

Daily

BANKWATCH

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Lidy Nacpil of Jubilee South-APMDD stresses on the point that many of the countries in the North can be considered as illegitimate.

ILLEGITIMATE DEBTS: Experiences in Asian Countries

Nadia Hadad/INFID

5 May 2007, KYOTO – “More than 100 countries suffer from the staggering burden of debts claimed by international financial institutions like the Asian Development Bank, rich countries like Japan, commercial banks, and other investors in financial markets”, said Lidy Nacpil of Jubilee South.

Nacpil gave an overview of the debt problem in developing countries in the South and the concept of illegitimate debt at yesterday’s workshop for the Peoples Forum on ADB at Doshisha University. The workshop, attended by some 100 Japanese students, workers and NGOs, was sponsored by Jubilee South, FDC Philippines, INFID, Jubilee Kyushu, Jubilee Kansai Network, ATTAC Japan and Nindja.

The workshop also presented examples of specific cases of illegitimate debt in Asian countries. The cases were presented by Anna Maria R. Nemenzo for the Philippines, Nadia Hadad for Indonesia, and Willy D’Costa for India. Junko Okura from Jubilee Kyushu and Yoko Akimoto from ATTAC Japan also spoke in the meeting.

“Most, if not all of the South countries’ debt owed to the countries in the North can be considered as illegitimate,” said Lidy Nacpil.

Despite the rain and the fact that it was on a Sunday, the workshop was well-attended. Organizers and sponsors of the Peoples Forum Workshops were very pleased with the response of the Japanese people. The workshop gave the Japanese people the opportunity to learn more about the concept of Illegitimate Debt; the experiences of Asian countries, like the Philippines, Indonesia and India; and most importantly the role of the ADB as well as the Japanese finance capital in the accumulation and perpetuation of illegitimate debt.



Participants of the Power Privatization Workshop during the 40th ADB AGM parallel activities in Doshisha University.

Workshop ADB: Putting Profit First Before People – Power Privatization and Struggles in Asia

Fabby Tumiwa

The 2000 Asian Development Bank's Review of its 1995 Energy Policy renewed the Bank's mandate to bolster its drive to privatize the power sector in Asia. It gives emphasis to the strengthening of private sector's role in electricity generation, transmission and distribution, and delivery towards meeting power sector reforms perceived to be contributory to "reducing poverty" in the region. Through loan conditionality, ADB has compelled its governments to fulfill the requirements for private takeover of an essential public service.

During ADB AGM in Kyoto, Jubilee South/APMDD, Institute for Essential Services Reform (IeSR), NGO Forum on ADB, INSAF and PSI organize a workshop on "Power Privatization and Struggles in Asia on 6 May 2007 at Doshisha University Kyoto.

Fabby Tumiwa from IeSR, an Indonesian NGO, delivered an overview by presenting "Power Sector Restructuring: Elements, Drivers and Impact." (Additional presentation and paper on: "ADB and Power Privatization in Asia and Pacific" is also available.) He explained the salient features of power sector restructuring, main drivers both in developed and developing countries and its impact. Meantime, Yoko Akimoto, presented the Japan experience privatization, and the role of Japanese capital in privatization.

Four case studies were also presented. Maris dela Cruz, from the Freedom from Debt Coalition (FDC) presented the experience of the Philippines with power sector restructuring and privatization program. Ahmad Daryoko, chairman of PLN's trade union from Indonesia presented

"Fighting Against Neoliberals Agenda." Darayoko shared the successful campaign of PLN to cancel the electricity bill that supports unbundling and privatization. Indonesia's PSR was funded by ADB and JBIC.

Chaiwat Voraboonpong, from PSI Thailand also shared their success with EGAT's trade union to cancel the privatization of EGAT through massive and consistent campaign for year. Maya Eralieva, Central Asia coordinator of NGO Forum on ADB shared the struggle of Kyrgyz people against privatization in the Kyrgyz Republic. The privatization program is funded by the ADB, WB and other development agencies.

In the end, experiences from the case studies presented that privatization has contextual meaning, depending on the country. Those case studies also confirm that many restructuring and privatization in power sector are failed in many countries in Asia, due to people opposition, economic and social problem and other technical problem, such as unbundling mechanism and transitioning to the competitive market.

Trade Activists Vow to Intensify Struggle Against the WTO, FTAs and the ADB

Joseph Purugganan

MAY 6 - Economic sovereignty was the underlying message in a series of discussions on the World Trade Organization and Free Trade Agreements at the Kyoto People's Forum on the ADB today.

Trade activists from the Philippines, Japan and Korea shared updates and vowed to intensify their struggle to derail the Doha negotiations as well as bilateral and regional free trade agreements across Asia.

“The Doha talks, which supposedly aim to address development issues, have become more and more obsessed with numbers—on tariff cuts on agricultural, fisheries and industrial products and on allowable levels of subsidies—while largely ignoring issues like poverty and inequality, hunger, job losses, poor access to social services like water and health that are the foremost development concerns of poor countries,” said Joseph Purugganan of Focus on the Global South.

Purugganan warned that this ambitious liberalization agenda would further reduce tariff rates for agriculture, fisheries and industrial products. This would eventually lead to huge revenue and job losses in Asia.

But one of the most critical issues discussed was how multilateral and bilateral free trade agreements, and policies and programs of international financial institutions like the ADB are devastating agriculture and undermining food sovereignty in Asia.

“With trade liberalization, countries like the Philippines are made to produce what the rich countries want rather than what its own people need,” lamented Alice Raymundo of the Asia Pacific Network for Food Sovereignty. Raymundo cited as an example the boom in

the prawn and shrimp production in the Philippines in the 1990s to supply the increasing demand for these products in Japan.

“Production of staple food crops is giving way to high-value crops that are exported to other countries. China, through its bilateral agreement with the Philippines, is now pushing for increased cassava and sugar cane production for biodiesel” added Raymundo.

The aggressive push for greater trade liberalization in the region is manifested not just in the efforts to conclude the Doha round multilateral trade talks but in the bilateral and regional free trade and economic partnership agreements that are being concluded by countries left and right.

The Korea-US FTA is one of the most significant FTAs signed this year. Aehwa Kim of the Korean Alliance against the KorUS FTA warned that the deal with the US, could “pave the way for other FTAs to be concluded in Asia.” According to Kim, the struggle is not yet over as the campaign in Korea would intensify in the months to come as the agreement goes through the ratification process.

The Forum on WTO and FTAs concluded with calls for greater coordination among the various campaigns on the WTO and FTAs across Asia. It calls for intensified actions to resist unfair and unjust trade agreements, and to push for alternatives.

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Water Advocates Reject Water Privatization, Assert Water is Every Person's Right!

Maris dela Cruz

Some 100 people attended the People's Forum workshop on water privatization and struggles in Asia organized by Jubilee South-APMDD, together with PSI, NGO Forum and AMNET – Japan. In the workshop, labor unions and water campaigners from civil society presented their critique on the ADB water privatization agenda and their struggles for water justice.

The speakers were one in saying that the ADB privatization policy has made clean and affordable water inaccessible to the poor when water was made a commodity by the private water companies under the privatization policy. “The private companies now running the water distribution system in the Philippines have already raised the water rates by as much as 550% and 750% higher than the original tariffs,” said Ana Maria R. Nemenzo of the Freedom from Debt Coalition in the Philippines. For the workers, “privatization aims to reduce operational expenses hitting the workers as the size of the workforce is trimmed down for the private sector to maximize profit,” according to Roberta Estimo of the Maynilad Water's Union. It was striking in the workshop that even when privatization has obviously failed in the Philippines, the government re-privatized it again after the water company running it had surrendered the utility to the government. Workers and the water advocates both agree that privatization has failed and it has not delivered its promise of affordable, safe, and efficient delivery of water. They all asserted that water is an essential service that every person has the right to have access to, and that the delivery of such must remain in public hands.

It was noted in the workshop that opposing privatization of water does not mean that people are already content with the way the state runs the water distribution system. It was emphasized that reforms have to be made in the delivery of water to realize the goal of better and affordable service in the water sector. But the people reject ADB's privatization solution to water problems. Instead, water advocates proposed alternatives. An example of this is the public-public partnership, but Hamong Santono of Kruha, Indonesian Coalition for Water Rights, cautioned the audience that “we have to

be careful about public-public partnership as this can also be used by the private sector to increase its presence and control over delivery of water.” The Transnational Institute – Corporate Europe Observatory launched the Japanese version of “Reclaiming Public Water” which



Sin Chinn, one of the affected persons by the Highway One Project in Cambodia reads a statement to the ADB president during the CSO's meeting with the ADB president.

illustrates the failures of privatization and presents some alternatives, some are already being applied in the different countries across the world.

The workshop was co-organized by Jubilee South/Asia-Pacific Movement on Debt and Development (APMDD), Public Services International (PSI), NGO Forum on the ADB, Freedom from Debt Coalition (FDC), Transnational Institute (TNI), Corporate Europe Observatory (CEO), AM Net, and Focus on the Global South.