



OFFICIAL PUBLICATION OF NGO FORUM ON ADB

BANKWATCH



DECEMBER 2019

INSIDE

Words from the Executive Director	4
Threats to Asia's century	5
Degrowth and the perspectives about it from the South	10
Women and Climate Change: the challenges women face to be considered as key actors	15

*** Cover Photo by Markus Spiske

WORDS FROM THE EXECUTIVE DIRECTOR

Dear Readers,

This is our last BANKWATCH issue for the year 2019.

This issue begins with an article about 'Threats to Asia's century' written by Prof. Rene Ofroneo of Freedom from Debt Coalition (FDC).

The second contribution titled 'Degrowth and the perspectives about it from the South' is written by Ms. Dorothy Grace Guerrero of Global Justice Now.

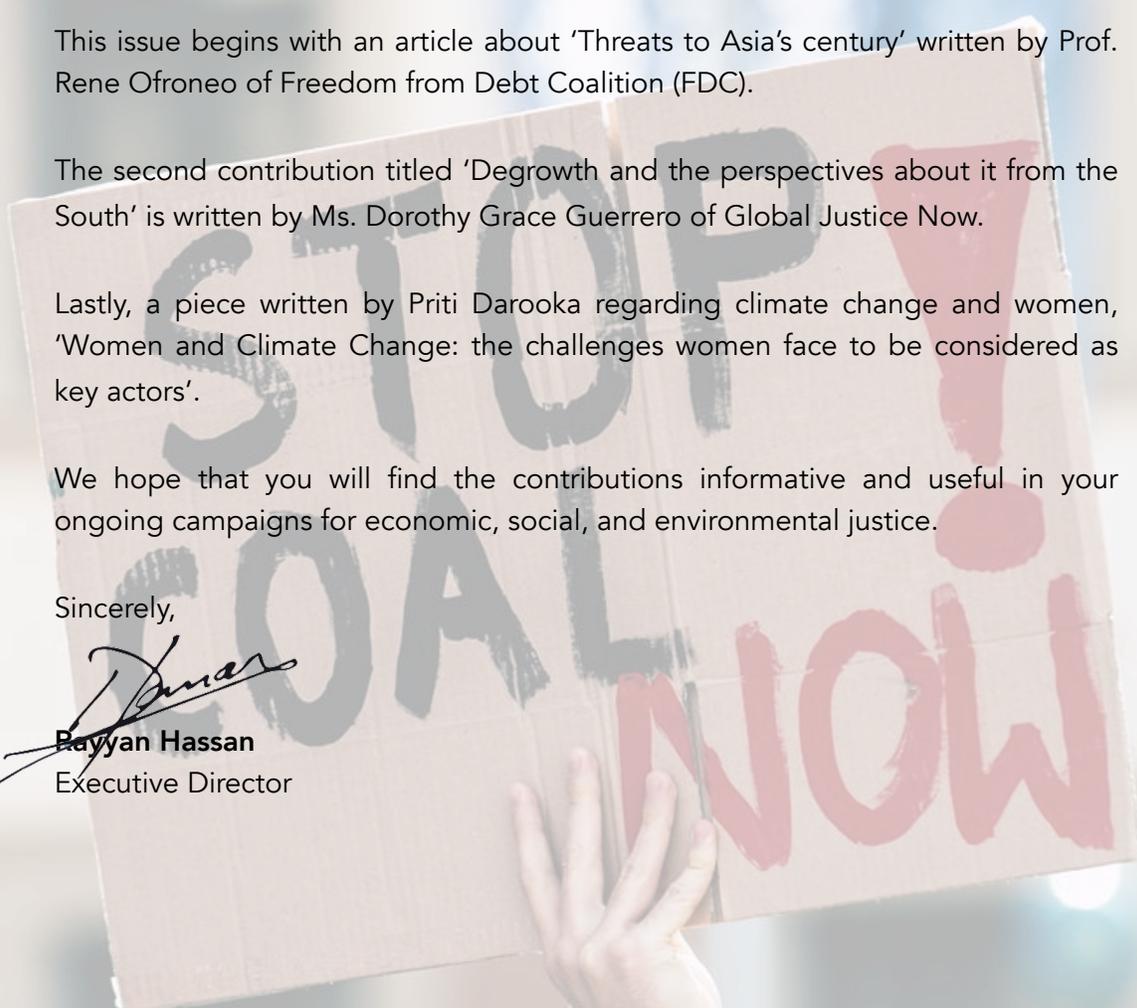
Lastly, a piece written by Priti Darooka regarding climate change and women, 'Women and Climate Change: the challenges women face to be considered as key actors'.

We hope that you will find the contributions informative and useful in your ongoing campaigns for economic, social, and environmental justice.

Sincerely,



Rayyan Hassan
Executive Director



THREATS TO ASIA'S CENTURY

Prof. Rene Ofroneo
Freedom from Debt Coalition

The 21st century has been proclaimed by the international financial institutions as Asia's century. Asia now accounts for 40 percent of the global GDP.

But is Asia's growth surge, a source of envy for the other regions of the world, sustainable?

This is not necessarily so. In fact, there are disconcerting developments in the region that can upend Asia's high-growth trajectory.

First, there are unresolved geopolitical conflicts (e.g., Kashmir crisis in the Indian subcontinent) and economic rivalries among the big powers that can subvert established trade and investment arrangements, as amply illustrated by the United States-China trade war. The flames of regional conflicts and economic rivalries are further fanned by the rise of populist strong men and women who use jingoistic language to win the support of the downtrodden masses. Most of these strong men and women have been



Photo by Marfil Graganza Aquino

elected because of the failure of neoliberalism to deliver jobs and welfare to the majority of the working population. And yet, the solutions they offer do not alter the basic structure of a corporate-led economy that past neoliberal programs of privatization and deregulation have built.

In the meantime, a new round of global recession, bred by unresolved trade wars and trade tensions among countries, is now on the horizon. The question is not how it can be avoided. The question is how deep it will be and how it can be cured. Undoubtedly, Asia is on the crosshairs of the next global economic crisis. Disruptions of 'Factory Asia'

Another major threat to economic growth is the technology revolution rolling around the globe. Robotization and automation of various industrial and business processes are disrupting industries, and work processes virtually everywhere.

The disruptions that affect the Asian workers the most are those related to the global value chains that have made Asia the world's factory and the world's contact center and back office. The Fourth Industrial Revolution has been ushering in job-displacing and job-disrupting technologies that are altering the traditional structures of the GVCs promoted by the multinationals in the

1980s-2000s. The most vulnerable are workers occupying the low rungs of the GVC ladder, those doing the labor-intensive but low-technology assembly work. These are easy target for automation and robotization. In some cases, the whole GVC system can be uprooted and re-shored. For example, Adidas, which used to have its own factories in the Philippines and China, is now manufacturing shoes in its plants in Germany and the US with the aid of new technology.

There are signs that Factory Asia has been waning. There are studies too that the "fragmentation" (originally dubbed as "atomization") of work in big industries, which allow the big corporations to outsource labor-intensive production, such as assembly work, has been declining since 2010. Obviously, industry 4.0 is enabling corporations to do more integrated production at home. Also, the GVC-linked "export-oriented" economic model that the neoliberals have been preaching to developing countries as the way forward has some physical and market limits even if big China is not substantially involved. Can so many countries producing or assembling the same products succeed in exporting the same products? This, according to Dani Rodrik, a leading scholar on trade and development, is the dilemma facing developing countries. Clearly, one development option is to go domestic,



Photo by Gin Patin

an option that has been ignored by the outward-looking neoliberal economists for so long. The gradual erosion of jobs in Factory Asia is also beginning to happen in the offshored call centers located in India and the Philippines. Chatbots and other interactive digital communication systems are making the services of call centers redundant.

Third threat is climate change

Asia is highly vulnerable to climate-change risks. South Asia, Southeast Asia and East Asia are all at risk to rising sea levels, destructive typhoons and unbearable heat. In 2017 alone, around 3,000 in India died from extreme heat. In 2013, around 10,000 died from Supertyphoon Haiyan that hit southern Philippines. And there are many other stories of massive tragedies that visited different Asian countries in the last 30 years due to climate change.

The prognosis is bad. More devastating typhoons, heat waves, plant destruction and so on are likely. Glaciers are also melting in the Himalayas and in the northern areas of China, Mongolia and the Central Asian countries. All these shall affect jobs, businesses and whole communities. A World Bank study estimates that around 400 million in South Asia shall be affected by the desolation of agriculture and the devastation of communities. Communities in the Bay

of Bengal, Mekong delta and in the coastal areas of China, Japan, South Korea and Southeast Asia are all vulnerable to a sea rise of 1 meter. The irony is that Asia has become a major contributor to the pollution of the Earth and the subversion of the ozone layer. China, India and Japan are listed in the five leading polluters.

What can be done? Each country naturally has to come up with its own resiliency program for its citizenry. There are differing programs of readiness. Asian countries also need to get their act together in support of climate-change mitigation. In this area, Asia has weaknesses. The commitments of Asian countries to the Paris Accord on mitigation are low, and implementation is even weaker. Thus, while China and India have registered high growth in renewable-energy development, their fossil-fuel GHG emission remains high, as reflected in the smogs that do not disappear in their major cities.

Finally, most of Asia is unable to address soaring inequality amid increasing wealth concentration in the hands of a few. How can growth be assured when so many are excluded, when societies are divided between the haves and the have-nots, and when governments have to spend so much of its resources on security and police matters to keep the peace?

The ADB, World Bank, ESCAP and other UN agencies have been regularly reporting on the rise of Asia. At the same time, they have been consistently raising alarms on the deepening economic and social inequality in each of the Asian countries. China, India and the Southeast Asian countries are among those with high Gini coefficients, or high levels of inequality in terms of income distribution.

The reasons for growing inequality have been a source of deep anger for the trade unions. These are:

- The Race to the Bottom culture among employers. Casual or short-term hiring practices are common. Footloose capital in the garments and other low-technology labor-intensive industries fly in and out of production sites, usually EPZ zones, to avoid unionism and exploit cheap and malleable labor.
- Jobless growth due to limited job creation in GVC industries.
- Low quality jobs in the large informal sector. South Asian countries have large pools of labor in the informal sector, as high as 80 percent to 90 percent of the total labor force; in non-industrialised Southeast Asia (minus Singapore and Brunei Darussalam), informal

sector employment is around two-thirds of the total employed.

- Economic restructuring with limited job creation for the displaced. This is happening in the southern provinces of China, where the government's push for technological and industrial upgrading is happening without any clear program of job placement for those employed in the garments and other low-technology industries that are being relegated to the policy background by high-tech conscious Chinese government.
- Impact of the technology revolution on industry and employment. Wages are highest in the ICT sector but low and declining in others.

Overall, Asia is still in a precarious and unstable situation. Prospects for sustained growth, and yes, better welfare and good life for Asia's working people are shrouded in a fog of unresolved regional conflicts, intensifying trade wars, vulnerability to climate- change risks, job-displacing technology revolution, jobless growth, Race to the Bottom culture and soaring inequality.

**Originally published in Business Mirror (October 17, 2019)*

DEGROWTH AND THE PERSPECTIVES ABOUT IT FROM THE SOUTH

Dorothy Grace Guerrero
Global Justice Now!

Degrowth is a political, economic, and social movement based on ecological economics, anti-consumerist and anti-capitalist ideas that seek to address the limits-to-growth dilemma. Key to the concept of degrowth is that reducing consumption does not mean a decrease in well-being. Rather, the aim is to maximise well-being through non-consumptive activities like having more time for family, community, art, nature, culture, etc.

There are now Degrowth Summer Schools and various annual conferences being held all over Europe, as well as a growing number of publications on the concept. It is also endorsed in the Pope's second encyclical *Laudato Si*, which was published in 2015 wherein the Catholic church's critiques on consumerism and irresponsible development that leads to environmental degradation and global warming was expounded.

It shares several seemingly similar calls with systemic alternative approaches supported by climate and environmental justice movements in the global south. Most importantly these approaches critique the idea of growth itself, advocate the fundamental

need for social transformation to address inequality, and emphasise the urgency of stopping rising emissions and increasing depletion of non-renewable resources. These principles are aimed at charting approaches towards satisfying the moral obligation of the current generation to preserve future generations' rights to fulfil basic needs.

However, degrowth is not finding the same level of support among movements in the South despite these seeming convergences and the political opportunities there may be for reinforcing each other. A whole raft of arguments exists as to why degrowth is unsuitable and lacks resonance with movements in the South. To understand these arguments, it is important to appreciate how Southern movements position themselves in their resistance to the dominant development concepts and growth model, as well as the systemic alternatives that they are already practicing. From this understanding, reciprocal solidarity can be built.



Photo by Reynaldo Brigantty

SOUTHERN CRITIQUE OF GROWTH

The critique of growth has already been an intrinsic part of resistance by key social movements and progressive organisations in the South for a long time. In Asia, the analysis on the limits of the growth-oriented model of development and capitalism was even expressed regionally way back in the early 1990s through networks like the People's Plan for the 21st Century or PP21. The critique is based on the understanding that the economically advanced countries in the region like Japan and South Korea achieved their progress by sacrificing their environment and exploitation of the labour force.

Walden Bello's ideas on Deglobalisation as a systemic alternative to the current development framework further advanced that critique and at the same time identified basic strategies for how to realise a vision for alternative societies that movements, not just in Asia but also globally, can agree on in the early 2000s. For Bello, it does not mean withdrawing from the world economy, but rather a process of restructuring the world economic and political system so that the latter builds the capacity of local and national economies instead of degrading it. Deglobalisation means the transformation of a global economy from one integrated around the needs

of transnational corporations to one integrated around the needs of peoples, nations, and communities.

Latin American thinkers and practitioners have been long-time rebels from the Northern or mainstream views on development. The region has offered vibrant debates on the development question since the 1970s and has already shown us a history of experimentation with diverse forms and models of development. These Latin American streams have argued about the direct structural relationship between the underdeveloped and developed, underscoring that the developed countries achieved their economic advancement at the expense of the underdevelopment in other regions. This was explored in the different streams of Beyond Development group in the region.

DEGROWTH AS PART OF A MATRIX OF ALTERNATIVES

Degrowth is viewed in some circles as an addition to the matrix of alternatives because of its adherents' recognition of the limits of capitalism and the unsustainability of the neoliberal dystopia. However, key movements in the South have reservations with the concept. The common argument is that the South still needs sustainable industrialisation. There are tensions between degrowth and just transition

discourses from the South as well as some ethical assumptions.

For indigenous communities, the question “how to live together and together with nature?” is already central in their practice of Buen Vivir or Vivir bien (‘living well’). In terms of policy it is already institutionalised through, for example, the inclusion of the Rights of Mother Earth in the constitutions of Bolivia and Ecuador. However, environmental justice movements inside and outside criticise that the economies of these two countries are still very extractive-based and have financed the social reforms they initiated through relatively conventional growth patterns.

One area where the southern critique is strong is on the question of state power. Movements in the South have a common understanding that societal institutions are not neutral and that there is a gross asymmetry of power between the state, corporations and communities/people. Therefore, progressive movements have pushed for state-based solutions when they come to power as shown by the ‘pink tide’ in Latin America in the 1990s and 2000s. There will always be conflicting values and interests and the state is a domain of power and struggle so the element of transforming the state to effect change in the ownership, access,

and management of the commons is a key factor.

CRITIQUE OF THE WESTERN NORM OF PROGRESS AND ITS IMPOSITION ON THE ENTIRE PLANET

There are also streams of Buddhist Economy. It is introduced in Thailand as a philosophy called Sufficiency Economy, which was developed over three decades by King Bhumibol Adulyadej and the happiness development approach that guides the government of Bhutan. In July 2018, the government of Bhutan established in its constitution that Gross National Happiness will be used to measure the collective well-being of its population. The term Gross National Happiness was coined in 1972 by the then king of Bhutan, Jigme Singye Wangchuck, who argued that “Gross National Happiness is more important than Gross National Product”.

These approaches inspired organisations in Laos and Cambodia as well as in China, however marginal, around 2010-12. The criticisms against it is that they are top-down approaches coming from monarchs who own and control vast properties and companies.

HOW WILL IT MAKE SENSE IN THE SOUTH?

Southern movements often quote Gandhi's, "Live simply so others may simply live," in their climate and environmental justice advocacy. With the same logic, they argue that Degrowth will only make sense in the Global South if the economic and political processes will put equitable redistribution of wealth and regulation of big banks and transnational corporations.

Degrowth is not appealing in the South because the reality there is that their ecological footprint is still low and the basic needs of the population have not yet been met. Also, recent examples of

states that dealt with poverty in meaningful way like China, Cuba, Brazil, Venezuela, etc., relied on growth.

There is of course a strong tendency to aspire for everything that people in the North enjoy and to follow the cultural domination of the North. In rural and indigenous communities, moderation and traditional cultures based on sufficiency instead of greed is still dominant. The climate and environmental movements in the South do not see the climate crisis as a purely environmental concern. It is political, economic, developmental, gender, cultural and security concerns.



WOMEN AND CLIMATE CHANGE: THE CHALLENGES WOMEN FACE TO BE CONSIDERED AS KEY ACTORS

Priti Darooka with contributions by Farida Akhter

CLIMATE CHANGE IMPACTS WOMEN DIFFERENTLY

Climate change impacts everyone. However, the impact of climate change is experienced differently based on one's socio-economic position. It is important to realize that women and men are impacted differently, not only as users of energy, water etc. but also as workers and contributors. [2]

Women are the food producers of the world. (According to FAO women produce more than 50% of global food). Natural calamities such as droughts, floods, hurricane, cyclones, earthquake, landslides etc. due to climate change particularly impact women producers, indigenous women, rural women, women from marginalised groups, whose lives and livelihoods rely on natural resources such as land, water and forest. Millions of women who are in agriculture, the informal economy or are self-employed are exposed to toxic chemicals, extractives, and development projects adopted by countries. They are in the bottom most tier of the supply chain,

taking up hazardous occupations with precarious working conditions. Therefore, climate crisis impacts women most critically.

From vulnerable group to active actors
In climate debates, women are profiled as victims or vulnerable groups—severely impacted. However, these platforms generally don't recognise women as active climate actors with knowledge and agency. Women's unequal participation in decision-making processes, including land and natural resource management, and in paid labour market continues to prevent them from being part of climate related planning, policy making and implementation. The question to raise is whether the role of women or the concerns and priorities of women in their multiple realities are taken into account in the climate solutions, in just transition to green economy or green Jobs. [3] Women are often affected by the change and have a more active role to play.

The capitalist and neoliberal model takes nature for granted. It



Photo by Markus Spiske

unfortunately believes that nature is a bottomless pit and will continue to sustain this excessive consumption with exploitative patterns of production forever. The same model also renders women's work invisible, especially the unpaid care work and unpaid work in subsistence forms of livelihood. In market economy if you consume what you produce you have not produced at all. Production only has value if it is for the market. Most of women's work, especially in global South is for self-consumption. Hence, most of women's work is of less or no value. The current economic policies is built on women's labour but considers women's labour as the same bottomless pit that will absorb all adversities and continue to provide care and subsistence limitlessly, and always.

CLAIMING FOR CLIMATE JUSTICE

The irony of current climate debates is that we want to change nothing, but we want climate change or climate justice. We are not willing to change our consumption patterns or lifestyle. Transition from fossil fuel to renewables for example is not going to resolve the climate crisis. There also needs to be changes in consumption and lifestyles.

The solutions to address climate crisis are sort through science and technology – renewables or reduction

in carbon emission through climate change adaptations. The solutions are not human centric but science centric. Women due to their gendered role and cultural norms do have indigenous knowledge in sustainable resource management. The knowledge held by women at community level is scientific but is not valued. For example, in several agricultural communities, seeds are maintained by women and proper gene pool is ensured. This is an in-depth scientific knowledge that is passed from one generation to another – mother to daughters and within the community of women. And if women's leadership is engaged to address climate crisis there would surely be sustainable, inclusive and 'scientific' solutions.

Climate change effects are aggravated through loss of biodiversity that affects poor women and their food from the common resources and common land.

It is also ironic that the top 10 richest countries of the world are the top countries in global philanthropy. Developed countries hold technical solution and continue to pressure less developing countries to have climate adaptation solutions. Through philanthropic grants these rich countries also provide west based consultants to provide technical support to governments and institutions in the South. This whole

process also renders local knowledge, especially held by women on the ground regarding traditional resilience practices absolutely irrelevant and useless.

These same rich countries, however, have their multinationals and brands exploit labour, and environment in these developing countries.

By leaving women out from the solutions, most climate change solutions directly or indirectly further contribute towards gender inequalities. For example, with all the noise around shift towards renewables, governments have not provided women with clean, green energy for cooking. Women still in most parts of the world, especially in the global South, continue to burn biomass for cooking.

Climate change debates and solutions therefore need to recognise women's role as workers and producers and as guardians of environment and nature and ensure they are at the centre of all discussions and solutions as key stakeholders.

[1] I want to thank IWRAP Asia Pacific for organising a two day strategic dialogue on Women Human Rights and Climate Justice. Some of the points shared here are points discussed at this dialogue in Bangkok in November 2019. I also want to thank contributions by Feminist Land Platform members, especially Farida Akhter of Bangladesh.

[2] Kelkar, Govind and Sengupta, Sudeshna, Women and the Green Economy: Engaging with the New Development Bank, 2019, BRICS Feminist Watch

[3] Ibid

**Originally published in Feminist Land Platform*





www.forum-adb.org
85-A Masikap Extension, Diliman
Quezon City, Philippines
+632 436-1858 | +632 921-4412
secretariat@forum-adb.org