

PAMBAZUKA NEWS 257: SPECIAL ISSUE ON TRADE AND JUSTICE

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1 Highlights from this issue

FEATURED THIS WEEK

They say free trade is the answer to world poverty, but all too often it benefits the richest and deprives the poorest. In this, the second of four Pambazuka News special issues during 2006 discussing issues of trade and justice, a series of articles examines the point where trade meets the rights of people and communities. If free trade is the answer, these articles seem to ask, why is health care a luxury for millions in Kenya? Why does the oil trade wreak havoc in the Niger Delta? How is it that informal traders have virtually no rights? Why are local communities excluded from development projects driven by multi-national companies? Why is it that cotton farmers in West Africa suffer because of a grossly unfair subsidy racket? The last article in this edition asks how trade and business can be conducted in a more humane way. Please send comments on these articles to editor@pambazuka.org or comment online at www.pambazuka.org

FEATURED:

Soren Ambrose makes a case for holding the International Monetary Fund (IMF) responsible for poor health care in Kenya

COMMENT AND ANALYSIS:

- The crude oil trade in the Niger Delta remains anything but sweet for local communities, writes Nnimmo Bassey
- Winnie Mitullah asks when the rights of informal traders in African cities are going to be considered in trade policy
- We visit the Yala Swamp region of Kenya with Patrick Ochieng, who asks if Foreign Direct Investment is really the answer

- Question and Answers on genetically modified crops, access to food and land
- Cotton farmers in West Africa have yet to experience the concept of trade justice, writes Tope Akinwande
- Steve Ouma Akoth discusses corporate responsibility, arguing for a broader notion of the moral self
- Karoline Kemp looks at five examples where communities are claiming their rights in the face of unfair trade policies and practices



2 Features

PRESERVING DISORDER: IMF POLICIES AND KENYA'S HEALTH CARE CRISIS

Soren Ambrose

Compared to 20 years ago in Kenya, people live for ten years less on average, more children die in infancy and a greater proportion of those who survive face stunting. Why? Soren Ambrose makes a case for holding the International Monetary Fund (IMF) responsible, arguing that the institution's obsession with low inflation rates - one of the foundations of trade liberalization - starves economies and hurts the poor.

On March 6, Kenya's Assistant Minister for Health, Enock Kibunguchy, told the press that Kenya urgently needs to hire 10,000 additional professionals in the public health sector, blurring out: "We have to put our foot down and employ. We can tell the International Monetary Fund and the World Bank to go to hell." [1]

These are strong words for a high-ranking government official to put on record regarding the most powerful international financial institutions (IFIs), and in particular the IMF, a body whose power extends to being able to call for the withdrawal of virtually all external assistance to a country.

Minister of Health Charity Ngilu had in fact been rumored to have made similar accusations in meetings with IMF officials and civil society representatives; since Kibunguchy's declaration she has confirmed she shares his view. Similar allegations have also been made by several civil society organizations focused on the IMF and on health rights. Indeed, in the last two years a number of organizations have identified IMF restrictions as a serious disincentive to hiring desperately-needed health professionals not only in Kenya, but in many other African and Global South countries as well.

Specific IMF policies, in particular the low ceilings it sets for inflation rates and wage expenditures in borrowing countries, are demonstrably illogical and detrimental. Together with the dubious defense the IMF mounts for maintaining such restrictions, cases like Kenya's provide a strong argument that those controlling the IMF should re-examine the restrictions it places on borrowing governments. The logic of demanding continual decreases in public wage bills is likewise suspect, as are the IMF's routine inflation targets. With increased funding from new sources, improved standards of living are within reach of even the most impoverished countries, if only the IMF would allow it.

The Health Care Crisis

Kenya's health care crisis has been 20 years in the making. Its dimensions are spelled out in the 2004 Poverty Reduction Strategy Paper (PRSP) - a government document written in consultation with the IMF and World Bank and approved by both bodies' boards. Life expectancy declined from 57 in 1986 to 47 in 2000; infant mortality increased from 62 per thousand in 1993 to 78 per thousand in 2003; and under-five mortality rose from 96 per thousand births to 114 per thousand in the same period. The percentage of children with stunted growth increased from 29% in 1993 to 31% in 2003, and the percentage of Kenya's children who are fully-vaccinated dropped from 79% in 1993 to 52% in 2003.[2]

Why this deterioration? As in most African countries, Kenya's health care system was hit hard by the "structural adjustment" policies imposed by the IMF and World Bank as conditions on loans and as prerequisites for getting IFI approval of the country's economic policies. Those policies were introduced in the 1980s, and have left a lasting mark on Kenya's health. As usual with such programs, the emphasis was on cutting budget expenditures. As a result, local health clinics and dispensaries had fewer supplies and medicines, and user fees became more common. The public

hospitals saw their standard of care deteriorate, increasing pressure on the largest public facility, Kenyatta National Hospital in Nairobi. As a consequence, that hospital, once the leading health facility in East Africa, began, like so many other African hospitals, to ask patients' families to provide outside food, medicine, and medical supplies. Most beds at Kenyatta and the regional and local hospitals accommodated two patients. Professional staff have taken jobs – some part-time, some full-time, at private healthcare facilities, or migrated to Europe or North America in search of better pay.

An October 2005 communication from an NGO coalition to the November 2005 “High Level Forum on Health MDGs (Millennium Development Goals)” notes that “between 1991 and 2003, the [Kenyan] government reduced its work force by 30%” - cuts that hit the health sector particularly hard.[3] For the period between 2000 and 2002 alone, the government was scheduled to lay off 5,300 health staff.

Those requirements were externally imposed. A World Bank Group document from November 2003, written to justify waiving a loan condition calling for a workforce reduction, notes: “This condition required retrenching 32,000 personnel from civil service over a period of two years. In practice, 23,448 civil servants were retrenched in 2000/01 before the program was interrupted by lawsuits. [...] A specific commitment in the updated [agreement] is to reduce the size of the civil service by 5,000 per year through natural attrition.” [4] The very same document supports Assistant Minister Kibunguchy's assessment of the sector's current needs - “the health sector currently experiences a staff shortage of about 10,000 health workers.” The document, however, draws no connection between the shortage and the insistence on cutting more workers.

The impact of the layoffs and budget slashing in the health sector over the last 15 years was cited recently by Member of Parliament Alfred Nderitu as the primary motivation for his motion of censure against the IMF and World Bank in the Kenyan Parliament. His initiative would insist that any future loans from the institutions get Parliamentary approval. [5]

Clinics Without Nurses

Many African countries have shortages of medical staff because of lack of training capacity; in Kenya this is not the case. Thousands are unemployed or underemployed, eager to take up full time positions.

Both the Kenyan government and the IFIs regularly announce that health spending will increase substantially. [6, 7] With all these promises of increased resources for health care, with the World Bank's acknowledgement of a staff shortage, and with all those unemployed nurses, one might expect that the government would waste no time in hiring the thousands of nurses Kenya so desperately needs. And indeed, frequent promises are made by government officials to that effect. But the promises are almost never kept.

According to the Chief Economist in the Ministry of Health, S.N. Muchiri, the reason is that while the IFIs support increased expenditures on health, they forbid spending that money to pay staff wages. This is accomplished through insisting on a ceiling on wage expenditures; in Kenya, the targets are 8.5% of GDP in 2006 and 7.2% by 2008. [8] The IMF doesn't specify that hiring in the health sector specifically must be limited, but when the entire wage bill must be suppressed, the chances of hiring the personnel needed are slim indeed.

So when IFI staffers call for more funding for clinics, as they do in their critique of the government's draft PRSP, they mean buildings, equipment, and medicine. [9] Unfortunately, personnel are required to run the clinics. It is the choice by those institutions to prioritize targets for reduced spending on public salaries and on inflation, says Muchiri that prevents Kenya from hiring health workers. [10]

Muchiri provides valuable “inside” confirmation of charges made with increasing intensity by civil society organizations over the last two years. Advocates point out that while recent funding initiatives like the Global Fund for AIDS, Tuberculosis & Malaria and PEPFAR have made stemming the most critical health crises in Africa more possible, the IMF's power over borrowers' economic policy and its narrow focus on keeping inflation and payrolls as low as possible is actively discouraging governments from putting the available funds to use.

Numbers, Not People

On one level, it seems like commonsense for an organization like the IMF to seek out ways in which governments can reduce the amount spent on salaries, especially in countries like Kenya, which have had troubles with “ghost

employees” on public payrolls in the past. But the self-defeating nature of this quest quickly becomes apparent. If the government were simply expected to identify and eliminate ghost employees, that would obviously lighten the government's burden and enable it to target its resources more wisely.

But the IMF's conditions deal with bottom-line expenditures, not with going to the root of the problem. Kenya's PRSP spells out the implications: “...achieving the 8.5 percent target by 2005/06 will require that any awards to be provided to the civil servants or any additional awards [...] will be matched by a proportionate downsizing of the civil service.” [11] Any hiring of nurses, for example, would require that some other public employees be eliminated – regardless of how much the nurses may be needed, or how vital the other positions may be. Indiscriminate targeting like this only demonstrates the prioritizing of abstract economic statistical standards over real-life outcomes, including those most likely to have a positive material impact on poverty and on contributing to the overall health of both Kenya's population and the economy.

So if the health budget is to rise - as both the IFIs and the government repeat often - then the PRSP must remind us that: “The fiscal strategy assumes that these health expenditures will be focused on non-wage non-transfer expenditures and will thus enable the rapid increase in basic health services.” [12] Indeed, Muchiri reports that funds are often available for facilities or supplies, but not for staff. The result is that more people may seek out health services, but the ministry will actually be less able to provide them because of lack of personnel to administer the drugs or operate the machinery.

Inflation, Inflation, Inflation

But why does the IMF, with its power to exclude a country from the global economy by declaring it “off-track,” insist on reducing government payrolls? Adding employees to the government payroll, especially if accomplished with aid money, is considered by orthodox economists like those at the IMF to increase inflationary pressures in a developing country. And an increase in inflation is anathema to the IMF.

The IMF quite openly prioritizes inflation targeting over almost any other factor in the countries where it works. Pressed on the question, as they have been in the debate over health spending, its officials will invariably respond that inflation is a “tax” that hits the poor the hardest.

But is that true? Anis Chowdhury points out that:

“The poor have very limited financial assets; they are largely net financial debtors. Thus inflation can benefit the poor by reducing the real value of their financial debt. Meanwhile, the IMF's cure for inflation - raising interest rates - can actually harm the poor because this increases the servicing costs of their current debts. [...] The poor fare worse when unemployment rises and persists, especially when there is no adequate safety net or social security system. At the same time, the real value of their household debt rises with falling inflation rates. Hence the poor have more reason to be averse to unemployment and less averse to inflation than the elite in society.” [13]

After this seemingly obvious point is made, it seems only too easy to point out that those who stand to lose the most from inflation are those who hold large amounts of money - financiers, investors, bankers. Yes, there are risks to the poor in high and/or persistent inflation, but increases in inflation below a certain point are far more likely to cause pain to those whose incomes depend on relatively minor fluctuations in currency values. For the impoverished, as Chowdhury explains, such increases in inflation are likely to be more beneficial than harmful.

As is so often the case, it is easiest to discern the interests of policy-makers not from their rhetoric, but from whose interests are most vigorously protected by their policies - by who “wins” as a result. The IMF's longtime prioritization of inflation over all else lends weight to those who accuse it of using its powers to protect the interests of the wealthy over those of the impoverished, regardless of their rhetoric that maintains the reverse.

IMF official Andy Berg recently admitted as much: “Higher inflation [...] tax[es] people who hold cash or whose nominal incomes are fixed.” But Berg's next sentence restores IMF ideology, and at the same time exposes its flimsiness: “And this tax discourages private investment and tends to fall on those least able to adapt - in other words the poor.” [14] Berg relocates the pain from the rich to the poor, but offers no logic for that move.

Drawing a Reasonable Line on Inflation

To challenge the IMF, the question must be where to draw the line - at what point, to use Berg's phrase, is "inflation out of control," or at risk of spinning out of control? Berg says "in poor countries the danger point is somewhere between 5 and 10 percent." The good news is that this figure is actually less conservative than the standard used in most IMF programs. In most countries with IMF loans, the conditions call for inflation to decline and stay below five percent. [15]

Few economists outside the IMF opt for a level as low even as 10% in defining a healthy rate of inflation for a growing economy in a developing country. Terry McKinley, an economist with the United Nations Development Program (UNDP), declares: "As long as current revenue covers current expenditures, governments can usefully borrow to finance [social] investment. [...] Fiscal deficits should remain sustainable as ensuing growth boosts revenue collection. The resultant growth of productive capacities will keep inflation moderate - namely, within a 15 percent rate per year." [16]

There is no room for neutrality in this debate. Adhering to IMF standards in order to avoid trouble will, according to McKinley, likely sabotage any hope of genuine development:

"Moderate inflation can, in fact, be compatible with growth. But low inflation can be as harmful as high inflation. When low-inflation policies keep the economy mired in stagnation or drive it into recession, the poor lose out, often for years thereafter, as their meager stocks of wealth are wiped out or their human capabilities seriously impaired. [...] Without jobs and income, people cannot benefit from price stability." [17]

Tactfully avoiding mentioning the IMF by name, McKinley argues: "The new 'politically correct' justification for minimizing inflation is that it hurts the poor. However, this misreads the facts: very high, destabilizing inflation (above 40 per cent) definitely hurts the poor; and very low inflation (below 5 per cent) can also harm their interests when it impedes growth and employment." [18]

Rick Rowden points out that Latin American countries and "East Asian tigers" like South Korea grew rapidly despite inflation rates of around 20%. [19] But that was before the IMF moved into the development world in the 1980s, and re-wrote the rules - without any definitive evidence to support their claim that doing so was advantageous to the poor.

The IMF appears to be caught in a classic case of "fighting the last battle." When the IMF started lending to developing countries in the early 1980s, they were afflicted with astronomical, runaway inflation. It still apparently believes that hyperinflation is the most dangerous threat. But hyperinflation has been eliminated almost everywhere (apart from crisis or pariah countries like Zimbabwe); indeed most developing countries now have inflation rates well below 10%, and many below 5%. [20] This is largely as a result of the IMF's hyper-vigilance over the last 25 years. The problem today is not hyperinflation, but IMF-induced stagnation.

More and more economists - outside the IMF - are taking a more complex view of growth and inflation. Rather than insisting that a country have a demonstrated "absorptive capacity" before increasing the flow of revenues, they look at the likely impact of increased flows. In the case of increased spending on health care, not only is employment created (if wage ceilings are set aside), but the population's overall economic capacity improves, and private-sector activity, rather than being discouraged by public funds, is spurred by the increasing availability of resources.

Muchiri, in Kenya's Health Ministry, concurs with McKinley's positions on inflation targeting, and with the view that public spending, especially on healthcare, will encourage growth. He acknowledges that his government has committed to a low inflation target - its "Letter of Intent" to the IMF states: "The monetary program for 2004/05 is designed to reduce underlying inflation to 3.5 percent." [21] And thus far Kenya seems to be meeting that goal.

But, says Muchiri: "3.5 percent is too low for an economy that is supposed to grow by 5 percent. A certain level of inflation is healthy - you can't grow otherwise." This recognition moves Muchiri to criticize officials of a nearby country who have told him they must limit expenditures on health care - even refusing funds from the GFTAM - in order to prevent any risk of inflation rising. That line of thinking is clearly reflected in the recent statements by Kibunguchy and Ngilu.

But Finance Ministers who have committed to the IMF's inflation targets, and in many cases made those targets the centerpiece of their macroeconomic policy, are deeply reluctant to do anything that might raise that rate. Not only would doing so risk IMF disapproval and blacklisting, but it would also be seen as reversing a position they have

publicly, and politically, committed to. Until this logjam is broken, a higher quality of life - even life itself – will continue to elude many thousands.

Muchiri counts as a significant victory the recent concession made by the IMF, after substantial negotiations, that Kenya could hire more health professionals if it could find donors willing to provide extra funds who themselves were comfortable with the impacts - economic and otherwise - that hiring additional health staff might have. It is this concession that recently allowed Kenya to announce that it will use funds from the Clinton Foundation, PEPFAR, and the GFATM to hire upwards of two thousand new nurses and other health professionals. [22] Unlike with previous pledges, advertisements for the positions are now appearing in newspapers.

But the very existence of these policies, and the fact that he must invest so much in winning exceptions to them, cause Muchiri to reflect on his experiences of watching mothers and children die in hospitals for lack of surgeons or a lack of capacity to offer preventive care, and speculate that the IMF and World Bank could reasonably be charged with genocide. “The only difference from what happened in Rwanda is they don't use pangas [machetes]. They use policies.”

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* Please send comments to editor@pambazuka.org or comment online at www.pambazuka.org

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3 Comment and analysis

TRADE AND HUMAN RIGHTS IN THE NIGER DELTA

Nnimmo Bassey

The Niger Delta has been described as "exploited, misused, abused, polluted, underdeveloped, and almost completely dead; like a cherry fruit sucked and discarded". [1] Nnimmo Bassey looks at the crude oil trade in the Niger Delta and finds it's anything but sweet for local communities.

The Niger Delta of Nigeria has been in the news so repeatedly that the issues merit little introduction. In one sense the issues are a mesh of politics, trade and resource exploitation. All these work to gravely undermine the rights of people in terms of the exploitation of their natural environment.

The Niger Delta is the treasure base of Nigeria, since successive governments have decided to ignore other sustainable income sources that had sustained the nation before the discovery of oil in commercial quantities in the country. Today, by official count, oil contributes about 95% of the country's foreign exchange earnings from a production of 2.2 million barrels of crude per day. An additional chunk is extracted illegally into private and corporate pockets through crude oil bunkering. These all lead to the milking of the Niger Delta to the point of near death. The area suffers a dearth of social amenities, high unemployment, environmental degradation, and other social malaise.

Oil corporations such as Shell and Chevron, who are major players in the Niger Delta, have admitted to contributing to corruption and violence/civil unrest in the Niger Delta. In Shell's Peace and Security report (published in 2003) as well as Chevron's double page ads in Nigerian newspapers in May 2005, the corporations admit that by their actions they have contributed to the state of conflict, corruption and distortion in both the Niger Delta environment and by extension the Nigerian state.

According to the Shell report: "Annual casualties from fighting already place the Niger Delta in the 'high intensity conflict' category (over 1,000 fatalities a year), alongside more known cases such as Chechnya and Colombia. The criminalisation and political economy of conflicts in the region mean that the basis for escalated, protracted and entrenched violence is rapidly being established. This not only threatens SCIN's (Shell Companies in Nigeria) future ability to operate, but also Nigerian national security." [2]

Trade has remained the major precursor of destruction in the Niger Delta. We can go right back to trade practices where highly valuable goods were exchanged for bottles of whisky, beads and mirrors, or to the days during which the Niger Delta lost human resources through the slave trade. Before the advent of the crude oil trade in the Niger Delta, we have it on record that on 22 February 1895 the trading city, Brass, located here, was attacked and levelled by British naval forces at the behest of the Royal Niger Company to ensure that the company had a monopoly over the palm oil trade for which the town was famous. Over 2,000 persons, mostly women and children, lost their lives in that attack.

In modern day times, it has been said that since Shell arrived in the Niger Delta it has been a tale of desolation. Much of the activities in the Niger Delta with regard to crude oil and its exploitation are shrouded in rights abuses, as the world came to learn from the struggles of Ken Saro-Wiwa and the Ogoni people and the subsequent hanging of Saro-Wiwa.

There is an unending story of horrors coming out of the Niger Delta. Oil spills and pipeline fires are regular features and official estimates are that there are at least 300 incidents each year. Clean up exercises are spade and shovel events. They are often capped off by the setting of remaining crude oil on fire. This way forests and even rivers have been set ablaze. These crude oil spills poison the land, pollute water bodies and expose the people to untold hardship. Consider also the response to communities attempting to protect their rights:

- In 1990, the Umuechem community was visited by contingents of Nigerian police. Eighty community members were murdered in the unprovoked attack. Houses in the community were either burnt down or looted. The people of Umuechem were engaged in peaceful protests at the gates of the Shell's flow station located in their community. [3]
- On November 10, 1995, the Nigerian military regime of General Sani Abacha murdered Ken Saro-Wiwa and eight other leaders of the Ogoni people of the Niger Delta after a kangaroo tribunal set up by the regime convicted them for trumped up charges of murder. The world responded with outrage. This followed the commencement of peaceful protests in 1993 by the Ogoni against the destruction of their natural environment and livelihoods.
- For the people of Ilaje community, Ondo State of Nigeria, May 28, 1998 is a day they cannot forget in a hurry. Ilaje youths had occupied Chevron's oil platform in order to induce Chevron to have a dialogue with them. The Nigerian military and police swooped down in helicopters on the protesting youths. Reports have it that the attackers landed shooting, Rambo style, killing two youths on the spot. [4] A lawsuit is currently being heard on this in San Francisco, USA.
- On November 20, 1999, barely six months into his first term as civilian president of Nigeria, President Obasanjo ordered soldiers into Odi, a town in the Niger Delta. By the time they left, the destruction of Odi was complete and 2,483 people had been slain. The dead included women, children and the aged and infirm. [5]
- About 50 members of Odioma community in Bayelsa State of Nigeria were reported massacred on Saturday, February 19, 2005 during a military raid by a Joint Task Force of the Nigerian Army and Navy. [6] The soldiers also destroyed the whole community with houses bombed and burnt in a manner reminiscent of the Odi Massacre of 1999. Again, those killed were mostly women, children and the elderly. Odioma Community, located in Brass Local Government Area of Bayelsa State, is one of the many oil-bearing communities in the Niger Delta and had been in conflict with neighbouring Bassambri community over the ownership of a fishing

settlement, where Shell has some oil wells. Shell planned to build an oil flow station at Obioku and had actually mobilized its contractors to the site since January 20, 2005. Work on the project was stopped by protesting youths from Odioma community because of the lack of an Environmental Impact Assessment.

Apart from vigorous protests by communities, the struggle for human rights gained momentum on 14 November 2005 when a high court sitting in Benin City ruled that the practice of flaring gas associated with crude oil extraction was an infringement of the fundamental human rights of the people living in communities where such flaring existed. The judge subsequently ordered that the top guns of Shell and the Nigeria National Petroleum Corporation (NNPC) should appear before him to show a clear step by step plan for stopping gas flaring a year from that date. This and other gas flare cases have been filed by communities with the collaboration of Environmental Rights Action (Friends of the Earth Nigeria) as well as the Climate Justice Programme.

Gas flaring has been going on in the Niger Delta for close to 50 years and has been estimated to constitute a waste of \$2.5 billion annually. Besides being an economic waste, the flares release a cocktail of toxic and greenhouse gases into the atmosphere and greatly endanger the lives of people. Health problems associated with gas flares include respiratory diseases, cancer, acute nonlymphocytic leukemia and a variety of other blood-related disorders. The environmental problems, including acid rain and damage to water bodies and farms, are no less horrendous.

The government and Chevron (project executors) of the West African Gas Pipeline project (WAGP), which is planned to harvest and pipe liquefied natural gas from new gas fields in Escravos in the Niger Delta of Nigeria to industrial complexes in Benin Republic, Togo and Ghana, have been presenting it as an answer to the gas flaring problem. They also present the WAGP as a clean development mechanism project in order to claim carbon credits.

The truth however is that the project has nothing to do with ending or reducing gas flaring in the Niger Delta as a huge proportion of the gas it would convey would be harvested from purely gas fields as opposed to being associated gas. Communities affected by this project have sent a petition to the Inspection Panel of the World Bank claiming that many rules of the bank have been flouted in the project and that their rights are not respected. Indeed, the local communities in the firing lines of this project have rejected the scheme and insist that decisions have been made without first conducting the needed environmental, social and other impact assessments. The WAGP is emblematic of the rape of the Niger Delta by TNCs and collaborating governments. Projects and trade decisions are made without regard to the rights of the people.

But as the oil wells begin to run dry, the competition is getting more acute. The Chinese are making bold grabs for the oil fields of the Niger Delta. The USA sees the region as being of critical strategic interest. The World Bank and the Paris Club eye the petrodollars coming into the region as theirs for the taking. All these combine to make the future of the region more precarious. With growing resistance in the region it is anyone's guess how things will play out.

While the trade booms, having rights respected will remain illusive. The realisation of this appears to form the bedrock of the local people insisting that there should be community control over community resources. They reckon that this way they would be able to decide if they want any mineral to be exploited in their environment or not. Where the people decide to have their resources exploited they would be able to insist on certain rules that would ensure that their rights are respected and that benefits from such exploitation accrues to them.

It is conceivable that the refusal of the state to accept this proposition is the trigger to the present conflagration in the Niger Delta. Another growing demand among environmentalists such as those in the Oilwatch International network is that there should be a moratorium on new oil explorations, for say ten years. The intervening time would be used to make an audit of the pollution and abuses that have accumulated over the years, commence clean up and remediation actions and decide how the vulnerable communities would fare in a post petroleum economy when they would be left with nothing but a polluted environment.

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- Please send comments to editor@pambazuka.org or comment online at www.pambazuka.org

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STREET VENDORS AND INFORMAL TRADING: STRUGGLING FOR THE RIGHT TO TRADE

Winnie Mitullah

Negotiations about international trade tend to have relevance for large firms or formal enterprises. But, asks Winnie Mitullah, what about the rights of the large number of workers in African cities involved in informal trade?

When one hears the word trade what comes to mind is the large-scale formal traders, and international trade organizations such as the World Trade Organisation (WTO) and regional organizations such as the Common Market for Eastern and Southern Africa (COMESA). While such traders and institutions are important, street vendors and informal trade, which provides employment and incomes to a significant percentage of people in Africa, in particular within the urban areas, hardly comes to mind.

Street and informal traders fall within the informal economy sector. The sector comprises one half to three quarters of non-agricultural employment in developing countries. Specifically, these figures amount to 48% of non agricultural employment in Africa, 51% in Latin America, 65% in Asia, and 72% in Sub-Saharan Africa, excluding South Africa. Employment in this sector operates without contracts, worker benefits or social protection, and most employees and individuals have no rights to organize and be represented.

The theme of the UN-HABITAT Global Campaign on good urban governance is the 'Inclusive City'. The campaign advances the position that an inclusive approach must be used for balancing, reconciling and trading off competing interests and priorities. In most cities the interests of micro and small enterprises such as street and informal traders are competing with those of medium and large-scale enterprises, with the former being disadvantaged. All types of enterprises in urban areas, whether micro, small, medium or large, should have the right not only to the Central Business District (CBD) but to all urban goods and services. The global campaign has noted that the notion of inclusion has different resonances in each region with exclusion of specific groups being most significant in some regions and exclusion of the poor majority more important in others. The campaign urges actors to discuss the question of 'who' in a particular city is excluded from 'what' and 'how'. This article demonstrates how street and informal traders are not integrated in urban planning and development.

Concepts such as participation, empowerment, and social inclusion have become buzzwords, and yet to the poor who are engaged in informal economic activities the concepts do not make much sense. In the usage of these concepts, emphasis is often placed on participatory development, and participatory political processes, rather than participatory market processes. Further, the proponents of democratic practices tend to focus on political democracy to the neglect of economic democracy, while the proponents of empowerment and voice tend to focus on individuals rather than collectivities. Street and informal traders are still to fully adopt joint action in dealing with urban authorities.

The human rights organizations responsible for the clamour for rights are still to adequately specify what they mean by economic rights or adequately strategise about how to claim or enforce worker rights. Even the micro financial institutions, whose clients work mainly within the informal economy, have focused on financial services to the neglect of other business services and of how the wider policy and regulatory environment affects their clients. Most vendors rely on moneylenders or informal sources of credit in order to buy their merchandise. As a result, they pay exorbitant interest rates, and their businesses rarely grow beyond subsistence levels.

The Bellagio International Declaration of Street Vendors of November 1995 urged governments to develop national policies for hawkers and vendors by making them a part of the broader structural policies aimed at improving their standards of living by giving them legal status, issuing licenses and providing appropriate hawking zones in urban areas. The declaration further called on governments to integrate vendors into urban development plans. Since then, a number of global, regional and local associations have been established to protect the rights of street and informal traders. The global networks include the Women in Informal Employment Globalising and Organising (WIEGO) with a secretariat at the Harvard University, MA USA and StreetNet International with headquarters in Durban, South Africa. StreetNet has regional and local networks which have begun engaging urban authorities in policy dialogues, including issues relating to the right to trade in urban space.

Location of Trade

Street vending and informal trade is rampant in most developing country cities, and is a source of employment and income to a large percentage of urban households. The trade takes place at strategic points with heavy human traffic - along main roads, streets, parks, pavements, within shopping centers, and at prominent corners of streets and roads where traders are visible to pedestrians and motorists. The traders use different structures, including mats, gunny bags, tables, racks, wheel barrows, handcarts, and bicycle seats to display their goods. Some traders simply carry their commodities on their hands, heads and shoulders, while others hang their commodities on walls, trees and fences. An advanced but insignificant group of the traders construct temporary shades with stands for displaying their goods.

Challenges of Trade

The greatest challenge facing street and informal traders is with regards to site of operation and right to trading space. Most of the spaces traders occupy are considered illegal since the spaces have not been set aside for trade. In cases where they are allowed to operate, the spaces are considered temporary and eviction occurs at the will of urban authorities. There are various conflicts relating to their sites of operation. A major conflict often arises when the vendors are required to move in order to give way for planned development. This brings them into direct confrontation with urban authorities and land developers. Most of the spaces the traders occupy have no tenure, and are not allocated and sanctioned by urban authorities. At the same time, the traders are also in conflict with formal shop owners and landlords who contend that the traders infringe on their businesses and/or premises.

The spaces occupied by traders are open and expose traders to harsh environmental conditions. Most commodities of trade such as fruits, vegetables and clothes are affected by the harsh environmental conditions, consequently resulting in loss of earnings to the traders. Overall, street vendors and informal traders have been noted to be perhaps the most regulated and least protected. They trade illegally due to lack of recognition and licenses. The traders are known to identify trading sites on their own, leaving the urban authorities with few options, which include eviction, tolerating traders or charging a daily fee without providing any legal protection.

In cases of eviction, the traders are often provided with an option outside the (CBD) where there are hardly any customers. This option is based on an exclusion framework which reserves the CBD to large scale traders and businesses which urban authorities argue pay taxes as opposed to the street vendors and informal traders. This argument is false, and research has shown that when both daily fees and bribes to urban authorities are taken into consideration, the urban authorities collect more from traders than required. Research has further shown that daily fee charges are more expensive than lump sum payment for a license. However, the street and informal traders make minimal profit and are not able to make lump sum payments.

Lack of a street trading licenses exposes traders to harassment and punitive measures, including confiscation of goods. During harassment, traders lose their commodities, with some closing their businesses after losing their capital goods. Research from a number of African cities reveals that having a license does not guarantee safety and recognition by urban authorities. In most cases, vendors are not issued with any identification showing that they have a legitimate right

to sell their goods in urban streets. This exposes them to harassment, including confiscation of goods, assault and demands for bribes.

Until the dawn of governance reform programmes in Africa, licenses were largely commodities of trade peddled by either urban authority officials or those who had access to the urban authorities. This outcome is attributed to planning laws, which do not take into account the existence of street vendors and informal traders. In most cases, such planning laws locate the traders on the peripheral areas of the city where there is no business, without any consultation. The experience across Africa shows that traders never stick to such areas. They drift back to the centre, resulting in punitive measures from the city authorities. Most of the policies and regulations being enforced on street and market traders owe their origin to colonial policies, which were retrogressive with regards to small scale local enterprises. Street and informal traders require laws that recognize their economic activities as an important component of the urban economy, and ensure their right to trading space.

Apart from the right to trading space, street and informal traders are also disadvantaged in the area of security, transport and municipal services. A secure working environment is a pre-requisite for any type of business. Security is a major concern for many people engaged in economic activities on streets. Municipal authorities have been the major source of insecurity for these traders. The authorities harass, beat and confiscate goods of street vendors without any warning. This does not only threaten the security of vendors but also their customers. A study of cities in South Africa has noted that an insecure environment results in loss of customers, frightens tourists, cripples business, reduces incomes, and generally interferes with trading.

The insecurity in the streets is sometimes used as an excuse for evicting street traders. In many cities in Africa, trading spaces of street and informal traders are viewed by urban authorities as dens for thugs and robbers. In 2001 Kampala Municipal Authority used an increase in city theft and insecurity as grounds for evicting vendors from streets. While it may be true that criminals mingle with traders, an assumption that street vendors and informal traders are criminals is part of a scheme by urban elites to exclude street and informal traders from the development benefits of cities. A rights perspective requires urban authorities to identify and deal with culprits as opposed to condemning a whole sector of an urban economy.

Most vendors find it difficult to transport their commodities from their homes and markets to their trading sites. This is because most transport systems do not service the areas where vendors live, and in cases where they do, the vendors can hardly afford the service. In some cases, there are restrictions on what an individual can take on the bus, mini-bus or train. This forces vendors to carry their goods on their backs or to hire handcarts or human carriers to transport their goods. This is complicated further by lack of storage facilities, which makes the traders carry back to their homes unsold commodities.

Other services such as water and sanitation are also not available to vendors and consumers. Apart from a few cities in South Africa, street and informal traders operate without access to water and sanitation. A few of them rely on services from the neighbouring formal markets, hotels and bars; while the majority of vendors rely on unsafe water sources, unsanitary methods of refuse disposal and use of open spaces as sanitary facilities. Others obtain services from their homes or nearby residential areas. Cleansing services provided by urban authorities are inadequate and do not cover trading areas of street and informal traders, nor do the urban authorities facilitate the provision of services by traders and other stakeholders. In cases where traders are organized, they clean their sites of operation or hire people to collect and dispose garbage.

The poor, in particular street and informal traders, are disadvantaged in trade at global, regional and local levels. Under pressure from rich countries, the barriers to international trade in goods and financial services and investment flows have been lowered to the advantage of capital over labour and of large firms over small and micro firms. The negative trade and policy processes largely disadvantage the wage workers and own account producers in the informal economy, and yet they are the majority poor who are the focus of current policies and development processes. The neglect of the micro and small traders has to be reversed if African countries are to change existing poverty trends.

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COMMUNITY RIGHTS AND FOREIGN DIRECT INVESTMENT

Patrick Ochieng

An environmentally sensitive wetland, a multi-national company and a local community that feels sidelined. Sound familiar? Patrick Ochieng introduces the Yala Swamp region in Kenya and asks if Foreign Direct Investment is really the answer to Africa's development problems.

Yala Swamp is a wetland bounded to the north by Nzoia River and the south by Yala River. The swampland covers an area of about 17,500 ha in Siaya, Bondo and Busia districts that are home to nearly 1.2 million people. The area is Kenya's largest wetland, and is regarded as a very delicate ecosystem and habitat to some rare flora and fauna, including endangered fish species. The swamp has served the adjacent communities as a source of fish, water, agricultural land, pastures, wild animals, plants for constructing houses, source of wood fuel and medicinal plants.

Dominion Farms Ltd, an affiliate of the USA-based Dominion Group, based in Oklahoma, USA moved into the swamp through an arrangement with the Lake Basin Development Authority (LBDA). Dominion Group controls investments across the globe. The company operates luxury corporate hotels, is involved in modification of corporate aircrafts, ownership and operation of corporate aircraft, construction of houses and offices to be leased by the US government, manufacture of athletic dress and socks, correctional services and other businesses spanning several countries.

The initial proposal was that Dominion would engage in rice production, in part of the swamp covering about 2,300 ha. This land portion had been reclaimed before 1970, and previously used by LBDA for agricultural activity. Dominion embarked on large-scale agricultural activities in the swamp following the signing of a Memorandum of Understanding with the Councils of Siaya and Bondo in May 2003.

Although rice for which the lease was executed has not been planted, the firm has engaged in activities beyond agriculture, which include construction of irrigation dykes and weirs, water drilling, construction of an airstrip and road construction. Dominion has further proposed to undertake a number of new development projects within the Yala Swamp. For this purpose it is proposing that part of 9,200 ha will be reclaimed from swamp area to meet the needs of new projects. This would leave only 6,000 ha (35%) of current wetland to act as buffer zone.

The proposed project is extensive and specifically seeks to:

Implement a highly mechanized irrigation and dry farming project; Construct fishponds for aquaculture; Construct a fish processing plant to process about 20 tons of fish per day, mainly for export; and Construct a rice mill, feed mill, ginnery, fuel storage, dispensing station, turbine for electricity production, barrier dyke, weir and reservoir.

The proposed projects fall under those that must undertake an Environmental Impact Assessment (EIA) under Kenyan law. The EIA report submitted by Dominion consultants has concluded that:

- The project will bring into productive use a high potential resource that has been underutilized and which has cost the government and the people of Kenya huge amounts of money with little appreciable returns;
- The proposed project will create employment both directly and indirectly to thousands of people through primary and secondary activities;
- The project will make a positive impact to increased incomes and access to basic needs;
- The project will act as growth pole around which other commercial activities will gravitate;
- The local communities support the proposed project, which they perceive as a boost to the development of the region;
- The local communities are enthusiastic about the project.

But the EIA did not deal with the impact of the project on the soils, water quality, vegetation and wildlife. It did not deal conclusively with environmental, ecological, socio-economic and management issues related to the situation of the swamp. The impacts of the project on water, vegetation, habitat and human activity were also not addressed. The community feels that they have not been properly consulted, and while communities were requested to form groups so that individuals did not dominate the process, this has not happened.

The consultants who carried out the EIA were employees of LBDA and thus were compromised by issues of conflict of interest. The sticky issue of compensation for families displaced by the project has refused to go away. Existing fish processing plants and a fishmeal plant in the area are operating below their capacity, raising the question of why it is necessary to build further plants.

The EIA report has aimed to justify the project on the basis of its economic importance, components, design, choice of location, implementation strategy and mitigation measures put in place. The report has, however, recognized that the proposed projects pose a number of negative impacts at various stages of implementation. This list is long, some of them with very serious consequences. They include: Flooding and altered water flow patterns; Contamination of soil and water by oil leakages and spillage; Pollution of River Yala by solid and liquid wastes from project activities; Possibility of respiratory ailments due to inhalation of dust and fumes from construction equipment; Loss of grazing land for the local community; Incidences of water-borne and vector-borne diseases; Displacement of local communities; Displacement of fauna and loss of flora; Reduced production of subsistence crops leading to food deficits in the region; and the introduction of foreign crops and genetically modified crops that may introduce new pests into the area.

At a meeting convened on November 8, 2005, we asked members of the affected communities to identify the problems the project posed for them. Problems faced by the communities included denial of access to water and land; denial of fishing rights; blocking of direct routes between communities for purposes of trading, wage reductions and threats of flooding due to dyke construction.

The community members felt that the project should be halted so that proper consultation could take place to iron out issues that were not attended to. These would include the issuance of title deeds to people whose land had been surveyed, construction on land that was earmarked only and open discussions with the local administration, the firm, the LBDA and the community. Despite these concerns the members of parliament from the region have turned a deaf ear to the people's pleas.

There is therefore urgent need to undertake and examine, from accounts, opinions and experiences of the different stakeholders, the socio-economic dimensions of proposed activities. Such an independent study would inform the advocacy processes being carried out by Friends of Yala Swamp, a group of CSOs who have come together to oppose the Dominion project by providing the factual data that can help raise the stakes in negotiations with the company, and also to sharpen awareness and inform Kenya's future engagements with foreign direct investments. The study would actually contribute to research that will facilitate a planned court injunction to stop Dominion activities until the issues raised are addressed.

The Yala Swamp issue is about broader concerns related to government economic policy. Successive governments in Kenya have always expressed commitment to eradicate poverty in all its forms. The latest anti-poverty rhetoric is NARC's framework "economic recovery for wealth creation and employment," whose central feature is anchored on the belief that foreign exchange and foreign direct investment is the solution to Kenya's development woes. Therefore, as a country we have set out to woo foreign investors. This, notwithstanding the fact that private operators and mega projects owe no accountability to the public and concern themselves principally with cost recovery and profit before anything else.

These export-led growth strategies subordinate human needs and human rights to corporate greed and corporate profit. Big business can never be part of a progressive and sustainable earth. Despotism and corruption has been at the core of Kenya's engagement with foreign investors. Compromised political elites who are often tempted to act as stewards of imperialist interests have continued to give away mineral exploration rights, fisheries, forests and forest products, biological resources and coastal biodiversity to multinationals. The Dominion Group ventures fall into this category and there are doubts as to the extent its activities will enhance food security, increase crop and fish production for domestic consumption and reduce poverty.

Organized resistance to these government policies is mounting as has been seen in the case of Canadian company Tiomin's bid to mine titanium in the coast of Kenya that has not proceeded for over 10 years now; the boycott of Delmonte products that saw reforms to working practices in the firm's pineapple fields in Kenya; the advocacy against flower farms in Naivasha on unethical work practices and use of dangerous chemicals by human rights organizations in Kenya and now the Dominion advocacy that so far is grossly underestimated but which in the fullness of time will prove extremely potent and fierce.

- Patrick Ochieng is the founder and Executive Director of Ujamaa Center, a Center founded in 2001 as a direct response to the continuing exploitation and exclusion of coastal peoples of Kenya that spans over 40 years. Ujamaa is a key member of the Friends of Yala Swamp, a loose coalition of social justice institutions, advocates, and members of the affected communities who have come together to resist the injustices visited on this ecosystem and its people.
- Please send comments to editor@pambazuka.org or comment online at www.pambazuka.org

TRADING FOOD RIGHTS

Genetically Modified (GM) crops are touted by some as the answer to world hunger; by others as a dangerous intervention by multi-national agri-business that will have far reaching impacts on all aspects of human life. Pambazuka News asked Mariam Mayet from the African Centre for Biodiversity for her views on the implications of GM crops for Africa.

Pambazuka News: What are the implications of GM crops for human life generally, including the human rights of populations and farmers?

Mariam Mayet: The risks posed by GM food are extremely contentious in current scientific discourse, primarily because the GM industry has failed, to date, to provide conclusive evidence that GM foods are safe. Amidst the enthusiasm for genetic engineering, there has been little space for critical reflection. Leaping into genetic engineering brings with it a wide range of biosafety issues including health and environmental risks, and broader socio-economic impacts. It requires the acceptance of intellectual property rights on living organisms, the privatisation of public research, and expensive research and development at the expense of farmer-based innovation. Amid all the complexities of the legal and scientific arguments, decisions must be made in Africa about the measures to be taken, to protect human health, agricultural biodiversity, and farming systems.

Pambazuka News: So what decisions are being taken? Have governments introduced laws to govern this area?

Mariam Mayet: Very recently, the African Centre for Biodiversity did an analysis of the draft Biosafety law of Mozambique, which is interesting to consider in answering this question. Mozambique views genetic engineering as having a role to play in agriculture, food security and human health care, but believes that the risks have to be managed by the creation of an enabling legislative environment, to this end. In other words, Mozambique will follow the route taken by South Africa and permit the entry of GM crops into its agriculture systems, after an evaluation of the risk assessment data provided by an applicant.

Currently, Mozambique's seed law prohibits the import and planting of GM seed. But Mozambique does accept genetically modified (GM) food aid, including and especially from the United States. USAID's Food for Progress (FFP) has provided 15.500 MT of PL480 (A US law relating to food aid) Title II emergency food assistance valued at \$11.6 million to Mozambique through the World Food Programme. (USAID, Southern Africa-Food Insecurity, February 3 2006).

Without dwelling on the politics of hunger and food aid, it's worth pointing out that the opening or maintaining of markets is a key objective of Public Law 480 (PL 480). PL 480 clearly asserts that the purpose of US food aid programmes is to "develop and expand export markets for United States agricultural commodities". [1] A position repeatedly pronounced by US government officials is that the opening of new markets is immensely important for the future of US agriculture. [2] Moreover, US agribusiness have been the main beneficiaries of US food aid programmes.

Therefore, in considering the Mozambique law, it's worth warning that countries should not be pushed into believing that GM food aid is the only alternative to consider during emergencies and that countries should be careful when developing legislation that their laws will not be used as a conduit to push GM food aid into the rest of Africa.

Pambazuka News: So there's definitely some vested interests operating in the trade in GM crops. What role does the World Trade Organisation (WTO) play?

Mariam Mayet: The United States, the world's largest producer of GM crops, has effectively used the threat of WTO sanctions against developing countries such as Sri Lanka, Bolivia, South Korea and Thailand when these countries tried to ban or restrict imports of GM crops in adopting biosafety measures.

Countries in Africa have also been the target of US style pressure: one of the main reasons given for Egypt's initial support of the US, Argentina and Canada WTO complaint against the EU (On May 13, 2003 the US, along with Canada, Argentina and Egypt, filed a complaint in the WTO against the EU's de facto moratorium on GMOs.), was that Egypt would be rewarded with a Free Trade Agreement in 2004; an offer retracted with indecent speed when Egypt subsequently withdrew from the complaint, stating that their decision was in recognition of "the need to preserve adequate and effective consumer and environmental protection." [3]

Similarly, in May 2003, when Sudan banned the import of GM food aid, it was forced to issue a series of temporary waivers enabling food aid shipments to the country to continue while alternatives were found. The US response was to suspend food aid shipments to Sudan and exert enormous pressure on the government to rescind the ban. The government relented, and ended up extending the waiver for six months, allowing the distribution of GM food aid to continue.

Hence, the extent to which African countries and indeed, developing countries, will be given opportunities to take biosafety measures aimed at banning or severely restricting the trade in GM crops will be greatly influenced by the outcome of the complaint submitted during May 2003, by the United States, Canada and Argentina to the WTO against the European Union's Measures Affecting the Approval and Marketing of Biotech Products (EC-Biotech) [4]. For those of us in Africa, reliant on trade and aid from the US, the WTO challenge most certainly has conveyed a lasting message that either we open our markets for GM food and seeds, or face reprisals.

Pambazuka News: You mention GM food aid. Shouldn't food aid be welcomed?

Mariam Mayet: The most frequent criticism of food aid is that it impacts on local food security. Food aid acts as a disincentive to local production by driving down domestic prices. Local farmers may withdraw from producing a surplus, forcing governments to import the growing deficit. Alternatively, it may lead a government to neglect its own agricultural sector, relying on aid or imports rather than facilitating local agricultural development. It may also introduce a taste for a particular food, which is not produced locally, therefore undermining the long-term potential for self-sufficiency. Crucially, the provision of food aid is intimately tied to the disposal of highly subsidised surplus food on the planet's poorest and most vulnerable people.

Already, controversy over the shipment of GM food aid has erupted twice in Africa. During the Southern African food crisis in 2001/2002, Zambia imposed a ban on the acceptance of GM food aid, and several other Southern African countries imposed various restrictions. Last year, Angola and Sudan introduced restrictions on GM food aid. These countries are almost always presented with a false choice between accepting GM food or facing dire consequences, whereas non-GM alternatives almost always exist at the national, regional and international level.

Pambazuka News: What has been the role of civil society in Africa - do they have a say in any parts of the decision making process about GM crops? Has civil society been active in opposing GM crops coming into Africa?

Mariam Mayet: Civil society in Africa is active - alive and kicking - quietly. The fact that Africa (except for South Africa) has not taken any decisions on biosafety grounds, to permit the commercial import and growing of GMOs, is a huge victory for us. Whereas in the rest of Africa, over the last five years, only eight other countries have conducted field trials of GM crops: Burkina Faso, Egypt, Kenya, Morocco, Senegal, Tanzania, Zambia and Zimbabwe, on small plots of land.

The key target countries for USAID, the World Bank and the gene giants are the cotton markets in West Africa. However, already the farmers have rejected GM crops. Recently, in an unprecedented move, farmers in Mali voted not to grow GM crops on their land. In a "farmers' jury", cotton growers and other farmers debated the issue and came to the conclusion that their government should reject GM crops. The citizens' jury was hosted by the regional government (Assemblée Regionale de Sikasso) and was designed and facilitated by the London-based International Institute for Environment and Development and RIBios, the University of Geneva's Biosafety Interdisciplinary Network, together with a wide range of local partners in Mali.

- Interview conducted by email. Please send comments to editor@pambazuka.org or comment online at www.pambazuka.org

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INTERNATIONAL TRADE (IN) JUSTICE OR THE SURVIVAL OF THE FATTEST?

Tope Akinwande

Trade justice or injustice has been on the international agenda like never before. Academics and activists are campaigning for just trade and even rich countries are giving the impression that they're willing to address injustices in the global system. Tope Akinwande looks at what the reality is for West African cotton farmers.

“While 70% of the population of Africa work in agriculture, only a few percent do so in rich countries. Yet rich countries support their agriculture to the tune of a staggering \$279 billion a year. That's over ten times current aid to Africa. That's a sum comparable to the income of the whole of sub-Saharan Africa. Market barriers keep out developing countries that have a natural advantage in producing agricultural goods. Average tariff between rich countries are only 3%, but can rise to over 200% in the US for fruits and nuts, or to 300% in the EU for meat...” - Hilary Benn, UK Secretary of State for International Development, in “How Can we get trade justice”, a speech delivered at the London School of Economics, 29 June 2005.

During the 2005 "Global Week for Action" organised to campaign against trade injustice, I saw a sculpture by Jens Galschiot, a controversial Danish Sculptor. Titled the "Survival of the Fattest", the bronze sculpture depicted a very skinny man - with protruding rib cages - carrying fat and well-fed Justitia, the western goddess of Justice, on his bent back. Justitia had a scale in her right hand and her long pole in her left hand on which it was inscribed: "I'm sitting on the back of a man - He is sinking under the burden - I would do anything to help him - Except stepping down from his back.”

Some people might genuinely wonder how there could be injustice in trade between two consenting people or sovereign countries who have goods to sell or exchange with one another. Since trade is not meant to be a "donor-recipient" relationship but one in which a country has something to sell to another to meet the needs of its populace, one could wonder why there would be injustice or why a country could not move onto another buyer if they do not get a good deal somewhere. If trade, - as it has been simply defined by the Cambridge International Dictionary - is “the activity of buying and selling, or exchanging, goods and/or services between people or countries”, why should there be injustice?

One of the most contentious issues in international politics and trade in recent times has been the issue of trade (in) justice. Like never before, there have been systematic mobilisations for trade justice towards countries, particularly Africa. Non-governmental organisations (NGOs), world leaders, academics and activists around the world are leading the campaign to ensure fair trade. In the UK, the Justice Movement, an umbrella campaign organisation of over 70 NGOs are campaigning and lobbying the UK government in various forms to ensure trade justice - not free trade - with compassionate rules to benefit poor people and the environment. [1]

In the face of these campaigns, richer countries have also given the impression of a willingness to redress the seeming "trade injustice" through different negotiations known as "Rounds" and named after the places where they have been initiated. Hence there have been Tokyo, Uruguay and Doha Rounds. Apart from these “Rounds”, rich countries are apparently doing everything humanly possible (international development aid, SAP turned PRSP, MDGs, AGOA...) to eradicate (the less pretentious ones use the word “alleviate”) poverty in poor countries like Mali and Burkina Faso.

However, the reality is something else. The reality of international trade - like any other form of activities with vested interests to protect - is that there have been some trading practices that are deemed unfair. The most prominent of these "sharp practices" is the provision of subsidies to western farmers by their governments. These subsidies encourage farmers to produce irrespective of the situation of the market and the "beauty" of it all is that they are sure of a minimal income.

There are different types of agricultural subsidies. While some are directly linked to the level of production others such as subsidies for water irrigation are indirectly linked. There are also subsidies such as export subsidies which are used to promote exports of agricultural products. The surplus production is put on the world market which could force a decrease in price as there is high availability of a particular commodity. This process of flooding the market with excess production and inducing a price decrease is what has been happening for years in the international agricultural trade sector. Developed countries led by the European Union (EU) and US highly subsidise their agriculture allowing their farmers and related industries to sell their products at a lower rate than the cost of production. [3]

In 2001/02, the US, Chinese, Spanish and Greek governments subsidized their cotton producers to over \$6 billion dollars. US farmers alone are said to receive almost \$4 billion in subsidies. US and European subsidies to domestic producers continue to impose enormous costs on poor countries. The welfare costs of the EU's Common Agricultural Policy (CAP) have been well over the development aid given to all sub-Saharan Africa.

In "Cultivating Poverty: The Impact of US Cotton Subsidies in Africa", Oxfam argues that the rock-bottom cotton price can be blamed directly on enormous subsidies paid to US cotton farmers as they are first among equals in the harvesting of subsidies. These subsidies are destroying livelihoods in Africa and other developing countries with rural communities being the worst-hit. [4]

Killing Burkina Faso and Mali Softly

The cost of cotton production in west and central Africa is very low compared to other cotton-producing countries. African cotton farmers could compete with their counterparts from developed countries if they were not enjoying the massive subsidies of their governments. This has been succinctly expressed by a West African minister who said that his country was "happy to compete with US farmers but not with the US Treasury". [5] Sahel countries like Burkina Faso and Mali have a comparative "advantage" [6] in the production of cotton and the rapid increase in their productivity has shown that they could make considerable developmental gains over time.

In the 1990s, the World Bank encouraged Mali to cultivate cotton since that was its comparative advantage. The West African country threw all its energy and meagre resources into cotton production, rapidly becoming the second largest cotton producer in Africa ahead of Egypt. Despite this Malian "success story", it could not sell its production at good rates as American producers with lower comparative advantage enjoyed a record harvest.

The only plausible reason for this bumper harvest of cotton by American farmers was the subsidies they received. It is said that 25,000 American cotton producers received \$USD13.9 billion between 1999 and 2005 which represents a subsidy rate of 89.5%. [7] Annually, this represents about \$USD 3.2 billion of subsidies for American cotton producers, plus \$USD1.6 billion in export aid. [8]

These subsidies had a disastrous effect on the Malian economy as its cotton farmers could not compete with their American counterparts. Indeed Mali lost the equivalent of 1.7% of GDP and 8% of export earnings. These losses are bigger than the \$USD 37.7 million Mali received from USAID in 2001. It is on record that the Malian finance minister at the time made this disturbing statement: "The money that those countries put into agricultural subsidies is five times what they give as development assistance. And we've always said to rich countries, 'you are hypocrites'. You tell us to play the rules of open market at the same time you subsidise your farmers and kill our farmers." [9]

Burkina Faso is one of the poorest countries in the world. Though it has significant reserves of gold, its almost non-existing industrial base has left its mining in the hands of dubious businessmen. Cotton is the mainstay for 90% of Burkinabes.

According to a study carried out by WHO in Burkina Faso, the expansion of cotton farming painted a positive future for development in the country. However, continuous subvention of western farmers has made it impossible for Burkinabe farmers to compete in the international market. Like many countries in the Sahel, Burkina Faso cannot prepare adequately for the food crises it experiences. It is perpetually locked in a vicious cycle of international aid.

This dire situation made President Blaise Compaore of Burkina Faso, a rather shrewd talker and “great friend of the West” to cry out recently in frustration that: “Several central and west African countries are victims of injustice by the US and EU. These countries subsidise their agricultural producers, ignoring the rules of WTO. Such practices are undermining the fragile national economies of countries that depend on cotton.” [10]

This situation is not peculiar to these two countries. It is the same for many African countries whose economies are mainly agricultural-based.

When signing the US Farm Bill in May 2002, President George Bush made a very revealing statement about his choices concerning international agricultural trade: “I told the people, I said if you give me a chance to be President, we are not going to treat our agricultural industry as a secondary citizen when it comes to opening markets. And I mean that...The farm bill is important legislation...It will promote farmer independence, and preserve the farm way of life. It helps America's farmers and therefore it helps America.” [11]

How else would one want world leaders to show where their interest lies on the issue of trade (in) justice? This agricultural bill that sharply increased subsidies and protections for US producers, was passed while the “international community” was pushing for a Doha Round of trade talks that would deal with agriculture.

Since the "international community" led by the US is aware of the predicament of African countries such as Burkina Faso and Mali, why do they continue to subsidise their domestic farmers? Why can't the US stop subsidising its farmers and allow poor countries like Mali to earn decent income and stop “pan-handling” year-in-year-out for development aid? Why are the rich countries advocating free trade and open markets in developing countries while European and US subsidies to their farmers are destroying markets for vulnerable farmers in sub-Saharan Africa?

The answer easily lies in the "national interest" of western countries. Much as the notion of 'national interest' is a shifting one, it reveals the true behaviour of powerful world leaders. It also guards us against two popular misconceptions about the determination of a state's foreign policy - the motives of leaders and ideological preferences.

While political leaders will cast their policies in ideological terms (free trade, democracy, human rights, justice, etc.) they are inevitably confronted by what is desirable and what is possible. There is no room for moral or ethical concerns, prejudice, political philosophy or individual preference in the determination of foreign policy because actions are constrained by the interest of the state and its power to enforce it. The 'national interest' which ought to be the sole pursuit of political leadership, is always defined in terms of strategic and economic capability.

Conclusion

In international politics, no government worth its salt will toy with its national interest, whatever it happens to be at any given time. It is “sacrosanct” to the survival of the nation.

In light of this basic reality, The EU and US will continue to protect their farmers as long as it is politically expedient. This is not an issue of justice or injustice. It is simply the survival of their states (and the political ambitions of its leaders) that require protecting their 'national interests' of which subsidies to domestic farmers is part of. If that cannot be achieved, then these leaders could be considered incompetent or forced to leave.

The onus is for governments at the receiving ends of these “sharp” trade practices to raise their games and find a strong negotiation platform. It is not going to be easy as we have seen with Brazil and the WTO saga. It is either these countries and those who are campaigning along with them for fair trade to find a way of putting fat Justitia down for a serious negotiation or carry her on their bent backs for a long time to come. Nothing can be more certain that Justitia will not want to get off the back of the skinny man as long as it is possible. Who would expect where compassion for others surpasses passion for self?

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AFRICA AND THE CORPORATE CITIZENSHIP AGENDA

Steve Ouma Akoth

Steve Ouma Akoth discusses the notion of corporate responsibility, introducing two notions of human dignity - individualistic and choice oriented vs. communal and substance oriented - that reflect two different world views. In discussing these views, he argues that the choice is for a thicker or broader notion of the moral self.

Corporate Responsibility or Citizenship has evolved in a time of increased economic and social globalization. As part of this evolution, the debate has moved beyond responsibilities and accountability [1] of the Corporate Citizens [2] to that of respective roles that the non-state actors can play in the governance of global and national societies. In building this understanding, attention has invariably been focused on how the concept and process has evolved from the paternalistic philanthropic [3] focus to the current talk of accountability.

It is apparent from the scholarly materials and information available in this area that most pundits more so those focusing on accountability of business enterprises, have looked at this issue from the perspective of the Western system of knowledge and its confrontation with neo-liberalism. This "singular focus" has thus missed a major thrust and leverage factor from other cultures and jurisdictions which would otherwise significantly influence the clarity of this discourse.

From the various view points [4], one must also note that there has been no significant challenge to the economic system within which the business enterprises which are being called to be more accountable operate. Milton Friedman laid down corporate law in the mid 20th Century when he said that business' only role was to make business, which has been ignored in this debate [5].

Jerry Mander & Edward Goldsmith have taken this debate further by exposing the spirit of Milton's argument by stating that:

"The essence of the capitalism system is the accumulation of capital, the making of profits in order to invest and to make still more profits. The first law of capitalism is; And the best way to accumulate capital is not to work hard but to get others to work hard for you. Private gains, not social needs, are the central rule for the capitalist system."

As an erstwhile chairman of Castle Cooke put it: “We are in the business of making profit. We are not in business primarily to satisfy society. We are not going to satisfy society very long if we go out of business. So profits are the number one consideration.”[6]

This is why I think that any efforts to promote ethical business practices and encourage respect for and fulfillment of human rights, must question the framework of profit making. The response to this kind of mind set in my opinion can not simply be the business case or the legal frameworks which have been touted as the major contours and impetus for Corporate Accountability. In my opinion this is about what is good and what is bad. It is about ethics and morals.

Although ordinarily the debate on ethics and morals is seen as a fragile and delicate landmine, [7] this is where the Corporate Citizenship discourse can benefit from the African Context. Because at the very minimum, business has a moral obligation to ensure it does not undermine human dignity and progress. To this, African Context through both economic system and value system gives an unwavering response.

The Traditional African Economic System.

The African Economic system was widely anchored in the principles of economic democracy. The basic premise of this notion is to view economics as 'culture'. In other words, importance is given to the study of economic processes in relation to the social and cultural contexts in which they occur. To strengthen this understanding Anthropologists [8] have decided to create a distinction between this economic system - which they have called the 'substantivist' economy - and the now dominant neo-liberal economic system which they refer to as the formalist [9] economy.

The 'substantivist' economic system is anchored in the principles of egalitarians. This school of thought is closely associated with Karl Polanyi who is remembered today as the originator of a 'substantivist' approach to economics, which emphasized the way economies are embedded in society and culture. This thinking appreciates the fact that economic systems have three interrelated aspects;

- Patterns of subsistence - the means by which environmental resources are converted for human use
- Systems of distribution - the means by which goods and services are made available to members of a particular group
- Patterns of consumption

Polanyi isolates four institutions as crucial to the economic and political order that had characterized most native economies : a balance of political power, the international gold standard, a self-regulating market system, and the liberal state. The SRM (Self-Regulating Market) was "the fount and matrix of the system," the "innovation which gave rise to a specific civilization". [10]

Most African societies were organized in a system that Polanyi describes here as the SRM (Self-Regulating Market). Polanyi differentiated between economic systems in which there were markets and the "starkly utopian" SRM of the nineteenth century. Markets are places or networks in which goods are bought and sold; they are human interactions organized by price, quality, and quantity of traded goods and services. The SRM was a society-wide system of markets in which all inputs into the substantive processes of production and distribution were for sale and in which output was distributed solely in exchange for earnings from sales of inputs.

The SRM was a society-wide system of markets in which all inputs into the substantive processes of production and distribution were for sale and in which output was distributed [11] solely in exchange for earnings from sales of inputs. Society is vital to humans as social animals, and the SRM [12] was consistent with a sustainable society. This argument represents the character of most pre-colonial African economies.

There exists substantial evidence that organization of production and distribution in many societies had been accomplished through social relationships of kin or community obligations and counter obligations (reciprocity). The same system of relation with business enterprises can be found in the Agrarian and pastoralist [13] societies. This framework seems to be in great resonance to the modern concept of Corporate Citizenship. It implies that business can not survive unless it is in articulation with the societal values and operates in a conscientious manner to the expectation and aspirations of the society.

African Ethics for Business: Ubuntu

There is a very diverse set of ethical and customary frameworks throughout Africa. However, to illustrate how some of these concepts or terms may be applicable to business ethics and Corporate Citizenship, a deeper focus on the world view of most African societies would be useful.

This is very well represented in the philosophy of ubuntu which is based on the proverb “Umntu Ngumntu Ngabantu,” which can be translated as “a person is a person through other people” or “I am what I am because of you”. The following extract is from a book by Desmond Tutu called *No tomorrow without forgiveness* and it gives a good impression of ubuntu:

“Ubuntu is very difficult to render into a Western language. It speaks to the very essence of being human. When you want to give high praise to someone we say, 'Yu, u nobuntu', he or she has ubuntu. This means that they are generous, hospitable friendly, caring and compassionate. They share what they have. It also means that my humanity is caught up, is inextricably bound up, in theirs. We belong in a bundle of life. We say, 'a person is a person through other people' (in Xhosa Ubuntu Ungamntu ngabanye abantu and in Zulu Umuntu Ngumnutu ngabanye). I am human because I belong, I participate, I share. A person with ubuntu is open and available to others, affirming of others, does not feel threatened that others are able and good; for he or she has proper self-assurance that comes with knowing that he or she belongs in a greater whole and is diminished when others are humiliated or diminished, when others are tortured or oppressed, or treated as if they were no less than who they are.” [14]

The term “Ubuntu” emphasizes that we all live and work in community [15]. Hence ubuntu can apply to the inside of a company and we could see company employees and management as a community, where one looks after the interest of others. Ubuntu also applies to a company as part of the broader community, where the company looks after other members of the community so that it can thrive. It is therefore apparent that ubuntu has important implications for corporate citizenship. Linking this with the economic system postulated above, essence of Ubuntu (humanity) cuts across Africa.

It is pertinent to take account of the African world view and culture in the context of governance of companies and the moral power that they imply. This high standards of morality are based on historical precedent. These are bolstered by the close kinship observed through totem or clan names and the extended family system [16]. This notion of co-existence with other people which is highly valued can inform the way we conceptualize and design the responses to Corporate Accountability and Responsibility today.

Two notions of human dignity

The outcome of the above discussion is two very different notions of self dignity: A classical libertarian understanding which (when pushed) reduces human dignity to individual free choice, and a broader, social (egalitarian as illustrated by the African cosmological context) perception of humanity which insists that human dignity involves more than free choice. Precisely what the latter means in any particular society is determined not merely by ideological theory (whether of Kant, John Stuart Mill or Karl Marx) but by values inherent to the historical and social context (with all the political, economic, cultural and religious dimensions) that influence any particular society at a given time. Within this context theories, doctrines and traditions (the theoretical apparatus we bring to a situation) usually need to be reshaped, reconceived and rewritten. As suggested in the introduction, the exercise of thinking through and developing the Social Responsibility standard must thus involve an intellectual and theoretical renewal which responds to the conflicts within the current economic system. The two notions of human dignity - individualistic and choice oriented vs. communal and substance oriented - reflect two different world views.

It is apparent that this African cosmological context presents a major tension that challenges and haunts liberal politics. These are challenges that confront all politics. It is the tension between how to allow the maximization of individual freedom of choice while at the same time addressing the corporate responsibilities that are part of any social union. If individual [17] liberty is the primary value, then equality may have to be sacrificed. If equality is the primary value, there will be violations of liberty [18]. The quest must thus contribute to resolving this apparent contradiction [19] which resides at the heart of democratic-liberalism. An illustration using the African context affirmations of individual freedom alone constitutes a one-sided view of a fragmented tradition [20]. As such it provides a useful basis on which to address the political issues central to the required reconstruction. The concern is to balance individual and common values, rather than to propose a compromise within which neither is adequately addressed. [21] The goal is the establishment of a social theory and morality, which 'rests on a view of ourselves as co-members of a common world'. It involves a morality within which each individual is necessarily seen as 'one of us', requiring co-existence based on mutual respect and co-operation by a community of individuals who consciously locate themselves within their social

context rather than seek (in a Kantain way) to abstract themselves out of it. The quest is for a thicker or broader notion of the moral self. [22]

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 1. The discourse of accountability implies obligation by the law and a framework that can be used to hold the actor to responsible for their actions.
 2. These are artificial persons created by the law.
 3. The history of involvement of Corporations in societal issues has an origin in welfare and charity work at that time not much linked to the strategic operations.
 4. Here we are only referring to the view points that have been taken on Corporate Accountability and Responsibility
 5. Jerry Mander & Edward Goldsmith, eds., *The Case Against the Global Economy and For a Turn Toward the Local* (San Francisco: Sierra Club Books, 1996); Ed., Kevin Danaher, *50 years is Enough: The Case Against the World Bank and the International Monetary Fund* (Boston: South End Press, 1994).
 6. Chairman of Castle and Cooke of Dole Standards Fruits CO., interview in the documentary film *Controlling interests*, (San Francisco: California Newsreel, 1978).
 7. This is mainly due to relativity of the term.
 8. Classic economic anthropology has been concerned with the logic of exchange systems, with peasant economies, and with livelihood systems. An anthropological approach to economics will enable a critical analysis of some of the cultural biases in the 'universal' principles of mainstream economics, e.g. the concepts of work and leisure, poverty and wealth, gifts and commodities, and money and markets.
 9. This formal neoclassical theory cannot be used to explain economic activities in non-western societies
 10. Polanyi, Karl. 1944, 1957. *The Great Transformation: The Political and Economic Origins of Our Time*. Boston: Beacon Press by arrangement with Rinehart & Company, Inc.
 11. One must however note that the strongest and most long lasting criticism of *The Great Transformation* has been directed at the passages where he argues that reciprocative and redistributive forms of integration have been much more common in human history than self-regulating market systems.
 12. In his further works, Polanyi's argues that the SRM could not survive -- not because of the distributional consequences that play the major role in Marx's explanation of the inevitable collapse of capitalism -- but because the starkly utopian nature of the SRM gave rise to a spontaneous counter movement, even among those enjoying increased material prosperity.
 13. In pastoralist societies for instance the concept of "cattle complex" which implies the deep intrinsic values that are inherent in pastoralism , do explain how social responsibility and sustainable models of economies and social relations inform business.
 14. See the Introduction to Corporate Citizenship, UNISA, Centre for Corporate Citizenship.

15. This is almost some spirituality of Collectiveness and Humility. This Perpetual optimism is due to strong belief in the existence of an omniscient, omnipotent and omnipresent superior being in the form of the creator of mankind.
16. As a result, there is an inherent trust and belief in fairness of all human beings. This manifests itself in the predisposition towards universal brotherhood, even shared by African-Americans.
17. The individual here refer to both natural and legal persons.
18. Lebacqz, Six Theories of Justice, p 65.
19. As I have mentioned in other discussions, I doubt if the ISO system has either the capacity or the willingness to confront this challenge. See Steve Ouma Akoth; Comments on the Guidance on Social submitted on 19th April 2006.
20. Pinkard, Democratic Liberalism, pp. 51; 101f.
21. Pinkard views Duncan Kennedy's classification of 'individualism' and 'altruism' as two competing theories and a fragmentation of liberalism. This concern is to transcend rather than choose or reduce the two into compromise. Pp. 100f
22. Pinkard, Democratic Liberalism, p, 15.

CLAIMING RIGHTS

Global trade policy agreements are often felt hardest far from the boardrooms where they are thrashed out. Often, they act to strip people of basic rights like water and electricity. Karoline Kemp looks at five examples where communities are claiming their rights.

South Africa: Soweto fights Eskom

Eskom, the country's electricity provider, has featured predominantly in recent South African news because of continuing power outages in various parts of the country. But these power outages have not affected many in the townships that house the majority of the nation's black population. Soweto, in Johannesburg, is the largest of these townships, and is home to several million working class people, most of whom struggle to make ends meet. Electricity is simply too expensive for many, and as a result, many make do with alternative forms of lighting, heating and cooking.

In 1996 the African National Congress (ANC), adopted neoliberal policies, turning their back on a proposed Reconstruction and Development Program (RDP), and opting instead for the GEAR program. The GEAR program, on the other hand, was developed by economists and World Bank officials, and, as a neo-liberal program, emphasized growth, adding that redistribution would come only after growth. Meant to drive this growth, it set targets to reduce inflation, boost the private sector, and liberalise formerly government run agencies, including Eskom. In order to attract investors, Eskom set about increasing profits, in order to offer a return on investment, which was done through a strict system of cost recovery.

In places like Soweto this meant that electricity cut offs were made as a means of recouping debt and making sure people paid for their electricity use. According to activist Trevor Ngwane, at one point, Eskom was cutting off over 20 000 homes per month, and over 70% of Soweto's population had increasing debts to the company. The Soweto Electricity Crisis Committee, co founded by Ngwane, was formed to unite Soweto against electricity cutoffs, and claimed as its slogan: "Electricity is a right, not a privilege." The group lobbies government and other policy groups and, significantly, reconnects those homes that have been cut off, providing residents with the electricity they need. Their work has spread beyond Soweto, and they are active all over South Africa, campaigning now not only for electricity, but also water. Their approach is one of participatory democracy, and they call for policies that respond to the needs of the people - that is, the poor, who make up the majority of South Africa - and demand for free services, including electricity, water, housing, health care and education, for all. The Soweto Electricity Crisis Committee sees themselves as a part of a larger anti-globalisation, anti-capitalist movement, and calls for people around the movement to join hands to fight against imperialism and anti-poor policies.

Source:

Article based on an interview between Trevor Ngwane and Walter Turner on KPFA's Africa Today. The transcript can be found at: <http://www.warprofiteers.com/article.php?id=11501>

Ghana: The fight for water

World Water Day of 2005 saw Biwater, one of the multinational firms bidding for the privatization of Ghana's water sector, pull out, reported Ghana's Business News. Ghana's government has been fighting, with the support of the World Bank and International Monetary Fund, for several years to privatize the nation's water in attempts to gain access to external assistance and loans. Ghana currently faces inadequate water provision, blamed on years of poor management, lack of investment and poor technical capacity. The government argues that the only way to improve the situation is to inject fresh income into Ghana Water, and that the only way to do this is to privatize. Critics and activist organisations, such as the National Coalition Against Privatisation of Water, have been active in opposing the initiatives, arguing that, contrary to government assurance of the schemes making water cheaper and more accessible, the plan will in fact only undermine access to safe water for all Ghanaians.

While Biwater withdrew its application to partner with the government, numerous other multinational corporations are still seeking involvement in the project, and the government has gone ahead and secured a grant of \$103 million from the World Bank, reports Irin News. According to Public Citizen, the mere prospect of the privatization of water has had the effect of doubling tariffs, in order to “condition” the water market for international competition. World Bank conditions also stipulate that no subsidies will be given to low income houses, and that water must be sold at full market rates.

Public Citizen brings to light some of the startling statistics: in a country where over half the population earns less than \$1 a day, and 40% of people fall below the national poverty line, over 35% of Ghanaian's lack access to safe water, and almost 70% have no sanitation services. Water related illnesses are the cause of over 70% of diseases in Ghana. Studies in the early 2000s showed poor households spent between 18 and 25% of their income on water alone. In these conditions water vendors can charge up to 10 times more than the official water provider.

In light of these statistics, IMF and World Bank policies of “increased cost recovery” and “automatic tariff adjustment mechanisms” are considered by activists to deny basic human rights. With civil society locked out of any of the decision-making processes, many are concerned that Ghana's need for financial resources have inhibited any alternative water options, and go further to undermine access to one of the world's most basic rights.

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Africa: Stop Economic Partnership Agreements!

Beyond what is required of African countries by the World Trade Organisation, Economic Partnership Agreements (EPAs) have been set up between the European Union (EU) and African, Caribbean and Pacific countries (ACP) in order to enable European market access to goods and services in Africa. These negotiations, which began in 2002, are meant to promote sustainable development and contribute to poverty eradication in the ACP countries through the liberalisation of trade and tariffs.

But critics, including those academics and activists who form the Global Call for Action to Stop EPAs campaign, argue that these “partnerships” are in fact unequal; the EU has overwhelming economic and political power, and as such, can impose their interests, agenda and stipulations on ACP countries, which, as a whole, are fragile, both politically and economically, and are dependent, to a large extent, on external funders. This vulnerability has the potential for poverty and debt to increase, and destabilize the economies of these nations.

Critics argue that these EPAs conspire to deindustrialise Africa, simply making them suppliers of raw materials and ensuring their markets are wholly dependent on Europe, which inhibits their already limited capacity, reports Third World Network Africa.

That EPA negotiations are taking place away from any public monitoring means that the large civil society base that has assembled around this issue has had little say in the discussion. Civil society organisations argue that EPAs will have negative effects, leading to deeper inequalities, greater unemployment, the loss of livelihoods, insecurity of food and other resources and will undermine social and human rights. They call for the EU and ACP negotiators to affirm the principles of non-reciprocity, protect ACP producers, reverse trade and investment liberalization, and perhaps most importantly, allow that alternatives be found for ACP countries to pursue their own development strategies that work best for them.

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Previous Pambazuka News articles on EPAs

PAMBAZUKA NEWS 216: Economic Partnership Agreements: territorial conquest by economic means?
<http://www.pambazuka.org/en/issue/216>

Economic Partnership Agreements: territorial conquest by economic means?
<http://www.pambazuka.org/en/category/highlights/28900>

Economic Partnership Agreements and putting development first
<http://www.pambazuka.org/en/category/features/28901>

Economic Partnership Agreements or Broken Partnerships? The Case of West Africa
<http://www.pambazuka.org/en/category/features/28902>

Growing resistance to EPAs <http://www.pambazuka.org/en/category/features/28903>

Learning the rules: The WTO and EPAs <http://www.pambazuka.org/en/category/features/28904>

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Negotiating a fair deal: Are trade agreements with the EU beneficial to women?
<http://www.pambazuka.org/en/category/features/28906>

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<http://www.pambazuka.org/en/category/features/28907>

Trade terms: A guide to EPAs <http://www.pambazuka.org/en/category/features/28908>

Cameroon: Logging industry destroying environment and livelihoods

Cameroon's logging industry is well known for its lax laws, unsustainability and environmental destruction. According to a Global Forest Watch report, at the end of the 1990s there were almost 500 logging companies registered with the government, most of which were foreign owned. The same report reveals that over 76% of the country's forests have

been logged, or are allocated as concessions, and as one of the few sectors that has remained profitable in Cameroon, the logging industry has emerged as one that offers short-term profits to foreign multinationals who benefit from few government controlled mechanisms to protect the environment and social needs of the population.

Logging, both legal and illegal, has led to the decrease in forest cover by over 2 million hectares, and primary forest cover is quickly diminishing, argues the Global Forest Watch report. The Cameroonian forests are some of the most species rich in the entire Congo Basin, and some trees take over a hundred years to grow. In addition to huge environmental impacts, the social effects of logging have also been significant. Cameroon boasts a large indigenous population, most of whom are dependent on the forest for shelter, food and medicine. With ancestral and spiritual ties to the land they inhabit, most know no other way of life, and logging has disrupted not only their ability to maintain healthy, safe lifestyles, but also their right to the land. According to Friends of the Earth Cameroon, those who have protested the logging companies have been violently repressed, and with their rights barely recognised, most have no recourse or protection from the multinational corporations who are exploiting their land.

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Kenya: Women workers turn to flower power

Kenya's flower market falls into numerous trade agreements, including the African Growth and Opportunity Act (AGOA), the African, Caribbean and Pacific - European Union (ACP-EU) Trade Agreement and the Common Market of Eastern and Southern Africa (COMESA), all of which open the region up to trade and allow for preferential treatment, including duty and quota free benefits and regional free trade, according to the Export Processing Zones Authority of Kenya. In addition to these trade agreements, Kenya has received financial assistance from the World Bank and USAID to get their agricultural industries off the ground, reports the International Labour Rights Fund.

The agricultural sector fits into all of these trade agreements, and accounts for almost a quarter of Kenya's GDP. Almost 75% of the population relies on agriculture, whether it be directly or indirectly, and the flower industry employs at least 50 000 Kenyans directly and another 70 000 in related industries. According to the Export Processing Zones Authority of Kenya, cut flowers dominate the horticulture exports, and this crop has overtaken both coffee and tourism as a source of foreign exchange. The EU currently receives the largest portion (over a quarter) of their cut flowers from Kenya, but cut flowers from the country end up as far as Asia, Australia and the US.

While Kenya's government benefits economically from this industry, critics argue that people, and women especially, are suffering as a result of lax laws, environmental hazards, dangerous working conditions and harmful power dynamics. According to the report by the International Labour Rights Fund, over half of Kenyan flower workers are employed only as "casuals," and as such, they do not receive benefits, cannot join unions and have no job security. Further, the Kenya Human Rights Commission reveals that workers are often forced to do unpaid overtime, working as long as 12 hours a day, with few breaks. Many employees have been exposed to dangerous toxins from the fertilisers and pesticides that are used on the crops, which often lead to skin irritations, problems with sight and many more unknown effects, according to an article entitled "Cut Flower Industry Accused of Human Rights Abuse".

As a result of these extreme human rights violations, local groups are stepping up to let the industry know that the working conditions they are forced into are not acceptable. With the help of Women Working Worldwide, the Kenya Women Workers Organisation has highlighted the plight of flower workers. They undertake various projects, including initiatives that include non-violent campaigns for worker's rights, lobbying and advocacy, community development projects, capacity building and the encouragement of women's participation in decision-making processes. Through their work they raise awareness and offer support to women exploited in Kenya's flower industry.

Sources:

Kenya Women Workers Organisation <http://www.kewwo.org>

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