Global Crises-Regional Responses: the inter-linkages between climate change, trade and regional integration

Based on the discussions during the Seminars “Emerging crises: De-globalisation? Opportunities and challenges for regional alternatives” (World Social Forum Belem, Brazil- January 2009 and ASEAN Peoples’ Forum, Bangkok, Thailand -February 2009)
Global Crises-Regional Responses:
The Inter-linkages Between Climate Change, Trade and Regional Integration

This report compiles the exchanges of analysis on the role of Europe in a globalized world over three interconnected issues: climate change, trade and regional integration held during two debates which took place in Belem during the World Social Forum (January 2009), and in Bangkok, Thailand during the ASEAN Peoples' Forum (February 2009):

Emerging crises: De-globalisation? Opportunities and challenges for regional alternatives
World Social Forum 2009, 31/01/09, 12:00 to 15:00, UFPA Básico, Hb, H 4, Universidade Federal do Pará, Belem do Pará, Brasil

Emerging Crises: Deglobalization and Alternative Regionalisms?: Opportunities and challenges for regional alternatives
ASEAN Peoples' Forum, Saturday, Feb. 21, 2009, 9am-11am, B2. 106 (60 pax), Chulalongkorn University, Bangkok, Thailand.

These debates aimed at promoting civil society exchanges of perspectives and common analysis on the role of Europe in a globalized world over three interconnected issues: climate change, trade and regional integration as a basis for a new level for action and engagement towards the development of regional alternatives on these issues. They were co-organised by Hemispheric Social Alliance (ASC) Focus on the Global South, Third World Network-Africa and Transnational Institute (TNI).

These debates counted with the inputs from the following people: Adhemar Mineiro (REBRIP – Brazil); Walden Bello (Focus on the Global South & Freedom from Debt Coalition, Philippines); Michelle Pressend (Trade Strategy Group/ATN, South Africa); Joy Chavez (Focus on the Global South/SAPA, Philippines); Afsar Jafri (Focus on the Global South & People's SAARC, India); Gracia Rodrigues (IGTN, Brazil); Brid Brennan (Transnational Institute, Netherlands); Thomas Wallgren (Attac Finland), Gonzalo Berron (CSA/HAS); Cecilia Olivet (Transnational Institute, Netherlands).

For the first time representatives from social movements and civil society organizations from four continents have come together to discuss alternative forms of regional integration, coordinate and compare their regional engagement and outline strategies for the future.

Rational for the Debates

The global financial system is unravelling at great speed. This is happening in the midst of a multiplicity of interlinked crises in relation to food, climate change and energy arising from the workings of the currently dominant global neo-liberal model. The failure of this economic model has been forcefully made evident. More than two decades of privatisation, liberalization and deregulation in many countries in Asia, Africa and Latin America have had devastating effects on industrial and agricultural capacities, formal sector employment, independent livelihoods and the environment. Despite the intensity of the crisis a ‘business as usual’ agenda is being pursued in the US and EU Free Trade Agreements (FTAs) and the Economic Partnership Agreements (EPAs) which is dis-integrating the existing and emerging regions of the South.

Finding solutions to the global crises has now become the major concern across the globe. These debates aimed to highlight the discussions around the idea of ‘de-globalisation’ and the challenges and possibilities of moving forward in the concretisation of regional alternatives to the economic, financial, food, climate and energy crises and instead place the interest of people and the planet at its centre. It aimed to encourage cross-fertilisation of experiences on regional alternatives among social movements and civil society organisations from Asia, Africa, Latin America and Europe.
The speaker began by acknowledging that the world currently faces crises of finance and food, both of which are interconnected. These represented, he argued, “crises not only of neo-liberalism but of capitalism itself as a mode of production and accumulation.” Analysing the origins of the financial crisis, he stated, “What we are seeing is the intensification of one of the central crises or ‘contradictions’ of global capitalism: the crisis of overproduction, also known as over accumulation or overcapacity. This is the tendency for capitalism to build up, in the context of heightened inter-capitalist competition, tremendous productive capacity that outruns the population’s capacity to consume owing to income inequalities that limit popular purchasing power.” The result was “an erosion of profitability, leading to an economic downspin.”

After briefly outlining the IMF’s support for export-orientated policies in the developing world, Bello discussed the background and implications of the crisis in Asia. Here, largely as a result of the export led economic policies adopted throughout the 1980s and 1990s, the US had become “the consumption centre for Asian products”. This consumption was funded mainly by Asian loans at a time of falling US productive capacity, the result being “a dangerous cycle” that caused the “financialisation” responsible for the crisis in the south and the US. This kind of export-oriented industrialization, “which was the model of development for the past 40 years”, has, said Bello, “pushed the integration of national economies into the international economy. This model, guided by neoliberal policies, has a number of dimensions— trade liberalization through free trade agreements (FTAs) and the World Trade Organization, integration of financial markets and the elimination of control, etc. However, this has contradicted efforts on regionalism, of countries banding regionally to strengthen their national economies through regional cooperation”.

In response Asian leaders had now begun discussing regional integration as a means of combating the crisis, but so far no concrete action had been taken. This was unlikely to develop any further, according to Bello, because national elites were “very ill prepared for any regional alternatives to conquer the crisis.” Instead, governments had generally “paid lip service to global coordination but propelled separate stimulus programs meant to rev up national markets.” In so doing, they “quietly shelved export-oriented growth, long the driver of many economies, though paid the usual nostrums to advancing trade liberalization as a means of countering the global downturn by completing the Doha Round of trade negotiations under the World Trade Organization.” These domestic stimulus packages in Asia will, Bello argued, be extremely difficult to successfully implement given the countries in the region have spent 30 years gearing themselves towards export production. Furthermore, in order for these initiatives to have any degree of success, elites in each country would have to undertake radical income distribution in order to create a dynamic internal market but, he contended, “They are not prepared to do that”. Therefore, in order for progress to be made, “people’s movements will have to be at the forefront of any meaningful Asian integration”.

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1 For more discussion on the topic by Waldon Bello see;


Regional responses to the crisis: experiences & challenges from Asia region – ASEAN & SAARC

Joy Chavez
Focus on the Global South, Philippines/SAPA

The speaker’s presentation outlined the South East Asian response to the crises and the possibilities for integration in the region. Discussing the current regional initiatives, Chavez stated: “In ASEAN, the extent of regionalism that has taken place in terms of cooperation, complementarity, and integration over the last 40 years is very little. The region, however, moved together in a free trade area, i.e. open regionalism (e.g. Singapore and to some extent the Philippines) as part of the globalist project. At the same time, the economic elites in ASEAN did not buy in the idea of regional integration because they want to protect their own internal markets. ASEAN’s integration is a project of government elites, one which is confined at their level and does not translate at the grassroots. Far from being democratised, we cannot expect a real move from the government and economic elites toward real integration that is based on cooperation, equity, fair trade, solidarity, and complementarity”.

During a global crisis, Chavez argued, regionalism may well be more attractive to developing countries and, if successfully developed, could have the potential to create a more democratic debate in regard to economic and political policies. Taking the example of South East Asia, Chavez noted that although historically countries had chosen to compete for capital rather than integrate, the export-orientated policies of the past were no longer viable and the need now existed to find an integrated response to the crises. In this respect, regional finance institutions, like the Asian Development Fund with 80 billion dollars at its disposal, were particularly important. Significantly, this institution was created without the IMF and consequently does not carry the same loan conditionalities. However, Chavez warned that a similar initiative had failed after the Asian Financial Crisis following US opposition to the proposal. Although the governments of the region were now less divided, they still needed to be pushed in the right direction in order to insure the bank became a working reality. As another example of a fledgling regional initiative, the ASEAN Food Security Reserve, founded in 1979 but recently revived in 2003, was briefly discussed. This represents an “important regional alternative that is actually taking place”. Despite these developments, some problematic issues were also noted; namely, the fear of regional hegemony and concerns regarding national sovereignty (especially acute, Chavez argued, given the region’s colonial past). Despite this regional integration was still a possibility, representing an opportunity to shift from competition to regional cooperation and to increase solidarity among the peoples of developing nations. The impetus, however, would have to come from civil society and peoples’ movements. “Reclaiming the region and developing regional alternatives are projects that go beyond politics and the economy. Reclaiming the region means recreating regional integration based on different principles—people-centred and people-oriented”. The challenge then, for civil society and peoples’ movements in the region, is to “come up with and assert an alternative vision of regional integration or new regionalism based on peoples’ needs and aspirations, taking into consideration the different levels of developments in the region; a regional integration that will challenge the neoliberal model—a peoples’ ASEAN.” A peoples’ ASEAN will need to move towards a trade relation that is based on equity and fairness, address common regional issues on the environment and marine resources, climate change, migration, development assistance, food/agriculture, and human rights.

2 Further material from Joy Chavez on the issues discussed:
e) Dilemmas of Competition and Community-Building: Developing Civil Society Response to Regional Trade and Economic Integration http://www.seaca.net/viewArticle.php?aiID=1037&sKey=&uID=&uType=&user_id=112
Afsar Jafri  
Focus on the Global South & People’s SAARC, India

Jafri’s talk built upon some of the issues mentioned by Joy Chavez, and further analysed the nature and prospects for integration in the region. South Asia, said Jafri, contains 1.5 billion people and is one of the fastest growing regions in the world, averaging 6.5% growth per annum in the last 7 years. However, at the same time more people die of malnutrition than any other region; a fact which, Jafri stated, clearly illustrates the significant disparity in Asia between the “high economic road” and acute poverty. Although there are several types of agriculture and agroeconomic schemes throughout Asia to assist the poor, there had unfortunately not been, thus far, a formation of a united position in regard to trade mobilisation; The South Asian Free Trade Area (SAFTA) was an example but, said Jafri, this was proving ineffectual.

Moving on to the effects of the current economic crisis, Jafri noted that South Asia had taken some diplomatic steps including the call for a World Economic Forum for the region. However, many obstacles existed, namely the conflicts and tensions between India and Pakistan, India and Bangladesh, Nepal and India, and Pakistan and Afghanistan. Despite all these challenges, Jafri said, people’s movements in the region had already started a process for discussing an alternative form of integration called the Peoples’ Union for South Asia. Moreover, “India has more than 300 billion dollars of foreign capital, so there are debates going on discussing whether India, along with other countries in the region, can form a sort of regional bank that can help to fight the financial crisis”. Jafri also mentioned the positive developments in Kashmir, where the people had “raised their voice” and forced the Indian government to open a border in order for their crops to traded in Pakistan. “We hope that similar steps can be taken in the future where the farmers from both countries, or farmers from India and Nepal, from India and Bangladesh and Pakistan, may exchange their produce”. Instances like these were, he said, examples of the opportunities for the population if they took a united stance on the issues they faced. There was especially a need, he said, “to reject the monopolistic, environmentally destructive technology such as GM crops in the region”. This was an area where “farmers from Pakistan and India are already exchanging information on the effects of the GM crops”. Jafri advised that initiatives already under way to share information on farming techniques would need to be combined in a cooperated effort to counter intellectual property rights in the region.

Another development discussed was the initiative already taken by the government of India, along with other partners in the region, for a South Asian ‘food bank’. In 1987 South Asian countries formed the South Asian Food Reserve but it was not operationalised. In 2007, “this idea was re-initiated and, I hope, it will be implemented in India.” Having outlined these various developments, Jafri concluded by emphasizing the need for “democratic governments in all the countries in the region in order to achieve the goal of regional integration”. If the people were able to consolidate their power in this way, “we would be able to achieve the system of southern regional cooperation called The People’s Union for South Asia”. The tasks for the future, therefore, “include working on concrete and commons issues that can capture the imagination of the public and peoples at the grassroots. For example, setting up an Asian common action team on agricultural and energy issues and reaching out to other social movements and grassroots groups through education and information campaigns about regional alternatives”.

Further material from Afsar Jafri on the issues discussed: Food Crisis Exposes Failings of India’s Agricultural Reforms - http://focusweb.org/india/index.php?option=com_content&task=view&id=1039&Itemid=29  
The Fast Track to doom of the Indian Farmer  
http://focusweb.org/india/index.php?option=com_content&task=view&id=840&Itemid=26
Regional responses to the crisis: experiences & challenges from Latin America

Graciela Rodriguez
IGTN, Brazil

Rodriguez’s talk focused on positive developments for regional alternatives in Latin America and began by highlighting the important role that social movements had played in determining the nature of regional integration; particularly through resistance to FTAs and various other trade agreements. This activism had produced many benefits; “the resistance became a space for the construction of agreements between the social movements, for changing the government and for exploring the possibility of constructing new forms of integration”. The social movements, through their activism, had facilitated a number of processes, said Rodriguez.

First was Mercosur, a continuing process, almost 20 years old, which “social movements were actively attempting to turn into something more comprehensive than just an economic agreement”. Second was UNASUR, “more a political than economic space,” this comprised a diverse group of countries currently holding a variety of trade agreements; the type of trade agreements held, said Rodriguez, was often a decisive factor in separating countries in Latin America. ALBA is another initiative, spearheaded by the government of Venezuela, which has “a rich history linked to the proposals of social movements”. Similarly, there is also the Trade Treaty of the Peoples, proposed by Bolivia, that complement economic integration with a non-commercial perspective: “that of solidarity, support for energy exchange and other relevant issues”. Rodriguez also pointed out that similar processes were occurring in the Caribbean and Central America, the latter in a manner somewhat similar to Mercosur. Therefore there is “a base for us to work to change the model and develop new forms of regional integration”. Moving onto the current crises, it was observed that one of the negative connotations had been the return to purely national responses and solutions. There was, therefore, “a need to promote the integration process as a political project from the social movements and the villages.” Moreover, there was now an opportunity to discuss alternative forms of regional financing, including the South Bank, and the possibility of a single currency. These could bring about integration in a less competitive and more complementary way.

Finally, Rodriguez praised the indigenous movements, who had brought a “different world view” to the process. This was important because they raised issues of land, communal property, as well as other ways of thinking about Nation States. Similarly, they brought a new concept of human development to the agenda: that of the “good life” as a measure of progress. Concluding, Rodriguez stated, “I believe - and this is a contribution of mine and not the Hemispheric Social Alliance - a major challenge would be to install just the overall theme of development in the South with a view of the ‘good life’. Adopt this as other global issues were adopted when you installed the human rights issue. I think we should ask how we can create in all regions a developmental perspective of the indigenous world view of ‘good living’.

Further material from Graciela Rodriguez on the issues discussed:
Regional responses to the crisis: experiences & challenges from Africa

Michelle Pressend
Trade Strategy Group/ATN, South Africa

Michelle Pressend spoke primarily on the Southern African Development Community (SADC) and opportunities for alternative forms of integration in Africa. SADC, said Pressend, had adopted a free trade approach in a region where the national economies were based primarily on natural resources and the export of commodities. The result, according to recent studies, was that “the assumed benefits of this free trade had not been realised”. Given this, three approaches that could advance regional integration based on a more development focused agenda were discussed. The first was “an approach to production and trade that is more balanced and contains higher levels of mutual development”. This would require the manufacturing and processing industries in the region be encouraged to look for new areas of specialisation. Furthermore, “an opportunity needs to be presented for these companies to shift production, particularly in the area of energy”; in this case there is “a great opportunity to shift away from coal to solar energy”. Secondly, there is a need to focus on regional development of resources and investment. This would require “the introduction of development bank investments that may regulate regional, national and international investors”. Other measures could include “control over rapid and speculative movements of capital; criteria and time frames for re-investment of profits; requirements for local input; intervention and creation of forward and backward linkages stimulating local companies; technology transfers; and ensuring social and environmental responsibility”. In addition, public investment needed to be prioritised over private investment; this could have the beneficial effect of reducing dependence on external capital.

Finally, Pressend recommended the facilitation of regional trade based on regulations. Whilst the current SADC project was “trade based and trade driven”, governments should “have the choice to rise or drop tariffs when necessary.” Similarly, informal trade, important in the region, should be facilitated to support the movement of people and cross-border trade. Pressend concluded by outlining three challenges that lay ahead. First was the nature of SADCs organisation, which makes it “very difficult for movements to be engaged in political discussions” meaning there is no opportunity for “democratic engagement with the people”. The second challenge was to convince governments to focus on more regional and local development, to move away from the present system whereby all trade is directed for external markets. The third challenge was “to make the link between these different issues”; for example, climate change needs to be linked to current capitalist system in order to prevent projects being isolated. Fourthly, Pressend advocated looking for alternative sources of funding, in a region where many of the countries are donor-dependent, citing in particular the development of regional banks. Finally, Pressend observed that social movements in the region were very weak and often repressed by the military and police. In response, they “hoped to learn lessons from Latin America in order to counter the current lack of open space for people’s engagement with government in countries throughout Southern Africa”.

Further material from Michelle Pressend on this issue:

b) Africa should focus on domestic needs, not exports - [http://www.mg.co.za/article/2007-12-04-africa-should-focus-on-domestic-needs-not-exports](http://www.mg.co.za/article/2007-12-04-africa-should-focus-on-domestic-needs-not-exports)
Northern Counter-Strategies – including regional responses to the crisis: experiences & challenges from Europe

Thomas Wallgren  
Attac Finland

Thomas Wallgren’s presentation focused on the nature of integration within the European Union. He began by emphasizing that although the EU was the most advanced model of economic and political integration in the world, this integration had occurred in a non-democratic way, driven mainly by economic concerns and market ideologies. Given this, he urged those in the South to take a lesson from the EU’s history and to remain attentive to “the transformation of democracy” during integration; “There are several warnings that democracy does not come easily at the regional level, so be on the watch”, he warned. Similarly, he argued that the North could learn from the South if the latter endeavoured to contribute to European’s understanding of the real role played by the EU in the global system.

Wallgren then moved on to discuss the pertinent case of the Lisbon Treaty, which, if enforced, would ensure “NATO will be the superior force in European defence and a key factor in the framing of foreign policy”. The treaty would essentially “make Europe a subsidiary of the US”. Whilst the Lisbon Treaty initially received ‘no’ votes from France, Holland and Ireland, Wallgren noted that the governments reacted by deciding, “this is the wrong result and we are not going to respect the will of the people, we are going to push it through against their will. In 200 years of democratic development in Europe we haven’t seen such an outspoken and dramatic loss of respect for the popular vote”. The result was a change in Europe towards a more authoritarian form of government such that “China and the EU, in regard to their political systems, are becoming more alike”.

Returning to the crisis, Wallgren argued it is imperative to view the developments as a crisis of civilization for the modern west; including the system of production, the lifestyle and capitalist system. As a result, “new civilization models are required”. The crisis, therefore, has created new opportunities for social movements to explore different forms of civilisation and to push for their demands.

The discussion then moved onto the issue of the emerging far right parties in Europe, who had exploited the division in the region between the “agricultural white man” and the “agricultural immigrants”. In response to this, Wallgren advocated a need to relate to these immigrants “systematically and constructively, as a positive force for the successful pluralisation of the European identity”. “We should consequently work to create social cohesion”, he said - “a big challenge that we are losing more than winning”. However, in spite of these challenges, “many good people are taking the initiative in this sphere, we are fighting every day.”

Brid Brennan  
Transnational Institute

The speaker’s presentation analysed European integration, in particular looking at migrants and the role of social movements. Brennan began by briefly discussing the history of integration in Europe. The Second World War was, she said, not only a struggle against fascism but also a struggle for a socially democratic Europe. The creation of a united Europe was “originally inspired by the notion of consolidating peace and maximizing intra European trade and investment. The European Union (EU) is the result of a process of cooperation and integration covering a
period of fifty years. However, in the past ten years, the construction of a united Europe has taken a new orientation which undermines the aspirations and rights of citizens and is developing outside substantive democratic control. Neo-liberal policies determining economic priorities have altered the course of its original objective. The fundamental and democratic rights enshrined in the original vision of a united Europe are being dismissed and the regulatory function of the local, national and regional authorities are being dismantled while the European Commission (EC) is increasingly assuming an executive function in policy making and in determining binding agreements. Consequently, the EU has become a corporate driven project, with citizens' interests being subordinated to the interests of profit and Transnational Corporations (TNCs). Mentioning the Lisbon Treaty, Brennan stated it was popular among “a certain section of the neo-liberalised elite” and, whilst its enforcement would create much satisfaction for them, it was in contrast to a democratic form of popular European institutionalisation.

The discussion then moved to the subject of migrants, a group who, Brennan stressed, “have been marginalised and abandoned”. “A myth has emerged about the nature of migration in a neo-liberal world”, said Brennan, “we have witnessed the sustained and deeper criminalisation of migrants not only by right wing extremists, but by government Ministers at the national level as well as by official policy makers at the European level. Since 9/11, the issue of migration and asylum has been drawn into the debate and policy making on security”. Given this, “it is clear that the challenge to achieve fundamental transformation of migratory regimes needs to be a top priority of the global social movements and not only of migrant movements”. In conclusion, Brennan stressed the need for greater solidarity in Europe to “internally reclaim the European project” and reshape worldwide solidarity to ensure that “the fight in Europe is an essential part of solidarity with movements in the South”.

**Open Forum Discussion**

Cecilia Olivet  
Transnational Institute

The speaker introduced the forum and briefly summarised some of the key proposals that had been raised. Olivet began by acknowledging this was the first time that representatives of civil society organisations and social movements engaged in regional integration processes and alternatives from four continents had come together to discuss regional alternatives. This unique opportunity allowed us “to begin to move forward in the process of greater exchange of information and facilitated the creation of joint strategies”. The debates and talks had also illuminated many areas of similarity between the challenges faced by social movements in different parts of the world. Given this, “strategies can be shared on how the different movements in different regions are trying to move forward with the development of regional alternatives”. In order to facilitate these movements, Olivet outlined a new initiative being constructed, the People’s Agenda for Regional Alternatives, which represented the accumulated efforts of social movements in all four regions.

**The potential of regional alternatives and the need for cross-regional networking – focus and priorities**

The discussion expanded upon a wide variety of issues raised in the previous talks. The speakers outlined their hopes for the future and advocated new initiatives and proposals to better understand the present crises and to further the objectives of the organisations present. In particular they raised the need: to look at the effect of neoliberalism on the structure of government over the last 10-20 years and the way in which national governments have been restructured to suit the market model (Indra Lubis); to confront the New Constitutionalism in Europe that gives market access and rights beyond control of the state - “a new people driven constitutionalism is required where human rights, social justice and ecological justice are given priority over market rights” (Thomas Wallgren); to realise we face challenges from not only the government, the State and capitalism itself but also xenophobia - “it is often difficult to come to terms with the fact that we are speaking to the margins” (Joy Chavez); to increase interchange between social movements and support the growth of the socialisation and collectivisation of information (Graciela Rodriguez); for the social movements to produce a text or brief document outlining their objectives, proposals for the future (Gonzalo Berron); to develop a resource containing documentation of the proposals and to setup some form of information centre or permanent resource (Michelle Pressend).
Proposals for the Future

Following the debates, the speakers and groups present expressed their desire:

• to develop a joint text from the different regions, which could expand upon the argument for the need to concentrate on regional alternatives and promote a regional agenda for the crises
• to develop a web space that would serve as a clearing house for the alternative proposals from all regions
• to organise a meeting between Latin American progressive governments with movements from all the different regions to discuss regional integration and alternatives
• to capitalise upon and deepen the increasing socialisation of information - to this end, it was proposed that the groups present should aim to produce a publication which could include analysis of the process of regional integration in each region, analysis of the social subjects that are engaging in these processes in each region and proposals for regional alternatives developed in each region