a

feminist gender analysis would explore the specific factors in each country (and how these may differ by race, caste and class), to create policies that actually enable girls to take advantage of primary education in a safe way. Strategies to achieve the goal must not be limited to literacy rates, but also look at factors that hamper girls from attending school, and would explore the content of education, as well as participation.

Goal 3: Promote gender equality and empower women

As currently formulated, this goal is extremely limited in terms of targets, although the enormous contribution of feminists on Task Force 3 (gender equality and education) and Task Force 4 (maternal mortality) offer a broader understanding of the goal (see below). The goal itself addresses gender disparity in education, the share of women in wage employment, and the proportion of seats held by women in national parliament. Here, figures can be misleading. As noted in the *Progress of the World's Women 2000*, the share of women in wage employment has increased dramatically (UNIFEM 2000). However, this can lead to greater inequality and exploitation, as in free trade zone factories and sweatshops, rather than enhanced rights for women. Measuring women's role in parliament is an important factor, which should also contemplate women's real leadership and decision-making roles within parties and parliament.

Task Force 3 has proposed seven interdependent strategic priorities for implementation of the goal at the national level. These include access to secondary education, sexual and

reproductive health and rights, lightening women's unpaid workload, property and inheritance rights, equality in employment, representation in government, and combating violence. Policymakers must embrace these women's human rights, reflected in the Beijing Platform, the 1994 Cairo Programme of Action and CEDAW in implementing Goal 3. Policy efforts towards gender equality must be addressed in each goal, must link macro and micro policy, and recognize women's contributions in paid work and in the care economy.

The shrinking role of the state as a provider of public services has undermined women's ability to provide for their families and intensified their labour and must also be addressed. In addition, economists, finance, development, industry and trade ministries as well as bi-lateral and multi-lateral agencies will need to make linkages between the public and private spheres to achieve women's human rights and all development goals. Without addressing issues of violence, women's sexual and reproductive rights and decision-making power, the macro goals are also undermined.

Goal 4: Reduce child mortality

Child mortality is intimately related to women's sexual and reproductive health, adequate basic public health care, adequate water and sanitation, immunization programmes, women's and children's poverty and access to adequate nutrition, incorporated in many of the other goals. A feminist gender analysis would explore how women's roles as primary caregiver, linked to women's disproportionate likelihood of

being poor, may contribute to child mortality. Clearly, the ability to choose when and how many children to have is critical in terms of survival in very poor families. There is also a question of which children get more food and health care, where boys may be favoured over girls. In Asia, girls under five die at a greater rate than boys (WHO 2003).

Policymakers should explore how macro-economic policies may be prioritizing certain investments (debt repayments, military expenditures, incentives for FDI) over health and social protection programmes that could reduce child mortality, and how these might affect girls. New WTO trade rules, particularly the General Agreement on Trade and Services (GATS) could undermine the ability of nations to provide public healthcare with subsidies for the poor (UN Millennium Project Task Force on Child Health and Maternal Health, 2005).

Goal 5: Improve maternal health

A WHO gender analysis notes that poor nutrition of women due to gender discrimination can increase the chances of life-threatening complications at the time of pregnancy. Societal norms that limit women's mobility may delay life-saving care in an obstetrical emergency, and there is a correlation between illiteracy and maternal mortality (WHO 2003). Improving maternal health is inextricably linked to sexual and reproductive health (UN Millennium Project Task Force on Child Health and Maternal Health, 2005). While complications in childbirth may be relatively random, who dies from these complications is not random at all. Almost 99 per cent maternal mortality deaths occur in poor countries"

(Freedman 2004). Both a feminist gender analysis and a human rights approach would "unmask the seeming naturalness of such deaths." The shocking imbalance is due to failing and inequitable health care systems that are unable to provide the interventions necessary to save women's lives.

One key demand is equitable access to emergency obstetric care, but this requires functioning health care systems which have been undermined by budget cuts and privatization under economic reforms tied to aid, as well as new trade rules – bringing in linkages with Goal 8 (global economic governance, trade and development financing). Rich countries are "complicit in what has happened to health systems in poor countries" (Freedman 2004). This points to the need to address "economic reform" policies as well as the massive flows of capital from South to North for debt repayment, unequal terms of trade, and profit remittances.

Goal 6: Combat HIV/AIDS, malaria and other diseases

Fortunately, there has been considerable gender analysis of HIV/AIDS, which now disproportionately impacts women. HIV/AIDS is a global pandemic, affecting women in both North and South, while disproportionately affecting poor women, and women of color. In Africa, for example, central to the spread of AIDS is the loss of jobs, increased migration (particularly of partners who may travel, have other sexual partners, and then return), the increase in prostitution due to poverty, the trading of sex for education fees, the diminishing role of the State (lack of prevention, education, healthcare, jobs) and other factors. In all

regions, AIDS is increasing among women due to realities of violence and lack of control over sexual and reproductive rights (linking Goal 6 to Goal 3). In many situations women cannot demand that sexual partners use condoms or say no to spouses, even if that puts them in danger. Women face rape and sexual violence, or may be sold into prostitution.

As primary caregivers, women and girls also bear the brunt of care giving for those sick with AIDS, and those orphaned by AIDS. This is more intense when public hospitals cannot meet basic healthcare needs, and women step in to fill the gaps.

Further, new bilateral, regional and global trade rules make it difficult for poor nations to get waivers on patent rules in order to produce generic drugs or import low cost essential medicines. This limits patients' access to these essential medicines. Given that women in particular will lack such access, it is critical that strategies are rooted in a gender analysis and linked to Goal 8, which addresses trade.

Goal 7: Ensure environmental sustainability

The survival of women and communities depends on access to and control over natural resources. Access to water, energy, land and bio-diversity are central for women's equality. Women often must walk many miles for both water and fuel, adding to the many hours of unpaid work they do each day. This underscores the call by Task Force 3 to invest in infrastructure (water, fuel, etc.) to lessen women's "time burden." In the case of water, women's work is

exacerbated by limited water supplies, poor service delivery, pollution, growing population pressure and privatization. (WEDO 2003) Women's access to land, while not mentioned in MDG7, is critical to both gender equality and to food sustainability given that rural women are primary food producers for local markets in much of the world. Task Force 3 has called for guaranteeing women access to land and inheritance rights.

In general, women are key managers of environmental and ecological resources and must be involved in decision-making at local and national levels to protect those resources. New trade rules limit that decision-making not only for women, but also for national policy-makers. Procurement rules on competitive bidding with transnational firms, as well as the potential for environmental regulations to be seen as "barriers to trade," undermine the ability of the public and policy-makers to set environmental standards. Trade Related Intellectual Property Rights (TRIPS) may allow firms to establish patents on local knowledge, shifting control of seeds or medicines from local communities. For indigenous women, issues regarding local control over indigenous knowledge are of great significance, as they are often the experts on local medicinal plants, and because the commodification of this knowledge threatens to destroy their culture and community (Morales 2004). Efforts to implement Goal 7 require attention to Goal 8 and Goal 3.

Beyond responses at the local and community level, feminist gender analysis would challenge the thrust towards the commodification of the environment through trade liberalization

rules, privatization, and foreign direct investment, exploring particular implications for diverse groups of women, given their role in production and in the household. Policymakers need to then formulate macro policies with this consideration.

Goal 8: Develop a global partnership for development

Goal 8 addresses macro-economic policy, including trade, debt, official development aid, financing for development, “good governance,” a “global partnership for development”, as well as such concerns as youth employment, small island states and land-locked countries, access to affordable essential drugs, and access to information and communications technology.

At least since the Nairobi women’s conference in 1985, women have been engaged in engendering macro-economic policy at the national and global level. This has included efforts to address structural adjustment policies, debt and trade in such forums as the World Summit on Social Development, the Beijing women’s conference, and Beijing+5, in such diverse arenas as local rural communities, development organizations, and academia. Women’s organizations actively engaged in the Financing for Development Process leading up to Monterrey (International Conference on Financing for Development, 2002), to shape analysis and policy recommendations regarding of global governance, domestic financing, debt, trade, official

development assistance and Foreign Direct Investment.⁷

Since 1999, women have been increasingly active in addressing trade from a gender perspective, as trade rules encroach on other areas such as services, agriculture, intellectual property rights and investment.⁸ This includes mobilization and advocacy to impact WTO negotiations and regional trade deals. For example, the International Gender and Trade Network is one of the few NGOs with an office in Geneva specifically following WTO negotiations. Most recently, some feminist groups have embraced the Global Call Against Poverty which is mobilizing groups around the world to take action for fair trade, debt cancellation, increased quality and quantity of aid, and accountable and transparent policy processes.

Gender analysis of trade explores the roles women and men play in the economy as producers, traders and consumers, and how trade accords

⁷ A women’s symposium was sponsored by WEDO and UNIFEM. See WEDO and UNIFEM 2001, 2002a, 2002b. See also Floro 2001.

⁸ The International Gender and Trade Network, which emerged in 2000, has sub networks in all regions, and is involved in research, education and advocacy on trade. Among the IGTN members working closely on the trade agenda are Women in Development Europe (WIDE), KULU Women in Development, the Caribbean Association for Feminist Research and Action (CAFRA), Development Alternatives with Women for a New Era (DAWN), the Thai Labour Campaign and the Centre of Concern (see www.ignn.org). Other feminist groups working on trade include Gender and Economic Reforms in Africa, African Women’s Economic Policy Network (AWEAPON), Shirkat Gah in Pakistan and Fiji Women’s Rights Network.

affect them in those roles. For example, dumping of cheap food imports, which devastate local markets mainly affects women, who are primary food growers. The massive migration of males from rural agriculture to the cities in search of work (sometimes within a country, sometimes across borders) has divided families and may increase risk of sexual diseases. Women, too, are migrating in increasing numbers to provide income for themselves and families at home, as jobs and livelihoods disappear at home. Remittances become a major source of development financing, but at a major cost for women migrants. Gender bias in access to credit and export facilitation may hurt women entrepreneurs who seek to export, as does lack of access to long-distance transport.

Women are highly concentrated in free trade zones and “maquila” industries that are buffeted by the flows of capital in a highly competitive and mobile environment. For example, some assembly and clothing plants in the southern US, with predominantly women workers, moved to Mexico after NAFTA. Many of these plants then moved to Central America. When China entered the WTO, some of those plants moved from Central America to China. Women are also affected in specific ways by rules limiting labour and environmental regulations, and by patenting and intellectual property rights accords (see Goal 7 above).

Of particular concern is the potential impact of GATS, which mandates that WTO countries liberalize their service industries and gradually phase out tariff and non-tariff barriers to trade in services. These might include subsidies

to education or healthcare or domestic regulations. GATS covers 160 service sectors, which range from education, housing, social protection services, healthcare, sewerage, transport and water to post offices, telephones, financial services and more. GATS will have a huge impact on all the MDGs that imply delivery of key services, as well as regulations such as environmental protections or labour and gender equality requirements.

For example, as of 2001 over 100 nations had listed health care as a service to be liberalized under their GATS schedules (IGTN 2001). Countries are now actively bidding for each other's service markets. This pushes a trend towards privatization, which public-private partnerships hasten. In some accords, once a sector has had private participation, private companies must be allowed to bid to supply future services (USGTN 2005). Experience has shown that private delivery of services may put them out of the reach of the poor. When the state and market fail to deliver services, it is women's unpaid labour that fills the gap. In addition, women make up the majority of service workers and stand to lose wages, benefits or jobs as sectors are privatized. GATS will also encompass regional and local governments and even NGOs that provide government services (IGTN 2001). IGTN has called for a differentiation between basic services that are “essential for social reproduction” (e.g. water, health and education) and others like financial, telecommunications, etc. (Antrobus, 2005).

Goal 8 frames the trade debate solely in terms of market access for goods from developing countries to developed countries. This begs the larger question about the need for fair trade; for open, democratic and transparent trade negotiations; for more equal terms of trade; and for rules that do not over-ride local and national economic policy-making and democratic decision-making (in terms of labour law, environmental law, human rights law and affirmative action, among others).

Beyond trade, much of the debt of poor countries in the global South is sapping resources needed to meet the MDGs, and is paid for out of the poverty of working poor, and particularly the unpaid labour of poor women. HIPC, the framework for Goal 8, is insufficient in addressing the power imbalances that created and maintain the debt burden, and the massive flows of net resources from South to North.⁹ NGOs are calling for debt cancellation, and resources shared equitably to meet the needs of the poor, including poor women, and to provide essential public services. Debt relief or ODA that is not targeted to specifically address the needs of women may ignore the great disparities in income, health and other factors between men and women. In addition,

aid conditionality may undermine progress on several key goals.

IV. The Millennium Project

This section makes a brief assessment of proposals made by Task Force 3 of the Millennium Project in terms of expanding the scope of MDG 3 on gender equality, as well as the Sachs report

Task Force 3 proposals

Task Force 3 of the Millennium Project has done a careful job of gathering women's concerns and critiques and incorporating many of them in their report (Grown, Gupta, Kes 2005), which expands the scope of Goal 3 on Gender Equality and the Empowerment of Women. Task Force 3 affirms the human rights framework, including government commitments to CEDAW, as well as commitments made in Beijing and Cairo. They see gender equality as critical to achieving all of the MDGs and likewise, that achievement of all of the MDGs is critical to gender equality. They lay out seven interdependent strategic priorities for international and national-level action by 2015, seen as the "minimum necessary to empower women."

⁹ The Highly Indebted Poor Countries (HIPC) initiative proposes debt relief to poor nations in the context of Poverty Reduction Strategy Papers (PRSPs) which call for economic and political reforms. Critics of HIPC say it is not enough debt relief, but merely maintains a sustainable debt burden, and that conditionalities related to PRSPs further the drive towards liberalization and privatization that have intensified poverty (Marshall et al 2001, Kalima 2001).

Strategic Priorities Outlined by Task Force 3 (Gender Equality)

1. Strengthen opportunities for post-primary education for girls and eliminate gender gaps at that level, while meeting commitments for universal primary education.
2. Guarantee Sexual and Reproductive Rights and Health (at a minimum, national public health systems must provide quality family planning, safe abortion, and emergency obstetric services.)
3. Invest in Infrastructure to Reduce Women's and Girls' Time Poverty (reallocating time from routine maintenance tasks to more productive and fulfilling activities)
4. Guarantee Women's Property and Inheritance Rights
5. Reduce Discrimination in Labour Markets by decreasing women's reliance on informal employment, closing gender gaps in earnings, and reducing occupational segregation.
6. Increase Women's Representation in Political Bodies (with the suggested use of gender quotas)
7. Combat Violence against Women (via a global campaign and community-based interventions).

Notably, Task Force 3 proposals re-integrate goals on reproductive rights, violence, and women's unpaid labour, which are central to the Beijing Platform, ICPD and CEDAW. They also bring in the issue of labour market discrimination and of property rights. The issue of women's "time poverty" directly addresses women's role in the care economy. They call for meeting goals through "fundamental transformation in the distribution of power, opportunities and outcomes for both men and women."

In addition, the Task Force notes that women's advocacy has been central to the gains in gender equality and women's empowerment over the past three decades, and that "investing in women's advocacy organizations is key to holding the international community and national governments accountable." They affirm that true gender equality and women's empowerment "require a different vision for the world" rather than

piecemeal responses, including not only shared roles between men and women, but a shift of resources from war and destruction to human development, democratic decision-making processes, and dignity for all. These are significant additions, and contribute to women's advocacy agenda regarding expansion of the MDGs in the 2005 review and beyond.

Despite these contributions, there are also serious limitations in the Task Force 3 report. First and foremost, there is a major disconnect between proposals for enhancing gender equality and women's empowerment, and the overall macro-economic framework. As they address implementation, they acknowledge that "fundamental change in the rules that specify how resources are allocated and how tasks, responsibilities and values are assigned in society," is necessary. To achieve this, they call for political will, technical capacity, accountability (particularly through CEDAW) and

“institutional structures and processes to support transformation, including structures that enable women to successfully claim their rights.” In reference to financial resources, they call for debt cancellation to highly indebted poor countries, more and better quality ODA, trade reform that levels the playing field for developing countries, and domestic resource mobilization.

These are welcome but insufficient references to macro policy. But the Task Force could go further in making connections to the “reconstruction of the global economic environment.” One example is that of land rights, where legal access for women may be constrained not only by social norms, but also by the concentration of land in the hands of richer owners, including foreign-owned agribusiness, depriving both poor men and women of land (Elson 2004).

In addition, the Task Force works within the MDG framework of global South accountability, which projects the North primarily as donors and does not demand accountability on gender equality and the other MDGs within Northern nations.

Also missing is explicit reference to an intersectional analysis that addresses race and ethnicity, (though they specifically address poor women and young women). Despite these shortcomings, the Task Force deserves credit for the creative way they have worked within their mandate to pose some significant challenges.

The Sachs Report: *Investing in Development: A Practical Plan to Achieve the MDGs*

Space does not allow us to fully review the gender implications of each of the Millennium Project Task Force Reports. It is an achievement of feminists that gender is addressed in most of the reports, as well as in the overarching summary by Jeffrey Sachs (Sachs, 2005, www.unmillenniumproject.org/reports/fullreport.htm). Beyond Task Force 3, significant work was done in the Task Force on Child Health and Maternal Health and several other Task Forces of the Millennium Project to incorporate strategies, additional targets and indicators on sexual and reproductive health. The Sachs report recommends “protection of sexual and reproductive health and rights (including access to information and family planning services) as one of its ten key recommendations.”¹⁰ Calls for gender equality and sexual and reproductive health, particularly in relation to poverty-reduction, nonetheless do not translate into an integrated gender approach throughout all of the ten recommendations. These recommendations get a nod in terms of training, but not, for example, a call to distribute recommended increases in ODA and debt relief with an eye to gender impacts and gender balance.

Within the ten recommendations, there is a strong role of the private sector in the overall strategy for fulfilling the MDGs, including public-private partnerships, as well as an emphasis on “good governance” and the rule of law. While Sachs affirms the role of the state in creating an enabling environment for

¹⁰ Sachs 2005, p. xiv-xvi and Overview, p. 30.

growth, as well as in providing public goods (Sachs 2005, p. 16), this could be undermined by public-private partnerships, which, under GATS, could necessarily lead to competitive bidding with the private sector. Women have less relative power vis a vis the private sector rather than the state, as workers, producers and consumers. Thus, such public-private partnerships may place women in a more vulnerable position and weaken the public role in healthcare, education, housing, water, food security and transport that support women's work.

Sachs calls for a rapid conclusion of the Doha Development Round. There has been strong questioning of the Doha Development round by many poor nations and civil society organizations, unless previous issues from the Uruguay Round are addressed, as well as democracy and transparency within the WTO, special and differentiated treatment, and issues of Northern agricultural subsidies, among other concerns.

Regarding calls for *good governance*, Bendana argues that 'the faulty notion of *good governance* is taking us away from the MDGs because it entails placing the state and society at the service of the market'. In his view, the Washington Consensus version of *good governance* is to strengthen the state in terms of its ability to administer economic policies that serve transnational capital.

In this equation, governance has been separated from popular democracy and sovereignty. Civil society gets involved as 'stakeholders', not political actors. The international financial institutions

and donors 'limit themselves to procedural definitions of democracy...imposing neo-liberal economic policies as part of liberal political values that...further transfer power towards the top...Both the public and standing governmental structures become disempowered'. The global trade and finance regime, and global political misgovernance, are unquestioned in the MDG framework. Hunger and poverty are seen not as political issues, but technical concerns. Yet, 'poverty, hunger and bad government cannot be eliminated without the democratisation of policy-making to the most local level possible' (Bendana 2004).

In this context, there is a contradiction between Sachs' call for civil society participation and increased democracy and transparency on the one hand, and the dominant notion of *good governance* on the other.

V. Women's organizations' engagement with the MDGs

"Despite several years of intense debate within women's organizations in all regions, women are beginning to engage with the MDG process. Some see this as a necessary strategic choice, given the prominence of the MDGs on the development agenda. Some see it as a real opportunity to continue to advance women's agenda in national and international arenas. Others see it as a necessary part of doing business with donors. None are willing to let go of the importance of the Beijing and Cairo processes, as well as CEDAW in terms of priority. What is beginning to emerge are efforts to use the MDGs to continue to advance women's broader social

justice agenda, without being distracted by the limitations of the MDG conceptual framework.

As women's rights activists we are faced with the challenge of engaging in a serious attempt to transform the MDGs at the national level to fulfill at least some of our most primary aspirations in terms of women's health and education, while at the same time engaging in a critical evaluation of the overall implications of reducing the sum total of human aspirations in the twenty first century to a few "basic needs" with no consideration for the full complexity and diversity of human beings and human society" (Abeysekera 2004).

There are several areas where women's groups are working on the MDGs:

1) Mobilizing to link Beijing+10 with Millennium Summit, at international, country and regional levels. This entails demands that commitments made in Beijing in 1995 be reflected in efforts to implement the MDGs and that these commitments be structured into the debates and official outcome documents of these inter-governmental meetings.¹¹ The "MDG Road Map" issued by the UN Secretariat recognizes that the MDGs do not supersede Cairo and Beijing commitments (UN Secretariat 2001).

Other priorities include efforts to integrate national plans of action for Beijing and Cairo with national MDG plans and expanding MDG indicators through advocacy at the national level to affect national plans. (WEDO 2003). There are efforts, particularly by women trade unionists, to highlight the creation of quality jobs as a necessary part of poverty eradication, the first MDG goal. This reflects recommendations of the

¹¹ Comments DAWN, "Our ability to critically engage with the MDG process is conditioned upon a strong reaffirmation of Vienna, Cairo and Beijing" (DAWN 2005).

ILO World Commission on the Social Dimension of Globalization (ILO 2004).

2) Use of human rights instruments to frame MDG implementation. There are strong calls to reaffirm and utilize the human rights framework of the Millennium Declaration as the basis for the MDGs. This includes initiatives to use CEDAW as a tool for national accountability on engendering the MDGs. (Neuhold, 2005; Painter, 2004; UNIFEM, 2004, Robinson 2004). One tool would be linking MDG reporting to national progress reports submitted to the CEDAW committee.¹²

3) Using the MDGs to address the unfinished agenda of equitable global governance, debt, trade and aid conditionality (Goal 8). Civil society groups, supported by the UN Millennium

¹² "International human rights treaties can provide some of the normative guidance, analysis and authority required to identify concrete measures that should be taken at the country level. For every area covered by the MDGs there is direction on gender equality that exists in the core human rights treaties... States are already under formal, legal human rights obligations to realize gender equality" (Waldorf 2004).

Campaign, launched the Global Campaign Against Poverty (GCAP), with the support of Brazilian President Lula da Silva at the World Social Forum in Brazil, January, 2005. The Campaign brings together groups working nationally and/or internationally against poverty, and seeks to build global momentum for the MDGs on civil society's terms. The Campaign focuses on what member organisations see as the bottom-line steps required for progress on the MDGs, including fair terms of trade, debt cancellation, an increase in quality and quantity of aid, and the creation of anti-poverty programmes that are accountable to citizens. Within this are national efforts to make PRSPs more accountable to the MDG commitments and to challenge the contradictions of promoting the Washington Consensus in the name of poverty reduction. Gender perspectives are practically absent in the PRSPs, and these omissions must not be compounded as links are made to the MDGs (Kalima 2002, Marshall 2001, Whitehead 2003).

Women have added the attainment of gender equality as a pre-requisite for poverty eradication. (AWID 2005, GCAP 2004) Feminist groups have joined the process seeking to strengthen gender perspectives in the Campaign through a Feminist Task Force of GCAP.

They organized a high profile launch of the campaign during the Beijing+10 review in New York in March 2005 and released a statement, which said: *"Achievement of the MDGs would represent only a partial improvement for women. (We) demand that governments meet and far exceed the MDGs and fulfill the other promises that they have made*

through UN Conferences of the 1990s and in regional and international human rights treaties" (Feminist Task Force 2005). GCAP is open to interested CSOs, and is primarily nationally based, building on anti-poverty and global economic justice work (www.whiteband.org).

VI. Recommendations for the UN system on women's organizations' needs for advancing the MDGs

The Declaration from the March 2005 Beijing+10 review "emphasized that the full implementation of the Beijing agenda for women was essential to achieving the internationally agreed development goals, including those of the Millennium Declaration" (UN DPI 2005c). Similarly, the UN Secretary General, highlighted the seven proposals (above) made by Task Force 3 in the Millennium Project report, asking member states, "As you recommit yourselves to the full implementation of the Beijing Platform for Action, I hope you will reconsider these seven priorities as guideposts that can help shape national programmes" (UN DPI 2005b).

Building on enthusiasm from that event, and eager to continue a central role in shaping the multi-lateral agenda, many women's civil society organizations are plan to have an active presence in the Millennium Summit process. This is hampered by UN constraints regarding NGO participation in the Millennium Summit, which takes place in the General Assembly. NGOs are invited to attend mid-year hearings and to provide input on the Secretary General's report, but at this point, will not be present at the

Summit except through a single plenary speaker.

Thus, a first need is for the UN to reconsider modalities for NGO participation and to create an open and participatory process for civil society throughout the preparations and the Summit itself. This is essential to create the civil society “ownership” that has been so lacking due in part to a non-participatory process in 2000.

Some suggestions for ways in which the UN system might work to support the efforts of women’s CSOs in advancing the MDGs:

At the national level:

- Insist on the participation of poor people’s organizations, including women’s organizations, not just CSO intermediaries. Recognize the diversity of women by intentionally including women leaders from marginalized racial, ethnic or caste groups. Support and strengthen women’s organizations.
- Work with women’s NGOs to create gender indicators at the country level. Encourage national actors to open the MDG national reporting process to CSOs in a meaningful way, from the early stages of the process.
- Support women’s economic literacy not merely for accessing current power structures, but for transforming them.¹³

¹³ Some groups involved in this work include Women in Development Europe in partnership with the International Gender and Trade Network

- Support the work of women’s organizations that work for the advancement of women’s rights, women’s equality and women’s empowerment. Support groups working for women’s sexual and reproductive rights; elimination of violence against women; and social and economic rights, as all of these are essential to fulfillment of the MDGs.
- Support not just “national ownership” of MDG plans, PRSPs or trade policy, but real national control over macro-economic policy, regulatory and development decisions.
- Guarantee that new financial resources for the MDGs are distributed equitably in terms of gender, race/ethnicity/caste and class, through targeted programmes to specific populations.
- Address financing for MDGS not only through ODA and trade, but also through military spending, equitable (progressive) taxation, and control over capital flight.

At the international level:

- Avoid imposing a one-size-fits-all policy approach to MDG fulfillment, and support efforts to resist multilateral efforts to do so.
- Work to insist that WTO, IMF and World Bank policies comply with human rights treaty obligations

(IGTN); Women’s International Coalition for Economic Justice (WICEJ); Fiji Women’s Rights Network; and Women of Color Resource Centre. Written educational resources are available through the Association for Women’s Rights in Development (AWID) and IGTN.

and enhance the MDGs. In particular, explore the linkages between PRSPs and MDGs, and how GATS and TRIPS rules may hamper fulfillment of the MDGs. Explore how public-private partnerships, within the GATS framework, may undermine the goals, particularly for women.

- Support efforts to incorporate recommendations of Task Force 3, and other Task Forces regarding gender equality, women's empowerment, and sexual and reproductive rights into the MDG review process and further action on the MDGs. This may include new MDG indicators.
- Work with CSOs to place the MDGs within a human rights framework, and to consider how they link to legal obligations of CEDAW, CERD, ESCR and other treaty bodies.
- Support efforts to redefine poverty beyond that of income, to encompass equality and capacity.
- Work with women CSOs to link economic development goals with women's efforts to challenge cultural norms that constrain their choices and the fulfillment of their rights, and link production and social reproduction.
- Join CSOs in efforts to address critical systemic impediments to achieving the MDGs – for example, the crisis in public health systems that result from specific policy recommendations, as a key to addressing maternal mortality, HIV/AIDS and child mortality.
- Devise mechanisms for Northern accountability on Goal 8, and make gender a priority in efforts

around Goal 8. Support demands of the Global Call Against Poverty, including gender equality demands.

- Link policies related to national security and the UN Security Council to development policies in terms of spending trade offs; national security conditions on bi-lateral development aid; UN reform; and women's role in peacemaking (SC Res. 1325).
- Explore how the MDGs relate to integrated follow up to the UN conferences in ways that do not sideline commitments made at those conferences by nations in both North and South. Affirm MDGs as necessary but insufficient for fulfilling Rio, Cairo, Beijing, Barbados, Copenhagen, Vienna, Istanbul and Durban commitments.
- Work to integrate the MDGs in a holistic way and to see gender as an integral part of them, not an add-on. Work to make gender a priority for all actors within the system, not just the "gender specialists."
- Within bi-lateral and multi-lateral agencies, financial resources for advancing the MDGs should include allocations to women's organizations and NGOs/CSOs working to advance women's rights, gender equality and women's empowerment at all levels. This includes additional funding for UNIFEM and INSTRAW as well as for global women's networks and projects as well as regional and national

networks, especially those with links to global networks.¹⁴

VII. Conclusions

Women's organizations have been shaping a global feminist agenda for gender justice and economic justice over the past three decades. They have had some notable achievements in terms of commitments at the global level, but have seen far too few gains in terms of women's lives. We are living in a time of backlash against women's human rights and all rights, as national security doctrine and neo-liberal doctrine replace human rights as the driving forces behind policy decisions.

Women's CSOs are fundamentally concerned about accountability. They have seen development decades and women's decades come and go. They have seen multiple development frameworks, only to find many nations considerably worse off than they were 30 years ago. Many feminist organizations are increasingly clear that, along with critical engagement with the MDGs and the Millennium Summit process:

- It is time to re-mobilize and re-politicize feminist movements not by adapting to power, but by

¹⁴ Some of these organizations serving global networks, or global networks themselves, include the Association for Women's Rights in Development, the Centre for Women's Global Leadership, DAWN, the International Gay and Lesbian Human Rights Commission, the International Gender and Trade Network, the International Women's Tribune Centre, ISIS-International, the Women's Environment and Development Organization, the Women's International Coalition for Economic Justice, and the International Women's Health Coalition.

challenging economic and political power and patriarchy;

- Women's movements are an integral part of broader social movements, and are working to build alliances on economic justice concerns, while bringing feminist demands to those movements; and
- Any efforts to engage in official development processes, which are fraught with contradictions and limitations, must be done with a clear agenda, a clear strategy, an understanding of the constraints, and rooted in social movements that hold CSO leaders accountable and have the power to mobilize for transformative change.



Carol Barton coordinates the Women's International Coalition for Economic Justice, comprising organizations from all regions of the globe, focused on gender, race, class and macro-economic policy at the international level. She is, most recently, editor of Seeking Accountability on Women's Human Rights: Women Debate the Millennium Development Goals. She is also a popular economics educator, and works as an independent consultant to non-profits.

References

A Global Call to Action Against Poverty — A Global Call to Action for Women's Rights, AWID et al, brochure, New York, March 2005.

Abeysekera, Sunila, "Development and Women's Human Rights," in *Seeking Accountability*, Barton/Prendergast editors, New York, January 2004.

Adaba, Gemma, "A View from Labour," in *Seeking Accountability*, Barton/Prendergast editors, New York, January 2004.

Allen, Aileen and Ana Falu, "Engendering the MDGs in the Andean Region," in *Seeking Accountability*, Barton/Prendergast editors, New York, January 2004.

Antrobus, Peggy, e-mail communication, March 2005.

Bakker, Issa, 'Neoliberal governance and the reprivatisation of social reproduction' in I Bakker and S. Gill (eds.) *Power, Production and Social Reproduction*, New York, Palgrave, 2003.

Barroso, Carmen and Francoise Girard, "Reproductive Health and Gender Equality," Paper for the Task Force on Education and Gender Equality, June 2003.

Barton, Carol and Laurie Prendergast, editors. *Seeking Accountability on Women's Human Rights, Women Debate the UN Millennium Development Goals*, Women's International Coalition for Economic Justice, New York, January 2004 (www.wicej.org).

Barton, Carol, "The MDGs, Beijing and Cairo," in *Globalizing Womens' Rights: Confronting Unequal Development Between the UN Rights Framework and WTO-Trade Agreements*, WIDE Annual Meeting, Bonn, Germany, May 2004. <http://www.eurosur.org/wide/home.htm>

Barton, Carol, "Women Debate the MDGs," Development 2005, 48(1), Society for International Development, www.sidint.org/development

Barton, Carol, "Where to for Women's Movements and the MDGs?" OXFAM, Gender & Development, May 2005. http://www.oxfam.org.uk/what_we_do/issues/gender/gad/

Bendana A, "Good Governance" and the MDGs: Contradictory or Complementary? Paper presented at the Institute for Global Network, Information and Studies conference, Oslo, 20 September, 2004. Focus-on-Trade #105, Focus on the Global South, www.focusweb.org

Beneria, Lourdes, (1995) Towards a Greater Integration of Gender in Economics. *World Development*, 23 (11), 1839-1850.

Beneria, Lourdes, Gender and the Construction of Global Markets, First Global Forum on Human Development, 29-31 July 1999, New York. Human Development Report Office, UNDP, www.undp.org/hdro

Cagatay, Nilufer (1998) Engendering Macroeconomics and Macroeconomic Policies. Social Development and Poverty Elimination Division, Working Paper 6, UNDP, New York.

Cagatay, Nilufer and Elson, Diane, *The Social Content of Macroeconomic Policies*, (2000).

Caird, Wendy, "Taking a Different Road to the MDGs," in *Seeking Accountability*, Barton/Prendergast editors, New York, January 2004.

DAWN, 'MDGs: Framed by Religious and Economic Fundamentalism' DAWN Supplement for the World Social Forum, January 2005 (www.dawn.org.fj)

Elson, Diane, and Gideon, Jasmine, The International Covenant on Economic, Social and Cultural Rights and the Empowerment of Women, Background Paper, Progress of

the World's Women 2000, a UNIFEM Report, New York, October 1999.

Elson, Diane, The Millennium Development Goals, A Feminist Economics Perspective. 52nd Dies Natalis Address. 7 October 2004. The Hague.

Feminist Dialogues, "Concept Note," Feminist Dialogue, Porto Alegre, Brazil, January, 2005,
<http://feministdialogue.isiswomen.org/modules.php?op=modload&name=Sections&file=index&req=viewarticle&artid=15&page=1>

Feminist Task Force - Global Call Against Poverty, "A Global Call to Action Against Poverty — A Global Call to Action for Women's Rights," New York, March 2005,
www.whiteband.org

Floro, Maria S., "Gender Dimensions of the Financing for Development Agenda," Working Paper prepared for UNIFEM in preparation for the International Conference on Financing for Development, April 2001,
<http://www.kulu.dk/Financing/Genderpercent20Audit/genderdimension.htm>

Francisco, Gigi, "Gender Mainstreaming Trade and Development Policies," in *Seeking Accountability*, Barton/Prendergast editors, New York, January 2004.

Freedman, Lynn, "Health as a Human Right: Maternal Mortality and the MDGs," in *Seeking Accountability*, Barton/Prendergast editors, New York, January 2004.

Girard, Francoise, Summary of Discussions, Sex and the Hemisphere Symposium: Achieving the Millennium Development Goals in Latin America and the Caribbean, International Planned Parenthood Federation, New York, 20 October 2004.

Girard, Francoise, Summary of Discussions, The Millennium Development Goals and

Sexual and Reproductive Health in Latin America and the Caribbean, International Planned Parenthood Federation, Rio de Janeiro, 30 November 2004.

Global Call to Action Against Poverty, Johannesburg Declaration, November, 2004.
www.whiteband.org/downloads/en_joburg.doc

Grown, Caren and Geeta Rao Gupta, "From Promises to Action: Recommendations for Gender Equality and the Empowerment of Women, Task Force 3 Interim Report on Gender Equality," Millennium Project, New York, February 2004.

Grown, Caren, Geeta Rao Gupta and Aslihan Kes. Taking Action: Achieving Gender Equality and Empowering Women. UN Millennium Project Task Force on Education and Gender Equality, 2005.
<http://www.unmillenniumproject.org/reports/reports2.htm#03>

International Gender & Trade Network, IGTN On-line Learning Project: General Agreement on Trade in Services, Washington, DC, 2001,
<http://www.igtn.org/EconoLit/Literacy.html>

Kabeer, Naila, Gender Mainstreaming in Poverty Eradication and the Millennium Development Goals, a handbook for policymakers and other stakeholders, Commonwealth Secretariat, London, 2003.
http://www.thecommonwealth.org/shared_assets/files/uploadedfiles/per cent7B6DF8E1B6-8068-4E00-B3AA-BF40F19939B3percent7D_Povertypercent20Bookpercent20Flyer.pdf

Kalima, Barbara, "Gender and Debt," AFRODAD, June 2002.
http://www.afrodad.org/archive/gender_debt.htm

Kalima, Barbara, "PRSPs — SAPs in Disguise?" AFRODAD, 23 October 2001.
<http://64.233.179.104/search?q=cache:2xMoSYxNrTMJ:www.afrodad.org/archive/prsp.htm+Barbara+Kalima+AFRODAD+gender+PRSP&hl=en>

Kindervatter, Suzanne, "A Question of Ownership," in *Seeking Accountability*, Barton/Prendergast editors, New York, January 2004.

Marshall, Alison, with Jessica Woodroffe, Petra Kjell, "Policies to Roll-back the State and Privatised? Poverty Reduction Strategy Papers Investigated, World Development Movement, April 2001.

Mbilinyi, Marjorie, "Lessons of Civil Society Engagement," in *Seeking Accountability*, Barton/Prendergast editors, New York, January 2004.

Nazombe, Elmira and Carol Barton, "Racial Justice--the Forgotten Goal," in *Seeking Accountability*, Barton/Prendergast editors, New York, January 2004.

Neuhold, Brita, Focus on Human Rights and Gender Justice: Linking the MDGs with CEDAW and the Beijing Platform for Action; Policy Paper for Beijing+10 and MDG+5 Reviews, WIDE Austria, February 2005.

The New York Times, "For Ugandan Girls, Delaying Sex Has Economic Cost," by Marc Lacey, August 18, 2003.

NGO Global Forum Statement, made by Laura Frade at the International Conference on Financing for Development, Monterrey, Mexico, 18 March 2002,
<http://www.un.org/ffd/statements/ngoE.htm>

Ortega, Ramona, "Exporting Poverty: US Social Policy and the MDGs," in *Seeking*

Accountability, Barton/Prendergast editors, New York, January 2004.

Painter, Genevieve, Gender, the Development Goals and Human Rights in the Context of the 2005 Review Process. October 2004, Gender and Development Network.

Radriamaro, Zo, Making the Missing Link: MDGs, Gender and Macroeconomic Policy, UN DESA Division for the Advancement of Women, Expert Group Meeting, Achievements, Gaps and Challenges in Linking the Implementation of the Beijing Platform for Action and the MDGs, Baku, Azerbaijan, 28 January 2005, EGM/BPFA-MD-MDG/2005/EP.1

Riley, Maria, "Framework for a Gender Analysis of the Economy," International Gender and Trade Network (web only),
<http://www.igtn.org/EconoLit/genderanalysis.pdf>

Robinson, Mary, "Mobilizing People to Claim Rights", in *Seeking Accountability*, Barton/Prendergast editors, New York, January 2004.

Sachs, Jeffery, *Investing in Development: A Practical Plan to Achieve the MDGs*, UN Millennium Project, January 2005,
<http://unmp.forumone.com/>

Sachs, Jeffrey, "Weapons of Mass Salvation," *The Economist*, October 24, 2002.

Sharma, Devinder, "Hunger is a reflection of our misplaced emphasis on growth for a select few," Focus on the Global South, 19 April 2004.

Sparr, Pam, "Basic Building Blocks for a Gender and Trade Analysis," US Gender and Trade Network, March 2002.

http://www.igtn.org/EconoLit/building_blocks.PDF

Sparr, Pam, *Mortgaging Women's Lives, Feminist Critiques of Structural Adjustment*, Zed Books, September 1994.

UN DESA Division for the Advancement of Women, Aide-Memoire, Expert Group Meeting, Achievements, Gaps and Challenges in Linking the Implementation of the Beijing Platform for Action and the MDGs, Baku, Azerbaijan, 7-10 February, 2005, EGM/BPFA-MD-MDG/2005/BP.1

UN DESA Division for the Advancement of Women, Report of the Expert Group Meeting, Expert Group Meeting, Achievements, Gaps and Challenges in Linking the implementation of the Beijing Platform for Action and the MDGs, Baku, Azerbaijan, 18 February 2005, EGM/BPFA-MD-MDG/2005/REPORT.

UN DPI a, "Empowering Women: The Key to Achieving the Millennium Development Goals," International Women's Day, Background, 2003.
www.un.org/events/women/iwd/2003/background.html

UN DPI b, "No tool for development more powerful than women's empowerment, says Secretary-General, as Women's Commission opens 2005 session," Press Release, WOM/1488, 28 February, 2005.

UN DPI c, "Full Implementation of 1995 Beijing Action Plan for Women Essential to Achieving Global Anti-Poverty Goals, Women's Commission Declares," Press Release, WOM /1496, 4 March 2005.

UN Millennium Project Task Force on Hunger, "Halving Hunger, It Can be Done," New York, March 2005.
<http://www.unmillenniumproject.org/reports/reports2.htm#03>

UN Millennium Project Task Force on Child Health and Maternal Health, "Who's Got the Power? Transforming Health Systems for Women and Children," New York, March 2005.

<http://www.unmillenniumproject.org/reports/reports2.htm#03>

UN Millennium Project Task Force on HIV/AIDS, Malaria, TB and Access to Essential Medicines — Working Group on HIV/Aids, "Combating AIDS in the developing world," New York, March 2005.
<http://www.unmillenniumproject.org/reports/reports2.htm#03>

UN Millennium Project Task Force on HIV/AIDS, Malaria, TB and Access to Essential Medicines—Working Group on Access to Essential Medicines, "Prescription to Healthy Development: Increasing Access to Medicines," New York, March 2005.
<http://www.unmillenniumproject.org/reports/reports2.htm#03>

UN Millennium Project Task Force on Water and Sanitation, "Health, Dignity and Development, What Will it Take?" New York, March 2005.
<http://www.unmillenniumproject.org/reports/reports2.htm#03>

UN Secretary General, Roadmap Towards the Implementation of the UN Millennium Declaration, Secretary General's report, United Nations, 6 Sept. 2001, A/56/326.
www.un.org

UNDP Human Development Report 2003: Millennium Development Goals: A Compact Among Nations to End Human Poverty, New York: United Nations.
www.undp.org/hdr2003

UNDP *Human Development Report, 1995: Gender and Human Development*, New York: United Nations.
www.undp.org/hdr1995

UNDP, *Millennium Development Goals: National MDG Reports, A Look Through a Gender Lens*, by Kalyani-Menon Sen, 2003.
http://www.mdgender.net/upload/monographs/UNDP_MDGR_genderlens.pdf

UNIFEM, *Pathway to Gender Equality: CEDAW, Beijing and the MDGs*, 2004.
www.unifem.org/index.php?f_page_pid=10

UNIFEM, *Progress of the World's Women 2000*, New York: 2002.
http://www.mdgender.net/resources/monograph_detail.php?MonographID=9

UNIFEM, *Progress of the World's Women 2002, Gender Equality and the Millennium Development Goals*, New York 2002.
http://www.mdgender.net/resources/monograph_detail.php?MonographID=9

US Gender and Trade Network, *Bankrupt US Economic Policy Forecloses on Women's Human Rights*, Washington DC, 2005, www.igtn.org

Vandemoortele, Jan, "MDGs at Work at the Country Level," in *CHOICES Supplement*, New Millennium, New Agenda, UNDP, March 2002. www.undp.org

Vandemoortele, Jan, "Are the MDGs Feasible?", UNDP Bureau for Development Policy, New York, July 2002, www.undp.org

Vandemoortele, Jan, Kamal Malhotra and Joseph Anthony Lim, "Is MDG 8 on track as a global deal for human development?" UNDP Bureau for Development Policy, New York, June 2003. www.undp.org

Vandemoortele, Jan and Rathiin Roy, "Making Sense of MDG Costing," Poverty Group, UNDP Bureau for Development Policy, New York, July 2004. www.undp.org

Waring, Marilyn, *Counting for Nothing: What Men Value and What Women are Worth*, Toronto, University of Toronto Press, 1999.

Whitehead, Ann, "Failing Women, Sustaining Poverty: Gender in PRSPs." Report for the UK Gender and Development Network, Christian Aid, May 2003.
http://www.christianaid.org.uk/indepth/0306gad/failing_women.pdf

WICEJ, *How Women Are Using the UN World Conference Against Racism, Racial Discrimination, Xenophobia and Related Intolerance to Advance Women's Human Rights*, Tools for Women's Advocacy #2, March, 2003.

WICEJ-UNDP, *Notes on Meeting with Women's Civil Society Organizations and UN Staff on the MDGs*, March 3, 2004.

Williams, Mariama, "The MDGs in the Context of Gender and Trade," in *Seeking Accountability*, Barton/Prendergast editors, New York, January 2004.

Williams, Mariama, *Statement to Roundtable on Mainstreaming Gender Perspectives into all Policies and Programmes in the UN System*, United Nations, NY, July 6-7, 2004 (www.igtn.org/research)

WEDO and UNIFEM, "Women's Consultation Recommendations," ICFD Third Preparatory Meeting May 2-8, 2001, New York,
<http://www.kulu.dk/Financing/Women'spercent20Consult/Contents.htm>

WEDO and UNIFEM, "The Financing for Development Gender Policy Briefing Kit," New York, 2002a.

WEDO and UNIFEM, "Women Challenging Globalization," on the 2002 United Nations Conference on Financing for Development. New York, 2002b.

Women's Environment and Development Organization (WEDO), Women's Empowerment, Gender Equality and the Millennium Development Goals, 2004.
www.mdgender.net

Women's International Coalition for Economic Justice, "Critical Moments, Signs of Resistance and Evolving Strategies" World Social Forum, Brazil, January 2003.
<http://www.wicej.addr.com/portoalegre.html>

Woods, Zonibel, Sexual and Reproductive health: A foundation for achieving the MDGs, UN DESA Division for the Advancement of Women, Expert Group Meeting, Achievements, Gaps and Challenges in Linking the Implementation of the Beijing Platform for Action and the MDGs, Baku, Azerbaijan, 7-10 February, 2005, EGM/BPFA-MD-MDG/2005/EP.9

World Bank, "Jeffrey Sachs Calls for Large and Long-Term Resource Transfers to Fight Poverty," World Bank News Story, April 18, 2002.

World Bank, Proceedings of the International Workshop on Gender Equality and the Millennium Development Goals, November 19-20, 2003, Washington, DC.

Implications of Some WTO Rules on the Realisation of the MDGs

Martin Khor □ Third World Network

Introduction

This is a paper on how some of the rules, recent proposals and developments in the World Trade Organisation may have an impact on the realization of the Millennium Development Goals (MDGs). It is beyond the scope of the paper to undertake an in-depth description or analysis of this important and complex issue. It covers agreements on the basis of their importance and relevance to the MDGs.

The MDGs were formulated at the United Nations following the Millennium Summit of 2000. They comprise goals and targets that government leaders have collectively agreed and committed to at various Summits and meetings. They constitute a useful set of references and benchmarks which governments, international and other agencies and people can look to as worthy goals to achieve.

The WTO is a multilateral organization whose rules have a powerful effect on the trade and domestic policies of member states and on the livelihoods and lives of their people. It was established ten years ago, and it is possible to observe at least partially the impact of its agreements. Firstly, a brief assessment is made about the problems arising from implementation of the rules. The main features and effects of some of the agreements

(agriculture, services, intellectual property, GATT) are then outlined. The decision-making system and the structural or systemic aspects of the WTO are then discussed. Some suggestions for improving the situation are made for each of the topics.

The WTO has effects on several or all of the MDGs and of their targets. The most obvious is Goal 8, “develop a global partnership for development”, with target 12 (develop further an open, rule-based, predictable, non-discriminatory trading and financial system), target 13 (which includes tariff- and quota-free access for exports of LDCs) and target 17 (provide access to affordable essential drugs in developing countries). Also very relevant are Goal 1 (eradicate extreme poverty and hunger) with targets of halving the number of poor people and the proportion of people suffering from hunger by 2015; and several other goals that deal with health (Goal 4 to reduce child mortality, Goal 5 to improve maternal health and Goal 6 to combat HIV/AIDS, malaria and other diseases) and education (Goal 2 to achieve universal primary education).

References will be made to some of these goals when discussing the effects. Reference is also made to several reports by the UN Secretary-General, and the Human Rights Commission exploring the

links between globalization and trade rules on one hand, and economic, social and cultural rights on the other hand. It is useful to link the approach of the MDGs with the human rights approach.

This paper also draws on earlier papers by the author.

“Problems of implementation” and the lack of progress on the “development issues” in the WTO

After the WTO was established, policy makers and analysts in many developing countries became increasingly concerned about the implications and emerging impact arising from the implementation of the Uruguay Round agreements. They became aware that many of the agreements contained flaws and were imbalanced in that developing countries would have to undertake more obligations, that the benefits would not be equitably distributed, and moreover the developing countries would in many cases suffer costs or losses. These problems were compiled by an influential group of developing countries (informally known as the Like Minded Group) and first tabled in 1999 as “implementation issues” in the WTO.

There are two sets of implementation problems that analysts and policy makers of the developing countries have found. Firstly, the benefits they anticipated did not materialize as the developed countries failed to implement their obligations in the manner expected of them. Secondly, they face many problems themselves in having to change domestic policies whilst attempting to fulfil their own Uruguay Round obligations. A useful analysis of many of these problems is contained in Das (1998, 1999).

On the first set of problems, the developing countries’ main expectation was that the developed countries would very significantly open their markets in agriculture and textiles, the two main sectors in which the developing countries have an export advantage. The developing countries had made major concessions in agreeing for decades that agriculture and textiles would remain outside the general free-trade rules of GATT, thus allowing the developed countries to protect themselves. It was agreed during the Uruguay Round that the two sectors would be integrated into the system.

In agriculture, tariffs of many agricultural items of interest to developing countries are prohibitively high (some are over 200 and over 300 percent). Domestic subsidies in OECD countries have risen from \$275 billion (annual average for base period 1986-88) to \$326 billion in 1999, according to OECD data (OECD 2000), instead of declining as expected, as the increase in permitted subsidies more than offset the decrease in subsidy categories that are under discipline in the WTO Agriculture Agreement. There has been little expansion of access to developed country markets.

In textiles and clothing, the developed countries agreed to progressively phase out their quotas over 10 years to January 2005, but they have in fact retained most of their quotas even at the close of the implementation period. Genuine liberalization was avoided by the device of choosing in the first phases to ‘liberalize’ mainly products that were not actually restrained in the past, thus leaving quotas on the bulk of significant products, which

would be eliminated only at the end of the ten-year transition period. This, together with the absence of structural adjustment in the North to prepare for the ending of the quotas have raised doubts as to whether there will be liberalization at the deadline, or whether other trade measures (such as anti-dumping and safeguard measures) will be taken, besides high tariffs, to continue the high protection.

Tariff peaks and tariff escalation continue to be maintained by developed countries on other industrial products in which developing countries have a manufacturing export capacity. The supposed improvement of market access through tariff reductions has to some extent been also offset by non-tariff barriers in the rich countries, such as the use of anti-dumping measures and the application of food safety and environmental standards.

On the second set of implementation problems, the developing countries are facing difficulties in having to implement their own commitments made in several WTO agreements.

These problems include: (a) the prohibition of trade-related investment measures and subsidies, making it harder for developing country governments to promote domestic industry; (b) import liberalisation in agriculture, threatening the viability and livelihoods of small farmers whose products face competition from cheaper imports, many of which are artificially cheapened through massive subsidies; (c) the effects of a high-standard intellectual property right (IPR) regime that has led to exorbitant prices of medicines and other essentials, to the

patenting by Northern corporations of biological materials originating in the South, and to higher cost for and lower access by developing countries to industrial technology; (d) increasing pressures on developing countries to open up their services sectors, which could result in some local service providers being rendered non-viable; and (e) the recent negotiations (which began in 2001) for a new round of industrial tariff cuts is also likely to result in steep tariff reductions, which may unleash a level of import competition upon domestic industries that many may not be able to stand up to.

The problems arise from the flaws and imbalances in several of the WTO agreements. The developing countries have tabled in the WTO a list of these problems encountered during the implementation process, and also put forward proposals for addressing these problems. The summaries of these proposals are contained in the WTO compilations on implementation issues (WTO 2001d, 2001e, 2001f).

Requests by developing countries from 1999 that these problems be resolved first in the sequencing of the WTO's future activities have not been agreed to, and there has been little progress even though a set of these issues has been placed under the Doha negotiating agenda. The attitude of the developed countries seems to be that the developing countries had entered into legally binding commitments and must abide by them; any changes would require new concessions on their part. If this approach is adopted, it would imply that the state of imbalance will remain.

At the WTO General Council meeting in July 2004, when a package of decisions was adopted on the Doha work programme, there were no concrete results reported on resolving implementation issues. A related set of issues, on how to strengthen existing provisions on special and differential treatment for developing countries, were also unresolved. The meeting merely agreed on a new time-table for further discussions on these two related issues, which together are known in WTO as the “development issues”

This lack of progress of the “development issues” has implications for the realization of the MDGs. Goal 8 calls for the development of a “global partnership for development”. A genuine and effective partnership would require that the developing countries obtain their fair share of benefits from the trading system. It would also mean that care is taken to ensure that the rules of the trading system are balanced and will result in equitable outcomes, that at least the developing countries do not suffer losses and costs from the rules, and that the rules do not adversely affect the welfare and rights of ordinary and poor people.

Although MDG Target 12 (calling for further development of an open, rule-based, predictable, non-discriminatory trading and financial system) does not explicitly mention that the trading system should be fair and balanced, this is implied in MDG Goal 8’s main term, “partnership for development.” Moreover the term “non-discriminatory” presumably also covers that goal that the rules should not be skewed against the developing countries and poor people.

The lack of realization of the anticipated benefits to developing countries of the Uruguay Round also affect other MDGs. According to a UNCTAD report, protectionism in developed countries has prevented developing countries from fully exploiting their existing or potential comparative advantage. The missed opportunities for them due to trade barriers are estimated at an additional \$700 billion in annual export earnings in low-technology industries alone. (UNCTAD 1999: 143). If these opportunities had been available, and had been taken up, they would have provided developing countries with more export earnings, employment and income, and these in turn could have made significant contributions (in some countries at least) to the realization of MDG 1 (eradicating poverty and hunger) as well as the other goals relating to health and education.

Moreover, failure till now to tackle the second set of implementation issues implies that the policy space required by developing countries to enact development strategies and policies has been eroded. Indeed, there are concerns whether the presently poor and middle-income developing countries can anymore pursue many of the development policies that the presently industrialized countries (and the successfully industrializing developing countries) had undertaken during their process of development.

The problems of implementation affect their prospects for technology upgrading, the development of local industries, survival and growth of local farms and the agriculture sector, attainment of food security goals, and fulfillment of health and medicinal needs. These are all of

course of relevance to the realization of most of the MDGs.

The following sections discuss issues arising from the design and implementation of some of the specific agreements.

Agriculture

The WTO Agreement on Agriculture (AoA) established disciplines on three pillars: market access, domestic support and export subsidies. There are several weaknesses and imbalances in the AoA that have enabled the developed countries to maintain high protection in this sector, whilst the policy space for developing countries to promote their small farms, rural development and food security has been seriously eroded. If the present flaws are not rectified, there can be serious adverse consequences for realizing MDG Goal 1 (eradicate extreme poverty and hunger) and Goal 8 (global partnership for development). Indeed, whether the unfairness of the present global rules on agriculture is removed would be a litmus test for the seriousness with which the developed countries take the MDG process.

The AoA prohibited the continuation of quantitative restrictions, and those that practiced it had to convert these to tariffs. In the tariffication process, many developed countries set very high tariffs on several products; thus, even after the required 36 per cent reductions, they remain prohibitively high.

Domestic support has also remained very high; in fact, the total amount of domestic subsidies in OECD countries has actually risen as there was an increase in permitted types of subsidies, which offset

the decrease in those subsidies that come under discipline and have to be reduced. The export subsidies budget in developed countries was also required to be reduced by only 36 per cent under the agreement. Of the three aspects above, worldwide public criticism has focused most on the continuation and expansion of domestic subsidies in developed countries. A loophole in the AoA has allowed developed countries to maintain or even increase their total domestic support by shifting from one type of subsidy, the Amber Box (price-based, which is directly trade-distorting) to two other types, the Blue Box and Green Box (grants to farmers to set aside production and direct payments to farmers, and other “indirect” subsidies) that are exempted from reduction discipline.

In reality, the Blue and Green Box subsidies also have significant effects on the market and trade, and are thus also trade distorting. For the farmer, what is important is whether he can obtain sufficient revenue and make a profit. If a subsidy, in whatever form, is assisting the farmer to obtain revenue and to be economically viable, then that subsidy is having a significant effect on production and on the market.

The effect of agriculture subsidies in developed countries is that their farm production levels are kept artificially high and their producers dispose of their surplus in other countries, often by dumping on world markets at less than the production cost.

Farmers in developing countries incur losses in three ways: they lose export opportunities and revenues from having their market access blocked in the

developed countries using the subsidies; they lose export opportunities in third countries, because the subsidising country is exporting to these countries at artificially low prices; and they lose their market share in their own domestic market, and even lose their livelihoods, due to the inflow of artificially cheap subsidised imports.

Subsidy payments in the rich countries favour the largest producers. Data from 1996 show that 17 per cent of farms that are large or extra-large received 50 per cent of agricultural support under the Common Agriculture Policy in the European Union countries (ActionAid 2002: 8). In 1997-98, direct payments in the UK's arable, sheep and beef sectors totalled about Sterling 2,730 million, and 16 per cent of the largest holdings received 69 per cent of the subsidies (ActionAid 2002: 9).

A good example of the effects of Northern agricultural subsidies on developing countries is provided by the case of cotton, which has been highlighted by West African producer countries. The President of Burkina Faso, Blaise Comptore, addressing the WTO Trade Negotiations Committee in June 2003, called for a decision to eliminate cotton subsidies, and until then, to pay financial compensation to the least developed countries that suffer losses due to the subsidies (Khor 2003).

President Comptore highlighted the plight of West and Central African cotton-exporting countries resulting from the developed countries' agricultural subsidies and the urgent need for action to prevent further loss of income and livelihoods. He pointed to the hypocrisy

and double standards in the global economic system. The multilateral trade rules, reinforced by the Washington Consensus, led developing countries to undertake structural adjustment reforms. In line with these, West and Central African states eliminated their agricultural subsidies but these reforms were nullified by "multiform subsidies" by some WTO members "in total contradiction with WTO basic principles." In 2001, the rich countries' \$311 billion farm subsidies were six times the \$55 billion dispensed as aid. Mali received \$37 million in aid but lost \$43 million from lower export revenues caused by other producer countries' cotton subsidies.

"Such practices provide rich country agriculture with an unfair competitive edge that works against developing countries," President Comptore said. African farmers produce cotton 50 per cent cheaper than their competitors from developed countries, ranking them among the most competitive in the world. But cotton subsidies have caused a crisis, with Burkina Faso losing 1 per cent of its GDP and 12 per cent of its export income, Mali 1.7 per cent and eight per cent, and Benin 1.4 per cent and nine per cent respectively.

In 2001, cotton production in Benin, Burkina Faso, Mali and Chad accounted for 5 per cent to 10 per cent of GDP and 30-40 per cent of export revenues, and over 10 million people in West and Central Africa depend on cotton production and several other millions are indirectly affected by the distortion of world prices due to subsidies. And while cotton accounts for a small part of the rich world's economy, in Africa it represents a determining factor for poverty reduction

policies and political stability (Khor 2003).

"From this platform I am launching an appeal in the name of several millions of people for whom cotton is the main means of subsistence, I ask the WTO and its member states to prevent these populations who are victims of the negative impact of subsidies, from being excluded from world trade," said President Comptore. "African countries share the opinion that a satisfactory settlement for the cotton subsidy issue is both a must for the current negotiation round and a test that will allow member States to prove their sincerity behind the commitments taken at Doha."

A paper by the West African countries (Benin, Burkina Faso, Chad and Mali) to the WTO in May 2003 stated that subsidies to US cotton producers (\$2.3 billion in 2001-2) are 60 per cent more than the GDP of Burkina Faso where over two million depend on cotton production. Half the cotton subsidies to American producers (around \$1 billion) goes to a few thousand farmers who cultivate around 1,000 acres. In contrast, in West and Central African countries, these subsidies penalise one million farmers who each only have five acres of cotton land and live on less than \$1 per person per day.

The subsidies cost West and Central African countries \$250 million in direct loss in export earnings in 2001/2. Including indirect effects, the loss would be about \$1 billion a year to these countries. The countries therefore called for recognition of the strategic nature of cotton for development and poverty reduction in many LDCs, and a complete

phase-out of support measures for the production and export of cotton, with cotton producers in developing countries being given financial compensation until cotton subsidies are eliminated. (Khor 2003).

Another imbalance in the AoA is that a special safeguard (SSG) mechanism (which makes it easier for countries to protect themselves when they face import surges affecting their agriculture) is not allowed for use except in cases where a country has put a tariff on a product in the Uruguay Round. Developed countries qualify and are able to safeguard many of their products. However, only 20 developing countries are eligible. Thus most developing countries have no proper instrument to counter import surges. A FAO study also found that during the period 1995-2001, only two developing countries made use of the SSG. This imbalance is especially unfair because it is developing countries that are facing import surges and are unable to defend themselves.

Thus, developing countries are facing serious implementation problems in agriculture. They have had to remove non-tariff controls and convert these to tariffs. With the exception of LDCs, they are expected to reduce the bound rates progressively. They also have had low domestic subsidies (due to financial constraints) and are now not allowed to raise these subsidies beyond a *de minimis* level and have (excepting LDCs) to reduce them if they are above this level.

Increased competition from imports has threatened the small farm sectors in many developing countries and increased fears

of food insecurity. An FAO study in 14 developing countries concluded that liberalization in the agriculture sector has led, variously, to an increase in the food import bill, a decline of local production in products facing competition from cheaper imports, and a general trend towards consolidation of farms and displacement of farm labour.

High protection in developed countries and further liberalisation in developing countries has resulted in surges of imports to many developing countries. In many cases these imports were artificially cheapened by domestic or/and export subsidies. There are many cases of “dumping” in which the developed-country products’ export price is below the cost of production. Often, the poorer countries may have more efficient farmers, but their livelihoods are threatened by products of subsidized inefficient farmers in rich countries.

An FAO report (2003) shows very high incidences of import surges in 1984-2000 for 8 key products in 28 developing countries, with the incidence rising after 1994. For example, Kenya experienced 45 cases of import surges- in wheat (11 cases), rice (3), maize (5), vegetable oils (7), bovine meat (4), pig meat (6), poultry meat (5), milk (4). Philippines had 72 cases of import surges, Bangladesh 43, Benin 43, Botswana 43, Burkina Faso 50, Cote d’Ivoire 41, Dominican Republic 28, Haiti 40, Honduras 49, Jamaica 32, Malawi 50, Mauritius 27, Morocco 38, Peru 43, Uganda 41, Tanzania 50 and Zambia 41.

The FAO study also cites several recent studies on import surges that trace the problem to unfair trade practices (e.g. dumping), export subsidies, domestic

production subsidies. It says: “Indeed, import surges seem to be more common in product groups that are subject to high levels of subsidies in exporting countries, notably dairy/livestock products (milk powder, poultry parts), certain fruit and vegetable preparations and sugar.”

There are now many case studies of the incidence and damaging effects of import liberalisation on local communities are rural producers in developing countries. These studies show how farmers in many sectors (staple crops like rice and wheat; milk and other dairy products; vegetables and fruits; poultry; sugar; wheat) have had their incomes reduced and their livelihoods threatened by the influx of imports. The problems caused to small rural producers in developing countries are now very widespread. (FAO 2000, 2001; Meenakshi Raman 2004).

The link between the trading system and human rights has been explored by the UN Commission on Human Rights’ special rapporteur on the right to food in a report after the failure of the WTO’s Cancun Ministerial conference (UN Commission on Human Rights 2004). The report looks at why international trade in food is not benefiting the vast majority of poor and marginalised people, but rather creating even greater marginalisation and inequality. The report examines the negative impact of the WTO rules and the potential negative impact of TNCs that are exercising increasing control over food and water systems. It criticizes the double standards of the trading system that enables developed countries to protect their agriculture whilst developing countries are too poor to subsidise but must reduce tariffs and open up to unfair competition from the

developed countries' subsidized products. "This leaves the countries unable to produce their own food and unable to guarantee an income to buy their own food, leaving them increasingly vulnerable to food insecurity and severely affecting their ability to guarantee the realisation of the right to food." (UN Commission on Human Rights 2004: p8). This finding has clear implications for the MDGs, especially Goal 1 (reduction of poverty and hunger).

There are serious implications of the AoA and its implementation for the realization of the MDGs. First, the continued existence of the inequitable AoA, and the effects of its implementation, deal a major blow to the spirit of Goal 8 (global partnership for development). Developing countries can forcefully argue that the AoA symbolizes hypocrisy and double standards that makes a mockery of Goal 8.

Second, continued protection in rich countries prevents developing countries from expanding their export revenue. The African cotton producing countries estimate their loss in income amounts to \$250 million a year due to the subsidies of developed countries. Thus, the subsidies adversely affect the realization of Goal 1 (on poverty and hunger).

Third, the AoA is contributing to the liberalization of food imports in developing countries, to the displacement and loss of livelihoods of small farmers, and the deterioration (or potential deterioration) of the food security situation nationally. All of this makes it even more difficult to realize Goal 1.

Third World Network has made proposals to rectify this situation (TWN 2001: p8, 83-84). The domestic and export subsidies and tariff peaks in agriculture in developed countries should be drastically reduced. The loopholes that allow domestic subsidies to be maintained or increased by shifting subsidies from one box (or category) to another should be plugged. Meanwhile, developing countries should be allowed greater flexibility on the grounds of food security, protection of rural livelihoods and poverty alleviation. Food production for domestic consumption in developing countries (as well as the products of their small and non-commercial farmers) should be exempt from the Agriculture Agreement's disciplines on import liberalization and domestic subsidy.

At the least, developing countries should be allowed to self-designate "special products" (which they rely on for food security, rural livelihoods and rural development), which should be exempted from further tariff reduction. Also, developing countries should be able to use a special safeguard mechanism enabling them to raise their tariff above the bound rate when surges of imports affect local producers. However, the chances for many of these proposals to be accepted are slim, in light of the decision of the WTO General Council on a framework for agriculture modalities in July 2004.

Services and GATS

Before the Uruguay Round was launched, many developing countries had tried to resist the inclusion of the then 'new issue' of trade in services. They were against bringing services into the GATT system since they lack the capacity to gain from

increased exports, while they would have to liberalize their services sectors, with local companies losing ground to bigger foreign service providers. Despite this reluctance, services became a part of the Round and eventually the WTO rules.

The services agreement contains inherent imbalances. It favours major services-exporting countries that can take advantage of liberalization, while disadvantaging developing countries that lack the capacity to benefit from exports. Also, it specifically includes obligations to liberalize the movement of capital (for example, in Article XI and Article XVI.1 footnote) but the same special treatment has not been given to the movement of labour, which is of interest to developing countries.

In an area where developing countries do have an advantage, such as the movement of labour, developed countries have not yet been prepared to undertake liberalization. Although developing countries are allowed under GATS to liberalize fewer sectors and transactions, it is not specified how this is to be operationalized. Negotiations on financial services showed that developed countries insisted on high levels of commitments from developing countries.

The result has been that the developing countries have given concessions without effectively getting any in return. Within the services trade, there are imbalances in the distribution of benefits between industrialized and developing countries. The commitments undertaken in GATS do not reflect the interests of developing countries in terms of commercially meaningful sectoral and modal coverage. (Mashayekhi 2000).

It has been argued that GATS is beneficial as services liberalization helps developing countries by increasing efficiency and providing required inputs. Even if this were so, developing countries can choose to liberalize selectively and autonomously, without making binding commitments at the WTO; thus, if the liberalization turns out to have negative effects, they can reverse course without having to pay any compensation.

New sectoral agreements on financial services and telecommunications have increased the imbalances as the developed countries are the major service providers in these sectors, whilst most developing countries have hardly any supply or export capacity (Das 1998b).

There are also increasing public concerns that GATS is creating conditions that may affect the public's access to social services, such as health care, education, and water supply that traditionally have been provided by the public sector. Among the concerns is that governments would come under pressure to change the conditions under which public services are provided, for example, to privatize such services, to allow competition from the private sector and from foreign firms, and to privatize natural resource-based items, such as water, and also sell them to foreign countries.

Many 'public services' have traditionally been provided by the public sector. There have been assurances by the WTO secretariat that under GATS countries are not 'compelled' to liberalize, that they are bound by GATS disciplines only in sectors and sub-sectors they have agreed to liberalize and that public services

maintained or supplied by a government need not be opened to foreign competition (WTO 2001a).

There is some degree of ambiguity as to the extent to which government services are exempted from the coverage of GATS. According to Article I of GATS, the definition of 'services' covered in the agreement gives an exception to 'services supplied in the exercise of governmental authority,' and that term in turn means 'any service which is supplied neither on a commercial basis nor in competition with one or more service suppliers.' Thus, government services provided on a commercial basis are subject to GATS provisions, as are government services supplied in competition with any other suppliers. In many countries, there are many aspects of education, health care, housing and other social services in which the government as well as the private sector provide services, and it could be argued that in these aspects the government service is in competition with other suppliers, and thus falls under the GATS purview.

On the issue of whether governments are pressured to privatize or open up public services activities to foreigners, it is also necessary to consider the way in which the IMF and the World Bank have operated through structural adjustment conditionality to get governments to privatize government-supplied services and infrastructural projects and also to open developing-country markets for foreign service suppliers (including participation in the privatization schemes). Many developing countries have been required to privatize water supply, sanitation and other services and to charge 'user fees' to bring in revenue, as

well as open up the field for private entities to provide the service, whether in competition with or as a complement to the public service (Raghavan 2001).

Once the public service is privatized, it ceases to be an exempted government service. Even in a case where privatization is partial, or where the government still maintains its service but allows private entities to also participate in supplying that service, in terms of Article I.3(c) of GATS, such a service may no longer qualify as a service 'supplied in the exercise of governmental authority' and thus could be brought under GATS.

Thus, IMF and the World Bank on the one hand, and WTO on the other hand, can play complementary roles in generating a process by which public services are either commercialized, privatized, opened up for competition from private entities, or opened up to foreign service suppliers. While the initial prompting for privatization, commercialization, competition and liberalization might begin with IMF-World Bank conditionality (or even a government's unilateral policy), pressures could then build for the countries involved to bind these decisions or policies under GATS.

In conclusion, since many 'governmental services' can and do fall under the purview of GATS, there are grounds for concern that countries could come under pressure to accept requests that they open up public services to foreign competition, and that, moreover, these services come under the purview of the cross-cutting rules of GATS. Also, for many developing countries that are under structural adjustment programmes, there are elements external to the WTO that

generate pressures for public services to be commercialized, privatized and liberalized, which would then make these services ineligible for classification as exempted government services, and thus subject to GATS rules and processes.

In a path-breaking study of liberalization of trade in services and human rights, the UN High Commissioner for Human Rights found that FDI can bring some benefits, but the increased presence of foreign private suppliers can pose challenges to governments as guarantors of human rights. The introduction of user fees can reduce or even cut off service supply to the poor, marginalized or vulnerable. In the health sector, privatization can result in a two-tiered system, with a corporate segment focused on the healthy and wealthy and an underfinanced public sector focusing on the poor and sick.

As FDI is driven by commercial interests, the promotion of FDI in health, water and education sectors will not necessarily be the most effective means of ensuring universal access to entitlements. Privatisation can also threaten the government's role as primary duty bearer of human rights; for instance, private companies can subvert health systems through political pressure and co-opting regulators to make regulations more favourable to them. Other sectors such as can also be affected, as liberalization can increase prices of services and threaten the provision of transport and communications services to the poor. (UN High Commission on Human Rights 2002: p12). Though there may be opportunities offered through increased trade in services, the report warns that liberalization of essential service sectors can have negative effects, citing the case

in Cochabamba, Bolivia where the city's water system was liberalized to a foreign company, causing price increases of over 35per cent, resulting in mass demonstrations and strike action that led the government to reverse its liberalization decision and restore public ownership. The company lodged a complaint against the government in an international disputes centre.

Regarding GATS, the report warns that government regulations come within the scope of GATS and the general obligations of non-discrimination will apply. The "necessity test" has been introduced for domestic regulations in at least one service (accountancy), whereby measures relating to licensing, technical standards and qualifications should not be more trade-restrictive than necessary to fulfill the regulation's objective. The report says that "the question arises whether this has the effect of subordinating human rights obligations to trade rules" and stresses that "a human rights approach to trade sets the enjoyment of all human rights among the objectives of trade liberalization, not as an issue secondary to trade rules."

The rules on GATS and their implementation have implications for several MDGs. Firstly, the present imbalances in the agreement can be expected to lead to more unequal outcomes especially between developed and developing countries in benefits and costs, and thus affect the realization of MDG 8 (global partnership for development). Secondly, some countries may experience negative effects on their balance of payments should foreign ownership of services cause significant profit outflow, and this would in turn have

implications for the external debt position and debt sustainability (thus affecting Target 15 of the MDGs). Thirdly, the pressures by developed countries on developing countries to commit themselves to liberalizing social services and utilities such as water supply, electricity, telecommunications, education and health care, may adversely affect access especially of the poor to these services and utilities. This has implications for the realization of Goal 7 (environmental sustainability) and its target 10 on access to water, Goal 4 and 5 on child and maternal health care, Goal 6 on combating diseases and Goal 2 on education.

Measures to deal with these problems are suggested in Third World Network (2001: p 9-10, 84-85). The lack of data on benefits and losses arising from services liberalization needs to be addressed, and until then, developing countries should not be expected to undertake further obligations. The special provisions for developing countries in GATS (Articles IV and XIX.2) should be seriously implemented, and a mechanism set up to monitor the implementation. Developed countries should take concrete steps for liberalizing the movement of labour from developing countries to developed countries. The GATS provisions for flexibility in the choice of sectors and pace of liberalization for developing countries should be preserved.

In the discussions on rule-making and the development of new rules, including those on domestic regulation and government procurement, great care must be taken to ensure that the flexibility and options for governments to make their own domestic regulations and policies are not adversely

affected. Proposals must be assessed especially on their potential social, economic and developmental effects on developing countries.

Public concerns that the GATS rules and framework cover basic services (such as water, health, education and social welfare) and may involve some types of activities that are provided by the government and public sector, should be addressed. The nature and scope of exception for services provided by the government should be clarified and an assessment made on the implications of whether (and to what extent) countries can have adequate flexibility in making national policies for basic services. The effects of this on social development (including access of the public, especially for poor people, to basic services) should be taken fully into account in decisions on changes to and future directions relating to GATS.

It should be clarified that each country should have the full flexibility to decide on its own policies regarding public and social services and that these can and should be excluded from the general rules relating to GATS. Developing countries should take full advantage of current flexibilities that allow them not to make commitments on social services in GATS; the developed countries should not make requests that other countries liberalise their social services; and the international financial institutions should not pressurize developing countries to privatize and liberalise public services.

Intellectual Property Rights and TRIPS

Many developing countries had tried to resist the entrance of intellectual property

as a subject in the Uruguay Round, and then tried to limit what they saw as the more damaging aspects of the proposals coming from developed countries. But eventually the developed countries succeeded in getting most of what they had been after in the TRIPS Agreement.

There are inherent imbalances in the TRIPS agreement. Most of the world's registered intellectual property is owned by persons and enterprises in the developed countries. A strengthening of IPRs would thus benefit these countries. Thus, the benefits of TRIPS are inherently skewed to the rich countries, whilst the costs (in terms of royalties paid, and of high prices charged) are mainly borne by developing countries. Thus, there is no reciprocal benefit sharing under TRIPS.

TRIPS has instituted what is basically a 'one-size-fits-all' (or rather a minimum-but-large-size-for-all) system of IPRs, where high minimum standards are set for countries at differing levels of development. The level of IPR protection set by TRIPS is far higher than the levels that the presently developed countries themselves had when they were developing.

Since TRIPS was established, there has been increasing evidence of social and economic problems caused by the introduction of stricter IPR laws as a result of implementation of TRIPS. This has led to a growing public perception that under the influence of TRIPS, the present IPR system is heavily tilted in favour of IPR holders vis-à-vis consumers and the users of technology. The IPR holders' privileges and rights have been overly protected while their obligations in relation to the social and economic welfare of the public,

and to technology transfer, have been under-fulfilled or unfulfilled. There are also asymmetries between North and South in the balance of benefits and costs (Correa 2000). Developing countries are overwhelmingly dependent on innovations made in the North; patent applicants from developing countries constituted less than 2 per cent of all U.S. applicants between 1977 and 1996; and the developed countries dominate the trade in medium- and high-tech goods. Thus, the worldwide establishment of strict IPR standards under TRIPS will result in benefits accruing overwhelmingly to the developed countries, paid for by the increased costs accruing to the developing countries.

The UN Secretary-General, in a report on globalization and human rights, notes that the rules do not always produce results that are consistent with human rights imperatives, and takes the case of IPRs as example. He notes that the IPR minimum standards under TRIPS have led to concerns of balance and fairness, citing the example of how universities and companies have taken and developed traditional medicines and other knowledge, protecting the resulting technology with IPRs without equitable sharing of benefits and profits with the original holders of that knowledge. Similarly, questions have been raised over the adequacy of TRIPS in addressing the needs of developing countries to access needed technology for development and the protection of the environment. He noted that high-income countries received \$63 billion in royalty and licensing fees, whilst the rest of the world received only \$1.3 billion (United Nations 2000).

Among the problems faced in implementing the TRIPS Agreement are: the increase in prices of consumer products (including some essential items such as medicines) charged by companies owning IPRs, which reduces consumers' access and affects their welfare, health and lives; the high cost to firms in developing countries which have to pay royalties for use of technology, or are unable to get permission from IPR holders to use modern technologies, thus affecting the countries' ability to modernize; and the phenomenon of 'biopiracy' in which corporations (mainly of the North) have been able to patent biological resources and knowledge of their use (most of which originate in the South).

By preventing competition, IPR protection enables higher prices and reduces consumer access. In the pre-TRIPS period, countries were able to set their own IPR regime and many developing countries exempted items such as pharmaceutical drugs and biological materials from patentability. Under TRIPS, options for exclusion are explicitly stated. Drugs and food products are not explicitly mentioned as products that can be excluded; some biological materials and processes appear to be included as items that must be allowed for patenting; and plant varieties must also be protected.

More than 50 countries did not confer patent protection on pharmaceuticals prior to the negotiation of the TRIPS Agreement (UNCTAD 1996). Many developing countries regarded the absence of protection as necessary to promote access to drugs at competitive prices. Implementation of TRIPS may lead to high drug prices, lower access and

a weakening of national pharmaceutical industries.

In 2001, a year's supply to a patient of a combination of three patent-protected HIV/AIDS medicines cost \$10,000 to \$15,000 in the United States. The price for a similar combination offered by an Indian generic drug producer is around \$350-600. By 2004, generic companies were making the drugs available for as low as \$150. An Oxfam study shows that around the years 2000-2001, the AIDS drug fluconazole was marketed by generic companies in Thailand at \$0.29 and in India at \$0.64. This compares with market prices for brand-name drugs of \$10.50 in Kenya, and \$27 in Guatemala (Oxfam 2001).

TRIPS does allow members to take compulsory licensing and parallel import measures to enable third parties to produce or import alternative versions of products that are patented. However, developing countries have generally not made as much use of such provisions as they might have liked to, due to pressures put on some of them as well as their own uncertainties about the conditions under which these measures are legitimate. These pressures were to some extent reduced following the adoption of the Doha Declaration on TRIPS and Public Health at the WTO Ministerial meeting in 2001.

However, this has only to a very limited extent softened the damage that is caused by TRIPS in this regard. Developing countries still have to follow cumbersome procedures for offsetting patents through compulsory licensing, which may account for the fact that up to

2004, very few developing countries have issued compulsory licenses.

Further, there are several new bilateral and regional trade and economic agreements that have been concluded or are at the negotiations stage, which have provisions on intellectual property that restrict some of the flexibilities that TRIPS allows; for example, these agreements limiting the grounds on which compulsory licenses can be issued, whereas TRIPS does not restrict conditions for their use. The Doha Declaration on TRIPS and Public Health in fact confirms that countries have “the freedom to determine the ground upon which such licenses are granted.”

The high-standard IPR regime is also making it more costly or difficult for local firms in developing countries to use patented technology. Further, TRIPS makes it mandatory for members to allow patenting of some life-forms and living processes, as well as IPR protection for plant varieties. This has facilitated the spread of ‘biopiracy,’ in which indigenous knowledge and biological wealth of developing-countries are patented mainly by developed country firms.

Public citizen groups and farmers’ organizations have expressed grave concerns that the farmers’ rights to the use and exchange of their seeds may be threatened, and that the supply of seeds and food products will be even more concentrated in a few giant corporations.

The effects of TRIPS have serious implications for the realization of various MDGs. The agreement stands in the way of a achieving a “global partnership for development” (Goal 8) as it is so skewed

against the interests of developing countries and is in fact an outstanding example of what an international agreement based on equitable partnership should not be. By creating or furthering a monopolistic environment in which commercial companies can charge exorbitant prices, it reduces access of the public, especially the poor, to essential goods such as medicines.

TRIPS is thus a hindrance to attaining target 16, to “provide access to affordable essential drugs in developing countries.” It is also an obstacle to Goal 6 (combat HIV/AIDS, malaria and other diseases) and its targets 7 and 8. It makes it more difficult for Goal 1 (eradicate poverty and hunger) to be achieved. Further, the requirement that certain biological materials be patented, and that plant varieties be protected by a form of intellectual property, TRIPS contributes to threats against farmers’ rights and food security and the environment, with implications for Goals 1 and 7.

Many measures are required for TRIPS to become more balanced in its rules and implementation. Developing countries must be allowed to make maximum use of the flexibilities in the agreement. They should be allowed to choose between various options in devising legislation, without being subjected to external pressure or influence. The mandated review of Article 27.3b of TRIPS should eliminate the artificial distinctions between those organisms and biological processes that can be excluded from patents and those that cannot.

One way to do this, as proposed by the Africa Group in WTO, is to agree that all living organisms and their parts, and all

living processes, cannot be patented. With the adoption at the Doha Ministerial conference in 2001 of the Doha Declaration on TRIPS and Public Health, developing countries should make full use of the flexibilities to take public health measures, including compulsory licensing and parallel importation, which can make medicines more accessible and affordable. Least developed countries should also make use of the extra flexibilities afforded to them under the same Declaration.

The TRIPS objectives and transfer-of-technology provisions (including Arts. 7, 8 and 66.2) should be operationalized. Developing countries should also be given flexibility to exempt certain products and sectors on the grounds of public welfare and the need to meet development objectives.

Finally, it should be noted that several people, including prominent orthodox trade economists such as Jagdish Bhagwati, have come to the conclusion that it was a grave mistake to have placed the TRIPS agreement or the IPR issue in the WTO. While WTO is based on the approach of reciprocal concessions, the royalties and other benefits from TRIPS flows in a single direction, with developing countries being the losers. Intellectual property is also not a trade issue, and principles like national treatment derived for trade is inappropriate for a non-trade issue like IPRs. And while WTO is supposed to promote competition, TRIPS is mainly a protectionist device. Thus, TRIPS is sitting inappropriately in the WTO and there should be discussions on how to remedy this problem.

The industrial sector

Regulating trade in manufactured products has been the traditional core function of GATT and the WTO. The multilateral trade system till now had by and large allowed developing countries the flexibility to choose the scope of tariff bindings (the number of products whose tariffs are to be bound) and the levels at which to bind their tariffs. Even then, many developing countries have significantly reduced their applied industrial tariffs, even if they maintained relatively high bound tariffs, often under the influence of loan conditionalities of the international financial institutions. As a result, many countries have experienced a “deindustrialization” process, whereby cheaper imported goods displace local goods, causing the closure or loss of business of local industries, and significant retrenchments of workers.

Under the Doha work programme that began in 2001, there have been strong pressures from major developed countries to institute deep reductions in industrial tariffs of developing countries, through the application of a “non-linear formula”, in which there will be sharper cuts the higher the tariffs. It is also proposed that developing countries will have to bind almost all their unbound tariffs, with the new bound rates to be set after multiplying the applied rates by two and then subjecting these to the formula cut.

Since many developing countries have relatively high bound tariffs (though their applied tariffs may be significantly lower), this may result in very sharp cuts to the existing bound tariffs, and also cuts to the presently unbound applied rates. Another proposal is that in several selected sectors, there will be accelerated tariff elimination on a fast track basis.

These proposals have been incorporated in a framework for modalities for negotiations on non-agriculture market access (NAMA) that was adopted by WTO in July 2004 (Khor 2004). However, negotiations on details and even these elements are still to take place. If these proposals are accepted, developing countries would be subjected to the shock of having to cope very quickly with cheap imports competing with local industrial products. Their prospects for industrialization involving domestic firms would be seriously darkened.

The developing countries have already suffered a loss in policy space to devise their own national policy for the industrial sector during the Uruguay Round. Under the Trade-Related Investment Measures (TRIMs) Agreement, governments are constrained from adopting certain investment measures that oblige or encourage investors to use local materials or restrict imports, as this is counter to GATT's Article III (on national treatment) and Article XI (on quantitative restrictions) (Third World Network 2001). The illustrative list of prohibited measures includes local content policy (which developing countries had used to increase the use of local materials and improve linkages to the local economy) and some aspects of foreign exchange balancing (aimed at correcting balance of payments problems).

The TRIMS agreement is a notable example of a WTO rule that prevents developing countries from taking policy measures that promote domestic industrial development, and which had been used by the present industrial countries and by several developing

countries previously. Implementation of TRIMs has already given rise to problems in several developing countries. Several cases have been brought to the WTO dispute settlement process against developing countries, including Indonesia, the Philippines, India and Brazil, mainly relating to the automobile sector.

Under the subsidies agreement, there is another imbalance. Subsidies used by developed countries (e.g., for R&D and environmental adaptation) are non-actionable (immune from counter-action) while subsidies normally used by developing countries (for industrial upgrading, diversification, technological development, etc.) have come under actionable disciplines, and countervailing duties could be imposed on products enjoying such subsidies. The prohibition of these subsidies is another encroachment on policy space needed by developing countries for industrial development (Third World Network 2001).

With these above developments, the ability of developing countries to develop their industrial sectors will be constrained, and this has adverse effects on growth and development. This has implications for the realization of various MDGs, including Goal 1 and Goal 8.

There should be a rethinking on the proposals and pressures to sharply cut industrial tariffs of the developing countries. Instead, the flexibilities that they have been allowed up to now should be retained, i.e. the developing countries should be allowed to choose the pace and scope of their liberalization. There should also be a rethinking on the TRIMS and subsidies agreement. Developing countries should be allowed to make use

of instruments such as local content policy and subsidies for their development purposes, as measures under special and differential treatment. Developed countries had been able to use these during their development stage.

Attempts to introduce new issues and agreements in the WTO

Proposals have been made (mainly by developed countries) to expand the WTO mandate by negotiating agreements on several new issues. Among them are three “Singapore issues” (so-called as they were first introduced at the WTO Ministerial conference in Singapore in 1996), i.e. investment rules, competition policy and transparency in government procurement. These three issues have a similar theme: to expand the rights and access of foreign firms and their products in developing countries’ markets, and to curb or prohibit government policies that encourage or favour local firms and the domestic economy.

The proposed investment rules would place governments under greater pressure to grant the right of establishment to foreign investors, to liberalize foreign investments (defined broadly) and to bind the level of liberalization; prohibit or otherwise discipline ‘performance requirements’ (such as limits to foreign equity participation, obligations on technology transfer, geographical location of the investment, etc); allow free inflows and outflows of funds; and protect investors’ rights, for example through strict standards on compensation for ‘expropriation.’ The rules would also grant “national treatment” to foreign firms, thus extending the GATT principle (which

applies to goods) to the whole new domain of investment.

The proposed rules on competition would require members to establish national competition law and policy. Within that framework, it is proposed that WTO non-discrimination principles be applied, so that foreign products and firms can compete freely in the local market on the basis of ‘effective equality of opportunity.’ Thus, policies and practices that give an advantage to local firms and products could be prohibited or otherwise disciplined.

Developed countries have also been advocating to bring government procurement policies (presently exempt from the WTO’s multilateral disciplines) under the system, with the effect that governments would have to open their procurement business to foreigners and the current practice of favouring locals would be curbed or prohibited. For a start, there would be an agreement limited to transparency in government procurement, and later this would be extended to the market access dimension.

These proposals were unpopular with developing countries, which have been very reluctant to begin negotiations on them. They fear that new agreements on these issues would further limit their space to formulate national policies, especially those aimed at building the capacity of the local economy.

Despite these objections, the developed countries (particularly the EU) pushed hard for negotiations on these issues to be launched during the Doha Ministerial Conference in 2001. They partially succeeded, by having the adoption of a

Declaration that negotiations would begin on these issues at the next Ministerial conference on the basis of an explicit consensus. However, at the Ministerial at Cancun in 2003, most developing countries opposed the launch of negotiations, and the meeting ended without any decision taken.

In July 2004, the WTO General Council decided that no further work towards negotiations on these three issues would be undertaken during the period of the Doha work programme. The issues are expected to be revived by developed countries after completion of the Doha programme. Meanwhile, these issues are being pursued by the developed countries in various bilateral agreements with the developing countries.

These issues would have serious implications for various MDGs. Agreements based on developed countries' proposals could have significant negative effects on efforts to build capacity of local firms and farms, and leave poorer countries more vulnerable to foreign products and investors taking over increasing shares of their economic assets and production. The loss of policy space would be tremendous, over a wide range of economic and social issues. A detailed study on implications for the realization of the MDGs is needed.

Transparency and participation in WTO

There is currently a lack of transparency and participation by developing countries in key WTO operations. To start with, developing countries are in general seriously understaffed both in capitals and in Geneva and are thus unable to adequately follow or take part in the WTO's deliberations. Despite the 'one

country one vote' rule, in practice, a few major countries have dominated decision-making in critical aspects, using informal meetings to make decisions among a small group of members that are then passed along to the other members. The so-called "Green Room" process of exclusive decision-making is especially prevalent at and before Ministerial Conferences, where important decisions are taken. 'Consensus-building' is also normally embarked on when proposed by the major players as opposed to the developing countries.

The decision-making system has given rise to frustration and unpredictability. Two of the last WTO Ministerial conferences (Seattle 1999 and Cancun 2003) failed to produce results, largely due to the way the non-inclusive manner in which the meetings were conducted.

The WTO needs to evolve more inclusive, participatory and transparent methods of discussion and decision-making, in which all members are fully enabled to participate and make proposals. Decision-making procedures and practices that are non-transparent and non-inclusive and especially before and during Ministerial Conferences, should be discontinued.

The WTO secretariat should also be impartial and seen to be impartial. In particular it should not be seen to be taking sides with the more powerful countries at the expense of the interests of developing countries. The system must reflect the fact that the majority of members are developing countries and must provide them with adequate means and with appropriate procedures to enable them to voice their interests and exercise their rights. Further, citizen groups must

be allowed to follow developments in WTO and channels opened to make their views better heard. A detailed critique and set of proposals in this regard is provided in TWN et al (2003).

This issue has direct implications for MDG 8, as a genuine global partnership for development should be based on inclusive and democratic practices, through which the weaker partners can have their full say, so that there can be better chances for fair outcomes.

Target 12 under Goal 8 is to develop further an open, rule-based, non-discriminatory trade system. "Open" should be taken to also mean "transparent" in decision-making and processes, and not just free of trade barriers; while "non-discriminatory" should also mean inclusive, with all countries able to participate effectively.



Martin Khor is the director of Third World Network an independent non-profit international network of organizations and individuals involved in issues relating to development, the Third World and North-South issues.

References

ActionAid (2002). Farmgate: The developmental impact of agricultural subsidies. ActionAid, London.

Buffie, Edward (2001). Trade Policy in Developing Countries. Cambridge: Cambridge University Press.

Chang, Ha-Joon and Ilene Gabel (2004). Reclaiming Development. London: Zed Books.

Das, Bhagirath Lal (2003). The WTO and the multilateral trading system: Past, present and future." London: Zed Books and Penang: Third World Network.

_____ (2001). 'The present trading system, opportunities and problems.' (Unpublished paper).

_____ (1999). Some Suggestions for Improvements in the WTO Agreements. Penang, Malaysia: Third World Network.

_____ (1998a). The WTO Agreements: Deficiencies, Imbalances and Required Changes. (Third World Network, Penang).

_____ (1998b). Restoring balance to services in WTO. SUNS, 2 December.

FAO, 1999. "Experience with the implementation of the Uruguay Round agreement on agriculture, synthesis of country case studies," paper prepared by Commodities and Trade Division.

FAO. 2001. Agriculture, Trade and Food Security, Vol. II. Rome.

_____.2000. Agriculture, Trade and Food Security, Vol. I. Rome: Food and Agriculture Organization.

FAO, 2003. "Some trade policy issues relating to trends in agricultural imports in the context of food security." Paper prepared in March 2003.

Hong Kong, China (2000). Statement by Hong Kong, China at special session of the WTO General Council on 22 June 2000 on behalf of International Textiles and Clothing Bureau. WT/GC/W/405.

Oxfam (2001). Patent injustice: how world trade rules threaten the health of poor people. London: Oxfam briefing paper.

Khor, Martin (2004). Comments on the WTO's Geneva "July 2004 Package."

Penang: Third World Network Briefing Paper 22.

_____ (2004a). Some issues regarding ASEAN and dialogue partners. (Unpublished Paper).

_____ (2004b). The global trading system and development concerns. (Unpublished).

Khor, Martin (2003). "Eliminate cotton subsidies at Cancun, TNC told". Published in South North Development Monitor (SUNS), 11 June 2003.

_____ (2003a). A Brief Preliminary Assessment of the WTO Fifth Ministerial Conference (Cancun, 10-14 September 2003).

_____ (2002). The WTO, the Post-Doha Agenda and the future of the trade system. (Penang: Third World Network).

_____ (2001). "Present problems and future shape of WTO and multilateral trade system". Third World Network Briefing Paper No. 2.

_____ (2000a). Globalization and the South: Some Critical Issues. Penang, Malaysia: Third World Network.

_____ (2000b). "Proposed New Issues in WTO and the Interests of Developing Countries". Paper presented at the Third World Network seminar on Current Developments in WTO, Geneva, September 2000.

Mashayekhi, Mina (2000a). GATS 2000: Progressive liberalization. In UNCTAD,

_____ (2000b). Trade related investment measures. In UNCTAD, Positive Agenda and Future trade negotiations.

Meenakshi Raman (2004). Effects on Agricultural Liberalisation on Communities in

Developing Countries. (Penang: Third World Network).

OECD (2000). Agricultural Policies in OECD Countries: Monitoring and Evaluation 2000. Paris: OECD Secretariat.

Raghavan,, C. (2001). 'GATS – Fact or Fiction at best a partial truth.' Published in SUNS, 21 March.

SAPRIN (2004). Structural adjustment: the SAPRIN Report. Zed Books, London.

SUNS (South-North Development Monitor), Geneva.

Third World Economics, Penang.

Shafaeddin, S.M. (1994). The Impact of Trade Liberalisation on Export and GDP Growth in Least Developed Countries. Discussion Paper No. 85. Geneva: UNCTAD.

Third World Network (2001). The multilateral trading system: A development perspective. New York: UNDP.

TWN et al, 2003. "Memorandum on the Need to Improve the Internal Transparency and Participation in the WTO." Prepared by TWN, Oxfam, PSI, WWF, CIEL, Focus on the Global South, IATP, Africa Trade Network, IGTN and Tebtebba.

UN Commission on Human Rights (2002). Liberalisation of trade in services and human rights: report of the High Commissioner.

_____ (2004). The right to food: report submitted by the Special Rapporteur on the right to food.

UN Conference on Trade and Development (UNCTAD). 2000. Positive Agenda and Future Trade Negotiations, Geneva, UNCTAD

_____ 1999. Trade and Development Report 1999

_____ 1996. The TRIPS agreement and developing countries.

United Nations (2000). Globalisation and its impact on the full enjoyment of all human rights: Preliminary Report of the Secretary general.

World Trade Organisation (WTO) (2004). Doha Work Programme: General Council Decision of 31 July 2004.

_____ (2001a). "Preparation for the Fourth Session of the Ministerial Conference: Draft Ministerial Declaration", Revision. 27 October.

_____ (2001b). "Ministerial Declaration", adopted 14 November.

_____ (2001c). "Declaration on the TRIPS Agreement and Public Health", 14 November.

_____ (2001d). "Implementation-Related Issues and Concerns". Decision of 14 November.

_____ (2001e). "Compilation of Outstanding Implementation Issues Raised by Members". General Council document JOB (01)152/Rev.1, dated 27 October 2001.

_____ (2001f). "Implementation-Related Issues and Concerns." General Council document JOB (01)/14, 20 February 2001.

MDGs: Linking Poverty and Environment for Sustainable and Equitable growth

Sunita Narain □ Centre for Science and Environment

1. The challenge of eradicating poverty

The Millennium Development Goals have set the world a target to eradicate extreme poverty and hunger. This is a tough but vital challenge. But this goal can only be met if we understand the nature of poverty in different parts of the world and we understand that policy and practice to eradicate poverty in the world will have to be seriously evaluated and reversed in many cases.

According to International Fund for Agricultural Development's 2001 *Rural Poverty Report*, 75 per cent of the world's poor work and live in rural areas. Even in 2025, 60 per cent of the world's poor will continue to live in rural areas. In other words, a large portion of the rural poor today live in destitute and degraded lands in China, South Asia, Africa, and Latin America. Poverty eradication policies do not adequately build on the linkage with natural resources - land, water and forests – and their sustainable management. It is this that needs to be changed. Poverty eradication policies of national governments must take into account the following issues:

- a) Poverty is not just about the lack of cash but also the lack of access to natural resources. Therefore, poverty eradication must be built around policies of sustainable management of these resources. If

we accept that water scarcity, land degradation, forest destruction are the causes of growing poverty and destitution in large parts of the world, the challenge then is to rebuild the natural resource-based local economies and livelihoods. Water management, for instance, can be the starting point for change in rural economies. Poverty eradication will demand understanding policies and practices for sustainable management of local resources – land, water, forests and biodiversity.

- b) Poverty is not only about the lack of natural resources, but also the lack of rights and entitlements to control and manage the resources.
- c) But as the control and management of natural resources will demand institutional structures that can deliver, poverty is not only about regenerating land and water resources but also about deepening democracy and building legal, institutional and financial structures that put decision making in the hands of the poor. Without these institutional and governance changes, there can be no 'up scaling' of successful micro-level

experiences of natural resource management.

- d) Poverty is about creating jobs from natural resources so that the local environment becomes the local economy of people. Livelihood security is not possible without environmental security in vast parts of the South.

But these strategies constitute a paradigm shift in mainstream policies and for this reason must be supported and endorsed at the highest levels of decision-making in countries. These policies will require institutional innovation. But most importantly, efforts will be needed spread and share knowledge that inspires people to act. The way the world's knowledge and communications systems are geared they inevitably marginalise these innovations. These systems notice change only when it reaches a large-scale or has adverse impact.

Such neglect totally disregards the many powerful and inspiring struggles for change. This 'mental poverty' is, in fact, at the heart of the problem and needs to be addressed by understanding and arguing for appropriate global and national policies that help the marginalised to help themselves.

2. Ecological poverty: challenge for the developmental community

For people who live in an economy built on 'natural capital', *ecological poverty* is invariably the main cause of their impoverishment and leads to an inability to meet basic survival needs. In vast areas of the rural South, people survive within a biomass-based subsistence economy, that is, on products obtained

from plants and animals. Food, fuel, animal feed, building materials like timber and thatch, medicinal herbs and other such needs are largely met through locally available biomass resourcesⁱ. The environment constitutes the survival base of millions of rural poor.

Ecological poverty can be defined as the lack of natural resources, both in quantity and quality, needed to sustain a productive and sustainable biomass-based economy. But environmental assets are fragile and their sustainability demands the creation of appropriate legal and institutional systems. In other words, environmental regeneration is not about planting trees but about the deepening of democracy in societies.

Environmental degradation, therefore, has a serious impact on the lives of rural people. A large portion of the world's rural poor today live in highly degraded lands in China, South Asia, Africa and Latin America. For such people, improvements in the **Gross Nature Product** are far more important than the **Gross National Product**.ⁱⁱ

The poor do what is within their ability to conserve the environment and to make sustainable use of it. But they are caught in a daily struggle to survive and cannot invest in the rebuilding of the 'natural capital'. The 'economic globalisation' process is expected to leave a lot of these people untouched. The climate instability predicted for the 21st century will make life even more difficult for the world's rural poor living in degraded lands.

It is in this context that policy for poverty eradication needs a paradigm change. It needs to be built on the mobilisation of

local natural and human capital in which the poor are not the objects but the subjects of economic development.

It needs to be understood that 'ecological poverty' is a different concept from 'economic poverty'. Economic poverty is measured largely in terms of cash incomes and is almost irrelevant in a biomass-based subsistence economy. The approaches to deal with 'ecological poverty' and 'economic poverty' are also vastly different. While economists normally talk of welfare measures to deal with 'economic poverty', rural practitioners who have tried to deal with 'ecological poverty' talk in terms of 'institutional, legal and financial empowerment' with a strong emphasis on community-based property rights over ecological resources.

In this paradigm, the challenge lies in empowering and mobilising the labour of the marginalised billion to get out of their 'ecological poverty', create natural wealth, and develop a robust local economy based on that natural wealth. Villages in the developing world are usually highly integrated micro-ecosystems with numerous interactive components. Indian villages, for example, especially those situated in the semi-arid and sub-humid hill, mountain and plateau regions, are highly integrated agro-sylvo-pastoral systems.

In other words, each village has its own croplands, grasslands, and tree or forestlands, and each of these land-use systems interact with one another and with other components like water and livestock to yield a productive and sustainable rural economy. Changes in one component invariably impact other components.ⁱⁱⁱ

The entire village ecosystem is often held in fine ecological balance. Trees or forestlands provide firewood. This helps villagers to avoid the burning of cow dung, which is used as manure to maintain the productivity of the croplands. The nutrients are gathered by the cows while grazing in the grasslands. Simultaneously, trees and crops help to complement the grasslands in the supply of animal feed. Grass is generally available from the grasslands during the monsoon period.

As grass availability declines with the onset of the dry months, crop residues obtained from croplands and leaf fodder obtained from trees to help animals to tide over the critical scarcity period. This finely tuned system can get easily split apart. As has happened in many parts of the developing world.

The natural assets that are restored are usually fragile and, therefore, need to be carefully managed in order to ensure sustainability. This sustainable management of the asset base is only possible if the local communities, who can also be called the local stakeholders, are involved in its management. There is clear evidence from micro-examples that ecological regeneration can lead to enormous economic wealth creation.

On the other hand, there is also enough evidence to suggest that bureaucratic resource management systems have either failed or have proved to be cost-ineffective, which makes them irrelevant in a world where financial resources are limited. Therefore, policy interventions are essential to create an enabling environment for local action and resource management.

The challenge is to “upscale” or replicate these extremely successful micro-experiences of community based natural resource management. It is often argued that these examples are not replicable. These micro-level changes have happened because of the efforts of outstanding and persevering individuals. This precisely why it is essential for policy makers to understand the nature of the institutional and legal structures that need to be created so that change is enabled over large areas as well.

3. Sustainable resource utilisation: challenge for environmentalists

As much as poverty needs to be redefined, the concept of environment also needs a revision. The concept of ‘protectionist conservationism’ is what prevails across the paradigms of environmental management in the Northern industrial world. But for Southern environmentalists, the concept is one of ‘utilitarian conservationism’. In other words, the environmental challenge is not a conservation challenge, but one, which concerns the sustainable and equitable use and management of natural resources.

But unfortunately, in spite of this deep understanding of the nature of environmentalism in the South, public policy has lagged behind and aped the Northern conservation model. The history of natural resource use in most countries of the South started with the state appropriating resources from local communities. It used the resources for extractive purposes – logging or mining – so that over the years there was rampant degradation.

But as environmental consciousness grew, the state gradually moved from exploiting to protecting natural resources.

But even as nations legislated to protect the environment, they have not learnt to manage or regenerate the environment. Therefore, even if a state has policies to conserve its forests, it does not have adequate policies that will lead to forest regeneration in the same measure. This is because unlike the industrial North, where forests can be protected as ‘wilderness areas’, forests in the South are the habitats of local communities. People use the forestland for their survival. They are also worst affected by its degradation. Their involvement in its management is critical.

Instead state policy has imbued the principle of exclusion; people inhabiting protected areas are discounted, displaced, their livelihoods destroyed. It never accounts for the fact that in densely populated countries, biodiversity is not a pristine product of ‘nature’ but the result of millennia of human-nature interactions. In fact, it would be hard to find a piece of land where human interference has not existed for centuries. Therefore, the challenge is not to isolate but to incorporate the conflicting demands of ‘endangered’ species and subsequently ‘endangered’ humans.

Similarly, in the case of forest management policy has not learnt to differentiate between forests, which need to be protected at all costs – pristine forests, biological hotspots -- and forests, which need to be cut and used and then regenerated. *In other words, environment is still not a development challenge.* Instead, environmental protection

becomes an invariable conflict with development, a conflict between nature and jobs. This when what the South really needs is policies and practices to use the environment for the greatest enterprise of jobs and prosperity. It is for this reason that environmental planners must engage with development planners to evolve models of economic growth and environmental sustainability that can be replicated.

4. The ecological succession-economic growth continuum

Planners concerned with poverty eradication rarely realise that water management is their key to change. Water is not only vital for human survival but also for creating a sustainable biomass-based economy. Though substantial investments are being made in exploiting river and groundwater resources to support large-scale irrigation systems and supply of water to urban centres, these systems have rarely reached out to poor rural people.

One of the biggest environmental challenges that countries of the South face in the coming decades is to balance their increasing demand with the diminishing availability of water. Increases in population coupled with the ongoing processes of industrialisation, urbanisation and agricultural modernisation are, on one hand, leading to an increasing demand for water and, on the other, a decreased supply of freshwater, especially in the absence of effective mechanisms to regulate pollution. The future scenario is one characterised by overexploitation of water resources, decreased accessibility to clean water, and increased competition for and potential of conflict over water

resources. Major institutional, policy and technological initiatives are, therefore, required to ensure an efficient, socially equitable and environmentally sustainable management of water resources.

India, for example, is one of the wettest countries in the world and yet a country that is facing a growing water shortage. It receives 400 million hectare-metres (mham) of precipitation, primarily as rain, which is supplemented by some 20 mham of river flows from neighbouring countries. But it uses only a small part of its water endowment. By 2025 A.D., India is expected to use 105 mham.^{iv}

If rivers and groundwater systems are to meet all this water need, they will come under extreme stress, as is already evident across the country. River flows and groundwater add up to 247 million hectare-metres, of which a substantial amount must flow out to neighbouring countries and to the sea.^v But India still has an enormous amount — theoretically as much as 173 million hectare-metres — that can be captured as rain or as run-off from small catchments in and near villages or towns. Capturing the floodwaters of major rivers can further increase water availability.

Two major discontinuities have emerged worldwide in water management since the 19th century. One, the state has emerged as the major provider of water replacing communities and households as the primary units for provision and management of water. Two, there has been growing reliance on the use of surface and groundwater, while the earlier reliance on rainwater and floodwater has declined, even though rainwater and floodwater are available in much greater abundance than river water or groundwater.

Theoretically, the potential of water harvesting in meeting household needs is enormous. *Rain captured from 1-2 per cent of India's land can provide India's population of 950 million as much as 100 litres of water per person per day.* There is no village in India that cannot meet its drinking water needs through rainwater harvesting. Even in an arid area with an annual rainfall level of only 100 mm, one hectare of land can theoretically capture as much as one million litres of water. As there is a synergy between population density and rainfall levels, less land is required in more densely populated areas to capture the same amount of rainwater. And in such areas, there is usually more built-up area like rooftops, which have improved runoff efficiency.

Water harvesting *and integrated land-water management* is not new to India or to many other parts of the Southern world. The art and science of 'collecting water where it falls' is ancient but this 'dying wisdom' needs to be revived to meet modern freshwater needs adequately, equitably and sustainably and modernised with inputs from science and technology.^{vi} India's traditional water harvesting structures demonstrate people's ingenuity at its best. Using unique modes and basic engineering skills, people living in ecosystems across the country have developed a wide array of techniques for satisfying their thirst.

Experience in India clearly shows that this local indigenous knowledge is the way to the future. Over the 1980s, the ecological crisis in India has generated several successful community-based resource management experiences. These

experiences are testimony to the potential of generating economic wealth from rainwater harvesting. What is also remarkable is the short time it takes to transform a poverty stricken, destitute and ecologically devastated village to a relatively rich and green village.^{vii}

This wealth can be used to create more wealth by regularly investing in resource management, thus, leading to a cyclical system of sustainable growth. The community also begins to see a stake in the good management of its natural resource base as it benefits from its development.

It is important to learn from the micro-experiences to understand the policies needed for the transformation from ecological poverty to sustainable economic wealth. Many of these cases are now several years old and have reached an advanced high level of ecological succession and associated economic impacts. They show that the ecological succession-economic growth is a long continuum with multi-faceted dimensions and strategies.

The experiences of Sukhomajri in northern India and Ralegan Siddhi, a village in the drought-prone district of Maharashtra, span more than 20 years. Similarly the work of Tarun Bharat Sangh working in Rajasthan's Alwar district is over 15 years old. The work of the Madhya Pradesh Government's Rajiv Gandhi Watershed Development Mission is now 10 years old. But it is an important case as it shows that government agencies can learn from NGO experiences and replicate them on a large scale. An analysis of the data from these experiences shows that regeneration is

possible even in highly degraded lands and that this can regenerate the local rural economy and eradicate poverty. Numerous local studies suggest investment in small water harvesting structures give high rates of return.

In an evaluation of the Gujarat Government's Sardar Patel Participatory Water Conservation Programme under which 10,708 check dams were constructed in Saurashtra and Kutch regions, researchers noted that *"within a period of three years, an initial investment of Rs.1,58,000 (\$35,1157) on an average check dam fetched total benefits worth Rs 251,582 (\$5591)." And that "The investment becomes more attractive if one recognizes that the government had to in fact invest only 60 per cent of the average figure of Rs 1,58,000 under the 60:40 scheme"*. In this state, of the 4.2 million ha of cultivated land, 2.2 million is rain fed and critically dependent upon supplemental irrigation sustained by small water harvesting and recharge structures.

India as a whole has over 80 million ha of rain fed farming area which can benefit greatly from crop-saving supplemental irrigation in terms of increase in the value of monsoon crop output from \$36-54 billion/year to \$180 billion/year; but this would require creating small water harvesting capacity and storage equivalent to some two million check dams costing \$7 billion.^{viii}

5. 'Up scaling' needs institutional change

It is important to realise that successful examples of resource management and poverty eradication remain scattered because the governance system needed to foster people's control over natural

resources does not exist in large parts of the South. Therefore, the institutional framework for governance will have to be restructured keeping in mind the following principles:

Local resource management demands integrated thinking. People living in villages know that their 'village ecosystem' consists of several integrated components: croplands, grazing lands, forest and tree lands, local water bodies, livestock and various energy sources. They know the interactions between these different systems are integral to its productive use. But bureaucracies do not understand integration. Current rural development efforts in most parts of the South are extremely fragmented – if they focus on agriculture, they discount livestock rearing, if they focus on ponds to hold water, they discount the catchments area which feeds the pond. Land is managed by a one set of bureaucracies, water by another. The integration of these resources and agencies is best done through the strengthening of village-local institutions.

People's participation in the regeneration of village assets is crucial. All new plantations and grasslands have to be protected. But since all common lands have intense users, any attempt to enclose a patch of degraded land will be strongly resented by the people, however under-productive it may be to begin with. If people's support does not exist, the survival rates of village assets like check dams, tanks will be extremely poor. It is important to note that ecologically resources like trees, grasses, ponds and tanks are fragile assets. They cannot be created and maintained by any bureaucracy.

People's participation will not be possible without the strengthening of village institutions. Rational use and maintenance of village land and water resources needs discipline. Villagers have to ensure that animals do not graze in their protected commons, the catchments of their local water bodies are conserved and properly used, and the common produce from these lands is equitably distributed within the village. Villagers can do all this, and more, only if there is an effective village-level institution to energise and involve them in controlling and managing their environment. *Deepening democracy at the grassroots is a critical determinant for ecological regeneration and local water management.*

The settlement-level institution must work with a high order of democracy and transparency in decision-making in order to engender cooperation and discipline within the group members. In India, village-level institutions have worked best when they are built on the Gandhian concept of a *gram sabha*, which is built on the concept of participatory democracy and not representative democracy. This is because open public forums, being more transparent by nature, work much better than small, elected village councils to bring about good natural resource management and sort out intra-community differences.

Even in areas where inequality is intense, there will be greater chances of obtaining community decisions that are equitable in open village forums than in forums, which are closed and secretive. Resolution of intra-village conflicts and coordination are invariably easier in open village meetings

because they introduce transparency, accountability and confidence in community decision-making. Decisions taken in a non-transparent manner by a small coterie of village leaders rarely engender confidence within the less powerful members of the community that the benefits of their cooperation will accrue to them too, in an equitable manner.

No village institution can function within a legal framework that prevents it from taking care of its environment.

Laws dealing with natural resources like land, water and forests will have to be changed to give people the right to improve and develop the village natural resource base. Currently, in India, the government owns a substantial portion of land and water resources in India. Natural resources are thus largely government property and not community property. The result is that village communities have lost all interest in their management or protection. This alienation has led to massive denudation of forests, overexploitation of grazing lands and neglect of local water systems. This will only change if the people get a stake in the improvement of the natural resource base by reforming the current legal structure of control over natural resources.

No village institution can function without money.

In most countries, various functionaries and agencies of the government control finances for village development. Ultimately, only a small proportion reaches the community and is spent on projects over which it has no control and for which it has not set any priority. One option is to channel funds directly to village institutions. This

approach has been successfully tried out in many parts of India and will be important to learn from.

6. Environment for livelihood security and enterprise

Poverty eradication strategies will also demand ways of building economic futures of people. In large parts of the South, the answers to employment will lie in the better management of natural resources – land, forests, grazing lands and water. The formal industrial sector has never been the provider of employment in the country and in the years to come its contribution, with scale and mechanisation, will decline even further. The service economies – including outsourcing – will grow but cannot really absorb jobseekers in a country the size of India. The key to employment lies in building productive and sustainable livelihoods based on natural resources. The potential is enormous – from planting trees for pulp to rearing animals for dairy farming to rearing worms for silk and growing medicinal plants for pharmaceutical industries.

In India, for instance, in spite of all efforts of the government, unemployment rates have increased over the past 20 years. The organised sector contributes only eight per cent of total employment in the country the rest comes from the unorganised sector dominated by agriculture and allied areas. Furthermore, the public sector – enterprises and government institutions – contribute 5.8 per cent of the total organised sector's employment creation.

The trend is evident. Not only has the organised sector registered a negative

employment growth during 1991-2003, but also the public sector is being heavily downsized. With capital-intensity increasing at the cost of labour-intensity in the organised sector, poverty is bound to increase. There is a similar crisis in the agriculture sector. In India, official statistics reveal that agriculture, which is the major employment-generating sector, has stopped absorbing new labour in recent years.

It is critical that employment and enterprise goes beyond the conventional economic opportunities. It is here that the challenge of sustainable resource utilisation becomes imperative. A study being completed by the Centre for Science and Environment shows that trees planted for the pulp and paper sector in India can provide a fascinating model of growth with jobs in the country. Roughly 1.1 million hectares of land is required to supply the required 5 million tonnes of raw material to the industry currently. This in turn could provide employment to over 0.55 million farming families in growing wood and harvesting wood in a sustainable manner.

But this will mean that government policy will have to promote the use of wood grown by farmers on private land or by communities on degraded forestland. It also means that the Indian government cannot allow large-scale concessions over forestland by industry, as it would distort the market for farmer and community-grown wood. These are tough but strategic policy decisions, which will build the new economies in these countries.

Furthermore, governments will have to reorient their environmental policies from conservation to sustainable utilisation. In

India, as in many other countries, there are many legal constraints that prohibit people from growing, transporting and marketing trees. These legal provisions are designed to protect forests, but they restrict people from regenerating forests. For instance, the Indian government has identified bamboo cultivation and its products as an important contributor to employment. But the law in most parts of the country does not allow people to grow and market bamboo. Poverty eradication will demand new innovation in managing the competing and complex needs of conservation and employment generation.

It will also mean that governments will have to take the fight to international trade forums. They will have to fight for the small producers and secure their space to compete in the international trade. They will have to argue that poor farmers compete in a world of overproduction, and cheap because heavily subsidised products. As a result they over-work the land, over-fertilise it, over-use pesticide — all to increase production. They devalue the land and their labour to compete in unfair terms of trade. In other words, global markets do not allow them to capture the ecological costs of what they produce. Therefore, sustainable agriculture is not possible, without removing distorting subsidies in the North.

Southern governments will also have to explain why they — unlike rich governments — are spending too little on domestic support to create rural infrastructure for water security and biodiversity security, both critical to sustainable agriculture. In other words, they will have to spend more, not less, on agriculture and related activities.

7. Strengthening the environmental link in anti-poverty programmes

A review of the anti-poverty programmes across the South will show that governments do not take this view of environment in their plans. Even where countries make poverty reduction a major objective in national planning, programmes do not address the linkages with resource- rights and resource utilisation. A further crisis confronts governments as they downsize and in this process end up deconstructing the public service infrastructure. The poor will become even more vulnerable in terms of accessing basic services like, education and health and basic needs like, water and food. In this circumstance, the only option the state has to increase investment in the social security or welfare — just to provide some measure of safeguard against this institutional collapse.

Take the issue of health care. In 1990 India, for instance, spent 1.3 per cent of gross domestic product on public health services; by 2002, this had reduced to 0.9 per cent. In this situation, private health services have blossomed and today, as much as 82 per cent of all outpatient visits take place in the private sector. The problem is compounded by the system, which promotes inefficiency in public institutions, leading to further decimation.

The government then has no option but to support, in the name of social sector reform, the private sector health care providers. It gives away land at throwaway prices or directly subsidises the private sector, in the name of the poor. The hospitals are 'expected' to use their largesse to provide free or accessible services for the poor. But this

rarely happens. But by now public health services are completely compromised. Worse, given the enormous disparities in income, the poor are denied access. This is increasingly the situation in countries of the South and not just for health care, but also for all essential public services that concern the poor.

As yet, in many countries, that have negotiated loans from multilateral agencies, administrative reforms are geared towards downsizing the state. In this system, the decentralised local body for governance is viewed as a service related agency, which is more effective than the centralised state authority. But it is not viewed or strengthened as an autonomous institution capable of self-governance.

It is in this situation that anti-poverty policies will have to find all opportunities to build people's capacities to take charge of their resources and secure their present. The environment-poverty link is a threat, as much as it an enormously exciting opportunity to eradicate poverty and meet the MDG target.

But these small and large innovations in governance need to be understood so that they can be replicated or amended. In other words, this learning ground for democracy demands careful and continuous scrutiny. This is a role that civil society organisations must play. They must be the promoter and critic in this laboratory of development.



Sunita Narain is the Director of the Centre for Science and Environment (CSE), an independent, public interest organization that aims to increase public awareness on science, technology, environment and development. The Centre was started in 1980.

References

- I. Anil Agarwal and Sunita Narain 1989, Towards Green Villages: A strategy for environmentally sound and participatory rural development, Centre for Science and Environment, New Delhi.
- II. Anil Agarwal 1985, Politics of the Environment, in State of India's Environment 1984-85 -- The Second Citizens' Report, Centre for Science and Environment, New Delhi.
- III. Anil Agarwal and Sunita Narain 1989, op cit.
- IV. B N Nag and G N Kathpalia 1975, Water Resources of India, in Water and Human Needs, Paper presented in the Proceedings of the Second World Congress on Water Resources, Vol.2, CBIP, New Delhi, quoted in Anil Agarwal and Sunita Narain (ed)1985, State of India's Environment 1984-85: Second Citizens' Report, Centre for Science and Environment, New Delhi.
- V. Ibid.
- VI. Anil Agarwal and Sunita Narain (eds) 1997, Dying Wisdom: Rise, Fall and Potential of India's Traditional Water Harvesting Systems, State of India's Environment: A Citizens' Report, Centre for Science and Environment, New Delhi.
- VII. Anil Agarwal and Sunita Narain 1999, Community and household water management, the key to environmental regeneration and poverty alleviation, mimeo.
- VIII. Frank Rijsberman, May 2004, The Water Challenge, Copenhagen Consensus Challenge paper, mimeo.

Indigenous Peoples and the Millennium Development Goals

Victoria Tauli-Corpuz □ Tebtebba Foundation

Introduction

The Millennium Declaration, which was agreed upon by Heads of States during the Millennium Summit of 2000, is the foundation of the Millennium Development Goals (MDGs). The eight goals are claimed to be the distillation of the goals and targets set by the global United Nations conferences of the nineties. Whatever the criteria that were used to determine the content of the goals, indigenous peoples are invisible in the MDGs. Despite overwhelming empirical evidence of acute poverty among indigenous peoples, the MDG country reports that have been produced in recent years, for example, do not address themselves to their situation.

Indigenous peoples see a number of limitations in the MDGs and in the discourse surrounding them. First, they are not shaped within a rights-based framework. For indigenous peoples, it is not feasible to talk of development without addressing issues of recognition of and respect for their basic collective and individual human rights. Second, there is no attention in the current MDG debates to the structural causes of indigenous poverty that lie in a development paradigm that negates indigenous peoples'

economic, political and socio-cultural systems, discrimination and social exclusion, continuing colonization, unsustainable debts of governments, among others. Third, indigenous peoples are invisible in country-wise assessments of progress on the MDGs because of the focus of these reports on general averages, which do not reflect the realities of specific groups of people.

Notwithstanding these questions and reservations, indigenous peoples and their organizations have started to explore the ways in which the MDGs can trickle down to some of the world's indigenous peoples.¹⁵

¹⁵The working definition of indigenous peoples formulated by the Special Rapporteur for the Sub-Commission, José Martínez Cobo, in his study, *The Problem of Discrimination against Indigenous Populations* (1986), says, "Indigenous communities, peoples and nations are those which, having a historical continuity with pre-invasion and pre-colonial societies that developed on their territories, consider themselves distinct from other sectors of the societies now prevailing in those territories, or parts of them. They form at present non-dominant sectors of society and are determined to preserve, develop and transmit to future generations their ancestral territories, and their ethnic identity, as the basis of their continued existence as peoples, in accordance with their own

They are focusing their advocacy efforts towards governments and intergovernmental organizations and raising issues of basic rights to lands and resources, culture and identity, and self-determination as part of the debate on the MDGs.

A meeting at the United Nations to follow up on the Secretary-General Kofi Annan's visit to Latin America in late 2003 acknowledged that indigenous peoples "are at the bottom of the scale in the Latin American countries with regard the Millennium Development Goals – be it poverty, hunger and education." The meeting recommended that the "linkage between indigenous issues and development work be strengthened ... A large number of the grievances from the indigenous peoples were linked to lack of access to land and natural resources ... Several of the difficulties that pertained to indigenous groups could be framed within the context of the MDGs."¹⁶

The United Nations Inter-Agency Support Group on Indigenous Issues (IASG) in a statement after a consultation in 2004 said that: "... as the 2005 review of the implementation of the MDGs nears, it appears from available evidence that indigenous and tribal peoples are lagging behind other parts of the population in the achievement of the

cultural patterns, social institutions and legal systems."

² Minutes of a meeting called by the United Nations Department of Public Affairs in New York (19 January 2004), copy on file with author.

goals in most, if not all, the countries in which they live, and indigenous and tribal women commonly face additional gender-based disadvantages and discrimination... Concern has also been expressed that the effort to meet the targets laid down for... MDGs could in fact have harmful effects for indigenous and tribal peoples, such as the acceleration of the loss of the lands and natural resources ...or the displacement from those lands."¹⁷

A concept note for a round-table discussion on Goal 1 (eradicating poverty and hunger) held during a recent meeting of the high-level segment at the United Nations Economic and Social Council noted that "even within successful countries, there are pockets where poverty and hunger are persistently high and which will not share the fruits of economic growth. Particular groups of people suffer higher overall incidence of poverty and hunger, including children, female-headed households, indigenous and tribal peoples and landless populations."¹⁸ This was an important observation from the standpoint of indigenous peoples whose specific realities have been masked in the statistical averages that are usually

³The IASG is composed of representatives of various United Nations bodies, agencies, programmes and funds. It was formed in 2002 initially to support the first session of the Permanent Forum and has since broadened its work to coordinate the UN's activities with indigenous peoples.

¹⁸ United Nations Economic and Social Council, High-Level Segment (16-17 March 2005): Concept note for Round-Table 1 on Eradication of Poverty and Hunger, copy on file with author.

presented on the MDGs. If these are not addressed, within a human rights framework, indigenous peoples could become the sacrificial lambs for the reduction of poverty through patterns of development that benefit the rest of society at immense cost to them.¹⁹

“Development aggression”

For indigenous peoples worldwide, the term ‘development’ has acquired a negative connotation even if it is termed ‘sustainable’, because their histories are replete with traumatic experiences with development projects, policies and programmes. In fact, indigenous peoples regard mainstream development as one of the root causes of their problems. If the MDGs set out to just reinforce this paradigm, and not challenge it, there is little hope that they can bring about positive changes for indigenous peoples.

Indigenous peoples use the term “development aggression” to describe dominant development.²⁰

¹⁹ Making the MDGs Relevant to Indigenous Peoples: Statement by Victoria Tauli Corpuz (Member, United Nations Permanent Forum on Indigenous Issues) presented at the round-table (see fn.3).

²⁰ This concept was formulated in the Philippines by the indigenous peoples’ movement in the 1980s to describe their negative experiences with development. The UN Special Rapporteur on the Human Rights and Fundamental Freedoms of Indigenous Peoples in his report of his official mission to the Philippines in December 2002, says, “Many communities resist being forced or pressured into development projects that destroy their traditional economy, community structures, and cultural values, a process aptly described as “development aggression.”

By this they mean the imposition of ‘development projects’ and policies under the rubric of modernization or nation building in which the views and consent of indigenous peoples directly affected have not been solicited. As a result, indigenous peoples have suffered destruction or loss of ancestral territories and resources, denigration of indigenous worldviews and values and of their political, economic and socio-cultural systems and institutions, ecosystem degradation, displacement, and violent conflict.

All these effects are usually associated with large-scale commercial extraction of minerals, oil and gas, trees and biodiversity, the construction of mega-hydroelectric dams, and highways, and chemical-intensive commercial mono-crop agriculture plantations, industrial forest plantations, among others. Global and national policies and programmes such as assimilation, structural adjustment packages, green revolution, agrarian reform, and neoliberal policies that favour the market and reduce the role of the state in providing basic services also have a disproportionately negative impact on indigenous peoples. Sectoral loans from international financial institutions such as education sector loans, primarily used to perpetuate the dominant development paradigm and the modernization agenda, are also considered development aggression.

Systemic changes and policy reforms are needed if the MDGs are to make a difference in the daily lives of indigenous peoples. A general

recommendation for all the goals is the creation of mechanisms and processes that will allow indigenous communities, institutions, and organizations to play key roles in enriching the debates, designing the path to achieve the goals, and creating and applying indicators to monitor progress that are more sensitive to indigenous peoples.

Given the largely negative experiences of indigenous peoples with nation-state building, and mainstream development, distinct movements have emerged to challenge these approaches. These have had an impact at national and international levels as evidenced by constitutional amendments, existing legal instruments and emerging ones concerning indigenous identity and rights. As a result of such advocacy, the thinking that indigenous peoples are vulnerable peoples who will benefit from protection and integration into the dominant society has significantly changed in many countries. There is more emphasis now on the right of indigenous peoples to preserve their cultural values and institutions and exercise more control over their own development.

Merely mitigating the adverse impact of development will not do justice to indigenous peoples, who did not seek such projects in the first place. There is gradual recognition of the need to obtain their free, prior and informed consent before policies affecting them are formulated or before projects are brought into their communities. Indigenous peoples themselves are formulating concepts

and concrete proposals in relation to their development. These can be described as “self-development”, “ethno-development”, “development with identity”, “autonomous development” and “life projects”.

Poverty and indigenous peoples

Indigenous peoples live in 70 countries. Not many studies have been conducted on poverty among indigenous peoples. The little research shows that indigenous peoples are disproportionately represented among the poorest of the poor in both developed and developing countries. A World Bank study on indigenous peoples and poverty in Latin America concluded that “poverty among Latin America’s indigenous population is pervasive and severe” (Psacharopoulos and Patrinos 1994). The study documented the socio-economic situation of around 34 million indigenous peoples, eight per cent of the region’s total population. One of its conclusions is that the poverty map in the region coincides with indigenous peoples’ territories.

A subsequent study in the region conducted by the Inter-American Development Bank came up with similar conclusions and observations.

By conventional socioeconomic indicators, whether based on income data or on concepts of unsatisfied basic needs, indigenous peoples as an ethnic group are represented disproportionately among both the poor and the extreme poor. Moreover, with very few exceptions, the indications are that this trend has

been worsening over the past decade or so. Since a World Bank study drew particular attention to the correlation between ethnicity and poverty in 1994, a large number of general or country studies have reached similar conclusions. This is mainly rural poverty, given that despite recent demographic and occupational trends the vast majority of indigenous peoples are still concentrated in rural areas. But there is also new urban poverty confronting indigenous peoples, with evidence that extreme poverty once again affects them disproportionately as an ethnic group (Plant 1998).

A report on indigenous peoples in Mexico found that they live in “alarming conditions of extreme poverty and marginality.” It observed that being poor and being indigenous are synonymous. “Virtually all of the indigenous people living in municipalities with 90 per cent or more indigenous people are catalogued as extremely poor” (Navarro 2001). Statistics in Guatemala show that 50-60 per cent of a total population of 11 million people is from 23 indigenous peoples.²¹ Nearly 55 per cent of this population is poor and 22.8 per cent extremely poor. Sixty per cent of households do not have the capacity to earn half of the cost of their minimum food needs despite spending a greater part of their earnings on it.²² In Ecuador, the rural

population of which 90 per cent are indigenous, almost all are living in extreme poverty.²³ Eight out of every 10 indigenous children in this country live in poverty, according to indicators published in the 2001 UNDP Human Development Report.

An Asian Development Bank study in 2002 on the poverty situation of indigenous peoples and ethnic minorities in Viet Nam, the Philippines, Cambodia and Indonesia found that in Viet Nam (the only country among the four where disaggregated data was available), poverty is the worst among the ethnic minorities²⁴ who live in the Highland areas of Northern and Central Viet Nam. The report concluded that there was no substantial improvement in the economic condition of indigenous

[onales/365.html#ftn_5](http://www.undp.org/hdr/2001/indigenous/365.html#ftn_5), downloaded 13 January 2005.

²³ International IDEA (2002). Women in Parliament, Stockholm (<http://www.idea.int>). English translation of Nina Pacari, “La participación política de la mujer en el Congreso Ecuatoriano. Una tarea pendiente”, in International IDEA Mujeres en el Parlamento. Mas allá de los números, Stockholm, Sweden.

²⁴ While ‘ethnic minorities’ is still a term used in Viet Nam, China, Myanmar and other Asian and African countries, many of these peoples could fall within the UN working definition of indigenous peoples. **Self-identification** as indigenous is regarded as an fundamental element in his working definition: On an individual basis, an indigenous person is one who belongs to these indigenous peoples through self-identification as indigenous (group consciousness) and is recognized and accepted by the group as one of its members (acceptance by the group). Several ethnic minorities have self-identified as indigenous peoples.

²¹ See Birgitte Feiring (2004). *Indigenous Peoples and Poverty: The Cases of Bolivia, Guatemala, Honduras and Nicaragua*, Minority Rights Group, London.

²²

<http://www.socialwatch.org/en/informes/Naci>

peoples in the Philippines between 1988 and 1997.

Proponents of mainstream development regard indigenous peoples' economic livelihood systems such as owner-tiller small farm agriculture, swidden or shifting agriculture, hunting and gathering, and pastoralism as inefficient and backward, and believe that these peoples need to be integrated into the market economy and into dominant society. As a result, indigenous peoples have seen their ancestral lands converted into commercial mono-crop agriculture and forest plantations, mines, export processing zones or dumping sites for nuclear wastes. Cash crop production took place on a massive scale not only in Central America but also in Asia and Africa. The impact on indigenous peoples in Central America as described by the IADB study can be seen in other regions.

From an indigenous perspective, the situation appears to have been particularly serious in those countries where the development of cash crops for export (such as coffee) led to demands for indigenous labour as well as to pressure on their lands. In Guatemala and parts of Mexico, where the coffee economy grew particularly rapidly at this time, indigenous peoples lost much of their communal lands. Many became resident workers (colonos) on the coffee plantations; and in the Guatemalan highlands, where the indigenous population was now mainly concentrated, farm plots rapidly became too small to provide for a subsistence income. Regular

periods of migrant labour to the large agricultural plantations became part of the Guatemalan Indian's life. Until the 1940s, coercive debt-bondage and vagrancy laws compelled indigenous peasants to provide seasonal estate labour; since that time, with most indigenous lands unable to provide a subsistence income, market forces have been enough to provide the migrant and seasonal labour in commercial agriculture.

Universal primary education

Education, for most indigenous peoples, is seen as a way to get out of poverty. However, the rate of illiteracy among indigenous peoples is usually higher than that of dominant groups. Even the number of indigenous children who complete primary education is much lower. ONIC revealed that a 1985 census in Colombia showed that there is a 44 per cent illiteracy rate among the country's 64 indigenous ethno-linguistic groups, which is still higher than the 30.6 per cent of illiteracy among the rural population.²⁵

A World Bank study has shown that illiteracy remains a problem for some states in Mexico with predominant indigenous populations. In 1980 illiteracy in Oaxaca was 46 per cent. This went down to 28 per cent in 1990 but was still more than twice the national average of 12 per cent. In Chiapas the illiteracy rate in 1990 was 30 per cent (Psacharopoulos

²⁵ ONIC (Organizacion Nacional Indigena de Colombia) is a national federation of indigenous peoples' organizations in Colombia.

and Patrinos 1994). The study also did a survey on the effects of gender and ethnicity on educational attainment in Bolivia. One of the conclusions was “ that indigenous individuals were 30 per cent more likely not to have completed primary school than their non-indigenous counterparts.”

A 1993 study on ethnic disparities in access to education in Guatemala found that Mayan students represented 25 per cent of all primary-level students, 10 per cent of secondary level students, and five per cent of university enrolment. This is despite the fact that Mayan peoples represent almost 60 per cent of the total population in Guatemala.

There is no question that universal primary education is desirable for indigenous peoples. However, the quality of education has to be looked into. Does universal primary education make indigenous children value further their indigenous cultures and norms or does it make them deny their identity or despise their own cultures and tradition? In most cases, indigenous children who enter school for the first time get traumatized because they do not understand the language used, they are teased and discriminated against because they speak a strange language or dialect, they are not dressed like the others, and they are badly treated by the teachers. This explains why there is a high-dropout rate in the first three grades.

Getting higher education is very difficult for many indigenous people

mainly because they do not have the means to go to high school or college. But if they did succeed in finishing college or university, another set of problems crops up. The main complaint of indigenous elders is that when their children get educated in the modern school system they usually do not return to their ancestral lands. First of all, there is no possibility of their getting jobs related to the courses they took in their own communities. Secondly, the conveniences offered by the city cannot be found in their own communities, whether these are electricity, piped-water, telephones, or roads. In terms of pedagogical methods, is due consideration given to indigenous teaching and learning approaches?

Indigenous worldviews, perspectives and history are invisible from textbooks and school curricula. In fact, what is generally seen are discriminatory references to indigenous peoples. Bilingual intercultural education is a common demand by indigenous peoples in most countries. Unfortunately, governments, whether at the national or at the UN level, plead a lack of resources. In some countries in Latin America like Bolivia, Ecuador, Colombia and Guatemala educational reforms are being undertaken which includes, among others, bilingual intercultural education.

The importance of bilingual education was further affirmed by the World Bank study cited above. In Mexico, “..only 1 per cent of first graders in indigenous areas will

successfully complete their sixth year of study. However, where a bilingual programme has been put into effect in the first grade, substantially lower rates of desertion and grade repetition have been observed (Modiano 1988)."

At a consultation held between indigenous peoples of Asia in February 2005, the participants raised the issue of indigenous and tribal children not being able to attend schools. This is because of school buildings being occupied by military men or there are no teachers. This is common in communities where armed conflicts are still raging. Even in areas where there are no such conflicts, however, there are still many communities where there are no schools. Many indigenous peoples especially in the developing world live in the most inaccessible areas and, given their small populations, governments are disinclined to invest money to set up schools. With the increasing push to privatize education, the hope for indigenous peoples to be able to go to school becomes more remote.

Structural causes of poverty among indigenous peoples

The studies by the financial institutions agree that poverty and extreme poverty characterize many indigenous communities. This poverty finds its roots in colonization, the destruction of indigenous economic and socio-political systems, continuing systemic racism and discrimination, social exclusion, and denial of indigenous peoples' individual and collective rights. In the 1950s, when the ILO Convention

107 on Indigenous and Tribal Populations emerged, the prevailing view was that indigenous peoples had to be assimilated or integrated in dominant society. Many nation-states adopted this approach. This is ironical as the pre-independence liberation movements, which indigenous peoples took part in, fought against colonialism which regarded the colonized as unfit to govern themselves. Yet when the nation-states came into being they perpetuated internal colonization.

Indigenous peoples felt an immense sense of betrayal when the autonomy and local sovereignty that their ancestors fought and died for was violated by the new rulers. Legal, political, economic and cultural systems in the European mould were put into place. These ignored or contradicted pre-existing social, political and cultural systems developed by indigenous peoples to govern themselves and their relations with nature and their neighbours. The new nation-states invoked doctrines and laws used by colonizers such as *terra nullius*²⁶ or

²⁶ *Terra nullius* means 'lands unoccupied before European settlement'. The term was used in Australia by colonizers to justify their occupation of indigenous peoples' territories. But it did not gain universal recognition as customary international law by several decisions (as by the International Court of Justice on the question of whether the Western Sahara was a territory belonging to no one at the time of colonization by Spain (1884) or the Mabo Case where the Australian High Court decided that the Mer (Murray Islands) belonged to the islanders and not the Queensland government).

the Regalian Doctrine²⁷, which disenfranchised indigenous peoples of their ancestral territories. Indigenous socio-cultural and political systems seen as barriers to the entrenchment of colonial rule or perpetuation of state hegemony were illegalized or destroyed. These factors led indigenous peoples to continue their ancestors' struggles to maintain their pre-colonial self-determining status as peoples and nations.

Structural inequities and inequalities were further reinforced by the legislation of discriminatory and oppressive land laws that ignored indigenous peoples' customary land tenure systems and laws. Natural resource management laws of governments contradicted indigenous sustainable natural resource management practices. Pervasive paternalism, development aggression and sheer government neglect in providing social services to indigenous peoples all contribute to the root causes of chronic poverty among indigenous peoples. Indigenous territories were basically regarded as resource-base areas, with the nation-state retaining the sole prerogative to decide how and

through whom it will exploit these resources.

The debt burden, undoubtedly, is a major factor for the exacerbation of indigenous peoples' poverty. To be able to generate foreign exchange to pay for foreign debt, what most governments do is extract their natural resources for export even if this is clearly unsustainable. In many countries, the last remaining natural resources to be extracted are found in indigenous peoples' territories. This is because many indigenous peoples have protected their territories from being plundered by colonizers and even by post-colonial governments. Unfortunately, this well-preserved natural wealth is regarded as a source of foreign exchange to service the debts incurred by the governments.

Bringing in the extractive industry sector, particularly those involved in mineral, oil and gas extraction to indigenous territories, is regarded as one way of generating money to pay back debt. The situation in Ecuador as described below is a classic illustration of the links between the debt problem, extractive industries and indigenous poverty.

Despite the knowledge of contamination in the Oriente, the Ecuadorian government has continuously advocated the mining of petroleum in the Oriente with absolute disregard to the interests of the indigenous peoples. There is a prevailing hope that oil production will help stabilize the economy and eventually be a key component in the reduction of the national debt.

²⁷ The Regalian Doctrine proceeds from the premise that all natural resources in the country's territory belong to the state in *imperium* and *dominium*. This legal fiction dates back to the arrival of Spaniards in the Philippines when they declared all lands in the country as belonging to the King of Spain. Since then, the Government has taken this as the foremost principle underlying its laws and programmes on natural resources.

Notwithstanding the fact that the national debt has risen from two hundred million dollars in 1970 to over sixteen billion in 1998, the Ecuadorian government continuously favours the interests of foreign companies over its own indigenous citizens. This dependence on foreign investors leaves Ecuador's economy vulnerable to the fluctuating prices of oil, which is responsible for forty per cent of the national income yearly. With such a large portion of their economy based upon such a fluctuating industry, the results have been fairly disastrous for the people and the poverty rate in Ecuador. The poverty rate, which was at an overwhelming level of fifty per cent in 1975, reached the appalling rate of sixty-five per cent in 1992 ... Without a set of well-monitored regulations concerning the extraction of oil in the Oriente, Ecuador is leaving itself open to the possibility of continued environmental destruction and human rights violations²⁸

If there are not much natural resources left, as in the case of the Philippines, then the government's option is to export labour even if labour conditions abroad are oppressive to the extent of bordering on slavery. Indigenous women also joint join the global labour market in significant numbers. For example, at least ten per cent of the 88,000 Filipino overseas contract workers in Hong Kong are from the Cordillera

²⁸ Brandon Yoder (2002). Indigenous People and Oil Production in Ecuador's Oriente, *Fourth World Journal*, Vol.5, No.1. Centre for World's Indigenous Studies, p.80.

region, most of whom are indigenous women. Foreign remittances from these workers contribute substantially to foreign exchange receipts.

Structural adjustment packages, with conditionalities tied to the acquisition of additional foreign loans, made basic social services even more inaccessible for indigenous peoples. A government that spends most of its budget to service its local and foreign debt will always have a greatly diminished budget for social services. If even the majority urban populations cannot be provided basic services, the possibilities are much smaller for indigenous peoples in remote areas. National politicians rarely give them any priority as their numbers are negligible for election purposes.

The Poverty Reduction Strategy Paper (PRSP) is one response of the international community to the debt problem. While it is claimed that PRSPs are nationally-owned processes, indigenous peoples in most parts of the world can attest that they have never been involved in drawing up these nor were their concerns reflected in any satisfactory way. The PRSPs, in fact, are seen by some indigenous peoples and civil society organizations as recycled structural adjustment packages.

The first of the MDGs seeks to "halve the proportion of people living on less than a dollar a day and those who suffer from hunger" by the year 2015. The path taken by a country to achieve this goal will determine the

extent to which poverty among indigenous peoples will be alleviated. By incurring more debts, engaging in more aggressive extraction of mineral resources, oil, or gas in indigenous peoples' territories, or further liberalizing imports to the detriment of traditional livelihoods, governments cannot in all probability, reduce poverty among indigenous peoples. Small-scale projects by intergovernmental development agencies like UNDP or the International Fund for Agricultural Development (IFAD) can provide safety nets for indigenous peoples.

However, there needs to be a serious evaluation of development projects undertaken by international agencies. Some key issues are whether these projects are planned, implemented and evaluated with indigenous peoples, whether they are reinforcing or destroying sustainable resource management systems of indigenous peoples, and whether they are supporting their traditional systems of reciprocity and collective decision making.

A more sustainable approach is to squarely deal with structural causes of poverty, one of which is the debt trap, by introducing policy and structural reforms not only at the country level but at the global level as well. There is a lot to learn from the experiences of the international and regional financial institutions that required debtor countries to create indigenous peoples' development plans before loans for projects in indigenous peoples' territories are released. How were these plans formulated? What are the lessons

learned in terms of designing, planning and implementing them?

Poverty and poverty indicators seen from an indigenous lens

The Inter-American Development Bank has identified some of the main challenges for indigenous peoples and sustainable development in a policy document it released in 1997.

"... A major challenge is to deepen the understanding of poverty in indigenous communities, developing culturally sensitive poverty indicators that can define poverty in terms of unsatisfied basic needs, taking into consideration the nature of traditional subsistence economies. These economies are characterized by low levels of cash income. Basic needs are largely satisfied through non-market mechanisms for the redistribution of goods. It will be crucial to take into account indigenous views and aspirations regarding poverty and development. The latter is particularly important because poverty may also be seen as a relative concept rather than an absolute one to the extent that it includes not only the material conditions but also the aspirations of the peoples involved."

Indigenous peoples have expressed persistent concerns over how poverty is defined and monitored. Poverty is generally defined in terms of income and consumption and constructed around cash incomes and food expenditures within a market and cash-based economic setting. These parameters cannot capture or adequately reflect the realities of many indigenous peoples.

There is little recognition of non-income indicators of poverty such as the lack of voice or power in political and bureaucratic systems, non-recognition of the collective rights of indigenous peoples and their lack of access to basic infrastructure and social services. While there is an increasing number of indigenous peoples engaged with the market economy the majority are still mainly engaged in subsistence production. Thus, the dollar a day indicator does not make much sense for people who do not sell their labour or who do not spend the bigger part of their time to produce for the market.

It may be more relevant to develop strategies for wealth reduction based on a definition of a "greed line". Furthermore, alleviating the poverty of the rest of the population may mean greater poverty for indigenous peoples. Above all, poverty is a collective phenomenon with historical and structural causes and cannot be dealt with only on an individual level. Poverty should be addressed through a rights-based approach and in particular through the recognition of collective human rights.

The need for data disaggregation to better understand the situation of indigenous peoples cannot be overemphasized. The UNDP Human Development Report (HDR) from 1994 to 1998 stressed that it is important to disaggregate the human development indicators on the basis of factors such as gender, race and ethnicity, and geography to portray more accurately and act appropriately in response to such

indicators.²⁹ If the situation of indigenous peoples is accurately reflected in the HDR, the ranking of countries with indigenous peoples in the Human Development Index (HDI) goes down. In the 1996 HDR for example, Mexico ranked 48th among 120 countries. If its indigenous populations are excluded from the results, it will improve its rank to 28. Bolivia and Guatemala, countries with indigenous peoples composing 50 per cent or more of the total population, are found in the lowest ranks, Bolivia (111), Guatemala (112). Peru, which has a big percentage of indigenous peoples, has a rank of 91. The 2004 UNDP Human Development Report concluded that indigenous peoples are more likely to be poor than non-indigenous peoples and that public spending in basic social services "systematically discriminates against minorities and indigenous peoples" (UNDP 2004).

Data disaggregation was one of the recommendations to emerge from the first and second sessions of the United Nations Permanent Forum on Indigenous Issues. A workshop on the issue said that:

"Indigenous peoples should fully participate as equal partners, in all stages of data collection, including planning, implementing, analyzing and dissemination, access and return, with appropriate resources and capacity building to do so. Data collection must respond to the

²⁹ Brandon Yoder (2002). Indigenous People and Oil Production in Ecuador's Oriente, *Fourth World Journal*, Vol.5, No.1. Centre for World's Indigenous Studies, p.80.

priorities and aims of the indigenous communities themselves. Participation of indigenous communities in the conceptualization, implementation, reporting, analysis and dissemination of data collected is crucial, both at the country and international levels. Indigenous peoples should be trained and employed by data collecting institutions at national and international levels. The process of data collection is critical for the empowerment of the communities and for identifying their needs.”³⁰

Conflict of paradigms

If economic growth means undertaking economic programmes which result in the further impoverishment of indigenous peoples and the disappearance of their knowledge and cultures, there is a need for serious rethinking. The conflict over different paradigms of development then becomes the central question.

The key weakness of the MDGs is that it does not question the mainstream development paradigm nor does it address the economic, political, social and cultural structural causes of poverty. Peggy Antrobus, a leading feminist, says that “a major problem of the MDGs is their abstraction from the social, political and economic context in which they

are to be implemented – the ‘political economy’ of the MDGs.”³¹

In countries with rising rates of economic growth, the situation of indigenous peoples has not necessarily changed for the better. In fact, in many countries where economic growth has been spurred by massive extraction of natural resources such as minerals, oil, gas, trees, aquatic resources, and building giant infrastructure like hydroelectric dams, indigenous peoples have become more impoverished. Since the 1950s, indigenous peoples have been losing their cultures and their lands to these so-called development projects. Many have not been resettled and those who were, have been placed in hostile or infertile lands. It is a common observation that indigenous peoples live in territories richly endowed with natural resources but they remain the poorest of the poor. Chiapas, in Mexico, is an example. It is the main producer of gas and oil, yet most indigenous women cut firewood for cooking. Around 11 million people in Mexico live in extreme poverty and the great majority of them are indigenous peoples. A study on the poverty of indigenous peoples in Nicaragua represents a typical situation.

As a region the Atlantic Coast is exceptionally rich in terms of natural resources. The coasts are teeming

³⁰ United Nations Permanent Forum on Indigenous Issues: Report on the Workshop on Data Collection and Disaggregation for Indigenous Peoples. New York, 19-21 January 2004.

³¹ Paper presented by Peggy Antrobus at the Working Group on MDGs and Gender Equity during the Caribbean Regional Conference on the Millennium Development Goals, organized by UNDP (July 2003).

with fish, shrimp and lobster; the forests in the RAAN have extensive stands of pine and, to a lesser extent, mahogany and other hardwoods; and there are extensive deposits of minerals (gold, silver, copper and lead), especially along the headwaters of the rivers in the RAAN (Radley 1960). Historically, however, extraction of these resources has been capitalized and directed by interests based outside the region, most of whom have had little interest in the long-term development of the Atlantic Coast. The indigenous peoples of the region have consequently had little opportunity to share in the commercial exploitation of this wealth, and gained little in terms of the development of a rationally planned and maintained infrastructure.³²

In an era of globalization where trade and investment liberalization, deregulation and privatization are the policies followed by most governments, the face of poverty for many indigenous peoples has changed for the worst. For example, dumping of cheap imported vegetables, through agricultural liberalization, has greatly affected indigenous vegetable farmers in the Philippines. Imported vegetables, which came in legally or through the back door, were priced 30 to 50 per cent lower than the local produce. As a result, at least 250,000 farmers

³² Mark Jamieson, *Poverty Among Indigenous Peoples in Nicaragua* (1999). Indigenous Peoples and Community Development Unit, Inter-American Development Bank, Sustainable Development Department, Washington, p.8.

and 400 vegetable traders lost their livelihoods.³³ Because of this crisis, which seems to have no end in sight, more farmers are shifting to the lucrative production of marijuana even if it is illegal. The production of marijuana, coca, and opium are now alternative sources of livelihood for some indigenous peoples in countries like the Philippines, Thailand, Myanmar, Colombia and Venezuela, which have seen destruction of subsistence production systems by cash cropping or extractive industries, volatility of commodity prices and the dumping of cheap, highly subsidized agricultural products.

The example of coffee production demonstrates clearly the problems of indigenous peoples with the mainstream development model and also with the globalization of the market economy. Coffee production for export has been taking place in indigenous communities in Guatemala since the late 19th century. Seasonal migration of indigenous peoples to work in coffee farms has been one of their survival strategies. There are those who opted to permanently migrate, like the Q'eqchi and the Poqomchi who provided much of the permanent labour on the large coffee farms at the Alta Verapaz department. Export

³³ "Impact of Trade Liberalization on the Rural Poor: Philippine Case Study", prepared by Tebtebba for IFAD (International Fund for Agricultural Development) by Victoria Tauli Corpuz and Ruth Batani-Sidchogan (unpublished). The findings were presented at the 27th IFAD Board of Governors Meeting in Rome on 18 February 2004.

of agricultural products was the main economic path taken by Mexico. Profits rest on the exploitation of cheap labour of indigenous peoples who live in bunkhouses, without privacy, and could not even enjoy basic needs as clean water and toilets (Plant 1998a).

When Viet Nam opened up its economy to the world market it built irrigation canals and provided subsidies for farmers to migrate to the Central Highlands and other upland areas in the 1980s and 1990s. In 1990 Viet Nam's coffee production was only 1.5 million bags. This increased to a phenomenal 15 million bags in 2000, making Viet Nam the second largest coffee producer in the world. Large tracts of land, including well-preserved forests, in the territories of the indigenous peoples (who are called ethnic minorities by the government) were converted to coffee plantations and sold to rich lowlanders based in Saigon. Massive deforestation and environmental devastation resulted from this project. The indigenous peoples of Viet Nam were displaced from their lands by tens of thousands lowlanders who migrated to their communities to engage in coffee production

The overproduction of coffee worldwide brought prices tumbling down. Among those who suffered the most are indigenous peoples, not only from Viet Nam, but also from various parts of the world. Coffee prices dropped from \$1500 per tonne in 1998 to less than \$700 per tonne in 2000, largely due to the flooding of Vietnamese coffee onto the world

market.³⁴ This has made it less economical to grow the 'black gold' and has slowed the immigration somewhat, yet the problem of land tenure remains. In Mexico, coffee cultivation has been an important source of income for indigenous communities in Chiapas and Oaxaca. Nationwide, over 70 per cent of coffee farmers have plots of less than two hectares. And in Chiapas, Mexico's most important state for coffee production, 91 per cent of producers have less than five hectares. These coffee farmers now find themselves in extreme poverty. The World Bank says that in Central America 400,000 temporary coffee workers and 200,000 permanent workers lost their jobs following the collapse of the coffee prices.³⁵

Viet Nam is one of the few countries that are on track as far in achieving the MDGs. Clearly, any progress has been made at the expense of the indigenous peoples in that country. According to one recent study,

"Although the opening of Viet Nam's economy to market forces in the 1980s and 1990s has reduced poverty levels and increased personal freedoms for much of the population, minorities continue to face many hardships ... Most upland ethnic minorities have little benefited from these changes. They suffer from disease, lack clean water, and have low literacy rates and low

³⁴ Agence France Press, 2000

³⁵ Oxfam International (2002). *Mugged: Poverty in your Coffee Cup*, p.14.

incomes, despite many government efforts at upland development.”³⁶

This picture is not unique to Viet Nam alone. The grazing lands of pastoralist Maasai peoples in Kenya and Tanzania, for instance, are now occupied by settler farmers and converted to agricultural lands.³⁷ The destruction of the pastoralist economy around which their identities and cultures as indigenous peoples revolve is taking place with full complicity of the State and the market.

The issue of poverty reduction and economic development cannot be addressed separately from the issues of indigenous identity and worldviews, cultures and indigenous peoples’ rights to territories and resources and to self-determination. There is tension, no doubt, between maintaining indigenous identity on one hand and improving economic conditions on the other. In a world where improving economic conditions means the growth of market institutions, many indigenous peoples find themselves in a

³⁶ Pamela D. McElwee, *Ethnic Minorities in Viet Nam: Are Trends toward Globalization, Regionalism, and Nationalism in Southeast Asia Hurting or Helping Them?* Paper presented at a conference on “Globalization and Ethnic Minorities,” Chiangmai, Thailand, December 2005.

³⁷ Discussion with Naomi Kipuri, a Maasai anthropologist and member of the African Working Group on Indigenous Populations and Communities of the African Commission on Peoples’ and Human Rights of the African Union. This is one of the findings of the working group’s report on the situation of indigenous populations in Africa in November 2003.

dilemma. If they participate fully in the market they have to forget about their customary land tenure systems, their traditional practices of redistributing wealth and ensuring more equitable access to and sharing of resources, and their natural resource management systems.

Free, prior and informed consent

It is in this context that it is crucial to obtain the free, prior and informed consent (FPIC) of indigenous peoples before development projects or any policies affecting them are designed and brought to their communities. This is nothing but respect for the right to participate in decision-making. Indigenous participants in the first session of the Permanent Forum on Indigenous Issues called for debates on how this principle is being developed, promoted and respected by governments, intergovernmental bodies and the private sector. On the basis of the recommendation from the third session of the Permanent Forum, the Economic and Social Council authorized a technical three-day workshop on free, prior and informed consent, which took place at the United Nations in January 2005.³⁸

A paper by Antoanella-Iulia Motoc of the UN Working Group on Indigenous Populations (WGIP) and Tebtebba Foundation, presented at

³⁸ The documents presented at this workshop are available at the website of the United Nations Permanent Forum on Indigenous Issues: www.un.org/esa/socdev/pfii.

this workshop and also at the July 2004 session of WGIP, highlighted that:

Substantively, the principle of free, prior and informed consent recognizes indigenous peoples' inherent and prior rights to their lands and resources and respects their legitimate authority to require that third parties enter into an equal and respectful relationship with them based on the principle of informed consent. Procedurally, free, prior and informed consent requires processes that allow and support meaningful choices by indigenous peoples about their development path.³⁹

The paper reviewed the treatment of FPIC in existing domestic and international instruments and discussed observations made by treaty bodies on the responses of governments. It is critical to highlight that the international community is now taking steps to provide a legal commentary on the principle. Treaty bodies are reviewing the impact of projects implemented in indigenous peoples' communities without application of FPIC principles, and recommending ways in which FPIC can be used.

³⁹ Preliminary working paper on the principle of free, prior and informed consent of indigenous peoples in relation to development affecting their lands and natural resources (UN Document E/CN.4/Sub.2/AC.4/2004/48 July 2004). This document will serve as a framework for the drafting of a legal commentary by the Working Group on this concept.

In its concluding observations on the report of Colombia in 2001, the Committee on Economic, Social and Cultural Rights noted "with regret that the traditional lands of indigenous peoples have been reduced or occupied, without their consent, by timber, mining and oil companies, at the expense of the exercise of their culture and the equilibrium of the ecosystem" (E/C.12/1/Add.74, para. 12). It subsequently recommended that the State party ensure the participation of indigenous peoples in decisions affecting their lives and particularly urged it "to consult and seek the consent of the indigenous peoples concerned prior to the implementation of timber, soil or subsoil mining projects and on any public policy affecting them, in accordance with ILO Convention No. 169."⁴⁰

The Indigenous Peoples' Rights Act⁴¹ of the Philippines defines free and prior informed consent to "mean the consensus of all members of the ICCs/IPs to be determined in accordance with their respective customary laws and practices, free from any external manipulation, interference, coercion, and obtained after fully disclosing the intent and

⁴⁰ Ibid.p.3.

⁴¹ Republic Act No. 8371, "An Act to Recognize, Protect And Promote The Rights Of Indigenous Cultural Communities/Indigenous Peoples, Creating A National Commission On Indigenous Peoples, Establishing Implementing Mechanisms, Appropriating Funds Therefore, And For Other Purposes." Enacted on July 28, 1997, known as the "Indigenous Peoples' Rights Act of 1997". www.ncip.gov.ph

scope of the activity, in a language and process understandable to the community". The act underscores the right of indigenous peoples to accept or reject a certain development, activity or undertaking in their community.⁴² Much remains to be done to have it implemented.

Recognizing and implementing FPIC is a challenge for governments and corporations. A key recommendation from forum's January 2005 workshop on free prior, informed consent was the drafting of a guidebook on how the principle should be implemented.

Recommendations

Indigenous peoples have presented recommendations in a number of areas as follows:

Adopt a human rights framework:

- The adoption of the human rights-based framework and approach to poverty reduction strategies begins with an indigenous perspective of poverty and wealth. The recognition of indigenous peoples' claims for individual and collective rights, as distinct peoples, is crucial for a just and sustainable solution to widespread poverty in their midst.
- Strategic issues such as agrarian land reform, land rights and reform of the judicial system should be addressed in national poverty reduction strategies, with indigenous peoples' full and direct input.

- Further, indigenous peoples must be enabled to fully participate in national and international gatherings where issues directly affecting them are being discussed - including environmental agreements and global trade negotiations.
- Staff in donor agencies and non-governmental organizations should be provided systematic training on indigenous peoples' rights.
- Governments should contribute to the ongoing process of discussing and defining indigenous rights in forums such as the Organization of American States and United Nations High Commission for Human Rights and ratify and adequately implement existing instruments for the recognition of indigenous peoples' rights - for example, ILO Convention 169.
- Promote research and data collection disaggregation
- All countries should collect disaggregated data based on ethnicity and indigenous peoples' indicators of poverty, and the UNDP and World Bank should include disaggregated data on indigenous men and women's poverty situation in their regular human development and poverty reports. This has been a standing recommendation by indigenous peoples in all sessions of the Permanent Forum.

⁴² Section 6 of Chapter 1 on Preliminary Provisions of NCIP A.O. 3 Series of 2002.

- Indigenous peoples' representatives must be involved in designing, identifying variables, indicators, and choosing the questions to be asked, as well as in gathering and analysing data. Some essential questions could be:
 - How do conditions of living vary among and within indigenous peoples, and within and between countries?
 - Why are such variations present?
 - What are current and long-term trends?
 - What are potential causal factors of inequities?
 - What is the effectiveness of policies and interventions?
- All relevant United Nations bodies should implement the Permanent Forum's recommendation to develop methodologies and strategies to research the underlying causes of "feminization" and "indigenization" of poverty, develop programmes that effectively address these underlying causes, and undertake systematic needs assessments of indigenous women to involve them in decision-making throughout the programme cycle.
- Indigenous peoples' own institutions should be supported so that they have sufficient funding and capacity to provide contextualized empirical data and monitor their poverty situation and to ensure they contribute to their own development proposals;
- Several pilot countries should be selected to explore opportunities and risks for indigenous peoples in relation to the PRSP process.
- Indigenous peoples should be made visible in national MDG reports in countries where they are found, the Secretary-General's report on the five-year review of the Millennium Declaration and the MDGs, and reports of intergovernmental bodies. A preliminary review of 20 national MDG reports by the secretariat of the UN Permanent Forum on Indigenous Issues and found that 68 per cent do not integrate nor respond to the situation and concerns of indigenous and tribal peoples.
- Adapt school education to reflect indigenous peoples' needs and perspectives:
- Indigenous peoples' education (formal or non-formal) must be based on indigenous peoples' worldviews.
- Bilingual education should be introduced for the first three grades of primary school, at a minimum.
- Education materials must be purged of discriminatory contents and erroneous historical accounts, which make indigenous peoples'

- invisible and misrepresents them should be rectified.
- Curriculum development should reflect local contexts of indigenous peoples. It must be a tool that prepares them and gives them the choice to either enter the formal system and/or function effectively in their own communities. There should be opportunities for indigenous elders to teach at elementary or secondary levels.
 - Curricula for primary and secondary schools should include indigenous knowledge systems and reflect indigenous values. Indigenous pedagogies informed by stories, values, practices and ways of knowing indigenous peoples should be developed and integrated into education programmes.
 - Indigenous peoples' education must provide alternative learning paths, which respect and utilize indigenous learning systems that meet basic needs, such as identity, resource control and self-determination.
 - Mobile schools should be set up for nomadic indigenous peoples and pastoralists.
 - Resources should be made available to indigenous peoples to set up their own education systems, including schools, should they choose to do so. Traditional education systems should be supported.

Conclusions

This paper is aimed at sparking debate and encouraging the development of future projects. We hope will also spur governments, intergovernmental bodies and NGOs to ensure that their strategies to achieve the MDGs are sensitive to indigenous peoples. Indigenous peoples are already defining their own visions and solutions of development referred to as "autonomous development", "development with identity", "life-projects", etc. Governments, intergovernmental bodies, NGOs and the private sector should ensure that they do not contribute in undermining these efforts. In fact, they must hold dialogues with indigenous peoples on how they can reinforce these initiatives and link them with the MDGs. In particular, they must respect the principle of free, prior and informed consent and ensure its implementation is acceptable to communities affected.

The involvement of indigenous peoples in generating data through participatory processes can strengthen their capacity to evaluate their assets and problems, and design their own solutions. The improvement of data collection systems and development of research instruments and assessment tools constitute important foundational steps for building a body of scientific knowledge that is comprehensive, methodologically sound, and responsive to social needs, especially of the most marginalized and impoverished.

In conclusion, it is important to bear in mind that the Second Decade of the World's Indigenous Peoples (2005-2015) coincides with the remaining timetable for the MDGs.



Victoria Tauli-Corpuz is Executive Director of Tehtebba Foundation, an indigenous peoples' international centre for policy research, advocacy and education based in the Philippines. She is a member of the United Nations Permanent Forum on Indigenous Issues and convener of the Asian Indigenous Network.

References

Amnesty International, 2003. Mexico: Indigenous Women and Military Injustice. London.

Cultural Survival, 1993. State of the Peoples: A Global Human Rights Report on Societies in Danger, Beacon Press. Boston.

Iturralde, D. and E. Krotz, eds. 1996. Indigenous Development: Poverty, Democracy and Sustainability. Inter-American Development Bank. Washington, D.C.

Modiano, N. 1988 "Public Bilingual Education in Mexico." In C.B. Paulston, ed. Handbook of Bilingualism and Bilingual Education. New York, Greenwood Press.

Navarro, Luis Hernandez. 2001. "Indigenous Poverty and Social Mobilization", in The Poverty of Rights: Human Rights and the Eradication of Poverty, eds. Willem van Genugten and Camilo Perez-Bustillo. Zed Books. London.

Northerner, Henry, Paul Ladd, Francis Lemoine, and Romilly Greenhill. 2003. Debt and the Millennium Development Goals: A New Deal for Low-Income Countries Financing Development through Debt Cancellation and Aid. Catholic Agency for Overseas Development (CAFOD), Christian Aid and Eurodad. London.

Gresser, Charis and Sophia Tickell, 2002. Mugged: Poverty in your Coffee Cup, Oxfam International. Oxford, United Kingdom.

Pacari, Nina, 2002. La participation politica de la mujer en el Congreso Ecuatoriano. Una taria pendiente, International IDEA, 2002, Women in Parliament, Stockholm (<http://www.idea.int>). This is from an English translation in International IDEA Mujeres en el Parlamento. Masalla de los numeros, Stockholm, Sweden.

Perez-Bustillo, Camilo. 2001. "Human Rights, Poverty and Indigenous Peoples' Struggles in the Americas," in The Poverty of Rights, eds. Willem van Genugten and Camilo Perez-Bustillo, Zed Books, London.

Plant, Roger. 1998. Issues in Indigenous Poverty and Development. Inter-American Development Bank. Washington, D.C.

_____. 1998a. Indigenous Peoples and Poverty Reduction, A Case Study of Guatemala. Inter-American Development Bank. Washington D.C.

Psacharopoulos, George and Harry Anthony Patrinos, eds. 1994. Indigenous People and Poverty in Latin America: An Empirical Analysis. The World Bank. Washington D.C.

Stavenhagen, Rodolfo. 2003. Philippine Mission Report of the U.N. Special

Rapporteur on the situation of Human Rights and Fundamental Freedoms of Indigenous People, E/CN.4/2003/90/Add.3.U.N.

Tauli-Corpuz, Victoria and Bernice Aquino See, 2005. Indigenous Women, Millennium Development Goals and the Beijing Platform for Action. EGM/BPFA-MD-MDG/2005/EP.3 United Nations, Division for the Advancement of Women. New York .

_____ and Joji Carino, eds. 2004, Reclaiming Balance, Tebtebba, Baguio City.

Tebtebba, 2003. Extracting Promises: Indigenous Peoples, Extractive Industries and the World Bank, Forest Peoples' Programme and Tebtebba. Baguio City, 2003.

_____2003. Indigenous Peoples and the World Summit on Sustainable Development, Tebtebba. Baguio City.

_____2003. Dialogue Paper by Indigenous People, UN Document E/CN.17/2002/PC 2/Add.3.

UNDP Human Development Report (various years).

UNDP 2004. Human Development Report 2004: Cultural Liberty in Today's Diverse World.

United Nations Permanent Forum on Indigenous Issues. 2004. Report on the Third Session (10-21 May 2004), E/2004/43 and E/C.19/2004/23. Economic and Social Council Official Records, 2004. Supplement No. 23. United Nations, New York

Vinding, Diana. 2003. "Indigenous Poverty: An Issue of Rights and Needs". Indigenous Affairs 1/03. Copenhagen. IWGIA.