Poverty, Wealth and Ecology in Asia and the Pacific

Ecumenical Perspectives
Poverty, Wealth and Ecology in Asia and the Pacific

Ecumenical Perspectives

CCA
PCC
WCC
Editor: Athena Peralta

Cover art: Erland Martua Hasiholan Sibuea

Design and layout: Wanida Press, Chiang Mai, Thailand

ISBN: 978-2-8254-1549-8

Copyright © 2010, CCA (Chiang Mai), PCC (Suva) and WCC (Geneva)

About CCA (www.cca.org.hk)
The Christian Conference of Asia (CCA) represents 16 National Councils and over 100 churches and denominations in Aotearoa-New Zealand, Australia, Bangladesh, Burma, Cambodia, East Timor, Hong Kong, India, Indonesia, Laos, Nepal, Japan, Korea, Malaysia, Pakistan, Philippines, Sri Lanka, Taiwan and Thailand. CCA exists as an organ and a forum of continuing cooperation among the churches and national Christian bodies in Asia within the framework of the wider ecumenical movement.

About the PCC (www.pcc.org.fj)
The Pacific Conference of Churches (PCC) has 28 Pacific member churches and 9 National Councils with its head office based in Suva, Fiji. It seeks the visible unity of the church on issues of justice, peace and integrity of creation with initiatives on capacity building and solidarity with its members during times of natural disasters and social upheavals.

About WCC (www.oikoumene.org)
The World Council of Churches (WCC) brings together 349 churches, denominations and church fellowships in more than 110 countries and territories throughout the world, representing over 560 million Christians. As part of this fellowship, member churches are called, among others, to engage in Christian service by serving human need, breaking down barriers between people, seeking justice and peace, and upholding the integrity of creation.
# Table of Contents

**List of Abbreviations** .................................................................................................................. 2

**Foreword: The AGAPE Consultation and Study Process on Poverty, Wealth and Ecology in Asia and the Pacific** ................................................................. 3

**Part I: Key Statements from the AGAPE Consultation on Poverty, Wealth and Ecology in Asia and the Pacific** ............................................................... 7

1. The Chiang Mai Declaration ................................................................................................. 8

2. The Women’s *Loy Pai* Statement .................................................................................. 13

3. The Youth Declaration ....................................................................................................... 19

4. The Indigenous People’s Declaration ............................................................................. 23

**Part II: Establishing the Links between Wealth Creation, Poverty and Ecological Devastation: The Asian Experience (A Study)** ........................................... 27

1. Introduction .......................................................................................................................... 28

2. Methodology and Organization ......................................................................................... 29

3. Interrogating Mainstream Concepts on and Perspectives of Wealth, Poverty and Ecology ........................................................................................................... 30

4. Asia as the Global Factory ................................................................................................ 34

5. Asia’s System of Wealth Creation ..................................................................................... 45

6. Poverty and Ecological Crisis in Asia .............................................................................. 56

7. Global Wealth Ironies ....................................................................................................... 73

8. Changing the Faulty System ............................................................................................. 81

**Endnotes** .................................................................................................................................. 86

**Annex: List of Participants, AGAPE Consultation on Poverty, Wealth and Ecology in Asia and the Pacific** .............................................................. 92
List of Abbreviations

ADB	Asian Development Bank
AFTA	ASEAN Free Trade Area
AGAPE	Alternative Globalization Addressing People and Earth
APEC	Asia Pacific Economic Cooperation
ASEAN	Association of Southeast Asian Nations
CCA	Christian Conference of Asia
CEO	chief executive officer
EU	European Union
FDI	foreign direct investment
FTA	Free Trade Agreement
GDP
gross domestic product
GFSR	Global Financial Stability Report
GHG
greenhouse gas
IFI	international financial institution
ILO	International Labor Organization
IMF	International Monetary Fund
LDC	least developed country
NIEs	newly industrializing economies
ODA	official development assistance
PCC	Pacific Conference of Churches
PRSP	Poverty Reduction Strategy Paper
SAP	structural adjustment program
SOE	state-owned enterprise
TNC	transnational corporation
UN	United Nations
UNCTAD	United Nations Conference on Trade and Development
UN-DESA	UN Department of Social and Economic Affairs
US	United States
WCC	World Council of Churches
WHO	World Health Organization
WTO	World Trade Organization
WWF	World Wildlife Fund
Foreword:
The AGAPE Consultation and Study Process on Poverty, Wealth and Ecology in Asia and the Pacific

Why are the majority of Asian and Pacific people mired in poverty even though the two regions are rich in natural wealth? In what ways are poverty and affluence linked? How are these two aspects of the same coin impacting on the region’s ecological health and how are they related to just peace? What do the spirituality of Indigenous Peoples, other faiths, and the perspectives of women and youth inform us about these issues in the Asian and Pacific contexts? What can the Asian and Pacific ecumenical family do to resolve these issues? These key questions were passionately and thoroughly discussed at the AGAPE Consultation on Poverty, Wealth and Ecology in Asia and the Pacific organized by the World Council of Churches (WCC) in partnership with the Christian Conference of Asia (CCA), the Pacific Conference of Churches (PCC) and the Church of Christ in Thailand (CCT) in Chiang Mai, Thailand between 02 November and 06 November 2009.

The AGAPE Consultation on Poverty, Wealth and Ecology in Asia and the Pacific was preceded by an African consultation held in Dar es Salaam, Tanzania in 2007 and a Latin American and Caribbean consultation held in Guatemala City in 2008. These regional church consultations continue to deepen the Alternative Globalization Addressing People and Earth (AGAPE) process which began at the WCC General Assembly held in Harare in 1998, culminating in the AGAPE Call presented at the WCC General Assembly held in Porto Alegre in 2006. From
Harare to Porto Alegre, it remains clear that the global community has hardly addressed the issue of socio-economic and ecological justice in any meaningful manner. Poverty and inequality have intensified, especially during the current global economic and financial downturn, with destructive consequences for the ecological commons and global peace.

The AGAPE Call invites churches to act together for transformation of socio-economic injustice and to continue analyzing, reflecting and acting on the challenges posed by economic globalization and the links between poverty, wealth and ecology. At the WCC General Assembly in Porto Alegre, two main views emerged on the dominant neo-liberal development paradigm. The first emphasized practical reforms within the paradigm. The second considered the paradigm as the main cause of poverty and extreme wealth for a few; and demanded for a radical change of the paradigm in order to achieve poverty eradication, equitable resource-sharing and ecological sustainability. These creative tensions are not new and have been part of the ecumenical tradition since a WCC Church and Society Conference in 1966. The consultation in Chiang Mai was a venue for churches to deepen the dialogue on these two views within the Asian and Pacific contexts. For while the ecumenical family has acknowledged that poverty and inequality are pressing concerns and that environmental destruction is escalating, there remains an urgent need to build and strengthen consensus on the causes of and ways to deal with these interlinked problems.

The Chiang Mai consultation took place during an unprecedented global financial and economic crisis that has deepened marginalization for the most vulnerable sectors of society. It was a time when people unfortunately witnessed how the affluent were saved from loosing their financial assets by benefiting from huge stimulus and bailout packages; the total amount of these financial packages was roughly 48 times more than what is still needed to eradicate poverty as well as mitigate and adapt to climate change. Thus far, the measures and solutions to the crisis put forward by global economic and political leaders have failed to address the structural greed that is at the root of the crisis.

Prior to the global financial and economic implosion, socio-economic fissures were already apparent, including in the Asian region, which has often been touted as a showcase for the effectiveness of neo-liberal economic policies. Yet the impacts of economic globalization on the region have been highly uneven. Countries such as Korea, Indonesia, Thailand, Malaysia, and the Philippines
went through the cauldron of the 1997-1998 Asian financial crisis and are now victims of the foreign capital-intensive, low-wage, export-oriented strategy they pioneered under the tutelage of the World Bank and International Monetary Fund. While China and India had been posting double-digit growth rates prior to the current global financial and economic crisis, there is a widening chasm between the poor and rich in these countries.

For many archipelagic countries such as Bangladesh, Sri Lanka and the Philippines, and especially for small island states in the Pacific, human-induced climate change will have dire and immediate consequences, including the inundation of coastal areas, loss of freshwater supplies, diminution of biodiversity; destruction of critical infrastructure, and an increase in the incidence of serious diseases. In many cases, these impacts will ultimately render Pacific island nations uninhabitable, destroying cultures that began more than 40,000 years ago.

The study entitled “Establishing the Links between Wealth Creation, Poverty and Ecological Devastation: The Asian Experience”, authored by Rosario Guzman, was commissioned to help to illumine the relationships between as well as the role of structural greed in wealth creation, poverty and ecological destruction in Asia while drawing on the specific experiences of Cambodia, Bangladesh and the Philippines. It served as a critical analytical framework for the participants of the Chiang Mai consultation, which brought together women, youth and Indigenous Peoples as well as other church leaders and actors from the region.

The Chiang Mai consultation benefited from thought-provoking biblical and theological reflections from Asian and Oceanic viewpoints; an enriching interfaith panel highlighting Buddhist, Hindu and Islamic perspectives on poverty, wealth and ecology; and stimulating presentations from representatives of civil society working on migrant concerns as well as the Government of Thailand on how they are dealing with poverty and ecological problems in the country. The Indigenous Peoples’ hearing strongly raised issues around experiences of dispossession of land and the effects of the dominant growth model on ecology. Among others, the women’s hearing lifted up issues of migration, human trafficking and the gendered impacts of climate change; while the youth hearing emphasized growing unemployment and heightened consumerism among young people. Through the sharing of case studies and strategies, participants learned from each other about good practices and how to strengthen networking.
The consultation produced the Chiang Mai Declaration and statements emanating from the women, youth and Indigenous Peoples’ hearings. These important documents, which encapsulate recommendations for church advocacy and action, form the basis for the follow-up work by churches in the area of advancing socio-economic and ecological justice in Asia and the Pacific. The WCC, CCA and PCC have committed to integrating the results of the consultation in their activities and building a vibrant ecumenical network for genuine transformation.

It is necessary, finally, to express many thanks to the staff of the CCA, who played an essential supporting and organizing role during the consultation, as well as to the PCC and CCT. Without them the consultation would not have been so successful.

Dr. Rogate R. Mshana
Director, Justice, Diakonia and Responsibility for Creation Programme Executive, Poverty, Wealth and Ecology
World Council of Churches
Part I:
Key Statements from the AGAPE Consultation on Poverty, Wealth and Ecology in Asia and the Pacific
The Chiang Mai Declaration

Preamble
1. We, people of faith and church leaders from Asia and the Oceania, with the accompaniment of our sisters and brothers from other continents, have gathered in Chiang Mai, Thailand from 02 to 06 November 2009 to reflect deeply on the fundamental links between impoverishment, wealth creation and accumulation, and ecological crisis according to our Christian faith, in dialogue with other faiths, and from the perspectives of Indigenous Peoples, women and young persons.

2. We met at the time of the Buddhist Loy Krathong Festival – when Thai people offer flowers and light candles and incense to give thanks to the River Goddess. The festival became for us a symbol of our coming together in the common search for the River of Life.

A world and region in peril
3. Our planet, and particularly the nations and islands in Asia and the Oceania, are confronted by unparalleled and multiple catastrophes.
4. Asian nations, which account for more than half of the world’s population, have often been held up as successful applications of the neoliberal economic model and described as “economic tigers and dragons” and “global factories”. But our region’s wealth is being siphoned off in the form of corporate profits squeezed from cheap, predominantly female, labour; external debt payments to international financial institutions made at the expense of massive cuts in social expenditures; the privatisation and commodification of land; and exports of people, lumber, minerals and other “raw materials” from poor to wealthier nations. We listened with heavy hearts to stories of: Burmese migrant workers fleeing political and economic oppression only to encounter other forms of oppression in Thailand; tens of thousands of farmer suicides in India; Asian students falling into debt because of spiralling tuition fees; and women in the Mekong region trafficked into prostitution and slavery.
5. Because Asia’s system of wealth creation is centred on the global economy, our region has been heavily battered by the current global financial and economic crisis caused by heightened “financialisation” (or the de-linking of finance from the real economy). Factory workers in export processing zones have been retrenched in large numbers. The monies sent home by our migrant workers are dwindling. Many of our governments are too indebted and cash-strapped to respond with even the barest of social protection.

6. In the pursuit of super-profits, the neoliberal system of wealth creation and accumulation in Asia has not only produced poverty, it has generated tremendous social and ecological debts. These debts are owed to Mother Earth; the impoverished, Indigenous Peoples and women who bear a disproportionate burden of adjustment to drastic changes in the climate and the rest of ecology; and to young people and forthcoming generations whose very futures are endangered by dominant production and consumption patterns that fail to respect the regenerative limits of our planet. We listened with heavy hearts to stories of: forced ecological migrants as sea waters rise and threaten to inundate Oceanic islands and countries like Bangladesh; Indigenous Peoples dispossessed of their ancestral lands by mining corporations and mega-dam projects, resulting in the ethnocide of indigenous communities and cultures; and villages facing famine and water shortages across the region.

7. In Asia and Oceania as in elsewhere, violence has often been used by the economically and politically-powerful in securing the planet’s “natural resources”. Imperialist terror and greed desecrate both Mother Earth and women’s bodies. We listened with heavy hearts to stories of: church people gunned down in the Philippines for defending ecology and farmers’ and workers’ rights; communities dying from toxic pollutants in military bases; intensified violence against women in militarised zones and in their own homes.

**Asia-Oceania spiritualities in response to impoverishment, greed and ecological destruction**

8. We believe that the interlinked economic and ecological crises are manifestations of a larger ethical, moral and spiritual crisis. For it is in putting absolute faith in “free markets”, in worshipping wealth and material goods, and in following a gospel of mindless expansion and consumerism that human beings have exploited their own sisters and brothers and have ravaged their only home.
9. Therefore, overcoming the crises requires nothing less than a radical spiritual renewal. We reaffirm, according to our Christian tradition, that such a transformation must be founded on the Biblical imperatives of God’s preferential option for the marginalised (justice) and the sacredness of all Creation (sustainability).

10. At the same time, we draw important lessons from the deep wells of Asian traditional wisdom. “When you unite wealth, you divide the people. When you divide wealth, you unite the people.”

11. From the peoples of Oceania, we learned about the peoples’ intrinsic connection with lands and oceans and all life therein in affirmation of God’s presence in all Creation. It is in this understanding that the peoples of Oceania are striving to regain a spirituality of the ecology in which we “live and move and have our being”.

12. From the spirituality of Asian and Oceanic Indigenous Peoples, we learned to expand the greatest Biblical teaching “love your neighbour” to embrace “Mother Water”, “Brother Kangaroo”, and “Cousin Tree”.

13. From eco-feminism, we learned about the falsehood of dichotomies between mind and body and between humans and nature that translate into inequitable relationships.

14. From the vibrant indigenous, women and youth movements in Asia and Oceania, we learned about the spirituality that is found in resistance and political engagement. We derived courage and hope from stories of: indigenous women transferring traditional knowledge and contributing to sustainable economies; and young people playing a leading role in preventing land grab by Arcelor-Mittal (a multinational steel company) in the state of Jharkhand in India.

15. From other ancient faiths and religions birthed in Asia, we learned about Buddhism’s “middle way”; Hinduism’s ahimsa (nonviolence) towards ecology and all human beings; and Islam’s injunction to fight oppression in all its forms.

16. Genuine faith and spirituality entail action. We assert that the multiple crises we confront today urgently demand radical and collective responses, not only from Asia and Oceania, but also from the worldwide faith community. United in God’s love, we can and must begin to construct flourishing and harmonious economies where:
   - all participate and have a voice in the decisions that impact on their lives;
   - people’s basic needs are provided for through just livelihoods;
   - social reproduction and the care work done predominantly by women are supported and valued; and
• air, water, land and energy sources that are necessary to sustain life are protected and preserved.

In short, we can and must shape Economies of Life and Economies for Life.

Our commitments and calls

17. In view of the foregoing, we, the participants of the AGAPE Consultation on Poverty, Wealth and Ecology in Asia and the Pacific, commit to the following:
   a. Build and strengthen a faith-based network or networks advancing social, economic, and ecological justice in partnership with civil society organisations and social movements in the region;
   b. Share widely, communicate creatively (e.g. through websites and videos), discuss deeply, and teach consistently the Chiang Mai Declaration together with the Asia-Pacific Indigenous Peoples’, Women’s and Youth Statements on Poverty, Wealth and Ecology to our constituencies, congregations, seminary students, and partners; and
   c. Be living alternatives that promote sustainable communities beginning with practising eco-just consumption.

18. We further call on our churches in Asia and Oceania, and global and regional ecumenical organisations to:
   a. Emphasise research and advocacy efforts on redistributive socio-economic policies, especially land reform, and alternative consumption and production systems in Asia and the Oceania;
   b. Support churches’ initiatives and advocacy efforts on resettlement, adaptation, and reparations to small island states in Oceania and other Asian countries rendered victims by ecological and climate change to address the ecological and climate debt owed to them;
   c. Accompany member churches of the WCC and PCC in Oceania in:
      • Developing local, national, sub-regional, regional and international plans to ensure respect for and protection of the rights of forced climate migrants;
      • Promoting research on resettlement plans and on instruments such as ecological audits to ascertain the costs of resettlement;
      • Developing the framework for a new Convention or Protocol on Resettlement to cater for forced ecological migrants; and
      • Commissioning studies on the links between poverty, wealth and ecology in the Oceania region with a view to presenting the findings in the 10th Assembly of the Pacific Conference of Churches in 2012.
d. Allocate more resources to WCC’s programmes on ecological debt, climate change, and water in order to address the incredibly pressing challenges in these areas;

e. Empower women, Indigenous Peoples and youth – who bring a wealth of wisdom and energy – to participate fully in policy- and decision-making in church processes, especially in the urgent work on economic and ecological justice;

f. Conduct ecological debt and gender audits to account for the social and ecological costs of church initiatives and activities;

g. Strengthen and provide a platform for Indigenous Peoples with adequate financing and resourcing of the existing Indigenous Peoples’ desk at the WCC and immediately convene a working group to develop the terms of reference and scope for an Indigenous Peoples’ Christian Action Forum;

h. Participate in alternative lifestyle cultures that reject consumerist corporate cultures through regenerating common public spaces of dissent and creation, and engaging in public awareness and education especially among young people; and

i. Organise a dialogue on poverty, wealth and ecology with multi-faith communities to bring meaningful solidarity.
WCC-CCA-PCC
Asia-Pacific Women’s Hearing on Poverty, Wealth and Ecology

The Women’s Loy Pai Statement

Preamble: Loy Pai
As women of faith from Asia and the Pacific, accompanied by sisters from Africa, Latin America and the Caribbean, North America and Europe, we have gathered in Chiang Mai, Thailand between 02-03 November 2009 to reflect on the devastation of the planet and the lives of those most vulnerable in our world. We have come to hear each other’s stories and commit to actions to overcome poverty, redistribute and re-define wealth and defend ecology.

Inspired by the Buddhist Loy Kaphrong (Floating) Festival, an occasion for giving thanks the River Goddess, we say: loy pai. In Thai, loy means “float” and pai means “go”. At the festival, small flower ‘boats’ with lighted candles in the centre are floated on the river, symbolising the people’s relationship with the water. From the stories we shared in Chiang Mai, we see the journey towards justice and sustainability in Asia and the Pacific as an ecumenical boat embraced and pushed forward by the currents of the Living Mother Water.

Women’s Lament (after Lamentations 5)
Before the light of day we women rise
  to serve our families and communities;
    we trudge to fields, factories, workshops
  to toil like animals treading hay.
In the fields and streets we are raped
  in villages and towns, our daughters are abused.
Baby girls, abandoned, killed, aborted in the womb.
Too many of us denied education,
  learning only to care for the home,
fetching water and fuel under the hot sun,
  paying for the water of life.
Remember, O God, what is happening to us.
Before the light of day we women rise
to see our rivers and streams polluted, dammed and flooded
our oceans filled with toxic waste,
fish dying,
waters rising;
to see our lands raped and exploited,
our forests destroyed
to see the creatures of the Earth and skies
disappearing from our planet.
Remember, O God, what is happening to us.

Before the light of day we women rise
in militarised zones,
   landmines taking the limbs of our children,
   destroying our fields;
in places of conflict
   people displaced, villages destroyed.
Remember, O God, what is happening to us.

Before the light of day we women rise
to a globalised world
to a world driven by neo-liberal economics,
policies to make the rich richer and the poor poorer.
Palm oil plantations, agri-businesses,
   driving farmers from their homes.
Tourism bringing casinos to our towns,
golf courses to our countrysides,
   driving our families from the lands of our ancestors.
Remember, O God, what is happening to us.

Before the light of day we women rise
to see our children in the cities,
   struggling to find work,
tossed about like chaff with every wind of change;
as forced migrants in strange lands,
   working jobs dirty, dangerous and difficult,
   no rights, no protections from abuse and exploitation.
Remember, O God, what is happening to us.
Before the light of day we women rise
    to see our sisters trafficked for sex,
        commodities to be used, abused and discarded.
Remember, O God, what is happening to us.

Before the light of day we women rise,
    in the shadow of cultures, traditions, religious teachings:
        shouting at us,
            “You are inferior! You are less than men!”
    taught to be good daughters, good sisters, good wives,
        silent and submissive,
            battered by husbands for speaking our minds.
Remember, O God, what is happening to us.

Before the light of day we women rise
    to see Mother Earth dominated by humanity,
        domination legitimised by our cultures, traditions, religions;
Mother Earth
    crushed and damaged,
        strangled and destroyed.

Before the light of day we women rise.
Remember, O God, what is happening to us.

A Litany of Hope
In spite of miserable sufferings and violent oppressions,
we women never give up hope.
And the signs of our hope
sparkle and enlighten the darkness,
here and there, around the world.

Signs of hope:
    Women farmers
        sowing indigenous seeds and using green manure to nourish Mother Earth;
building compost toilets and biogas plants
        to sanitise and light their homes and,
        to cook their food.
Women in the islands of the Pacific, in the low-lying places of Asia,
    adapting to climate change,
calling for action from those who owe the debt.

Signs of hope:
Counselling and support for those left behind –
the families of migrant workers –
helping those families stay together in their homes and on their land.
Centres serving migrant women workers:
Namyangju Women’s Centre for Migrant Workers in South Korea
and the Mission for Filipino Migrant Workers in Hong Kong.

Signs of hope:
The Church of Christ in Thailand
supporting prostitutes to leave their trade,
girls and women helped towards a better future
out of violence and prostitution.

Signs of hope:
The Australian shopkeepers of Bundanoon
banning the sale of bottled water,
saving our streams, earth and air;
A Chinese woman pastor in Exi leading her community,
together building their small church,
irrigating their lands
and building village roads.

Signs of hope:
The Asian Women’s Religious Leaders Summit:
women rising to lead in places where women are expected to follow,
building peace based on justice;
Women all over, learning and sharing from each other
raising awareness, building capacity, training and educating
empowering women and enriching communities.

Signs of hope:
Hands outstretched to neighbours near and far
women working in solidarity
for justice in factories,
for rights upheld:
marching, organising, calling out.
A Chinese saying tells us that woman is water:
  water is lively and pure, joyful and clean,
  water is gentle but persistent, soft but strong.
yes, that is woman.

We are women who are
faithful, which makes us hopeful,
hopeful, which makes us strong.

We can do all things through God who strengthens us.

**Statement of Commitment**
As women from the Asia-Pacific region, in the light of our lament and born of our hope, we call on the member churches of the World Council of Churches, the Christian Conference of Asia, the Pacific Conference of Churches and worldwide ecumenical movement to:
• resist and reject economic structures and paradigms founded on the exploitation of women’s bodies and Mother Earth;
• defend all life; and
• weave and nurture eco-just and inclusive economies based on the sustenance of all life.

As women from the Asia-Pacific region, we recognise only too well that culture, customs and religion often suppress and justify violence against women. We believe that it is critical that churches renew a commitment to a transformative Christian formation that upholds the dignity of all women as people made in God’s image, loved by God, through such strategies as:
• re-reading the Bible using gender, economic and ecological justice lenses; and
• educating congregations, church groups and seminary students on the intersections between gender, economic and ecological justice.

As women from the Asia-Pacific region, we commit ourselves and call on our churches and the worldwide ecumenical movement to examine and transform Church life and mission with a view to:
• analysing the fundamental links between patriarchy, poverty, wealth accumulation, ecological destruction and militarisation so that we better understand our own lives and the influences that shape the politics and economics of our world;
• ensuring and valuing women’s participation and contribution in church policy- and decision-making processes, especially in the work on economic and ecological justice;
• learning from women’s wisdom and traditional knowledge in developing and practicing eco-just consumption and production within our churches and communities, particularly in the use of church land and other resources;
• examining and, if necessary, re-shaping partnerships between churches in South and North and South and South to ensure that they are based on equity, respect, solidarity, generosity and compassion;
• challenging and holding accountable international institutions, governments, corporations and financial institutions for policies that cause gender, economic and ecological injustice; and
• accompanying and supporting women’s and other grassroots movements in their struggles to build just and sustainable communities.

We women from the Asia-Pacific region have shared our stories and from the stories of oppression, struggle and hope, we have identified the following issues as priorities for the advocacy of the churches and the worldwide ecumenical movement:
• recognition and protection of migrant workers’ rights, just livelihoods and decent work for women and men;
• recognition and support of women’s central role in upholding food sovereignty, and women’s rights to land and water (including through campaigns promoting community-based organic farming and composting toilet systems); and
• climate justice, recognition of climate debts and ensuring that women’s perspectives are brought to bear on negotiations on climate change and strategies to mitigate and adapt to climate change.
The Youth Declaration

We, the young people of Asia and the Pacific, representing an overwhelming majority in our respective countries, guided by our diverse faiths, confronted by common issues of poverty, wealth, and ecology, have gathered to exchange stories and experiences.

Our region is endowed with tremendous beauty and abundance with the capacity to sustain its people for generations to come. Several of our economies are held up as “Asian tigers,” examples of the right path to development. Yet, the adoption of neoliberal capitalist policies by many of the governments of Asia and the Pacific has given rise to ecological, socio-economic and cultural problems which adversely affect us, as youth, and the population as a whole.

We witness mass impoverishment created by predatory, corporate-led globalisation. We observe the growing inequality between the global North and the global South, and between the rich and the poor within our countries. There are few employment opportunities, even for those who get the privilege to obtain university degrees. When we do find work, wages are low, working conditions are inhuman, there is no job security and there are limited benefits.

As poverty increases, we move from one irregular employment or short-term contract to another. We leave the countryside and go to the cities to look for work to support our families. We migrate overseas in the tens of thousands in search of jobs and a better life. We are pushed into prostitution, the drug trade, crime, and human trafficking, among other social vices.

We want to go to school, but the majority of us cannot afford it. When we can go to school, schools are overcrowded and it is hard to learn. Courses are designed to fill the needs of the profit-driven, private corporations; therefore we study to get work, not to better ourselves nor society. We are witness to the continuing collapse of any meaningful social welfare system that could respond to these multiple crises.
We weep at the destruction of ecology on a daily basis. We see how the forests and water systems have been ravished by profit-oriented logging and mining operations. We are aggrieved about the increase in unnatural disasters caused by climate change: droughts, floods, sea-level rise, wild-fires, tsunamis, cyclones, tropical storms and other calamities.

This destruction is caused primarily by development projects financed by the multinational corporations with the blessing of our governments, backed by the military. The current profit-oriented economic system upholds and encourages deforestation, top-soil erosion, toxic waste and uncontrolled emission of greenhouse gases. It leads to the take-over of local agricultural economies by big agribusiness, undermining domestic and community lifestyles. All of this is reinforced by the environmental racism practiced by the global North and governments of the global South against our peoples.

We are afraid that there will be nothing left to sustain life for us and our children.

We oppose the unjust practices and seek alternatives, but our governments react with oppression. We continue to fight the exploitative policies of our governments and corporations, and we will continue to support social movements upholding justice and peace.

**Our Vision**

We the youth, envision a world where sustainable practices are the norm; where the environment is treated with respect and cared for because we understand ourselves to be part of it; where all work is valued and meaningful; where everyone has freedom of expression and organisation. We yearn for a lifestyle that is peaceful, safe and prosperous. We envisage an Earth where economies are driven by human need, and not human greed. We conceive of a world where wealth is measured by happiness, contentment and an abundant community life. We dream of a future in which young people have the freedom to choose their own paths and develop full human potential. We desire a world that is just and sweet.

**Our Strategies and Actions**

The current times call for urgent action.

We call upon the youth:

* to reject consumerist mono-culture, and uphold the positive aspects of our
respective cultures that affirm the community over the individual;
• to critically engage with church institutions and other organisations to hold
them accountable to practice what they preach; and
• to build principled alliances with other social sectors like the Indigenous
Peoples’ movements, trade unions and women’s movements, and social
movements that uphold justice and peace.

We call upon all churches:
• to take immediate action on climate change because of the grave threat
posed to our brothers and sisters in Asia and the Pacific; and
• to create projects supporting those who are fighting for socially disadvantaged
people, affordable education and all forms of positive inclusiveness.

We will work to raise awareness on these issues by:
• creating “cafés of consciousness” and other alternative forums where youth
can discuss issues and outline plans of action, as well as find alternative
entertainment and education;
• launching boycott and divestment campaigns;
• supporting and creating unbiased media that offers alternative news and
information, through such means as internet and pamphlets; and
• forming prayer circles that give support and hope to communities and instill
the need to fight for a just cause.

We will start today by:
• not buying products of multi-national/transnational corporations that are made
from processes that exploit natural resources and human labour;
• making every effort to buy products produced locally and from fair trade, that
affirm that we are part of Creation entrusted to us by God; and
• reducing our consumption, recycling and reusing resources.

In summary, as youth motivated by our faith, we realise that prayer alone is
insufficient. In order to bring about the changes we long to see in the world,
we must be models. We must live the lifestyle that we want the people of Asia
and the Pacific to adopt.

“So when Jesus heard these things, he said to him, you still lack one thing. Sell
all that you have and distribute it to the poor, and you will have a treasure in
heaven. Come and follow me.” (Luke 18:22)
“A new world is not only possible, she is on her way, and on quiet day you can hear her breathing.” (Arundhati Roy)

Declared by the youth delegates from Bangladesh, Cambodia, Hong Kong, India, Korea, Philippines, Pakistan, Solomon Islands, Sri Lanka, Tonga, Australia, and also Kenya, South Africa, and the United States to the AGAPE Consultation on Poverty, Wealth, and Ecology on 05 November 2009.
WCC-CCA-PCC
Asia-Pacific Indigenous Peoples’ Hearing on Poverty, Wealth and Ecology

The Indigenous Peoples’ Declaration

We, Indigenous Peoples and church-based workers and organisations from Australia, Fiji, India, Indonesia, Myanmar, Philippines, and Thailand, have gathered together in Chiang Mai, Thailand for the AGAPE Consultation on Poverty, Wealth and Ecology organised by the World Council of Churches (WCC), Christian Conference of Asia and Pacific Conference of Churches. As part of our right to self-determination, we affirm a collective process of self identification complemented by the recognition of other groups. We are identified with, and have a close affinity to, our land, our oceans, our rivers, our forests, our air, our territories, our resources, our distinct languages, as well as our cultures and our beliefs. It is worthy to note that the Asia-Pacific region is home to approximately 280 million Indigenous Peoples of diverse religions or two-thirds of the world’s indigenous population.

Historically, Indigenous Peoples have suffered colonisation, subjugation, integration and assimilation by merchants, traders, states and churches. All of which were aimed at eroding our identity.

The activities of merchants and traders had deprived and alienated us from our access to, and collective ownership of, natural resources, undermining our cultures, our languages and our religions. Governments have exacerbated the negative impacts on Indigenous Peoples by colluding with and advancing the interests merchants, traders, corporations and financial institutions.

The introduction of Christianity as a dominant religion impacted indigenous faith systems, values, traditions and cultures. Similarly, the education system introduced by missionaries, and thereafter by states, destroyed traditional indigenous languages and excluded indigenous history in textbooks, thereby undermining indigenous knowledge as well as the role of indigenous women in transferring traditional wisdom and communitarian values.
Today Indigenous Peoples continue to be the most marginalised, discriminated and exploited. For us the land and oceans are sacred. Yet, we are being driven out of our lands and oceans in the name of development that does not benefit us but, rather, causes the destruction of cultures, identities and life support systems. Community resistance is being met with violations of our collective rights. Further, neoliberal economic policies are promoting individualism and greed for profit for only the few. The dominant neoliberal development paradigm has resulted in ethnocide for many of our communities worldwide.

Our sustained struggles for the defence of our land, ocean, rivers, forests, life and resources had led to the adoption of the United Nations Declaration on the Rights of Indigenous Peoples (UNDRIP) in 2007 and the establishment of other mechanisms and procedures for Indigenous Peoples at the international, regional and national levels. In solidarity with Indigenous Peoples’ movements, our issues are being taken up by civil society, churches and other faith-based groups.

We believe that poverty, wealth and ecology are very much interrelated and interdependent. We regard wealth in terms of our abundant resources and the produce from our lands that we share with our communities. Our understanding of wealth comprises our values, our close relations with our kin, our traditional leadership capabilities and our children who will ensure the continuity of our cultures. Furthermore, our understanding of ecology is based on our high regard for Mother Earth, our provider and a central element of our integrity. Taking us away from nonmaterial wealth and disregarding the spirituality of Mother Earth will make us poor. Our belief in the fullness of life includes both material and spiritual resources and our common heritage.

We need to hasten and strengthen our efforts to protect and improve our ways of life for our future generations. We will resort to spiritual activism as a means to being heard and will remain resolute in our struggles for the recognition and implementation of our rights.

We, the Indigenous Peoples of this consultation, call upon nation-states and churches in Asia and the Pacific, the ecumenical movement and international community to:

1. Promote, recognise and implement Indigenous Peoples’ rights consistent with the UNDRIP;
2. Establish an independent mechanism which includes Indigenous Peoples and civil society to monitor the implementation of UNDRIP;
3. Endorse and use the UNDRIP as a minimum framework in dealing with Indigenous Peoples’ issues;
4. Ensure the full and effective participation of Indigenous Peoples through the implementation of the right to free, prior and informed consent in all development programmes, projects, legislations and policies;
5. Recognise Indigenous Peoples’ sovereignty and ways of life consistent with indigenous cultural values. This will include the promotion of indigenous worldviews, knowledge, wisdom, and practices to meet the needs of all;
6. Advocate for self-determination and food sovereignty;
7. Respect and recognise Indigenous Peoples as custodians of Mother Earth;
8. Strengthen solidarity among Indigenous Peoples and between indigenous and non-indigenous peoples based on non-discrimination, equality and mutual respect, social equity and peaceful coexistence;
9. Advocate for the inclusion of Indigenous Peoples’ issues within the various reference groups, advisory groups, commissions, and other relevant governance bodies of the WCC and other ecumenical organisations;
10. Maintain financing and resourcing and strengthen the role of the Indigenous Peoples desk as a priority at the WCC;
11. Convene a WCC working group to develop the terms of reference and scope for an Indigenous Peoples Christian Action Forum;
12. Promote self-understanding and recognition of Indigenous Peoples as going beyond nation-state boundaries;
13. Advocate the re-reading of the Bible with a strong justice and peace orientation;
14. Promote holistic, indigenous language-based education systems, including through integrating Indigenous Peoples’ oral and expressive traditions of transfer of knowledge into current curricula; and
15. Promote indigenous principles of caring and sharing, acknowledge Indigenous Peoples’ contribution to the sustenance of ecology and ensure equitable distribution of resources as integral to genuine development and as an alternative to the dominant neoliberal economic paradigm.
Part II: Establishing the Links between Wealth Creation, Poverty and Ecological Devastation: The Asian Experience (A Study)
Establishing the Links between Wealth Creation, Poverty and Ecological Devastation: The Asian Experience

By Rosario Bella Guzman (IBON)¹

1. Introduction

In the last three decades, international institutions and governments have pushed for global economic integration through the policies of capitalist globalization – i.e. “open” markets and private control over the means of production – ostensibly for all nations to maximize and partake of the benefits of an increasingly prosperous world. This glittering image of an affluent global village, however, has been heavily damaged by the ongoing global financial and economic crisis, which many economists consider as unprecedented in both scale and intensity.

In fact, cracks were already visible before the crisis began in 2007 as a mortgage crisis in the US housing market. Income inequality among and within nations had been widening at an alarming pace. Globally, the ranks of the poor remained largely undiminished even as a narrow elite amassed tremendous amounts of wealth. Moreover, as global climatic conditions changed due to greenhouse gas (GHG) emissions generated by human economic activity, the ecological consequences of economic expansion could no longer be ignored.

Particularly in Asia, the emptiness of high rates of economic growth as measured by increases in gross domestic product (GDP) had long been betrayed by job

¹ The author is currently Executive Editor (and formerly Executive Director) at IBON Foundation, a research-education-information development institution based in the Philippines. She received her Bachelor of Arts degree in Economics and Masters of Arts degree in Sociology from the University of the Philippines.
insecurity, falling wages, disappearing social services, fluctuations in the prices of food and other basic commodities, and depleted natural riches. If the region was experiencing growth, it was exclusionary, deepening poverty for many; and it came at significant ecological cost.

Focusing on Asia, the main intent of the paper is to establish relationships between the dominant system of wealth creation – or capitalism – on the one hand, and poverty and ecological devastation on the other hand. In particular, what has been the impact of the global system of wealth creation on Asia’s poorest and most vulnerable sectors such as subsistence farmers, urban poor, Indigenous Peoples, fisher folk, and women?

Beyond impact assessments, there is a need to examine patterns of production and consumption in order to understand the motives behind wealth creation and accumulation and the pathways through which the current system of wealth creation generates poverty and degrades the environment. Such a study is essential to inform urgent transformations in our economic systems.

In addition, the paper aims to contribute to an ongoing ecumenical inquiry into the role of greed in these processes and to attempts to establish a “greed line”.

The paper comes at an opportune time as the world continues to play witness to the current global economic implosion, providing a fine framework for an exploration of the linkages between wealth creation, poverty and ecology in Asia.

2. Methodology and Organization

As a starting point, the paper interrogates mainstream conceptualizations and indicators of wealth, poverty, and ecology, and interactions between the three. It then presents a descriptive analysis of how the globalized system of wealth creation plays out in the Asian region including from the perspective of people and ecology. Admittedly, such an analysis is constrained by the dominance of mainstream indicators focusing on levels of production, trade and capital, which may not do justice to the real picture. Yet, even by mainstream standards and certainly according to alternative measures that lift up social and ecological concerns, this paper will show that the current system of wealth creation – capitalism – has failed to generate human progress for the majority of Asians
and promote ecological sustainability in the region, precisely because these have never been the goals of the system to begin with. The use of mainstream indicators has only further revealed the inherent contradictions of capitalism that have placed the system in crisis.

The paper looks at the experiences of Bangladesh, Cambodia and the Philippines to illustrate the different faces of, and describe the links between, wealth, poverty and ecology in Asia. While the country cases may not be exhaustive or representative of the entire region, which is of course incredibly diverse, the peculiarities of each may bolster some general conclusions about the region. Bangladesh is currently touted as a showcase of the World Bank’s success in poverty reduction. Considered a late-comer in terms of participation in the global economy, Cambodia is churning out high growth rates, but with ecological consequences. The Philippines is managing to hold on its middle-income country status in part because of the significant financial infusions it receives from its overseas workers. The three countries are among the most vulnerable to climate change in the region.

The last part of the paper summarizes the main conclusions and offers proposals for the way forward, paying particular attention to the role of people’s movements in Asia.

3. Interrogating Mainstream Concepts of and Perspectives on Wealth, Poverty and Ecology

To begin with, how do we conceptualize wealth, poverty and ecology? And why and how do we measure them? Interestingly, concepts of wealth and well-being, poverty, etc., are often influenced and shaped by the prevailing system of wealth creation.

If we ask ourselves what we, as societies, consider valuable, are not the health and well-being of communities and the planet as a whole the foremost answers that come to mind? It is argued here that people and ecology comprise the main components of wealth. The interaction between the two – wherein
people combine their talents and strength with natural riches – produces skills, knowledge, products, tools, technology and fixed assets, leading to human development and ecological renewal. These make up the total wealth of society or, in political economic terms, the social product.

However, mainstream capitalist discourse, buttressed by neoclassical economics, has tended to disassociate or abstract wealth out of such interactions between people and ecology. It narrowly equates wealth with the economy, assigning mainly monetary indicators such as GDP, exports, foreign direct investments (FDI), etc., thereby reducing the definition of wealth to mere products and capital flows. For the entire society or country, wealth then is measured in terms of levels of production, capital, technology and productivity reached, which are assumed to “trickle down” to individuals as sets of entitlements and outcomes mainly through employment. It matters little whether the work an individual does to attain these entitlements is fulfilling or humane.

According to the capitalist viewpoint, poverty or the lack of wealth is not so much a consequence of the system of wealth creation, but a shortcoming of production, always computed in the equation of supply and demand, and oftentimes blamed on population growth and poor governance. Poverty thus has been addressed by expanding markets and increasing production, which will presumably create jobs and raise incomes.

The World Bank has expended plenty of resources in coming up with precise and common “minimum standards” of living and setting a global poverty threshold. Following the neoclassical line, it works within the framework that poverty arises from the economy’s failure to create jobs and raise incomes, and the government’s failure to institute policies to boost the economy, attract FDI and earn foreign exchange. The World Bank has recently adjusted the poverty line to US$1.25 a day at so-called purchasing power parity, which not only tends to moderate the extent and depth of global and national poverty, but also lends legitimacy to the dominant system of wealth creation that values economic growth and increasing profit margins above all. The World Bank’s sophisticated poverty measures are now the global standard and basis for (sometimes myopic) projects and measures to raise people out of the poverty threshold.

Under capitalism, ecology is essentially seen as “natural capital” for production. At best, the recent concern over the state of ecology is being addressed within a short-sighted framework of consumption patterns and population growth.
Ecology’s total productive area – or biocapacity – is compared against “ecological footprints” or humanity’s demand on the biosphere; the computation is whether or not society is in “ecological debt”. Here, however, “ecological debt” is not necessarily approached through the lenses of North-South, class or gender divides. While the equation is an innovative approach to define links between the system of wealth creation and ecological problems, it is being reduced to a mere supply-demand ratio, leaving the onus of ecological protection on consumer behavior and population control rather than on production systems. At worst, markets as a mechanism for allocating access rights are being promoted as the most efficient way to protect ecology, as in the example of carbon trading.

In the mainstream discourse, it is not surprising that greed has been viewed as an individual urge and selfish motive. It is often left out of the debate on the causes of poverty and environmental destruction and confined to a moral question or at most treated under the science of psychology and human behavior rather than as a systemic phenomenon.

In order to establish the fundamental links between wealth creation, poverty and ecological destruction, which is the key aim of the paper, it is necessary to critically analyze the nature of capitalism itself as the dominant system of wealth creation.

In the classic definition, capitalism is the use of the means of production – land, tools, machinery and raw materials – as capital, which is owned by the capitalist, to produce commodities for exchange. Therefore, the wealth that is created by society is in the hands of few capitalists who utilize it to create more wealth which is sold back to society.

The capitalist system is characterized by high levels of technology, production and productivity. It is a production system where a mass of workers come together to produce commodities for exchange in markets and to create a value over and above the value of capital that the capitalist invests and the wages that the workers themselves receive. This surplus value (or created wealth) is called profit, which the capitalist controls. From here, it is easy to see how the system alienates people from the wealth they produce and destroys ecological sources of sustenance.

Capitalist production is organized based on profitability and not on human needs. While technology and human skills are constantly developed, they remain utilized
for capitalist production. The amount of wealth created is coupled with limited consumption due to constant retrenchment of workers and lowering of wages.

Poverty is directly linked to the profit-orientation and private appropriation inherent in capitalism. Unemployment, underemployment, declining incomes, indebtedness, limited consumption and alienation result from capitalist profit-taking and are permanent features of the system. Poverty is thus a phenomenon of capitalism.

Poverty may also be viewed as a manifestation of human exploitation. The poor are impoverished because, despite having produced the social wealth, they do not receive the minimum income to live decently. Yet, capitalist profit-taking also exploits the non-poor, who may have enough to live above the poverty threshold, but who do not receive a fair share of the wealth created.

Likewise, the ecological crisis is directly linked to the profit-orientation, private appropriation and competition intrinsic in capitalism. The search for higher returns has instilled an unsustainable pattern of production and consumption, which current natural processes can no longer cope with. Production is being done at the shortest possible time frame to realize profits with little consideration of the rhythm of natural processes and time needed for their formation or renewal. Moreover, as wealth accumulation itself imposes demands on the biosphere, the rich pursue lifestyles that leave much heavier ecological footprints than the poor.

Finally, what is the role of greed in capitalist processes? In simple capitalist production, the capitalist increases profit rates by reinvesting a certain amount of the wealth created (pocketing the rest) and expanding production while retrenching workers or reducing wages. The question then is how much should the capitalist reinvest and how much should he keep. The money he pockets is oftentimes seen as representing greed while the money he reinvests is wrongly viewed as social responsibility, when, in fact, the latter is about sustaining rates of profit. Greed therefore could be considered not merely as an individual impulse but as an act of one class against another, and finds its scientific basis in the law of capitalism, which is to maintain profitability.

However, in an alternative discourse, wealth is defined as a social product that must be socially not privately appropriated; minimum living cost is not arbitrarily set but based on social needs; and ecology is considered an important
component of wealth that must be sustained and utilized based on human needs including that of future generations. In placing social, collective needs over individual whims, purely profit motives could be purged out of the system of wealth creation and greed controlled.

A new set of alternative indicators of wealth, progress and human happiness may be developed according to this “radical” (in the sense of the Latin word *radiks*, meaning “roots”) view of wealth creation. While the United Nations (UN) development agencies have already formulated human development indicators highlighting health and education levels, these continue to be side-lined as secondary indicators of wealth and well-being. Nor do these indicators directly confront the current system of wealth creation. Perhaps we could go further? Perhaps we could develop measures of acceptable levels of wealth as correlated with a “greed line”? Perhaps we could outline a distribution pattern of social wealth according to needs and contribution to wealth creation, and which also incorporates the time and process of ecological renewal? Ultimately, these alternative indicators must embody the principles of human needs and aspirations, realization of human rights, love for and attainment of satisfying work, decent and humane living, and ecological renewal.

### 4. Asia as the Global Factory

Asia plays an important role in global wealth creation. Home to more than half of the global population, the region generates 35% of the global GDP, contributes almost half of the world’s economic growth, accounts for 27% of the world’s exports and captures about 40% of net private capital flows, two-thirds of which are direct investments.¹ *(See Figures 1 and 2)* Asia has been advertised as the world’s dynamic growth center and recognized for its rapid export-led economic growth, beginning with the industrialization of China, Hong Kong, Taiwan, Korea, Singapore, Malaysia, Thailand and Indonesia (or the so-called newly industrializing economies (NIEs)) from 1980s towards the mid-1990s. In the 1990s and even more so in the 2000s, India began to overtake the NIEs.²
**Figure 1**

![Graph showing Asia’s share of world GDP compared to the European Union and the United States.](image)


**Figure 2**

![Graph showing contributions to world growth.](image)

Source: Finance and Development, June 2006, Vol. 43, No. 2, International Monetary Fund

**Asia’s globalization**

Asia’s perceived dynamism and economic expansion are often put down to aggressive globalization. In the last two decades, many countries in the region underwent extensive restructuring, including trade and investment liberalization,
export production, competitive pricing, and deregulation of foreign currency transactions.³

The rise in trade in goods and services was coupled with a rise in private capital flows. Before the Asian financial crisis of 1997-1998, the region attracted 40% of FDI.⁴ Portfolio investments such as stocks and bonds including commercial credit also increased exponentially as investors sought more profits from speculative activities and debt.⁵

In order to understand the system of wealth creation in the region, it must be emphasized that Asia’s globalization is an external impetus as much as an internal decision of its domestic elite. Before the 1970s, transnational corporations (TNCs) and investors headquartered in the United States (US), the European Union (EU) and Japan sought to relocate production and excess capital to places where labor and raw materials were cheap. Outsourcing to Asian economies provided them with production platforms in distant locations that could be coordinated from a central hub.⁶⁷ Meanwhile, international financial institutions (IFIs) such as the International Monetary Fund (IMF), World Bank and Asian Development Bank (ADB) attached conditions to their lending, otherwise called the structural adjustment programs (SAPs), which sought to open up the economies of borrowing countries. Asia, then, was dictated to follow a growth pattern that would be based on openness in order to cater to the needs of TNCs and advanced capitalist countries.

In the late 1980s, after the impacts of SAPs, particularly on Latin American and African economies, received severe criticism, including from UN development agencies, the liberalization agenda was expanded to multilateral and regional trade and investment rules. The World Trade Organization (WTO), plurilateral trade blocs such as the Asia Pacific Economic Cooperation (APEC), and regional trade blocs such as the ASEAN Free Trade Area (AFTA) increased Asia’s integration in global trade. In particular, the WTO comprehensively subjected sectors deemed especially critical to development, such as agriculture, services, investments and intellectual property rights, to multilateral trade liberalization. Since 2001, the WTO has been endeavoring to conclude the Doha Development Agenda. However, the Doha Round failed to address existing imbalances in the WTO agreements. Rich, powerful nations continued to flout WTO rules and protect their agricultural markets even as developing countries were forced to open up theirs. Since the Sixth Ministerial Conference in Hong Kong, the WTO negotiations have been on a standoff.
It is in this context that the advanced capitalist countries have become more aggressive in pursuing bilateral trade and investment deals or free trade agreements (FTAs) with other countries. In Asia, FTAs have increased at a fast pace, from 3 in 2000 to 54 in 2009 – 40 are currently in effect, 78 are still under negotiation, and 74% are bilateral. Half of the Asian FTAs are comprehensive in agricultural scope and most of the concluded FTAs cover WTO issues. Moreover, in the guise of “deeper regional integration”, Japan, Korea, China, India, and Australia and New Zealand have recently enacted FTAs with ASEAN as a whole, and FTAs between the US and the EU on the one hand and ASEAN on the other hand are being negotiated. In short, FTAs have become effective instruments for TNCs of advanced capitalist countries to pursue their interests despite the failure of multilateral trade rules.

By the turn of the century, the motives and impacts of globalization were already apparent. There had been tremendous growth of cross-border trade, financial assets, mergers and acquisitions and capital concentration of TNCs while Asia had become the “sweatshop” of the industrialized world. The region now specialized in the export of labor-intensive products and services, and imported capital, intermediate goods and even primary materials that the region used to produce. At the same time, a few Asian nations, largely the NIEs, were able to shift to more technology-intensive exports such as electronics, automobiles, ships and chemicals, and some Asian local firms have managed to rise as global leaders in production networks and supply chains.

Export-led growth and trade liberalization, however, posed serious problems on Asia’s net terms of trade. While East Asia, because of China, and Southeast Asia, because of the NIEs, managed to earn more than their imports, South Asia, despite India, has experienced chronic trade deficits, with an exports-imports ratio of 124% in 2007.

Across Asia, many countries had to find ways to cheapen labor costs in order to compete in an environment of ever-declining commodity prices.

Over 80% of the FDI that had flowed into the Asian economy did not pour in new money, consisting mostly of mergers and acquisitions that simply involved changes in ownership and assets control. Greenfield FDI, where new economic capacity is actually developed, had mostly gone to China.
The liberalization of Asia’s financial systems had increased foreign borrowing and markets for speculative financial instruments. Indeed, the entry – and sudden exit – of substantial short-term, speculative flows in the region were largely to blame for the 1997-1998 Asian financial crisis.

**Asia’s uneven growth pattern**

Asia’s growth has been highly uneven, with the expansion of trade and investments being concentrated in China and India. China transformed from a highly centralized economy into a market economy, beginning with the rural sector through the long-term lease of commune-owned plots to individual households. China carefully staged the process of opening up its economy to foreign trade and FDI and the privatization of state-owned enterprises. Likewise, India, which used to be centrally planned, reduced state control of the economy, overhauled its foreign trade and investment regulations, liberalized the financial sector, and eliminated regulations on investment, capacity creation and import licensing. While both China and India pursued globalization policies, they did so gradually and benefited from their large domestic markets. If China is taken out of the picture, Asia would have a critical current account balance and a much slower build-up of foreign reserves because of increasing oil import bills. (See Figures 3, 4, 5 and 6)

**Figure 3**

![Graph showing the correlation between Asia's exports and current account surplus](image)

Source: Finance and Development, June 2006, Vol. 43, No. 2, International Monetary Fund
Figure 4

...but excluding China, the region’s surplus is diminishing, mostly due to high oil prices.

Source: Finance and Development, June 2006, Vol. 43, No. 2, International Monetary Fund

Figure 5

Over the past few years, foreign exchange reserves have risen sharply...

Source: Finance and Development, June 2006, Vol. 43, No. 2, International Monetary Fund
Figure 6

Source: Finance and Development, June 2006, Vol. 43, No. 2, International Monetary Fund

It is important to differentiate the economic system of Japan from that of the NIEs and other Asian nations. Japan, much like the US and the EU, developed as a capitalist economy, putting in place all the economic protection necessary for capital accumulation. On the other hand, South Korea and Taiwan implemented successful land reform programs that boosted domestic demand and helped pave the way for their economic expansion. Supported by huge public investments in education and science and technology, the NIEs managed to develop, albeit in varying degrees, domestic technological capabilities to compete internationally. However, the 1997-1998 Asian financial crisis exposed their vulnerabilities.

Asia’s crisis pattern
The financial crisis that erupted in 1997 brought to fore many fundamental questions on the region’s integration into the global economy and growth trajectory, revealing the shallowness and unsustainability of over-reliance on foreign trade and capital for long-term development.

Financial liberalization attracted massive hot money into Asia, which coincided with problematic net terms of trade, erosion of productive sectors, decreasing
government revenues and increasing debt. For investors, it was a volatile situation. Massive capital flight ensued. Since globalization had severely weakened financial regulation, regional contagion induced panic. By the end of 1998, total capital flows to developing countries had fallen by 87% from 1996.  

In response to the crisis, the IMF offered bailout packages to the NIEs with conditions prescribing contractionary fiscal and monetary policies and further globalization, which arguably aggravated the social consequences of the crisis: food riots erupted in Indonesia and migrant workers were sent home in droves from Taiwan, Malaysia and Singapore. Malaysia recovered faster than other NIEs because it had rejected IMF assistance and advice, putting in place controls to stem capital flight.

While many economic analysts have concluded that Asia has recovered from the 1997-1998 debacle and has achieved faster growth at the turn of the millennium, the region’s vulnerability would again manifest ten years later.

The current explosion of the global economic crisis is broader and deeper than the Asian financial crisis in 1997-1998, hitting export-oriented countries the hardest. The crisis is striking Asia most forcefully through the collapse in global trade. According to the World Bank, of 51 economies reporting fourth-quarter data for 2008, 36 show double-digit declines in nominal exports compared to a year ago. Export growth plunged in East and Southeast Asia and South Asia by 30% and 10%, respectively, in January 2009.

The crisis is also affecting the region through the radical cutback in capital flows from advanced capitalist countries, which the Institute of International Finance foresees to continue in 2009. Over three-quarters of the decline can be traced to the deterioration in net flows from commercial banks. While FDI flows are less volatile than other components of private capital flows, they also declined by 15% in 2008.

Remittances from overseas workers, amounting to US$305 billion in 2008, have become an important source of foreign currency for dollar-dependent Asia and have served as hedge funds for liberalized financial sectors. Remittance flows are projected to decline in 2009. This situation is particularly problematic for some Asian countries for which remittances are large relative to GDP. The decrease in remittances will gravely affect the economic security of poor households that are dependent on these monies.
The crisis is also expected to raise borrowing and financing costs as well as increase the region’s debt burden.

Overall, whatever “robust” growth Asia has achieved is easily reversed in times of global crises. Asian GDP growth fell from a peak of 9.5% in 2007 to 6.3% in 2008, and according to the Asian Development Outlook, growth is forecast to shrink to 3.6% in 2009. This is despite the relatively resilient performance of China. Growth in Southeast Asia was 4.3% in 2008, compared with 6.4% in 2007, and may fall to below 1% in 2009. South Asia, although less dependent on exports, also saw its growth slowing from 8.6% in 2007 to 6.8% in 2008.

**Asian reality**

Behind the newly industrializing “flying geese”, “tigers” and “mini-dragons”, other developing Asian countries are ill-equipped for liberalization. Bangladesh, Cambodia and the Philippines illustrate that many Asian economies are more of “sitting ducks”. These countries drastically liberalized their economies with little regard for their readiness or the appropriateness of such openness. Bangladesh was among the first to open up its economy, selling all of its state-owned enterprises by the 1990s and deregulating its economic sectors. Cambodia, although a latecomer, has actively courted FDI and foreign capital to pursue export-oriented growth. The Philippines has been far advanced in terms of linking up to the global economy, having relied on foreign capital as early as the 1950s, applied export-oriented industrialization policies as early as 1969, promoted labor export in 1976, and instituted structural reforms as early as 1979. After decades of globalization, the economies of these selected countries continue to be characterized by deficient technology, low productivity, domination by a small ruling elite, and control by foreign corporations and capital. *(See Box 1)*
Box 1
Globalization Trends

**Bangladesh**
After the country’s liberation, the government of Bangladesh nationalized heavy industries and commercial establishments and instituted state ownership, agricultural self-sufficiency, import substitution and industrialization based on state intervention and central planning. By 1974, the public sector controlled 350 state-owned enterprises (SOEs) responsible for 92% of total fixed assets of the industrial sector.27

The military coup in 1977 facilitated liberalization of the economy under IMF-World Bank conditions and at the same time privatized almost all SOEs. In line with its SAP, the government abolished import licensing in 1984, thereby significantly liberalizing imports.

Another military coup in 1982 pushed privatization further. Twenty-seven textile mills and 33 jute mills were returned to their original Bangladeshi owners within a year. Much of the privatization involved a large number of small factories and mills which provided revenues to the government.

The country was one of the first countries that availed of the IMF Structural Adjustment Facility in 1986 and the Extended Structural Adjustment Facility in 1989. It underwent rapid trade liberalization through tariff reductions and withdrawal of import quota restrictions. The government of Bangladesh also provided incentives to foreign investors and exporters.28 During the preparation of the World Bank’s Poverty Reduction Strategy Papers (PRSPs) in 2005-2007, the import tariff was brought down to near zero level, which was around 300% during the 1980s.29

**Cambodia**
Liberalization began in the 1980s when the state abolished state trading monopoly and revised its foreign investment law. Extensive reforms were implemented in the 1990s as the Cambodian government removed nearly all restrictions on firms and individuals to engage in trade. Liberalization continued as most non-tariff barriers were eliminated and tariffs were reduced in 2001. In 2004, Cambodia joined the WTO.30
During the first decade of Cambodia’s transformation into a market economy, pricing and exchange rates were liberalized, macroeconomic stabilization (as measured by indicators) was achieved, a two-tier banking system was introduced and subsequently reformed, trade was liberalized, prices were liberalized, and a substantial number of state enterprises was privatized and leased to private corporations. A public enterprise law was enacted that legislated a level playing field between state and privately-owned firms.

In 1994, the creation of an investment climate open to foreign investment was signaled through the passage of the Law on Investment, resulting in a substantial increase in FDI. The year 1997 appears in retrospect to have been a turning point, with FDI declining progressively thereafter.

Philippines

The Philippines was among the 15 most heavily indebted countries in the world in 1976. It availed of the IMF Structural Adjustment Facility in 1979 when SAPs were still at the experimental stage. Import liberalization and lifting of foreign exchange controls began in the early 1980s and the country went into a deep financial and economic crisis by 1983.

After the Marcos dictatorship was toppled in 1986, the Philippines began its progressive tariff liberalization program under the IMF. In 1992, it entered another IMF program where the Philippine government embarked on an aggressive trade and investment liberalization program and comprehensive privatization plan. By 1997, the government had already liberalized almost 3,000 tariff lines and sold almost all its assets including public utilities such as water and power. It also opened up strategic industries including mining to 100% foreign control and deregulated its functions in basic industries and key economic sectors such as the oil industry, food production and marketing, pricing, agricultural production, wage determination, etc.

Foreign exchange controls were completely dropped in 1993. Water transport was liberalized and deregulated in 1992, telecommunications in 1993, banking and shipping in 1994, airlines in 1995, mining in 1995, oil in 1996 and 1998, and retail trade in 2000. Some US$4 billion worth of government assets have been privatized including oil firms, water utilities and power plants. Essential road and power infrastructure has been turned over to the private sector through build-operate-transfer projects following deregulation in 1993. Hospitals began the process of “corporatization”
around 1999. The Philippines became a founding member of the WTO in 1995. The Philippines was already opened up to foreign investments when the WTO was still debating an investments agreement. Recently, the country signed an FTA with Japan and other trade deals with China and the US.

5. Asia’s System of Wealth Creation

Asia’s system of wealth creation is an adjunct of global capitalism. Whether they produce for domestic consumption or for export, Asian industries are heavily dependent on foreign capital. Financial liberalization has opened almost all sectors to FDI and other foreign currencies, whether as official development assistance (ODA), commercial credit or official lending. Asia is also a key market for TNC products. The region imports practically everything – from machinery and equipment, intermediate goods, components, raw materials, to agricultural and food products. While social needs and consumption are covered by importation, social production and development are reliant on export revenues.

Much of the wealth created in Asia is in the form of rent extracted by big landowning families through commercial farms, fishery, and mines, and through profits and super-profits extracted by large local industries, export corporations, TNC farms, extractive TNCs in mining, forestry, energy, etc., and foreign corporations in local and export production. The wealth created is also in the form of interests and profits derived by foreign corporations, creditors and funders from FDI and lending to the Asian economy. (These do not yet include the profits derived from exploiting Asian migrant workers abroad.)

Unlike profits in the classic sense of expanded production, rents and super-profits extracted from the Asian economy are counter-productive since they are either pocketed as accumulated wealth (as landlords do not have the interest in investing in improved and expanded production) or remitted back to TNC home countries.

**De-capitalization**

For many Asian economies, globalization processes have resulted in “de-capitalization” as much as “de-nationalization”. That is: much of the wealth that is created in the region is being transported overseas. This is evidenced not only by chronic trade deficits (not counting China and the NIEs) as discussed
earlier, but also by net capital outflows and rising debts.

Capital outflows, whether as profits derived from FDI and repatriated back to home countries or as interest payments for foreign debt, have outpaced capital inflows. In East Asia and the Pacific (including Southeast Asia), private debt and equity flows have increased tremendously and continue to dominate capital flows in the region while official flows continue to decline. Workers’ remittances are even more significant for East Asia and the Pacific than private debt or official lending. For South Asia, although private debt and equity flows comprise the bulk of capital flows, official lending is taking an increasing role. Workers’ remittances are also bigger than private debt.

In the wake of the current global recession, net capital inflows to Asia declined in 2008. In particular, net FDI outflows increased by US$20 billion, to an estimated US$162 billion in 2008. China accounted for US$25 billion; Malaysia, US$15 billion; and India, US$13 billion. Most of the FDI outflows from China were profits from investments in extractive industries; profits from financial services in the case of Malaysia; and profits from energy and services in the case of India. Portfolio equity outflows from underdeveloped countries also increased from US$50 billion in 2007 to US$80 billion in 2008. Equity funds in so-called emerging markets such as Asia recorded a net outflow of US$48.3 billion in 2008 compared with a net inflow of US$54 billion in 2007. Most of the repatriated capital was taken out of East Asia and the Pacific where foreign investors withdrew US$25.7 billion compared with only US$4.9 billion withdrawn from emerging Europe and US$5.9 billion capital from Latin America.

**What is left of Asia?**

After profit repatriation, Asia is supposedly left with jobs, technology, infrastructure, taxes, and industries as its share in global wealth creation. Yet, many jobs have been lost and workers displaced because of export-orientation and dominance of foreign corporations, which have rendered small domestic farms and firms bankrupt. Technology transfer is limited to low or auxiliary technology while high technology remains under TNC patents and control. Infrastructure has become a lucrative TNC business that is transferred to governments only after high user-fees have been collected to recoup the investments. Investment taxes are being phased out in order to attract more FDI. Finally, save for exports industries, many Asian countries have not been successful in building horizontal and vertical industries from its pursuit of FDI. (See Figure 7)
The dilemma between exports and imports or between FDI and profit repatriation is being addressed by “development financing”, which has been reduced by IFIs to mean additional lending in order for Asia and other struggling countries to face the impacts of globalization and subsequent crises without departing from neoliberalism. In addition to imposed conditions for continued liberalization, IFIs also require “debt management” for “debt sustainability” to ensure that borrowing countries pay debts on time and remain eligible for continued “development financing”, thereby sustaining indebtedness.

The IFIs and governments promote labor migration for overseas workers’ remittances to add to the capital stock of dollar-dependent economies such as Asia. At the same time, TNCs and rich countries reap benefits from cheap migrant labor, remittance-boosted consumption of imports, and mobilization of remittances as additional financial resources. Remittances serve as hedge for continued debt and speculation in Asian economies.

Today, Asia borrows an additional 39 cents for every dollar of investment that flows into its economy. It spends US$1.09 on principal and interest payments for every dollar net FDI. Asian governments pay US$1.51 on debt service for every dollar Asian workers remit back home. In reality, Asia owes US$1.48 trillion in
private and official debt, both for private and public debtors, which is equivalent to US$5.05 for every dollar of FDI and remittances that flows into Asia.

**Asia’s wealth creators**
Perhaps the most fundamental way to analyze the system of wealth creation is to see how people participate in wealth creation and how they appropriate wealth in the process. In the current system of wealth creation that is largely controlled by TNCs and domestic elites who do not participate in direct production but are the main benefactors of economic expansion, what is the situation of the direct producers of Asia’s wealth – workers, peasants, fishers, etc.?

The region has witnessed the increasing migration of workers from domestic manufacturing to export-oriented sectors; the growth of urban poor populations who are displaced from the rural areas and who do odd jobs in the cities; and a growing army of unemployed both in the rural and urban areas.

According to the International Labor Organization (ILO), the number of unemployed people in Asia stands at around 84 million as of 2009, accounting for 44% of the global unemployed. Unemployment since the Asian financial crisis has improved overall for East Asia, but worsened for Southeast Asia and the Pacific and is erratic for South Asia. The unemployment data, however, tend to be underestimated since the ILO has excluded from the labor force population “discouraged workers” who are not actively looking for work at a certain time due to lack of opportunities and resources.

Economic growth as measured by the GDP has not resulted in significant growth in jobs. The elasticity or responsiveness of employment to economic growth has been low in Southeast Asia and the Pacific in the period 1998-2008. For South Asia, employment has been inelastic to economic growth.

Across Asia, agricultural employment has shrunk from 1998 to 2008. Employment in industry expanded in East Asia and Southeast Asia, but was more pronounced in South Asia, notably India. The growth in employment in the services sector was highest in East Asia and only minimal in Southeast Asia. As previously indicated, these sectoral shifts are not necessarily reflective of industrialization.

The employment data also reveal little about quality of work. In most Asian economies, jobs in industry, apart from being concentrated in the exports
sector, are found in extractive industries such as mining, energy and water, construction, and small-scale manufacturing. Jobs in the services sector, on the other hand, are mostly personal services, vending, and domestic help. In short, employment has been generally temporary, insecure, low-quality, at times dirty, and low-paying.

Own-account workers and unpaid family labor in the tradition of the rural economy still dominate over salaried and regular workers. Low-productivity or informal work remains prevalent, comprising more than 60% of employment in South and East Asia. These data belie Asia’s “industrialization” and make manifest the agrarian character of these economies.

In terms of women’s participation in the labor force, the employment-to-population ratio is lower for women in all regions, especially in South Asia. However, women predominate in agriculture. Six out of 10 farmers in Asia are women and agriculture accounts for more than 60% of all female employment in South Asia. Women workers are also in the majority in the so-called informal sector.

It cannot be overemphasized that wages in Asia continue to stagnate. More than half of the countries in Asia do not have national minimum wages and continue to have deregulated and localized wage policies. Yet, even if governments had legislated national and local minimum wages, many establishments violate the set minimum wages.

The ILO, based on a 2009 survey of 83 countries, estimates that while wages grew over the period 2001-2007 by 1.8% in Asia, wage growth has slowed down in the majority of countries compared to earlier periods. It observes that, real wages increased at a slower rate than economic growth in the period 1995-2007. This supports the view that in recent years, wage growth has lagged behind the increase in productivity in favor of profits. Yet, in times of crises, wages tend to fall faster than the GDP, and as seen in South Asia for instance, do not fully recover to pre-crisis levels. The ILO further observes that from 1990 to 2005, employment grew but income was redistributed away from labor. In 51 out of 73 countries, the share of wages in total income declined over the past two decades. The largest decline in the share of wages to the GDP occurred in Latin America and the Caribbean, followed by Asia and the Pacific.
In the wake of the global recession, there appear to be shifts in jobs from export sectors to lower productivity and quality jobs and from urban to rural areas. The latter phenomenon may be caused by the shift in business to natural resources extraction or low-wage regions. Asia is also experiencing declining remittances and migration opportunities, which depress wages further. The decline in new hires or departures of migrants compounded by the increase in the number of migrants coming home will only bring to fore the reality of job scarcity and further strain tight labor markets in Asia.

Aside from poor wages, landlessness and lack of access to resources are important dimensions of Asian poverty. Despite a paucity of globally comparable statistics, there is a general consensus that gains from land reforms in the past have already been reversed by market-oriented policies. From China to Bangladesh, landlessness among farmers has become widespread in the past five years alone.\(^46\)

People’s access to social services in Asia has also generally declined and out-of-pocket expenses have increased compared with public expenditures in line with privatization.

The net effect of the crisis in employment and access to resources is migration. Asian countries are among the top migrant-sending countries and Asia is the top remittance-receiving region. (See Figure 8) Large numbers of Asian households are dependent on remittances for their consumption.
In summary, Asia’s system of wealth creation has spawned unemployment, underemployment, displacement and dislocation of its wealth creators. Declining wages are part of the equation of economic restructuring geared towards trade and financial liberalization. The incoherence between economic growth on the one hand and joblessness and falling wages on the other hand reveals that the economic gains from such a system have been largely appropriated by the owners of capital in the form of rents and super-profits.

**Same growth pattern, same misery**

The experiences of Bangladesh, Cambodia and the Philippines support the above conclusions. A common trend among these countries is the erosion of the domestic manufacturing and agricultural production base needed for industrialization and development following decades of economic liberalization. These countries have become increasingly vulnerable to economic crises while their natural wealth and human resources are siphoned off by TNCs and global financial oligarchs. *(See Box 2)*

Another common trend – indeed, one that is more acute among the selected countries – is growing joblessness. *(See Box 3)* In particular, in Bangladesh,
women are most marginalized in employment and social services. Cambodia has a burgeoning problem in job creation and deteriorating social services, but not comparable to the level that the Philippines has reached. The Philippines is in a jobs and social services crisis that pushes one out of ten Filipinos to leave the country.

Box 2
Growing Vulnerability

Bangladesh
Bangladesh produces garments, textiles, chemicals, pharmaceuticals, tea, paper, cement, sugar, fish, shrimps, jute, and other agricultural products – almost all for export. Although exports almost doubled in 2007-2008 compared with 2004-2005, imports have always outpaced exports. Bangladesh registered a trade deficit of US$8.5 billion in 2008, the highest since 2000. FDI flows and stocks increased by 205% and 195%, respectively, from their annual averages in 1990-2000. But FDI inflow as a percentage of gross fixed capital formation was only 3.4% in 2007 while FDI stock was just 6.1% of GDP.

The country’s indebtedness remains a problem. Total outstanding debt as of 2007 is US$22 billion, equivalent to one-third of the country’s GDP, almost double the amount in 1990, and the bulk which is long-term debt.

Being classified as a “least developed country” (LDC), Bangladesh is a major recipient of ODA, but a study by Jubilee Netherlands in 2006 showed that Bangladesh paid back US$1.50 for every dollar it received in aid.

Remittances are important in capital formation and household survival, and Bangladesh is among the top 10 remittance-receiving countries in the world. Remittances reached US$8.9 billion in 2008, accounting for 9.5% of the GDP in 2007.

With the current global economic crisis, Bangladesh, as with the rest of South Asia, is facing fuel and food inflation. The government has been forced to reduce fuel and food import duties, aggravating the government’s fiscal deficit.
**Cambodia**

The country has rich forest resources. Agriculture and forestry comprise nearly 40% of GDP. Approximate three-quarters of the population are directly engaged in agriculture and depend on the land for their daily subsistence. Of the 10 million Cambodians residing in the rural areas, 8.5 million depend on natural resources for their livelihood.\(^53\)

The country is actively pursuing exports as a source of national income. In 2008, total merchandise exports reached US$4.2 billion, outpaced by imports totaling US$6.5 billion.

The country’s economy is much dominated by FDI, which comprises 45% of GDP. Its external debt is US$3.5 billion, almost half of its GDP. The country is also a major recipient of ODA while remittances represent 4.2% of GDP.\(^54\)

The current global economic crisis is affecting Cambodia’s exports badly. One out of ten garments factories closed down in 2008. On the other hand, Cambodia, being a major rice exporter, is gaining from rice price increases although the government has recently limited its rice exports. While FDI flows have slowed down only slightly, the crisis has had a tremendous impact on construction, especially FDI-financed projects. Cambodia is among Asian countries that are projected to experience double-digit inflation because of the crisis, reaching up to 25% for food. As many as 2 million people may have slipped below the poverty line because of food inflation.\(^55\)

**Philippines**

The Philippine economy is dominated by the services sector while agriculture and manufacturing have sunk to their lowest shares in history (16% and 20% of the gross national product, respectively).\(^56\) It is a chronic net importer. While the country has pursued FDI-led industrialization, inflows have only been minimal compared to its Southeast Asian neighbors. Its external debt of US$60.3 billion as of 2006 was equivalent to 22% of GDP at that time. The Philippines is among the top 10 remittance-receiving countries, with remittances accounting for 12% to 20% of GDP.

The global economic crisis has further exposed the country’s economic vulnerabilities. GDP growth substantially slowed down; total exports fell by 18.2%, which is the worst in three decades; FDI fell by 48%; and remittances, the lifeline of the Philippine economy, grew at a slower pace.\(^57\)
Box 3
Growing Misery

**Bangladesh**
In 2005-2006, Bangladesh’s unemployment rate was at 4.2% while underemployment claimed 24.5% of the labor force. More than half of the employed were in the rural areas, one-fourth were unpaid family labor. The informal sector absorbed 78.5% of the total employed. Seventy-three percent were farmers, agricultural workers and manufacturing workers.\(^{58}\)

From 1990, public expenditures for health and housing as percent of GDP declined while education expenditures rose marginally from 1.4% of GDP in 1990 to 2.1% of GDP in 2007.\(^{59}\) Bangladesh is the lowest spender on education in the region.

Literacy remains low in Bangladesh and is more dismal for women. It worsened from 52.7% in 1999 to 51.6% in 1999. Housing conditions also deteriorated, with 3.5 million informal settlers in Dhaka scattered in 4,300 settlements across the city.\(^{60}\) The percentage of population using improved sanitation facilities is dismal to the point of being alarming. Only 32% of the rural population and 48% in the urban areas had access to improved sanitation facilities in 2006.\(^{61}\)

The country is among the top 10 emigration countries, with around 4.9 million emigrants in 2005.\(^{62}\)

**Cambodia**
In 2004, Cambodia’s labor force – defined as persons who are 10 years old and above – reached 10.1 million people. By industry, agriculture employs 60% of the labor force; industry, 8%; and services, 21%. By class of worker, an overwhelming 43.3% of the employed are unpaid family workers; 34.4%, own-account or self-employed; 20%, paid employees; and 2.3%, employers. Nearly nine out of 10 of the employed in the rural areas are subsistence farmers or unpaid family workers while around two-thirds of the employed in the urban areas are in the services or small manufacturing sectors.\(^{63}\)

While a Ministry of Planning assessment placed the unemployment rate at 4%, other reports claim that the figure could be as high as 50%.\(^{64}\) From
1994 to 2003, the labor force was estimated to have increased by around 2 million. About 20% of this figure has been absorbed by existing industries, 5% have migrated, particularly to Thailand, and 75% remained in the rural areas or have moved to the cities to accept informal jobs. Around 230,000 people per year entered the labor market from 2004 to 2008. But the current annual job creation level is only 20,000 to 30,000. Not surprisingly, 10,000 Cambodians migrate every year.\(^6\)

Cambodia has a shortage of school buildings and learning centers are prevalent; class sizes are often excessive; the number of actual teaching/learning days is inadequate; new curricula are not yet fully implemented; minimum learning and school performance standards are not in place; and there is a shortage of core and supplementary teaching materials. Teachers are often not qualified and are ill-motivated due to low salaries, low non-wage benefits, and poor working conditions.\(^6\)

The quality of health care in Cambodia is considered poor in the public sector and sub-standard in the private sector. The private sector is dominant – less than 20% of those seeking care contact the public sector; 70% of them contact pharmacists and drug sellers first. On the other hand, according to the World Health Organization (WHO), the government of Cambodia allocates 11.4% of the total budget to health and covers 25.8% of total health spending.

**Philippines**

The Philippines has been in a severe jobs crisis for the last eight years and the average real unemployment rate of over 11% since 2001 is the worst that the country has ever seen. There were 10.7 million jobless and underemployed Filipinos in 2008 and the employment situation is far worse than in the aftermath of the 1997 Asian Crisis when the unemployment rate averaged 10% in 1998-99. And yet 2009 will likely see less job creation and large numbers of Filipinos losing their jobs due to retrenchments, closures and poorer jobs prospects domestically and abroad.\(^6\)

Most of the employed hold low-quality and insecure jobs. Forty-seven percent of the employed are working in private households, doing odd jobs or assisting in unpaid family production. The Philippines is fast becoming the number one migrant-sending country, with deployments reaching a record of 1.1 million every year or an average of 2,941 Filipinos leaving every
day. Deployments increased by 24% since 2001 and the total number of Filipinos overseas has reached 8.7 million, equivalent to over a quarter of total Filipinos employed, 24% of the labor force, and a tenth of the Philippine population.\textsuperscript{68}

Social spending has consistently declined since 1997. The education budget decreased from 19.3% in 1997 to 12% currently; health, from 2.9% to 1.9%; and housing, from 0.4% to almost nil.\textsuperscript{69} The country is one of the lowest spenders on education in Southeast Asia and the rest of the world. While international standards set the desired level of education expenditure at 5-6% of GDP and 18-22% of total public expenditure, the Philippines education spending is at 2.1% of GDP and 12% of the total national budget. Expenditure on public health, on the other hand, has decreased from 0.74% of GDP in 1990 to 0.31% of GDP in 2008. The Philippines is the number one exporter of nurses, with around 70% of its nursing graduates working abroad. It is the number two exporter of doctors, with around 68% of Filipino doctors working overseas.\textsuperscript{70}

6. Poverty and Ecological Crisis in Asia

Poverty and the state of ecology in Asia have been viewed in the mainstream, especially by the IFIs, as aberrations of Asian growth, rather than products of the system of wealth creation. It is argued, however, that the situation of Asia’s wealth creators – people and ecology – has deteriorated precisely because of the relentless drive, in an era of globalization, to achieve ever higher profit margins at the expense of workers’ incomes and at a pace faster than ecological replenishment.

Previously it was shown that increased production under the current system of globalized wealth creation has not necessarily expanded employment, which is a source of human wellbeing. On the contrary, in much of developing Asia, it has been associated with job terminations, labor immobility and technological redundancies. Where the system has created jobs, wages have been continuously eroded, working conditions have worsened and employment insecurity has increased for the “low-skilled” majority. At the same time, a “high-skilled” minority has to some extent benefited from higher remuneration and an entrenched elite has reaped super-profits. The corollaries of all of these are
endemic poverty and inequality.

Asia’s ecological crisis, on the other hand, is the product of a long history of colonial plunder, which has not only directly deprived people of access to ecological resources, but has also entrenched the existing system of wealth creation that places high demands on biocapacity without regard for the proper time for ecological renewal. Policies of market liberalization and deregulation have fostered a competitive tendency by TNCs and other capitalist actors to shift the costs of ecological damages from their activities to others, including future generations. Indeed, TNCs have not only relocated labor-intensive operations to Asia to cut labor costs, they have also moved many of their carbon-intensive, ecologically-damaging operations to Asia and the rest of the Third World. Meanwhile, many cash-strapped Asian governments have loosened environmental regulation to attract and retain foreign investment.

The continuing degradation of ecological sources of sustenance has made the experience of poverty more acute for farmers, fishers, women and Indigenous Peoples who are heavily dependent on land, forests, rivers and seas for their livelihoods and basic needs,

**Poor and hungry**

Poverty incidence in Asia fell from more than 50% in the mid-1970s to 18% in 2004 due largely to huge improvements in China and India. Still, Asia is home to more than half of the world’s poor and most of them live in rural areas.\(^{71}\)

Methods in setting poverty lines and measuring poverty are works in progress, both internationally and nationally. Obtaining precise estimates is neither easy nor uncontroversial. Nevertheless, existing methods and approaches indicate that the magnitude of poverty in Asia remains staggering. Using the US$1 a day poverty line of the World Bank, which is the most common international definition of people in extreme poverty, would reveal that almost 690 million Asians were poor in 2002. Using the poverty threshold of US$2 a day, the figure more than doubles: 1.9 billion Asians were poor that year.\(^{72}\)

According to the US$1 a day measure, extreme poverty is severe in South Asia and when absolute numbers are taken into account, the picture is even worse – the poor constitute between around a quarter and a third of the populations of the larger South Asian economies. But extreme poverty is also an undeniable problem in Cambodia, Laos, Mongolia, and in some of the Pacific countries,
afflicting more than a fifth of these countries’ populations.\textsuperscript{73}

In 2005, the World Bank embarked on developing the US$1.25-poverty-threshold to refine its estimates. An estimated 900 million poor people lived in Asia and the Pacific. Another 900 million lived on US$1.25-2.00 per day, which means that 54\% of Asia’s population was extremely or moderately poor in 2005.\textsuperscript{74}

South Asia has the highest poverty incidence, based on the new poverty line, and the highest absolute number of poor people in the entire Third World. Per country, India has the highest number of extremely poor people (455.8 million), followed by China (207.7 million).

Over the past 10 years, inequality in Asia has increased. The ADB reports high Gini coefficients ranging from 30 to over 40 for developing countries in Asia. High income inequalities are also observed in education and health as well as assets such as land and access to infrastructure.\textsuperscript{75}

From 1990 to 2005, about two-thirds of 73 countries surveyed by the ILO experienced a rise in income inequality. The incomes of rich households increased relative to the poor households and the income gap between the top and bottom 10\% of wage earners widened in 70\% of countries.\textsuperscript{76} Asia’s richest are also getting richer, dislodging some of the world’s billionaires in the Forbes List.\textsuperscript{77}

Recent studies on transient and chronic poverty suggest that people in poverty are finding it even more difficult to get out of poverty because of the current global economic crisis. In Asia, the UN Department of Economic and Social Affairs (UN-DESA) estimates that between 73 and 103 million more people would remain poor or fall into poverty.\textsuperscript{78}

At high risk of falling into poverty are huge numbers of fresh jobless workers in Asia’s struggling export industries and laid-off overseas workers. The ADB estimates that more than 60 million Asians, who would have been lifted above the extreme income poverty line of US$1.25 a day had the region continued its high growth pattern, will remain in poverty instead. The figure could reach 100 million by the end of 2010. If the US$2 per day is used, the number of affected people will rise to 80 million in 2009 and 130 million by 2010.\textsuperscript{79}

The current global economic crisis has brought with it fuel and food crises that
have a direct bearing on real wages. The prices of oil and food increased sharply in 2008, eroding workers’ purchasing power. Compounding falling wages and employment is the strong possibility that governments are pressured to reduce social services further. No less than the World Bank has observed that the current global economic crisis is forcing households to sell their assets which they depend on for their livelihood, withdraw their children from school, resort to self-medication, survive on inadequate diets, and suffer increasing malnutrition.80

Regional poverty statistics are already staggering, but the poverty conditions in the selected countries of this study make strong cases that refinements should be made on the current methodology and definition of poverty, which tend to understate the real picture. Poverty in Bangladesh, Cambodia and the Philippines is graphic of the human exploitation on which wealth creation is based. (See Box 4) In Bangladesh, acute hunger is directly linked to the seasonality of work. In Cambodia, increasing rural poverty and income inequality are linked to aggressive export-oriented industrialization. The Philippines’ migration rate is directly related to its jobs crisis and worsening poverty.

Box 4
Poverty Sticks

Bangladesh
According to its PRSP, Bangladesh has made important gains in the fight against poverty. The 2004 Human Development Report of the UN Development Program states that Bangladesh is one of the few LDCs to graduate to the medium human development level.81

But aggregate poverty rates remain high and pockets of extreme poverty continue to exist, with women as the most disadvantaged. Based on the latest national estimate, almost half (49.8%) of the population subsists below the poverty line, which is not far from the international estimate based on US$1.25 a day (49.6%). The poverty incidence using US$2 a day at purchasing power parity (PPP) is 81.7% in 2005, which shows that by any standard, getting out of poverty for Bangladesh remains a distant goal.

Meanwhile, self-rated poverty assessments reflect that a significant portion of the population is categorically poor. In terms of hunger, there are less
respondents in the “always deficit” category, but pockets of seasonal hunger (called monga areas) still persist. Monga means the scarcity of food and other essentials during lean months when households do not have adequate employment, income, savings, and hence are subject to food deprivation. The problem is seasonal. The non-farm sector is incapable of absorbing the unemployed who resort to migration or to informal credit arrangements known as dadan, where workers sell their labor-power or crops in advance.  

Cambodia

In Cambodia, poverty incidence declined from 39% in 1993 to 28% in 2004. These results, however, are incomparable because the former covered only 56% of the whole country. Actual prevalence of poverty is at 34.7% in 2004 and even higher in rural areas at 39.2%. Hunger incidence is at 20% in the urban areas and 22% in the rural areas. Using the US$1.25 a day poverty line, 40.2% of the population would fall below poverty. Using US$2 PPP, poverty incidence is 61.7%.

Ninety percent of the poor reside in the rural areas, suggesting that poverty is rooted in an agricultural sector suffering, among others, from low productivity. Urban poverty declined faster largely because growth is concentrated in Phnom Penh and other urban areas, creating an unbalanced and urban-centered development driven by activities such as garments exports production, construction and tourism.

Cambodia has one of the most unequal income distributions in the region. Estimates by the EIC indicate that disparities between the rich and poor as well as disparities among provinces are growing.

The decision to generate government revenues from Cambodia’s natural resource base through the concession system has effectively excluded rural households from their core livelihood activities, especially during the non-planting season. Forests have been converted for agricultural purposes and lands have been acquired for real estate speculation or cultivation of plantation crops (e.g. palm oil, eucalyptus) – all of which have further marginalized rural households.

Philippines

The latest 2006 government income survey puts poverty incidence at 32.9% of the Philippine population, which is an increase from 30% in 2003. Using
US$1.25 a day, poverty incidence is at 22.6% while using US$2 a day PPP places poverty at 45.2% of the population.\(^{88}\)

The definition of poverty is an ongoing debate in the Philippines. IBON asserts that based on decent living standards, 76% of Filipino families could be considered poor as against the government estimate of 26.9%. The National Wages and Productivity Commission has come up with a computation of a “living wage” – or a level of income that satisfies decent living standards – and shows that the current level of wages in the country is 59% short of meeting decent living.\(^{89}\) Moreover, 80% of Filipino families are 59% short of decent living, with the poorest 10% short by 89% every day.\(^{90}\)

In the self-rated poverty survey done by IBON, Filipino respondents have increasingly considered themselves poor in the face of escalating prices and frozen wages, with an overwhelming 79.3% thinking of themselves as poor. Around 70% of them have experienced difficulty in covering for their basic expenses.\(^{91}\)

Hunger incidence is at 14.6% of the population, which is also an increase from 2003. The country’s nutritional status is in step with its poverty: around 9.3 million households (56.9% of total households) or 46.3 million Filipinos are unable to meet the 100% dietary energy requirement. This grim scenario is supported by a recent national survey with 67% of households reporting difficulty in buying food.\(^{92}\)

In the 2006 government income survey, average family income fell for all families. Income in nominal terms increased by 19% but had been outpaced by the 38% increase in prices from 2000. Average real savings declined by 27%. Income disparity became more severe as the bottom 70% accounted for only 35% of the income pie, down from their 47.2% share in 2003. Meanwhile, the top 30% families accounted for 65% of the total income in 2006, bigger than their 52.8% share in the 2003 income pie.\(^{93}\)

Moreover, the bottom 70% of families or around 12.1 million families had average savings of only PhP3,000 per family while the top 30% or around 5.2 million families saved an average of PhP8,000 per family. The poorest 30% are worst off – they incurred debts of PhP2,000 per family on the average while the top 10% or only around 1.7 million families had savings of PhP162,000 per family.\(^{94}\)
Devastated ecology

Globalization and the economic growth pattern that Asia has followed have resulted in a severe ecological crisis that is overwhelming Asian governments and communities. According to the Asian Environment Outlook, Asia and the Pacific already face major environmental problems that include air pollution; reduced availability and quality of freshwater supplies; desertification, deforestation, and other forms of land degradation; dust and haze; acid rain; GHG emissions; loss of biodiversity; and degradation of marine and coastal resources.95

Asia’s export-orientation and openness are substantially to blame for its over-consumed ecology. According to the Worldwide Fund (WWF), China and India (in a list of countries that includes the US) are ecological debtors, with their ecological footprints exceeding their biocapacity. Asia-Pacific as a region is also considered an ecological debtor.96 This is because the region caters to the production demands and consumption patterns of advanced capitalist countries.

The ecological crisis has grave implications for the majority of Asia’s population since they rely on natural resources for their livelihood. Despite the decline of the share of agriculture in the GDP, 60-80% of the region’s population is still engaged in small-scale agriculture.97 Over half of Asia’s population resides in coastal locations and low-lying islands.98 A huge percentage of the poor derives a portion of their income from forests and keep livestock as critical asset.

Poverty has made Asia more vulnerable to the ecological crisis. At the same time, Asia’s environmental problems aggravate poverty conditions. An ADB study concludes that environmental causes of poverty will become increasingly dominant. The proportion of the “environmental poor” to total poor under the US$1.25 a day line is estimated to increase from 53% in 2005 to 70% in 2020.99

The region has yet to face the worst impacts of climate change, including rising sea levels, droughts and famine. There are as yet no clear signs that Asia’s economy and development are being geared towards adaptability or even mitigation in the case of China and India.

The state of the ecologies of the selected countries of this study illustrates that degradation is directly linked to capitalist plunder where foreign and big local corporations including politicians and the military have colluded to exploit the countries’ natural riches. In the guise of development, these countries’ ecologies
have been harnessed for rents and super-profits without regard for present and future generations. (See Box 5) Bangladesh’s host of environmental problems is linked to the development paradigm it is implementing: the country hosts several “dirty” industries or stages of production and TNCs in extractive industries. Likewise, Cambodia’s opening up its rich natural habitat to FDI and ODA has accelerated the devastation of its marine and land resources. The Philippines, having been colonized by Spain, the US and Japan and having a long history of foreign plunder, is listed as one of the world’s environmental hot-spots.

**Box 5
Ecological Injustice**

**Bangladesh**
Bangladesh has a severely threatened ecology. Deforestation continues unabated and the country currently has forest cover that is well below the ideal level. The intensive aquaculture industry for export is increasing water use, which further threatens ecological balance. There is also a decrease in agricultural area and arable lands but an increase in land planted to permanent crops as a result of land conversion to industrial uses. An ADB study shows that production losses from water erosion amount to Tk6,613.8 billion a year. The highest losses result from salinization, which is a phenomenon distinct to Bangladesh topography but also stems from the entry and intensification of aquaculture for export.100

Bangladesh suffers from severe water pollution. The worst water polluters include the textiles, pulp and paper, industrial chemicals, pharmaceuticals and metal industries.101

Agricultural runoff from the use of fertilizers and agrochemicals is also high with the increase in cultivation of rice high-yield varieties. Agrochemicals use increased by 20% since the 1990s.

Ground water contamination with arsenic is a major environmental concern in Bangladesh. Contaminated wells have been identified in 61 of the country’s 64 districts and in about 30% of the total number of hand pump tube wells. It has been estimated that a population of 25 to 36 million are exposed to arsenic contamination and related health risks.102
Bangladesh is also known for air pollution that is associated with population congestion and increase in the number of vehicles in urban areas. Industries also contribute to air pollution, particularly the food industry, cement and clay, pulp and paper, textile, and tobacco.\textsuperscript{103}

Bangladesh is host to TNCs in extractive industries that contribute to its ecological devastation. Crude oil and natural gas extraction for instance has increased from almost non-existent industries in the early 1980s. The Phulbari coal deposit in the Dinajpur District of Bangladesh, which was discovered in the 1990s by the Australian mining company BHP Billiton, is a prime example. In 1998, the government awarded the licensing agreement for mining the deposit to the Asia Energy Corporation (Bangladesh) Pty Ltd., a wholly-owned subsidiary of the British Global Coal Management Resources Plc. The project displaced between 50,000 and 500,000 people, including a number of indigenous communities. At least five persons protesting the project were killed and about 50 others were reportedly injured when police opened fire on demonstrators.\textsuperscript{104}

Today, Bangladesh is a climate hazard hotspot. Scientists predict that one-third of the country’s area will be submerged and around 20 million people will be displaced in the next 100 years by a one-meter sea level rise. Carbon emissions are the major reasons for global warming and climate change, where Bangladesh is hardly responsible: a Bangladeshi emits only 0.2 ton of carbon dioxide annually while a US citizen emits 20 tons. A study on climate trends in Bangladesh suggests that the country will be experiencing severe flooding and stronger cyclones.\textsuperscript{105} Notably, poverty in Bangladesh is also retained because of natural disasters which are most stressful for the poor as they are the most vulnerable and least resilient.

\textit{Cambodia}

Most Cambodians live in lowland areas where their livelihoods are highly adapted to annual wet and dry seasons. Rainfall during the wet season (from May to October), in combination with flooding along rivers and tributaries and the expansion of lakes and wetlands, bring water and nutrient-rich sediments to outlying lowland areas. These lowlands support more than 90\% of Cambodia’s rice cultivation and provide a rich habitat for aquatic life. Cambodia’s inland fisheries are estimated to be the fourth most productive in the world.\textsuperscript{106}
Forests, which cover more than half of the country, play an important role in the wet season by stabilizing watersheds and regulating flooding and sedimentation levels. Throughout Cambodia, rural livelihoods are strongly linked to seasonal changes and available natural resources.

But this ecology is threatened with overexploitation and plunder by foreign corporations and the local elite. The deforestation rate is at 2% per year. Fish production has been geared towards aquaculture for export since 2000, which has increased by 248% from 2000-2007, but has contributed to environmental degradation. The main aquaculture activity, shrimp farming, is discharging high amounts of toxic waste into water bodies. Most mariculture farms are located in Koh Kong Province, where people carry out shrimp farming by clearing mangrove forests. The number of shrimp farms in Koh Kong is about 2.7% of the total mangrove forests in the province, and is growing by 1.9% every year.

While agricultural land increased from 1961 to 2005, there has been no substantial rise in food production per capita. Around 35.4% of land is moderately degraded and 26.4% is severely degraded. Agricultural waste including residues from pesticides and chemical fertilizers for cultivation and waste from marine culture affect the marine water quality. The total cultivated area in Cambodia is about 1.9 million hectares and Cambodian farmers are encouraged to use chemical fertilizers and pesticides to increase their agricultural production yield. These substances are carried by surface runoff from cultivated areas to water bodies, which causes water pollution.

Recent measurements indicate that water drawn from aquifers in some locations may cause health problems because of the high concentration of chemical substances.

The energy generating potential of Cambodia’s water resources especially the middle of the Mekong River is the target of foreign plunder. Since the 1980s, utilization of water resources has been mainly for domestic consumption. But, as of 2007, two hydroelectric power stations have already been built northeast of Phnom Penh by three Japanese corporations: J Power, Konoike and Nippon Koei.

The Cambodian government intends to build a dam that would block the entire width of the river at Sambor, Kratie province in central Cambodia. A
memorandum of understanding signed in late 2006 between the Cambodian government and China Southern Power Grid Company to study the project’s feasibility considered two configurations. In 2008, the government decided to push through with a bigger dam barraging the entire width of the Mekong. This would create an estimated 880-square kilometer reservoir and necessitate the relocation of over 5,000 people. The government is looking at a 2,600-megawatt dam, which it hopes to have on line by 2019. It will be the first big dam in Cambodia.\footnote{112}

The Sambor project is part of a major push by Cambodia to develop hydropower potential for internal use and export to neighboring countries. In addition, five dams are currently under construction and over 20 are being studied in partnership with private companies, mostly Chinese. There has been lack of information about the dam from the government side but villagers have seen Chinese and Khmer engineers drilling from boats to check the bottom of the Mekong River. The government claims that the actual number of people to be affected by the construction of these dams is very small.\footnote{113}

Fisheries experts point out that the dam would block major fish migrations between southern Laos and Tonle Sap Lake, destroy critical deep pool fish habitats, and interrupt the river hydrological, sediment and nutrient cycles. The World Conservation Union has also identified the Sambor dam as a serious threat to the habitat of the endangered freshwater Irrawaddy dolphin. The stretch of the river between Kratie and the Lao-Cambodian border is a crucial dry season refuge for dolphins.

China is Cambodia’s single largest investor, and Chinese state companies, often financed by state-owned financial institutions such as the Chinese Export-Import Bank, are the main players in hydropower dams. There are approximately 14 priority projects, of which six are currently under development, all by Chinese companies. Another Yunnan-based company is working on the Steung Atai dam.\footnote{114} Donors continue to play an important supporting role, particularly the ADB through its Mekong Power Grid Plan.\footnote{115}

Meanwhile, the government has opened up the country to foreign oil and gas exploration and production and among the giants in these ventures are Chevron, JHL Petroleum and PT Medco. An Australian company, Woodside, is exploring for gas in offshore waters. Eight potential oil bearing basins
have been identified based on the National Environmental Action Plan (1998-2002): the Khmer trough and the Pattani trough; the Siem Basin and the Mekong Delta Basin; and the Chung Basin, Khorat Basin, Tonle Sap Basin, and Preah Basin.\(^{116}\)

Oil and gas exploration occurs in offshore waters and fuel is transported to Cambodia by sea and stored at a costal facility in Sihanoukville City. There is no government oil spill contingency plan, nor is there any clean-up capability should an accident occur.\(^{117}\) An oil spill could destroy important habitats for aquatic flora and fauna. Cambodia’s waters include coral reefs and mangrove forests, and endangered species such as dugong and marine dolphin.\(^{118}\)

The Tonle Sap Basin is currently being explored. The basin covers part of the Tonle Sap Lake, a United Nations Educational, Scientific and Cultural Organization-declared Biosphere Reserve whose waters provide an estimated 230,000 tons of fish each year. These fish stocks supply 40-70% of the country’s annual protein intake and afford an essential source of livelihoods for around two million Cambodians. PT Medco, Energi Internasional of Indonesia and others have been awarded concessions.\(^{119}\)

The country’s last protected areas are also being opened to mineral extraction,\(^1\), including 54% of Cambodia’s ASEAN-heritage listed Virachey National Park. The country’s 32 environmentally protected areas, such as Virachey National Park, cover more than a quarter of its landmass. These areas also contain gold, copper, chromium and bauxite. At a 2004 workshop, environment officials and conservation NGOs found that mining was already occurring in nine protected areas and threatening 13 of them.\(^{120}\) The government has lifted a prohibition on mining in protected areas and has invited companies like BHP Billiton, Southern Mining Company and Oxiana Ltd. to explore for minerals sometimes in parts of sanctuaries believed to be crucial for protecting biodiversity.\(^{121}\)

Exploratory mining licenses have been quietly allocated to members of the ruling elite. According to the 2009 Global Witness report, every license was owned or controlled by members of Cambodia’s political or military elite. The report also found the military forces are employed to guard mine sites in Stung Treng, Preah Vihear and Pursat Provinces. On some sites, land has been taken from local people and cases of intimidation of residents
are reported.¹²²

A recent mapping study done on the vulnerability of Southeast Asia to climate change has identified almost all the regions of Cambodia as climate hazard hotspots.¹²³ Under changing climatic conditions, vector-borne diseases, in particular, malaria, may become widespread. Cambodia has the highest fatality rate from malaria in Asia. In 2007, the prevalence of dengue fever also increased remarkably.¹²⁴

**Philippines**

The country’s forest resources have fed US industrialization during the colonial period. In 2005, its forest cover was only 24% of land area, quite short from what is ideal for an ecologically sound habitat and biodiversity. In fact, the Philippines is among the world’s biodiversity hotspots.

The Philippines is rich in marine resources – it has more than 400 lakes and rivers and its discontinuous coastline is four times longer than that of the US. But fish catch and maximum sustainable yield are decreasing. The country had one of the highest numbers of threatened fish species in 2007. The increase in fish production in 1998-2007 was most marked in aquaculture in line with fisheries liberalization that started in 1998.¹²⁵ At least 14 areas in 9 regions are overfished. Between 1998 and 2008, major fishing grounds have been overfished because of massive commercial fishing.¹²⁶

The Philippines also saw its agricultural area expand from 1961 to 2005. But production and productivity decreased over the period because of degraded soils that have been overdosed with agrochemicals since the Green Revolution and the competition and land use conversions introduced by trade and investment liberalization in agriculture, which have rendered farms unproductive and bankrupt.

In the Philippines, nearly 6,000 people die each year from water pollution and poor sanitation and hygiene. Seventeen percent of reported diseases and 1.5% of reported deaths can be attributed to water pollution and lack of sanitation.¹²⁷

The WHO listed Manila, the country’s capital, among the top 10 most polluted cities in the world. According to the environment agency of the government, in Metro Manila alone, some 5,000 premature deaths are attributed to
respiratory and cardiovascular illnesses due to exposure to poor air quality, a figure which accounts for 12% of deaths in the area.\textsuperscript{128}

The country is host to foreign corporations developing coal production, hydropower generation, oil and gas exploration, and mining – all bring a host of environmental problems. There are 24 operating metallic mines from a low of 9 mines in 2002, with gold and nickel as top metals being mined. This is despite people’s opposition since the Supreme Court recently sided with the government’s mining liberalization policy.

TNCs have positioned themselves in mineral rich areas in the country.\textsuperscript{129} As of 2007, the government has 42 priority mining projects and four of the largest mining TNCs in the world have entered the country’s mining sector: Xstrata, BHP Billiton, Anglo-American and Vale. Mining projects are financed by big financial oligarchs such as Australia-New Zealand Bank, Deutsche Bank, ABN Amro, and Standard Chartered.\textsuperscript{130}

Across the country, the environmental disasters caused by large-scale mining projects are internationally known, such as the killing of the Boac River in Marinduque perpetrated by the Canadian company Marcopper. Some of the recent examples include the contamination of Libutan River and Siocon Bay with “highly acidic and red colored water” probably as a result of the collapse of a tailings dam, though TVI Pacific has denied this allegation. In Didipio, Nueva Vizcaya, OceanaGold was given a permit to cut down trees in their mine site. The company has also converted hundreds of hectares of agricultural land for its commercial operations. In Rapu-rapu, Albay and adjoining municipality, Prieto Diaz in Sorsogon, residents have suffered livelihood and income losses due to the mining operations.\textsuperscript{131} Massive land conversions, deforestation and soil erosion are consequences of mining development in Rapu-rapu Island in Albay, Siocon in Zamboanga del Norte, Toledo City in Cebu, and Rio Tuba in Palawan.\textsuperscript{132}

Oil and gas exploration projects in the country are owned by TNCs. The biggest project, Malampaya, is covered by Service Contract 38 between the Philippine government and a consortium of service contractors composed of SPEX (45%), Chevron Texaco (45%), and the Philippine National Oil Company-Exploration Corporation (10%). SPEX is the exploration unit in the Philippines of Royal Dutch Shell, the world’s third largest oil firm in terms of revenues and the second most profitable company. American
TNC Chevron Texaco is the world’s fifth largest oil company in terms of revenues and the fourth most profitable. The two TNCs control virtually all of the country’s natural gas and corner the largest share of benefits from its exploitation. SPEX and Chevron-Texaco expect to get back US$14 billion over 20 years. Service Contract 38 requires the national government, like any other buyer, to purchase the country’s own natural resources from Shell and Chevron at a price determined by the market. The oil TNCs have also prevented the government from further developing the Malampaya oil rim (which lies beneath the natural gas field) by asking for US$12 billion in an indemnity fund to be set up before the government allows any third party to “encroach” in the development initiatives for the proposed oil rim. The indemnity fund, which is stipulated in SC 38, is to “guarantee compensation for any damage to the profitability of the natural gas business”. Under Presidential Decree 87 of 1972 and SC 38, the investing corporations are given juicy benefits. Among others, they are allowed to deduct all operating and capital expense (not exceeding 70%) from gross income. They are also exempted from income tax, entitled to duty free importation and unrestricted entry of foreign personnel.

Finally, the Philippines has been identified as a climate hazard hotspot, with all its regions vulnerable to the grave impacts of climate change – it is among the three most vulnerable countries in Southeast Asia. Dominant hazards include cyclones, landslides, floods and droughts.

Box 6
“Blue Revolution” in Bangladesh

Gauranga Das, 45 years old, from Bangladesh has been farming and maintaining a three-acre farm for himself and his family for 20 years. The farm that was all he had was grabbed by a big group of shrimp farm owners for conversion into a shrimp farm. That same group was also responsible for grabbing some 15 acres of land from Shafiqul Islam, 1.5 acres of land each from Abdul Mannan, Swapan Hawlader, Hanif and eight acres of land from Alam Khan.

The impacts of intensive shrimp aquaculture in the livelihood and the people
are intertwined and are well documented.

In Bangladesh, intensive shrimp culture has led to the destruction of thousands of hectares of vast mangrove forests that have been converted into shrimp farms. The Sundarbans in Bangladesh, adjacent to shrimp-farming district Khulna, is the world’s largest mangrove forest. It is an important breeding place for aquatic animals and is essential to the livelihood of small fishermen and to the fishing industry in general. Mangroves also absorb more carbon dioxide per unit area than ocean phytoplankton, a critical factor in global climate stability. The deforestation in the Sundarbans has had a socio-economic impact on over 90% of the local community.\textsuperscript{136}

Women and children, tasked to collect drinking water, face hardships as freshwater sources have been polluted by seeping saltwater from the farms. Freshwater wells are several kilometres away and they have to negotiate the paths by foot.\textsuperscript{137}

Saltwater is pumped into shrimp ponds, destroying the fertility of the soil and salinizing nearby areas. A farmer protesting the encroachment of shrimp farms in their farm land estimates that cultivating a salinized acre of land would cost some Tk26,400: Tk 21,000 for power-tiller, Tk 2,400 for seeds, Tk 3,000 for labours and Tk 1,000 for irrigation. After all the expenses, farmers with one acre of land are hardly getting Tk 5,000-6,000 a year.\textsuperscript{138}

“For thousands of families who refuse to leave, the only choice left is the hazardous work of gathering honey, fishing or cutting trees in the mangrove forest”, says Abdul Haque, a teacher at a village in Gabura.\textsuperscript{139} People living in Gabura have witnessed over the years, floods bringing saline water further inland and destroying rice fields that used to be the main source of livelihood of the people. Shrimp farms that were developed with World Bank credit replaced the rice paddies. While government and big business earn more than US$400 million annually in shrimp exports, many peasant families have no food and no jobs.\textsuperscript{140}

The shrimp farms do not employ many people. The men, women and children who work as laborers in the shrimp farms toil for 12 hours per day, seven days a week. The men usually guard the shrimp farms while women gather algae growing in the ponds. The salary is low and oftentimes they wait for moths to be paid.\textsuperscript{141} Shrimp fry collection along the coast and rivers
of Bangladesh was also borne out of the shrimp culture boom. Collectors are paid a mere US$0.5-1.0 per 10 fries and this depends on the season.

Small-scale local fishing, a major source economic activity for those living along the coast of Bangladesh is also destroyed by the proliferation of shrimp farms. Each acre of destroyed mangrove forest results in an estimated 676 pounds loss in marine fishery harvest. In Chokoria, fishermen report an 80% decline in catches since the creation of dykes for shrimp farming. The destruction of mangrove forests left residents without the basic resources for survival: food, medicine, firewood, and building material. Also, wastewater from the ponds pollutes the marine environment, poisoning fishery resources and other aquatic life.

Small farmers are forcibly evicted from their lands through physical force. In Kalagachi, a group of rich businessmen grabbed 100 acres of government land and 60 acres of farmland from farmers who have no other means of livelihood except their fields. The 1.5 acres of land that had been awarded by the government to Abdul Mannan was also grabbed by the group. Shafiqul Islam was the only one who dared file a complaint with the police of Patuakhali amid threats on his life. Landless peasants in the remote shoals of Meghna river in Noakhali were also driven away from their lands in May 2003 after the government declared 11,955.59 acres of char land in Noakhali as a shrimp cultivation zone.

Mangrove forests which are considered public lands are being destroyed by politically influential people. In coastal areas around Cox’s Bazar in Southeast Bangladesh, shrimp farmers grabbed 12,000 out of 27,000 acres of public land. Most of the land grabbers are leaders of ruling parties and local government.

Not only does shrimp farm expansion impact adversely on the socioeconomic conditions and health of small farmers in Bangladesh, they also threaten the farmers’ lives as violence has erupted in many areas where land grabbing for shrimp farms occurs. Voimilla Rani Sardar was hit in her right eye by a shell splinter in 1990 when she and her fellow villagers in the village of Horin Kora tried to fight against businessmen who tried to encroach on their farmlands and construct shrimp farms. In that same year, Korunamoyee Sardar, a landless woman from the same village, was murdered while protesting against the construction of shrimp farms in the village. In July
1998, four persons, including the landless woman leader Zaheda Begum, were killed when police personnel opened fire on the members of Peasant Women’s Association and other landless occupants of shrimp cultivation fields located in Kaliganj and Debahatathana of Satkhira, a border district of Bangladesh. The attack also wounded some 250 people. Since 1980, 150 people have been reported killed in conflicts between big shrimp farm owners and local villagers.

7. Global Wealth Ironies

Asia’s wealth creation is very much integrated with global wealth creation. Looking at how global wealth is appropriated would therefore complete the links between the system of wealth creation, poverty and ecological devastation and show that human misery and ecological crises are replicated on a global scale because of a global system of exploitation.

The global concentration of wealth

Global wealth has reached unprecedented levels over the last century. International production is at a global per capita GDP of US$22.31 a day, way above the set global moderate poverty threshold of US$2. Theoretically, this means that every person in the world should have enough to live comfortably. Gross fixed capital formation, which are fixed assets that may be used for producing future goods and services, is at 22% of global GDP. International trade of goods and services is at US$17.138 trillion. Representing more than one-third of global production, international trade has increased six-fold in the past 15 years. FDI stock is at US$15 trillion as of 2007. Global financial assets have bloated sixteen-fold from US$12 trillion in 1980 to an estimated US$190 trillion in 2007, over a third of which are in the US and over half is debt. Cross-border capital flows hit a record US$8.2 trillion. Theoretically, if these financial assets are poured in the production of goods and services, they can create unimaginable wealth.

As the Asian cases have exemplified, such wealth is, however, concentrated in the hands of TNCs and global financial oligarchs as well as local landlords, exporters, banks and corporations. Profits have increased in the face of increasing global wealth while real wages have continuously declined even though labor productivity has increased over the years. The profits of the top
TNCs reached almost US$900 billion in 2007.\textsuperscript{148} The TNCs’ return on sales is 10.8%, with basic human needs such as medicines, telecommunications, food and beverage, fuel and water having the highest profitability. On the other hand, labor productivity (measured as GDP per hour worked) increased at a higher rate than wages. For instance, labor productivity in the US is at US$52.40 per hour while the US minimum wage is US$6.55 per hour.\textsuperscript{149}

Wealth is commonly measured in terms of GDP. But GDP does not show the share of profits to production as well as fixed assets and the relationship between profits and wages in the economic pie. Despite the limitations of global statistics, however, it is apparent that profits have grown tremendously at the expense of wages. The Bank of International Settlements annual report in 2006 states that: “Corporate profits increased further in 2005 and appear to have reached historical highs as a percentage of global GDP. … [and] a substantial and broad-based decline in labor costs supported higher operating margins.”\textsuperscript{150} (See Figure 9)

\begin{figure}[h]
\centering
\includegraphics[width=\textwidth]{figure9}
\caption{Shares in national income, 1970-2005}
\end{figure}

In addition, tremendous wealth is being created outside the production sphere with increasing “financialization” of the world economy. (See Figure 10) Reproduction and expansion have been limited with the increasing profitability of speculative and unproductive financial activities as against production. In short, wealth is increasingly not being returned to producing commodities for human needs but being invested in imaginary financial activities for higher returns.
Global economic and ecological crises
This profit-orientation and the degree of surplus accumulation and concentration have placed the global economic system in an advancing crisis of overproduction and excess capital.

The US housing sector experienced a boom in mortgage finance – easy credit, housing price bubble and huge and unfettered growth of new financial instruments – which was facilitated by financial liberalization and deregulation. The growth in financial assets expanded trade and increased commodity prices but also resulted in mounting global financial imbalances, such as huge debts and over-leveraged financial institutions, businesses and households. Even businesses with creditworthiness have had credit lines cut. This freezing up of the normal credit lines necessary for trade along with the inability of corporations to raise capital for investment generated a “credit crunch”.

The financial crisis has found its way to the real economy. The IMF predicts industrial production to decline by 6.23% in 2009. Advanced economies had an unprecedented 7.5% decline in real GDP during the fourth quarter of 2008, and production is estimated to have continued to fall almost as fast during the first quarter of 2009. The IMF predicts that world output will grow at a measly
0.5% in 2009, a substantial slowdown from 2007 and 2008 and the lowest rate since the Second World War. Economies of advanced capitalist countries are expected to enter into recession in 2009 (if they have not done so already). 

(See Figure 11)

**Figure 11**

![Graph showing economies of major developed countries will shrink in 2009]

Global exports in the fourth quarter of 2008 declined by 11% on a year-on-year. The WTO predicts that the volume of global trade, which grew by 6% in 2007 and 2% in 2008, will fall by a dramatic 9% in 2009. The UN and the IMF project an even higher 11% drop in trade volume, which shall be the largest since the Great Depression.


 Fallen financial institutions and depressed markets have been infused by IFIs and governments with huge bailouts and fiscal stimulus which represent
additional spending and debt for governments already deep in debt. (See Figure 12) The IMF projects that in 2007-2010 fiscal deficits will worsen by 6% of GDP and debt-to-GDP ratio will rise by 14.5 percentage points. Government debts comprised 40% of GDP in 1980, 70% in 2000 and may reach 100% in 2014, making for a volatile situation.\footnote{156}

**Figure 12**

The current global economic crisis has revealed the bitter ironies of global wealth creation. Workers have created tremendous wealth, which, however, has been appropriated privately. Such wealth is being gambled in the global financial
casino and the gamblers’ losses are translating to massive retrenchment of workers. While the gamblers are being bailed out by governments, the costs of such huge bailouts and fiscal stimulus are being passed on to the workers in the form of taxes.

It must be emphasized that the global economic crisis is not about falling profits and the losses of TNCs and global financial oligarchs. Rather, it is about their falling rates of profits as a result of financial abuses and greed, which translates to a real crisis for the world’s workers. It must also be emphasized that the global economic crisis is a running history because of the inherent contradictions of wealth accumulation by a few global elite that has marginalized and excluded the real creators of wealth from benefiting and producing further.

Globally, the unemployment rate increased from 5.7% in 2007 to 6% in 2008, translating to an additional 10.7 million jobless people from 2007 to 2008 (See Figure 13) The global number of unemployed in 2008 is estimated at 190 million, 109 million are men and 81 million are women. The ILO projects that the global unemployment rate could reach between 6.3% and 7.1% in 2009, with the female unemployment rate ranging from 6.5 to 7.4 percent (compared with 6.1% to 7% for men.) This would result in an increase of between 24 million and 52 million people unemployed worldwide, of which from 10 million to 22 million would be women.

**Figure 13**

![Global Unemployment Trends, 1995-2008](image)
Global poverty is being intensified by the current global economic crisis through widespread unemployment. The latest World Bank threshold for extreme poverty, now set at US$1.25 a day in 2005 prices, puts 1.4 billion people – mostly in the developing world – in extreme poverty (950 million on previous estimates). Poverty incidence (headcount index) increases from 16.1% (using US$1 a day) to 25.1% (using US$1.25 a day). The UN-DESA expects global income per capita to dip by 3.7% in 2009. At least 60 developing countries, out of 107, are expected to suffer declining per-capita incomes.

Income inequality is also a worsening dimension of global poverty. Between 1990 and 2005, approximately two-thirds of the countries experienced an increase in income inequality (as measured by changes in Gini coefficients). Likewise, during the same period, the income gap between the top and bottom 10% of wage earners increased in 70% of the countries for which data are available. Overall, the richest 2% of the global population own 51% of the global household wealth while the poorest 50% share 1% of the global household wealth.

Within countries, the income gap is widening at an increasing pace. To illustrate, in the US in 2007, the chief executive officers (CEOs) of the 15 largest companies earned 500 times (up from 360 times in 2003) more than the average American worker. Even in Hong Kong and South Africa, salaries of CEOs are 160 and 104 times more than the wages of the average workers, respectively. More strikingly, the combined GDP of the 41 Heavily Indebted Poor Countries with a population of 567 million is less than the combined wealth of the world’s seven richest persons.

The current global economic crisis could arguably be attenuating the ecological crisis since reduced economic growth and trade are associated with lower carbon emissions and a slower pace of resource depletion. On the other hand, the desperate economic situation could be forcing poor country governments to exploit and export natural resources even at less than favorable world prices. In any case, there can be no argument that the planet is already in dire ecological straits. The Living Planet report of the WWF calculates that humans are using 30% more resources than the Earth can replenish each year, leading to deforestation, degraded soils, polluted air and water, and dramatic declines in numbers of fish and other animal and plant species. Another report backed by 1,360 scientists from 95 countries warns that almost two-thirds of the natural machinery that supports life on Earth is being degraded by human pressure. We would need another planet by 2030, according to the WWF.
Humans are running up an ecological debt of US$4-4.5 trillion every year. The WWF based the figure on a UN report which calculated the economic value of services provided by ecosystems destroyed annually, such as diminished rainfall for crops or reduced flood protection.

Humanity’s ecological footprint (or demand on the biosphere in terms of area of biologically productive land and sea needed to provide the resources we use and to absorb our waste) exceeded biocapacity (the total productive area) by 30% in 2005. In the same year, the single largest demand on the biosphere was the carbon footprint, which increased 10-fold since 1961.166

The US and China has the largest footprints, each using 21% of the planet’s biocapacity. The eight countries with the most biocapacity are the US, Brazil, Russia, China, Canada, India, Argentina and Australia. Three – the US, China and India – are ecological debtors, with their national footprints exceeding their own biocapacity. The other five countries are creditors. But the WWF notes that the number of debtor countries is growing.167

The world’s ecology has yet to face the worst effects of climate change. Damages include coastal inundation and erosion from sea-level rise, loss of ecosystems and biodiversity, diseases and heat-related mortality, water shortages, and stresses on agriculture, forestry, fishery, aquaculture and the entire economy as well as human security.168

Climate change has brought into sharp focus the issue of social injustice. While rich, industrialized countries are largely responsible for it, poor countries and the poorest social sectors are most vulnerable to it. The most vulnerable regions are Africa, Asia, small Pacific islands, and the Arctic. The most vulnerable economic sectors are water in the dry tropics, agriculture in low latitudes, human health in poor countries, and ecosystems at the margins such as the tundra, boreal, mountains or already stressed ecosystems such as mangroves and coral reefs. The most vulnerable social sectors are farmers, fisher folk, Indigenous Peoples and women in poverty because majority of them depend on natural resources for their livelihood and survival and have little means to cope with ecological disasters.169
8. Changing the Faulty System

The current global economic and ecological crises have called into question the effectiveness of the current dominant global system of wealth creation in meeting the goals of poverty eradication and ecological sustainability. Capitalism has indeed created unimaginable wealth, but the contradiction between social production and private appropriation under the system is also causing human alienation and ecological degradation.

Manifesting in various industries such as automotive, electronics, and garments, the global system of wealth creation has reached a high stage of its crisis of overproduction, leading to “vicious loops” of deflation, job terminations, depressed consumption and economic crises.

Global industries are increasingly monopolized by TNCs, with capital and sales profits highly concentrated among them, stunting local industries and putting them in danger of bankruptcy. Profit levels have increased in various industries in the economies of the advanced capitalist countries. Meanwhile, super-profits are being extracted from poor countries, many of them in Asia, through cross-border trade and investments, at the expense of labor and ecological health.

Capital accumulation and concentration has increased technological and labor productivity, making production cheaper and more efficient. However, as competition gets more rigid, job cuts and bankruptcies of small producers and small farmers have become rampant, the turnover cycle shortens, and inventory increases. Profitability eventually decreases.

The merger of bank capital with industrial capital has created a financial oligarchy and given rise to the phenomenon of financialization. Since capitalists have shifted production capital to finance capital to arrest the fall in profitability, financialization has increased relative to the real economy and has returned enormous profits, even bigger than production profits, but has created bubbles and ruined real economies.

The current global economic crisis is greater than the 1930s Great Depression in three basic factors: concentration and centralization of capital is greater; debts, current account deficits and financialization of the economy are greater; and globalization of production is greater. Globalization has pulled the economies of poor countries into the crisis. It has inflated demand, bolstered investments,
and opened up new markets with TNCs exporting goods, capital and entire production stages to Asia and the rest of the Third World, taking advantage of cheaper wages and raw materials in these regions. At the same time, globalization has routed local businesses and farmers, depressed people’s purchasing power and worsened the glut in finance capital.

Indeed the current global economic crisis has renewed interest and re-sparked debates on the nature of capitalism.

Apologists of the capitalist system have poured in efforts to dissociate poverty, wealth and ecology from one another and from the capitalist system. One approach, especially among academic circles, the IFIs and multilateral organizations, is to come up with moderated definitions and indicators of poverty and the state of ecology as well as to continuously assert that GDP, FDI, exports and others money-centric indicators are the ultimate measures of wealth. Although one of the key limitations of this study is that it makes use of the same indicators developed by the IFIs, it remains clear that even by these measures, the world’s system of wealth creation is problematic, is in crisis even: it is causing severe poverty for many people and widespread ecological devastation.

In reaction to this reality, the World Bank continues to re-adjust its definition of poverty. Meanwhile, in many Third World countries including Asia, there has been a deliberate effort by governments to lower the poverty line, the determinant of a minimum wage, presumably in line with World Bank standards, in order to cheapen labor.

Rethinking wealth, poverty and ecology

Changing the dominant system entails changing our conceptualizations of wealth, poverty and ecology.

There is an urgent need to debate the definition of poverty to bring societies closer to the reality of the current system of wealth creation and to the realization of poverty eradication. A poverty line should correspond to what is socially necessary. Since societies differ in many ways (in terms of infrastructure, rent, prices, etc.), the minimum costs of living would also differ. For instance, poorer infrastructure would mean higher transportation cost and thus a higher cost of living. This has at least two implications: one, setting a “global standard” of poverty such as the World Bank’s US$1.25 a day may be meaningless; and
two, the poorer the society (therefore the higher the cost of living or poverty line), a higher minimum wage is in order.

A poverty line is set by various approaches: using entitlements (consumption needs); outcomes (ends); opportunities (means); relative (in comparison with other income classes); absolute (setting an amount for all social classes, whether in terms of income or expenditure); and self-rated poverty. Societies must engage in a discourse on which approach or combination of approaches best addresses their contexts and serves the overall goals of poverty eradication and ecological sustainability.

On the other hand, there is also a need to engage in a sharper debate on ecological debt. Currently, the debate is reducing the human causes of ecological problems to consumption patterns and population growth, thereby obscuring the fact that production activities particularly energy-related activities are important causes of ecological destruction including global warming. It should be noted that the production activities of advanced capitalist countries and of large Asian exporters such as China and India cover more than their own consumption (i.e. their production “footprints” are larger than their consumption and population “footprints”). While the WWF Living Planet report indicates that there is some acceptance of the view that ecological debt constitutes a debt to future generations and to the larger Earth community, the North-South, race, class and gender dimensions of ecological debt are being to be downplayed in the mainstream.

**Towards a greed line**

Likewise, there is a need to highlight the role of greed in processes of wealth creation. In the expanded, modern and globalized capitalist production that is exported to Asia, greed is no longer measured simply as the rate at which profit returns and is increased, but also how much capitalism has taken advantage of already-existing exploitative relations in various Asian contexts in order to cheapen labor beyond what is socially necessary. In collusion with landlords, compradors and domestic elite, super profits are extracted from the Third World to address the cyclical crisis of the tendency of the rates of profits to fall.

An important question arises: Is there a way to moderate this greed and set limits or thresholds?

In the short-term, this would entail setting a production line (including export and
import lines) that would be geared towards provisioning for human needs and a labor contract that is not detached from the wealth created. At minimum, such a labor contract should ensure that workers are not retrenched during crises. In a larger sense, especially for Asia, this would entail setting production and investment at a threshold that covers for a certain time of social accumulation and ecological renewal. This would also entail the setting of a wage line based on decent living.

A proposed “greed line” could set a limit on the amount of profits as percent of GDP; the amount of profit out of FDI (although it must be remembered that FDI itself is the accumulation of past profits); and the interest rates on debts (again, debt is accumulated profits). Moreover, a much longer time horizon should guide the terms of FDI and debt.

The role of people’s movements
More importantly, however, changing the prevailing system of wealth creation requires strong political will supported by strong cultural and moral will. Political will does not necessarily start with governments, but must emanate from the grassroots – people’s organizations, NGOs, civil society and faith-based organizations – to expose the inherent problems with capitalism and to work towards deep-seated transformations. After all, the development of poverty, wealth and greed lines will not by themselves correct the failures of the existing system of wealth creation that is founded on greed. However, these lines could build awareness and provoke profound, long-term debate and political organization and movement so that such lines will eventually be erased.

The Asian region has a colorful history of people’s struggles, resistance and victories in building alternatives and installing better systems. In Bangladesh for instance, there is a mass movement towards more biodiversity and ecologically friendly agriculture that directly confronts corporate agriculture and the use of hazardous agrichemicals. People’s organizations and nongovernment organizations are also actively putting in place community-based economic systems to combat poverty and its structural causes. In Cambodia, although most of the NGOs are sponsored by the UN or the ADB and there is a lack of organizing work in the grassroots level, the voice of civil society has become stronger in recent years especially on the delivery of basic services. The Philippines, on the other hand, has a well-developed multi-sectoral people’s movement that actively addresses community, national, regional and international issues.
Asian peoples’ movements have varied levels of engagement, advocacy and success, but have converging issues on wealth creation, poverty and ecology.

One of the most basic issues that should be commonly addressed by people’s movements in Asia is agrarian reform – the main components of which are free land distribution to the farmers who are wealth creators and the eradication of rent and usury (loans with exorbitant interest rates). For agrarian reform to be successful, it must be supported by the state (in the form of capital, price support, production subsidies, ecologically-friendly technologies and other extension services), and be based on cooperativization as a step towards dismantling monopolies. Bangladesh and the Philippines have long histories of struggles for agrarian reform. The Filipino people waged a revolution in the 19th century centered largely on agrarian issues.

Another basic and common concern is how Asian people’s movements should work towards building national industries that are essential for providing Asian people with decent jobs and incomes, encouraging technological advances, and propelling sustainable economic and social development. Since the past two decades, Asian social movements have been actively confronting globalization issues locally and internationally in defense of national industrialization.

Developing strategies on these common concerns could significantly address some of the problems of the current system of wealth creation. Firstly, the redistribution of land and other resources for the stewardship of communities would liberate people, who are the key wealth creators, from exploitative working conditions and could promote investments in ecological sustainability. Secondly, the creation of wealth through national industries would ensure that wealth is reinvested for economic and social development and not appropriated and repatriated as profit by foreign and big local corporations. It would also ensure gainful, meaningful and fulfilling work for the wealth creators. Asian social movements have the critical task of designing creatively their respective development paths in striving to come closer to the true essence of wealth, which is to use all creation to forward the ideals of social justice, intergenerational equity, sustainable development and genuine humanism.
Endnotes

3. Ibid.
5. Ibid.
7. ADB Institute, loc. cit.
8. Ibid.
9. Ibid.
12. Ibid.
13. Ibid.
18. “Swimming Against the Tide: How Developing Countries are Coping with the Global Crisis”, Background paper prepared by the World Bank staff for the G20 Finance Ministers and Central Bank Governors Meeting, Horsham, United Kingdom, March 13-14, 2009
20. Ibid.
22. World Economic Outlook April 2009, Crisis and Recovery, IMF
24 Ibid.
25 Asian Development Outlook 2008 Update, ADB
26 “The Global Economic Crisis Challenges for Developing Asia and ADB’s Response”, ADB, April 2009
28 Ibid.
29 Md. Shamsuddoha and Rezaul Karim Chowdhury, “Building People’s Agenda on ODA Accountability”, October 2007
30 “Scoping Study on Southeast Asia Sub-Regional Initiative”, IBON Foundation, March 2008
32 Global Development Finance, Charting a Global Recover, World Bank, 2009
33 Ibid.
34 Ibid.
37 Ibid.
38 Ibid.
39 Aftab Alam Khan, “Women’s Role in Food Security and Threat from WTO”, ActionAid International, a PowerPoint presentation
40 Global Employment Trends for Women, March 2009, ILO
41 Gender in Agriculture Sourcebook, World Bank, 2009
43 Ibid.
44 Ibid.
46 Rice Profiles, Research done by IBON Foundation and Pesticide Action Network Asia Pacific, unpublished report, 2009
47 Privatization Brochure of Bangladesh 2007, Bangladesh Bureau of Statistics
50 Key Indicators for Asia and the Pacific 2009, ADB
51 Shahzad, loc. cit.
52 Asian Development Outlook 2008 Update, ADB
53 World Bank Environment Factsheets, 2008
54 Ibid.
55 Asian Development Outlook 2008 Update, ADB
57 Ibid.
58 Statistics for Monitoring Attainment of MDGs in Bangladesh, Bangladesh Bureau of Statistics
60 Ibid.
61 Ibid.
62 Migration and Remittances Factbook, Development Prospects Group, World Bank, 2005
63 Scoping Study on Southeast Asia Sub-Regional Initiative, IBON Foundation, March 2008
64 Ibid.
65 Ibid.
66 Ibid.
68 “Economic Convulsions amid Global Recession”, IBON Midyear Briefing, IBON Foundation, July 2008
70 Ibid.
72 Key Poverty Indicators 2004, ADB
73 Ibid.
75 Inequality in Asia Key Indicators 2007 Special Chapter Highlights, ADB
76 World of Work Report 2008, ILO
78 World Economic Situation and Prospects, UN Department of Economic and Social Affairs, 2009
80 “Swimming Against the Tide: How Developing Countries are Coping with the Global Crisis”, Background paper prepared by the World Bank staff for the G20 Finance Ministers and Central Bank Governors Meeting, Horsham, United Kingdom, March 13-14, 2009
81 “Bangladesh Unlocking the Potential, National Strategy for Accelerated Poverty Reduction”, General Economics Division, Planning Commission, Government of the People’s Republic of Bangladesh, 16 October 2005
82 “Chronic Poverty in Bangladesh: Tales of Ascent, Descent, Marginality and Persistence”, Bangladesh Institute of Development Studies and Chronic Poverty Research Centre, September 2006
84 Ibid.
85 Ibid.
86 “Scoping Study on Southeast Asia Sub-Regional Initiative”, IBON Foundation, March 2008
87 Ibid.
88 “Economic Convulsions amid Global Recession”, IBON Midyear Briefing, IBON Foundation, July 2008
89 Ibid.
90 “Economic Convulsions amid Global Recession”, IBON Midyear Briefing, IBON Foundation, July 2008
91 Ibid.
94 Ibid.
95 David Annandale, et. al, “Making Profits, Protecting our Planet, Corporate Responsibility and Environmental Performance in Asia and the Pacific” in Asian Environment Outlook 2005, ADB, 2005
96 Living Planet Report 2008, WWF
97 “Climate Change: Third World Vulnerability, First World Accountability”, a PowerPoint presentation by IBON Foundation, April 2009
98 Nature + Nurture, Poverty and Environment in Asia and the Pacific, ADB, 2009
99 Ibid.
100 Country Environment Analysis, Bangladesh, ADB, 2004
101 State of Environment 2001, Government of Bangladesh
102 Country Environment Analysis, Bangladesh, ADB, 2004
103 Ibid.
105 Country Environment Analysis, Bangladesh, ADB, 2004
106 Bruce McKenney and Prom Tola, “Natural Resources and Rural Livelihoods in Cambodia: A Baseline Assessment”, Cambodia Development Resources Institute, June 2002
107 Cambodia National Environmental Performance Assessment, United Nations Environment Programme, Cambodia Office, December 2006
109 FAOSTAT Online Statistical Service, Food and Agriculture Organization of the United Nations (FAO), 2006
110 “State of water environmental issues”, Water Environment Partnership in Asia, June 2009
111 Ibid.
112 Andrew Nette, “Cambodia: Bowing to Regional Hydropower Demands”, Newsmekong, 2008
113 Ibid.
114 Ibid.
115 Ibid.
117 Ibid.
118 “State of water environmental issues”, Water Environment Partnership in Asia, June 9, 2009
119 CIA World Factbook, Central Intelligence Agency, 2009
121 Ibid.
124 Climate Change Country Profile: Cambodia, World Health Organization-Western Pacific Regional Office, undated
125 Center for Policy Dialogue, March 2002
127 Philippine Environment Monitor 2006, World Bank
128 Ibid.
130 Ibid.
131 “Mining Rapu-rapu’s Pot of Gold”, IBON Foundation, June 2007
132 Kalikasan, loc.cit.
133 “The Principles of Economic, Social and Cultural Rights versus the Reality on the Ground”, Paper submitted by the Bagong Alyansang Makabayan (BAYAN) to the Supreme Court Forum on Access to Justice, 30 June – 01 July 1 2008, Court of Appeals, Manila, Philippines
134 Arief Anshory, op.cit.
136 Coralie Thornton, Mike Shanahan and Juliette Williams, “From wetlands to wastelands: Impacts of Shrimp Farming”, SWS Bulletin, March 2003
139 “Bangladesh: Mangrove forests, far more generous than the shrimp industry”, World Rainforest Movement (WRM) bulletin Nº 102, January 2006
141 Mangrove Action Project op. cit.
145 “Police Repression Against Landless Fisherfolk in the Satkhira District of Bangladesh”, The Bangladesh People’s Solidarity Centre Amsterdam , 19 August 1998
146 Mangrove Action Project, op. cit.
148 UNCTAD, based on data from Thomas One Banker
149 OECD Stat Extracts, OECD, 22 June 2009
150 Bank of International Settlements, 2006
153 Ibid.
154 World Economic Outlook April 2009, Crisis and Recovery, International Monetary Fund
158 Ibid.
160 Ibid.
162 Ibid.
163 Living Planet Report 2008, WWF
165 Ibid.
166 Ibid.
167 Ibid.
169 Ibid.
## Annex:

### List of Participants

**AGAPE Consultation on Poverty, Wealth and Ecology in Asia and the Pacific**

<p>| | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Junaid Ahmad (Pakistan/USA)</td>
</tr>
<tr>
<td>2</td>
<td>Hannah Angus (Australia)</td>
</tr>
<tr>
<td>3</td>
<td>Eric Attique (Pakistan)</td>
</tr>
<tr>
<td>4</td>
<td>Lal Ram Ngak Bawn (Bangladesh)</td>
</tr>
<tr>
<td>5</td>
<td>Deepali Bhanot (India)</td>
</tr>
<tr>
<td>6</td>
<td>Moumita Biswas (India)</td>
</tr>
<tr>
<td>7</td>
<td>Nan Braunschweiger (Switzerland)</td>
</tr>
<tr>
<td>8</td>
<td>Banchong Chompoowong (Thailand)</td>
</tr>
<tr>
<td>9</td>
<td>Anna May Chain (Myanmar)</td>
</tr>
<tr>
<td>10</td>
<td>Sophie Dhanjal (Switzerland)</td>
</tr>
<tr>
<td>11</td>
<td>Gabrielle Dietrich (India)</td>
</tr>
<tr>
<td>12</td>
<td>James Ellis (Australia)</td>
</tr>
<tr>
<td>13</td>
<td>Atina Gangmei (India)</td>
</tr>
<tr>
<td>14</td>
<td>Elvira Gömböcz (Hungary)</td>
</tr>
<tr>
<td>15</td>
<td>Rosario Bella Guzman (Philippines)</td>
</tr>
<tr>
<td>16</td>
<td>Robeliza Halip (Philippines)</td>
</tr>
<tr>
<td>17</td>
<td>Kimhoun Ham (Cambodia)</td>
</tr>
<tr>
<td>18</td>
<td>Klaus Heidel (Germany)</td>
</tr>
<tr>
<td>19</td>
<td>Susana Jacob (Argentina)</td>
</tr>
<tr>
<td>20</td>
<td>Sachithra Jayaweera (Sri Lanka)</td>
</tr>
<tr>
<td>21</td>
<td>S. Tilewa Johnson (Gambia)</td>
</tr>
<tr>
<td>22</td>
<td>Andrew Kaloa (Solomon Islands)</td>
</tr>
<tr>
<td>23</td>
<td>Seo Goo Kang (Republic of Korea)</td>
</tr>
<tr>
<td>24</td>
<td>Tomoko Kashiwazaki (Japan)</td>
</tr>
<tr>
<td>25</td>
<td>Joy Kennedy (Canada)</td>
</tr>
<tr>
<td>26</td>
<td>Liza Lamis (Philippines)</td>
</tr>
<tr>
<td>27</td>
<td>Hong Jung Lee (Republic of Korea)</td>
</tr>
<tr>
<td>28</td>
<td>Xiao Lian (China)</td>
</tr>
<tr>
<td>29</td>
<td>James Macharia (Kenya)</td>
</tr>
<tr>
<td>30</td>
<td>Shabnam Mayet (South Africa)</td>
</tr>
<tr>
<td>31</td>
<td>John Minchin (Australia)</td>
</tr>
<tr>
<td>32</td>
<td>Stella Mondol (Bangladesh)</td>
</tr>
<tr>
<td>33</td>
<td>Rogate Mshana (Tanzania)</td>
</tr>
<tr>
<td>34</td>
<td>Christine Mueller (Germany)</td>
</tr>
<tr>
<td>35</td>
<td>Graeme Mundine (Australia)</td>
</tr>
<tr>
<td>36</td>
<td>Indra Nababan (Indonesia)</td>
</tr>
<tr>
<td>37</td>
<td>Claudia Narzarey (India)</td>
</tr>
<tr>
<td>38</td>
<td>Amorapan Niman Nan (Thailand)</td>
</tr>
<tr>
<td>39</td>
<td>Thembela Njenga (South Africa)</td>
</tr>
<tr>
<td>40</td>
<td>Charlie Ocampo (Philippines)</td>
</tr>
<tr>
<td>41</td>
<td>Edna Ortega (Philippines)</td>
</tr>
<tr>
<td>42</td>
<td>Alison Zana Paine (Solomon Islands)</td>
</tr>
<tr>
<td>43</td>
<td>Seong-Won Park (Republic of Korea)</td>
</tr>
<tr>
<td>44</td>
<td>Peter Pavlovic (Slovakia)</td>
</tr>
<tr>
<td>45</td>
<td>Janejinda Pawadee (Thailand)</td>
</tr>
<tr>
<td>46</td>
<td>Athena Peralta (Philippines)</td>
</tr>
<tr>
<td>47</td>
<td>Dara Phan (Cambodia)</td>
</tr>
<tr>
<td>48</td>
<td>Elenie Poulos (Australia)</td>
</tr>
<tr>
<td>49</td>
<td>Makoni Pulu (Tonga)</td>
</tr>
<tr>
<td>50</td>
<td>Rini Ralte (India)</td>
</tr>
<tr>
<td>51</td>
<td>Raag Rolfsen (Norway)</td>
</tr>
<tr>
<td>52</td>
<td>Patricia Sheerattan-Bisnauth (Guyana)</td>
</tr>
<tr>
<td>53</td>
<td>Rupam Pratiksha Singh (India)</td>
</tr>
<tr>
<td>54</td>
<td>George Ashit Singha (Bangladesh)</td>
</tr>
<tr>
<td>55</td>
<td>Sivaporn Srisuppuris (Thailand)</td>
</tr>
<tr>
<td>56</td>
<td>Jonathan Sta. Rosa (Philippines)</td>
</tr>
<tr>
<td>57</td>
<td>William Stanley (India)</td>
</tr>
<tr>
<td>58</td>
<td>Chantavarn Sucharitakul (Thailand)</td>
</tr>
<tr>
<td>59</td>
<td>Lapapan Supamanta (Thailand)</td>
</tr>
<tr>
<td>60</td>
<td>Tawron Sutyka (Thailand)</td>
</tr>
<tr>
<td>61</td>
<td>Pradit Takerngrangsit (Thailand)</td>
</tr>
<tr>
<td>62</td>
<td>Fe’iloakitau Kaho Tevi (Fiji)</td>
</tr>
<tr>
<td>63</td>
<td>Oi Leng Tsang (Hong Kong SAR)</td>
</tr>
<tr>
<td>64</td>
<td>Joy Raj Eric Tudu (India)</td>
</tr>
<tr>
<td>65</td>
<td>Wessley Tukana Vatanitawake (Fiji)</td>
</tr>
<tr>
<td>66</td>
<td>Jessica Tulloch (USA)</td>
</tr>
<tr>
<td>67</td>
<td>Robert van Drimmelen (Netherlands)</td>
</tr>
<tr>
<td>68</td>
<td>Mammen Varkey (India)</td>
</tr>
<tr>
<td>69</td>
<td>Reijeli Tupou Vere (Fiji)</td>
</tr>
<tr>
<td>70</td>
<td>Doh Doh Wah (Myanmar)</td>
</tr>
<tr>
<td>71</td>
<td>Sanan Wuti (Thailand)</td>
</tr>
<tr>
<td>72</td>
<td>Xie Ying (China)</td>
</tr>
<tr>
<td>73</td>
<td>Jae Hyang Yun (Republic of Korea)</td>
</tr>
</tbody>
</table>