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FOCUS-on-APEC

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Bangkok, Thailand

Number 6, August 1996

FOCUS was designated the NGO Information/Monitoring Center on APEC (Asia Pacific Economic Cooperation forum) by the participants of the 1995 NGO Forum on APEC in Kyoto, Japan. It was out of this commitment that FOCUS-on-APEC was created. FOCUS-on-APEC carries APEC-related news, the latest items of interest and concern, and informed and critical analysis from a progressive perspective -- with a broad geographical concentration on East Asia and the Western and South Pacific.

FOCUS-on-APEC is where you can learn about other people's APEC-related work and they can learn about yours. Please send us your APEC-related information (by e-mail, fax or snail-mail!) -- including news items, research papers, opinion pieces and information on grassroots activities happening in your respective country. Your contributions will be incorporated into the bulletins.

We welcome your comments and suggestions!

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APEC HIGHLIGHTS

Registration Information:

Manila People's Forum on APEC 1996

"Fair Trade and Sustainable Development: Agenda for Regional Cooperation"

Some 450 representatives from non-government organizations, people's organizations and social movements across the Asia Pacific will converge in Manila in November 1996. This gathering is an effort to focus the attention of the international community-particularly the member-countries of the Asia Pacific Economic Cooperation (APEC)-on the need to reflect the people's concerns for human rights, gender, social equity and environmental sustainability in the APEC agenda. Dubbed the 1996 People's Forum on the APEC, the Manila conference is the continuation of the initiative started in Kyoto in 1995 to provide a parallel process of peoples, communities and sectors affected by the free trade and economic integration agenda represented by the APEC.

All are welcome to attend the 1996 People's Forum. The registration fee for international observers is US\$200. This will cover conference materials and food. Owing to severe budget constraints, accommodations and internal travel expenses, except for invited speakers and selected participants, will not be borne by the conference organisers. Reservations for accommodation for the Main Conference only, can be arranged through the Philippine Hosting Committee. For more information, please contact the Philippine Hosting Committee at:

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 Commonwealth Avenue
 Diliman, Quezon City
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 Tel: (632) 922 9621 locs. 314 and 315
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Calendar Of Activities: Manila People's Forum on APEC 1996
 15 - 24 November 1995

I. Asia Pacific Pre-forum Conferences (15-20 November 1996)

A. Pre-forum Conference on Women and Development (15-16 November)

This pre-forum conference will highlight the specific concerns on gender issues.

B. Exposure Trips and Community Integration (18 November)

Field visits and exposure trips to various regions of the Philippines will be part of the program to give delegates a clearer picture of how regional trade integration and the APEC agenda affects the lives of peoples and communities.

C. Four simultaneous Pre-forum Conferences will be held on these main themes (19-20 November):

1. Pre-forum Conference on People's Rights and Democratization. The conference will deal with the concerns of indigenous peoples and women; government transparency and accountability; increased participation of grassroots groups, NGOs and civil society in governance and empowerment. VENUE: Tagaytay City.

2. Pre-forum Conference on Labor and Migrant Rights. This conference will highlight the concerns of labor and migrant workers. VENUE: Tagaytay City

3. Pre-forum Conference on Economic and Social Development. The issues dealt with will include food security; small and medium entrepreneurs; small farmers and fisherfolk; fair trade; economic sovereignty; and cooperatives development. VENUE: Davao City.

4. Pre-forum Conference on Ecology and Environment. The focus will be the implications of trade and investment liberalization on the prospects for sustainable and ecologically sound development. VENUE: Cebu City.

II. Manila People's Forum on APEC 1996 (Main Forum):

"Free Trade and Sustainable Development: Agenda for Regional Cooperation" (22-23 November)

The Forum will provide a platform for organizations in the Asia Pacific region to develop a common understanding of liberalised 'free' trade and its implications for economic, social and sustainable development. This will be the basis for building and integrating social concerns into the economic agenda of governments. One major output of the forum will be an alternative Peoples Agenda on APEC.

To ensure maximum participation of international delegates, the Philippine Hosting Committee encourages groups from the various participating countries to undertake their own preparatory processes prior to the November forum. Organizations in each of the countries intending to participate in the Manila forum are encouraged to form their own country committees for the

APEC 1996 summit. These committees will not only coordinate in-country preparations for the Manila forum, but are also expected to develop a country paper on the implications of APEC and/or economic liberalization on people's rights; labor and migrant rights; socio-economic development; the environment and ecology; and democratization and governance. Country papers should highlight concrete alternatives or define alternative policies.

III. People's Caravan to Subic (24 November 1996).

The People's Forum will culminate in an international People's Caravan that will feature a march of forum delegates, peoples' organizations, and representatives from the peasantry, labor, indigenous people, women, the Church and other sectors in a bid to present the resolutions of the Manila forum to the APEC Leaders' Summit in Subic. As the caravan makes the journey from Manila to Subic, the programme will include cultural presentations, solidarity messages and various forms of peoples' actions.

REGIONAL ANALYSIS

Chile Advances in the Global Adventure : Who Benefits?

by Sara Larrain

(Chile joined APEC in 1994. A good introduction to the country's economy is provided by Sara Larrain, head of the NGO network RENASCE, in her speech at the International Forum on Globalisation teach-in in Washington DC, May 2 1996).

Chile has turned out to be one of the faster countries in implementing the neoliberal economic model. According to the recent report by the International Institute of Business Development, Chile holds 15th place in a global ranking of competitiveness. The other countries in the Latin American region are way behind, with Brazil which ranking 31st place, Argentina - 32nd , and Mexico, Colombia and Venezuela tie for 39th place.

The criteria of this ranking was based on government support for competition, the ability of the society to adapt to and maintain competitiveness, aggressiveness in the world market and the level of attraction for foreign investment.

While Chile is having such success on the international scene, Chilean citizens would like to know who benefits from this economic race.

The Competitive Basis of the Chilean Economy

The Chilean economy appears to be very solid with a 6% annual growth rate for the last 12 years. This miracle was obtained by transforming the economy from a closed industrial system centered on an internal, regulated and protected market, to an economic model based on exporting raw materials, privatization, deregulation and incorporation to the global economy.

The principal elements of competition that have facilitated this incorporation into the global economy have been cheap labor, and the externalization of environmental costs (increases in the over-exploitation of natural resources, increased pollution, etc.).

But the social and environmental costs of this competitive advantage has brought into question the social and environmental sustainability of the Chilean economy.

It is not possible to maintain the same rate of economic expansion of the last few years using the present production conditions. The environmental unsustainability of Chile's current export model is reflected in the collapse of species, the loss of ecosystems and agricultural land, the proliferation of zones which are saturated by pollution and the generalized deterioration of the health of the population. The externalization of environmental costs as a comparative advantage, which facilitated Chile's insertion into the international market, has now become a dead weight for the economy, and produced an environmental debt which must be paid by all Chileans and their government in the future.

30% of the country's population live in a situation of poverty - that is 44 million Chileans, of whom 1 million are in abject poverty. Unjust distribution of income, which began during the military dictatorship has worsened, leading to an increase in social discontent. The most serious aspects of this unequal distribution are that wages are kept low and the same labor laws that were decreed by the military government are still in effect.

The Environmental Impact of Economic Liberalization

Chilean exports have increased 15 times in the last few years. Almost 9 out of every 10 dollars that we export today correspond to natural resources in the form of raw materials or semi-processed materials. Of these, 44.5% come from the mining sector, 17.% come from agriculture, 14% from forestry and 11.7% from fishing.

In 1994, more than 88% of our exports were natural resources. Of these, 55.9% were unprocessed raw materials and 32.3% materials with a low-level of processing, especially fish-meal and cellulose.

Government and business spokespersons claim that the country is able to sustain an annual growth rate of 6 to 7%, but they are ignoring the inability of the ecosystem to continue tolerating the stress produced by the present rate of extraction, and the buildup of deposits of residues and emissions of industrial processes. 64.8% of Chile's exports consist of only 10 products: copper, gold, fish-meal, frozen fish, grapes, apples, raw and bleached cellulose, pine lumber and wood chips. Pollution problems have become so severe that the government has been forced to designate as saturated areas some locations where the health of people is seriously being affected.

The Mining Sector

Pollution of the air, land and water is widespread in the mining sector. All the mining regions throughout the country, particularly those that produce copper, should have been declared saturated areas by the government, since their high levels of emissions have caused serious damage to the health of the population and the environment. To name a few: Chuquicamata, Paipote, Ventanas, Caltones. Among these companies, CODELCO alone should invest more than 900 million dollars to reverse the air and water pollution it is producing.

Strangely enough, today, both the public and the private sectors claim that they do not have enough funds to pay for the decontamination planned in the regions they have polluted.

One of the most important factors that has contributed to the stress on ecosystems and the negative impact on the population in the mining sector has been the laws and decrees on mining and water promulgated by the military government to attract foreign investment. Both sets of decrees have remained operative despite the transition to democracy. Decree Law 600, for instance, supports and stimulates large investments at the expense of the rights of local community. Companies have also obtained water rights from the government, forcing local populations to diminish their farming and herding activities, and finally squeezing people out of their lands and livelihoods. This has especially impacted on indigenous groups, the Aymara and Atacamenos. Scarcity of water has become an issue since 90% of the mining activities are in desert zones, and the mining process requires intensive use of water resources.

Legislation in Chile also does not mention any restoration of land where mining occurred once the operation is complete.

The Forestry Sector

To facilitate the liberalization of exports in forestry, the military government changed the legislation in this area by making forestry plantations tax free in addition to subsidies of up to 75% of their costs. However, this subsidy only helps large companies which use it to substitute native forests with plantations of pine and eucalyptus, both of which are non-native species. Only 4% of the subsidies go to small tree farmers.

Due to these subsidies, forestry exports have increased from 130 million dollars in 1974 to 1,450 million dollars in 1994. In 1995, forestry sector exports reached 2,040 million dollars according to the Central Bank.

The forestry boom subsidized by the State has externalized environmental costs produced by the increased use of pesticides and fertilizers for the plantations, the migration of local populations due to the concentration of land ownership by the large companies, water pollution, especially that caused by bleaching and processing pulp, the health impact of preservatives based on arsenic and pentachlorofenol, and the collapse of the native forests.

According to studies of National Accounts of the Central Bank of Chile, in the period of 1985 and 1994, between 400 to 900 thousand hectares of native forest were lost. If this trend continues, Chile's native forests will disappear in just 30 more years.

The Fishing Sector

Chile today is the fourth leading exporter of fish in the world. In order to facilitate this, the military government deregulated fishing in 1980, by decreeing that marine resources were *Res Nullius* (nobody's property). Exports from Chile's fishing industry have doubled in the last 10 years (from 4,907 tons to 8,000 tons). Although it is true that the fishing industry was regulated by a new Fishing Law in 1991, the extensive pressure on marine resources has continued during the democratic government, due to lack of implementation of the rules and the lack of funding to enforce them. Some species of fish are now becoming extinct.

The Agricultural Sector

The military government promoted the deregulation of this sector and the concentration of property ownership, using various legal mechanisms such as changes in legislation regarding indigenous peoples. These reforms, in addition to subsidies to export crops, caused a decrease in the cultivation of traditional crops that did not lend themselves to trade, and almost wiped out the campesino economy.

The use of pesticides, especially in the last 10 years (1985 to 1994) has drastically increased. Insecticides increased by 64%, weed killers by 221%, phytoregulators by 81% and other special products by 180%. One hundred and thirty of these products which enter the country are black-listed by the United Nations because of their effect on health and/or because they are carcinogens or mutagens.

In the Sixth Region of the country where 60% of the pesticides are used, studies carried out by the Hospital of Rancagua show an alarming increase in miscarriages and genetic malformations.

Agricultural policy oriented toward the world market has caused a loss of biodiversity due to accelerated changes in soil use, salinization of soils, degradation of water sources and erosion. Today, 45% of the agricultural soil in Chile has been eroded.

Unfortunately, the income produced by the growth in agricultural exports has principally gone to the large farms, increasing the level of unemployment in the rural areas, forcing more farmers into the cities. It is estimated that during the next few years, between 100 and 200 thousand more families will have no alternative but to abandon the countryside.

Intensified Inequality: The Widening Income Gap

The benefits of the Chilean export model are concentrated on a few while

many are excluded. This situation continues to be true today under democracy. In 1970, before the trade liberalization of Chile's economy took place, economic growth and the GDP were lower, but only 20% of the population were living in poverty. In 1990, the newly elected democratic government was handed a country where 40% of the population lived in a situation of poverty, or twice as many poor as in 1970. The richest 10% of the population receives 40.8% of the GDP, and the poorest 10% receive only 1.7%.

Between 1992 and 1994, that is to say, during the democratic governments, income distribution has become worse, and the gap between the rich (+0.7) and the poor (-0.4) has widened.

Chile's export model is based on low salaries, increased poverty and environmental destruction. Chile's incorporation into the global economic adventure has benefited very few at a high cost to the majority of the population. The externalization of social and environmental costs has given Chile a great competitive advantage in the world marketplace. However, these costs are not viable in the long run. As citizens we must create the conditions needed to counteract the impact of economic globalization and develop strategies to reverse it.

REGIONAL ROUNDUP

Statement Of The Philippine PO-NGO Summit On APEC:
Hidden Costs Of Free Trade (July 4-5s 1996)

(The Philippine Hosting Committee of the Manila People's Forum on APEC 1996 sponsored the Philippine PO-NGO Summit on APEC on 04-05 July. The Conference was held at the Institute of Social Order, Ateneo de Manila University, Loyola Heights, Quezon City. It was attended by more than 300 representatives of non-government and peoples' organizations, the academic community and even part of the business sector representing small and medium entrepreneurs. Despite the emergence of several contentious issues and concerns, the Conference was a big success. The biggest and clearest indication of this success was the drafting of the Summit Statement that captures the complexity of peoples' sentiments on the APEC.)

If the Ramos government is to be believed, APEC is nothing less than the Philippines' ticket to economic salvation. With an all-too familiar combination of bullish rhetoric and doomsday scenarios reminiscent of the GATT-UR debates, government is plying the public with promises of APEC-induced growth, jobs, and all-around prosperity. This, even as it warns of economic isolation and stagnation should we fail to live up to APEC's sweeping liberalization vision, a vision that has been defined and controlled by the US and Australia from its inception.

We, the people's organizations and development NGOs represented at this summit--we who have felt and witnessed the grave human and ecological costs brought on by the neoliberal framework that the APEC represents--beg to

differ. We know only too well what the freeing up of markets and investment regimes implies. In its SAP and GATT guises, liberalization has meant the marginalization of small farmers unable to compete with heavily-subsidized produce and unable to defend their farmland from arbitrary land conversions and agrarian reversals; the undermining of fisherfolk's rights over coastal and marine resources; the trampling of indigenous and Moro peoples' rights to self-determination and to their ancestral domain; the violent demolition of urban poor communities and their dislocation from their homes and jobs; the pawning of labor's rights to self-organization, decent wages and job security in favor of the steady infusion of investments; the exodus of Filipino men and women to jobs abroad peddled by the government itself. The list goes on. All these costs are borne to a harsher degree by the country's women, who not only bear the multiple burdens of poverty, but are also unrecognized and discriminated upon in their efforts to assure their and their families' survival. Its toll will also be felt to a deeper degree by future generations, as its growth-at-all-costs framework heedlessly extracts resources and plunders our ecosystems without regard for the future.

Stung by past experiences and continued marginalization of peoples whom we seek to represent, we look with deep suspicion upon APEC's concept of cooperation that is hinged on the establishment of an Asia Pacific free trade regime by the year 2020. We reject APEC and its anti-democratic, unaccountable and non-transparent processes. We are committed to engage APEC and the Philippine government in our pursuit of genuine people to people cooperation in the Asia Pacific region, and in our desire to put forward concrete development alternatives that place highest value to the right to self-determination, sustainability, equality, and economic, political, social and gender equity and justice. We shall continue to resist the onslaught of economic liberalization against peoples and communities even as we continue to build these alternatives.

In this light, we call for changing the current US-driven, market-led, growth-oriented development strategy to one that is centered on people and nature, and ensures equity and participation across genders, classes, sectors, cultures, and generations. We aspire for nothing less than total human and ecological development, one that does not divorce economic gains from its social, political, ecological and cultural dimensions.

We call for a new development path where women and men are empowered participants and equal beneficiaries, through a framework that works for equity, food security and ecological balance. We also call for fair trade, socially-responsible investments, and genuine regional cooperation that places communities and peoples at the core, and that upholds and respects subsidiary, local self-sufficiency and self-determination. We urge the use of alternative growth indicators such as the community net-worth in lieu of the traditional measures of growth in redefining development.

We demand from the Asia-Pacific leaders full adherence to the U.N. Declaration on Human Rights; the immediate ratification of the International Convention on Labor and Migrant Rights; and to advance genuine

people's rights and welfare in the region in the pursuit of regional cooperation.

We demand government to promote and safeguard the people's welfare, and to assume the responsibility for the efficient, effective and equitable delivery of basic social services. We demand government to protect and uphold the national patrimony and sovereignty, to desist from being an instrument of the US in its narrow interests in the region, and to protect and defend the people from the ravages of market forces. We demand government to promote genuine and effective people's participation in the formulation of national development plans and policies that are gender-specific, sustainable, just and equitable. We strongly condemn and hold the Ramos government accountable to the massive APEC-driven, anti-people campaign that has displaced peoples, communities and livelihood.=

We call upon people's movements, in the Philippines, Asia-Pacific, and across the world, to join in unmasking the hidden costs of the neoliberal agenda being peddled by APEC and other instruments of the global market. We also urge peoples and communities to deepen their understanding of the globalization process and its consequences, and to continue forging, advocating and practicing alternative development paradigms that promote and ensure equitable and sustainable development.

We commit ourselves to pursuing mutually beneficial interdependence of and solidarity among peoples--be it with or without APEC, in engagements with government, through Congress or the courts, or in caravans and mobilizations on the streets, and in movements within and across borders, in all forms of just struggles. We believe that the daunting challenges of globalization and the inexorable pace of development aggression demand no less.

MANILA PEOPLE'S FORUM ON APEC '96

6 July 1996

APEC Ministerial Meeting On Sustainable Development, Manila (July 9-12)

Excerpts from a Report by Lyuba Zarsky
NGO Member of the U.S. Delegation, Nautilus Institute

I. Background

On July 9-12, senior officials, ministers, and ministerial representatives from the eighteen member "economies" of the Asia Pacific Economic Cooperation forum (APEC) met in Manila to discuss proposals for regional cooperation to promote sustainable development. The first meeting of Environment Ministers (Vancouver, 1994), generated a "Vision Statement" and a set of Sustainable Development Principles, which were approved by a subsequent Senior Officials Meeting (SOM). The SOM directed all APEC Committees and Working Groups to "incorporate environmental concerns."

I served on the U.S. delegation on an ad hoc, rather than representational, basis. (I have directed policy-oriented research and education projects on APEC and the environment since 1993.) To my knowledge, this was the first time that an NGO has served on the U.S. delegation to any Senior Officials or Ministerial meeting of APEC.

II. Ministerial Declaration and Action Programme

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The Ministerial was a watershed for environmental diplomacy at APEC. Prior to the meeting, the depth of interest/political will to cooperate on environmental issues was difficult to gauge. Only the two U.S. proposals were circulated ahead of the meeting. The Ministerial took a leap from general principles and broad directives to the embrace of common priorities and, potentially, common projects.

The Ministerial produced an "Action Programme" in three areas:

- 1) Sustainable Cities/Urban Management;
- 2) Clean Production/ Clean Technology;
- 3) Sustainability of the Marine Environment.

In each area, the Ministers called for a scoping exercise to identify issues, assess work in other fora, and make recommendations for action to the next Environment Ministerial, to be hosted by Canada in the Spring of 1997. Ministers stressed the need for APEC to avoid duplication with other environmental initiatives and to identify "value-added".

The Clean Production initiative, introduced by the U.S. (EPA) and Chinese Taipei, will be taken up by APEC's Industrial Science and Technology Working Group. The Sustainable Cities initiative, proposed by the Philippines and Japan, was formally left in the hands of "Senior Environment Officials" but it is expected that the Philippines, Japan and Canada will take the lead. The Marine Environment initiative was proposed and will be shepherded by the U.S. (OES), working with APEC's Marine Resource Conservation Working Group.

One quiet but important point in the background paper for the U.S. marine proposal was the suggestion that relevant non-APEC countries be included, specifically Russia and the littoral states on the Pacific coast of Latin America. There was also a suggestion for linkage to the International Coral Reef Initiative. The recent Habitat II conference and the General Plan of Action for oceans protection were also frequently mentioned.

The Action Programme now goes to the Senior Officials Meeting, which remains the top decisionmaking body at APEC. The real litmus test of APEC's commitment to sustainable development will be the extent to which members embrace a substantive common work program next March, as well as how much environmental issues are integrated with APEC's larger trade and investment "Action Agenda". Action Plans to liberalize trade have been submitted by all APEC economies and will be discussed at the Ministerial and Leaders meetings in Manila this November. =09

[The full text of the Ministerial Declaration and Action Programme are

available through the Nautilus Institute's Asia Pacific Regional Environmental Network (email: npr@igc.apc.org) or through Ehito Kimura, Asia Pacific Center (202 543 1094). Further information can also be obtained from Elena Kim-Mitchell, Office of Policy Initiatives, State Department, 202-736-7377.]

III. Analysis

The Ministerial consolidated and expanded the place of environmental diplomacy at APEC. Besides taking on common projects, the Ministerial accepted the need for "crosscutting approaches" and strengthened the role of Environment ministers themselves by directing reports and recommendations back to the next Environment Ministerial, rather than SOM.

This expansion helps to stretch APEC away from a narrow focus on economic issues. The official formulation is that APEC operates on three tracks: 1) trade and investment liberalization; 2) trade and investment facilitation; and 3) technical and economic cooperation. Environmental issues are considered to be on track three, which focuses primarily on capacity-building. The concept of "sustainable development", however, embodies the view that environmental issues both cut across and permeate other aspects of social and economic development. Concerted, in-depth attempts to promote sustainable development of necessity would impact on the character of trade and investment flows.

Everyone, including the U.S., is adamant that environmental performance not be linked to trade sanctions/measures at APEC. Nonetheless, there is an interface between trade and environment issues which has largely to do with pressures on domestic policymaking (see L. Zarsky, APEC and the Environment: Guiding Principles, Innovative Strategies). To date, APEC Working Groups have been generally reluctant to consider policy issues.

Like trade liberalization itself, it is expected that environmental cooperation at APEC will be promoted primarily through voluntary actions, with strong involvement of the private sector and NGOs. Moreover, if an emphasis on common policy emerges, it will likely be carried out not through binding regional agreements but, like trade liberalization itself, through "concerted unilateralism" (ie each country moves at its own pace and specific way towards common goals). In this way, environmental issues (and trade issues generally) at APEC are different than in the WTO or NAFTA.

The primary debates at the Ministerial centered on two issues: 1) institutional mechanisms, viz, how to take on crosscutting, common work without creating any new permanent mechanisms (such as a Working Group or Committee etc). There was strong feeling (especially from Australia) that no new mechanisms should be created; and 2) APEC's "value-added", viz, the need to avoid duplication and carve out work that APEC is best suited to do. There is considerable lack of clarity on this at this point.

These two issues—policy and mechanisms—are crucial. There is a need for

effective crosscutting mechanisms within the existing APEC architecture (ie between Working Groups, Committees, SOM and Ministerials); and for participatory mechanisms in addition to existing groups to provide both scientific and NGO input. Over the next eight months (ie before the Canadian Environment Ministerial in March), developing and advocating workable proposals could have a high payback. There is also a need develop innovative policy proposals both in the three priority areas and in areas not yet on the table, including agriculture and other resource management issues.

APEC's "value-added" is centered on being a vehicle for the convergence of domestic resource management/environment policy=97at a high level of environmental protection: What APEC can offer more readily than other environment fora is a focus on bringing domestic environment and resource policies in line with each other=97and at a higher level of environmental protection than would be achieved unilaterally or through markets alone. In the case of the Marine Environment initiative, for example, this would mean that APEC could be a potent vehicle to address common standards and policies relating to integrated coastal management, land-based sources of marine pollution, and other issues within EEZs, as well as oceanic transport. In other words, the agenda should/could focused more on convergence than management of the commons. In the case of the Sustainable Cities initiative, APEC could address issues such as vehicular emissions standards, building regulations, etc=97from an environmental, not just commercial perspective.=

IV. NGO Representation on Other Delegations

NGOs were represented on two other delegations: 1) Philippines, which had two people from the Philippine Council for Sustainable Development; and 2) Canada, which had someone from the National Round Table on the Environment and Economy.

V. NGO Protests and Politics

There is a wide range of opinion among Philippine NGOs about APEC. While some were inside the Ministerial, others were outside the hotel, protesting. The week before the Ministerial, the Manila People's Forum Summit on APEC displayed two tendencies: a "rejectionist" view seeking the Philippines=92 withdrawal from APEC; and the second, an "oppositional" stance opposing the transformation of APEC into a free trade area but supporting regional cooperation, largely outside the APEC process.

Given the wide range of NGO issues and concerns, a multiplicity of views should be expected not only in the Philippines but throughout the region. Moreover, the political and institutional character of APEC is dynamic=97it is literally being created at every meeting. In addition, strategic positioning varies according to issue. For many environmental groups, APEC offers a window for advocacy not offered by any other economic forum, including the WTO.

Finally, APEC takes its essential meaning through the prism of domestic

political economy. What APEC "is", in other words, varies depending on the domestic (and strategic) vantage point through which it is viewed. In the Philippines, APEC is mostly about what President Fidel Ramos is=97and isn't=97doing to address pressing social, economic, and environmental concerns, as well as whether the interests he is promoting are more American than Filipino. The demolition of squatter communities in Manila in preparation for the November APEC meetings will further alienate many NGOs. =

For most NGOs, in the APEC countries, APEC is a new and little-known creature. There is a great need for basic education and information. Hopefully, the Manila People's Forum will offer an opportunity first, for education and second, for informed=97and respectful--debate.

APEC comes to Aotearoa - Trade Ministers Meeting (July 14-16)

by Aziz Choudry
GATT Watchdog

It was fitting that bleak midwinter rain greeted the APEC Trade Ministers Meeting in Christchurch from July 12 to 14. In true APEC - and New Zealand free market - fashion, the build-up to the meeting was big on semantics and rhetoric. Those seeking something of substance could be forgiven for feeling that official statements from the meeting washed over them like the rain that fell on the two hundred or so protesters who marched to a spirited and fiery rally opposing APEC at the start of the conference.

Billed as probably the most significant economic event that New Zealand had held, and chaired by Trade Negotiations minister (and New Zealand ABAC representative) Philip Burdon, the meeting marked yet another opportunity for the government to sell its neoliberal model of economic development internationally. It was another chance to plea for more foreign investment after the hard sell at the 1995 ADB and Commonwealth Heads of Government Meetings. Local opponents of unbridled free trade and investment, such as GATT Watchdog, which organised a very successful international forum 'Trading With Our Lives: The Human Cost of Free Trade', a citizens meeting and protest action just prior to the Ministers meeting have long drawn the parallels between the extremist domestic market reforms of the past 12 years and regional and global pushes for free trade.

These reforms - structural adjustment policies - have left 1 in 5 New Zealanders living in poverty and given us the dubious distinction of 'enjoying' the fastest growing gap between rich and poor in any OECD country over the past 15 years. We are left with one of the most open economies in the world - a deregulated labour market, a slash-and-burn approach to social spending, and a lemming-like rush to privatise and sell off state-owned assets to transnational buyers, as the country has been transformed into a bargain basement investment playground for transnational corporations.

So it was no surprise to read that the New Zealand Ministry of Foreign

Affairs and Trade's current view is that: "[t]hrough APEC we are able to encourage regional colleagues to follow the type of reforms undertaken in New Zealand". Such sentiments were echoed by Prime Minister Jim Bolger in his opening address. "There is no downside to opening up world trade. All you have to do is to overcome political barriers, in other words, attitudinal barriers". The hype and talking up of the supposed benefits of liberalisation have taken on an air of desperation in New Zealand, as many other economies still resist pressures to axe subsidies, tariffs and other forms of protection which New Zealand's government proudly boasts of having removed.

Normally the Trade Ministers Meeting would have met just prior to the November Leaders Summit. The date was advanced to canvass ways of adding further impetus to liberalise global trade and investment leading up to the WTO ministerial meeting in Singapore. WTO director-general Renato Ruggiero was in town for "informal" talks with APEC delegates and a lunchtime address on the opening day of the meeting. His message was much the same as on his March visit to this country. Part of his role instilling a sense of urgency in the proceedings. According to Ruggiero is that, globalisation is "unstoppable", but cannot be taken for granted. "At the end of the process we should have one big free trade area. I think this is what was in the mind and the vision of the builders of the multilateral system, which was based on non-discrimination", he opined. Ruggiero hopes for an activist APEC caucus within the WTO to propel it forward and prepare it for the next round of negotiations, taking it beyond a mere review of implementation of the Uruguay Round.

Whether, when, and how the semantics translate into action in Manila or Singapore remains to be seen., So do Burdon's claims that at Christchurch, a "very positive and ambitious achievement" was reached, with APEC members agreeing to settle their differences and form a united APEC push for further global trade liberalisation to the Singapore WTO meeting. Cracks appeared in the facade of collective unity. The last public session was delayed for an hour as Malaysian, Korean and Indonesian delegates objected to the speed of proposals to open up markets and others put forward on trade and the environment, and trade and labour issues. One US delegate dryly observed that "APEC is all about conflict diminishment rather than conflict=resolution".

It was also hard to escape the impression that the actual APEC meeting was overshadowed by bilateral meetings. All the other members sought meetings with the USA. Japanese and US delegates discussed the issue of access to the Japanese market for semiconductors. Japan asserts that foreign companies already have 30% of the market, while the USA seeks more access. The issue was left until the end of July to be resolved. US and Indonesian delegates met over Indonesian plans to build a "national" car, the "Timor". The name is supposedly nothing to do with the territory invaded and occupied by Indonesia for over 20 years, but an acronym for Teknologi Industri Mobil Rakyat. The USA, Japan and others have been outraged at the plan to grant special tax concessions from the government enabling Tommy Suharto (the President's son) to produce a car for sale at half the price of

similar cars. This issue is earmarked for supposed resolution by November. Australia and New Zealand signed a food inspection pact that would allow most food passing between the two countries to be subject only to the same checking as applied to local food.

At the APEC meeting itself, US trade representative Charlene Barshefsky claimed that "widespread consensus among members" was reached that information technology products was an area which deserved APEC action, and that there would be active discussion on it prior to Singapore. It was claimed that this consensus could enable work towards a global decrease in tariffs on IT equipment and software. The USA tabled a plan to push for zero tariffs, covering mainframes down to cellular phones. Barshefsky claimed "extraordinary progress" on this "tariff-cutting exercise on the information superhighway".

Ironically, a few days after both Barshefsky and Burdon had firmly called for further commitments to trade liberalisation the USA announced a round of dairy export subsidies into Asia! New Zealand officials see this move as unfair and at odds with the American commitment to trade liberalisation and the spirit of the Uruguay Round. On July 18, US agriculture secretary Dan Glickman demanded "the elimination, not just the reduction, of all trade distorting subsidies in agriculture" in the next round of global trade talks scheduled to start in 1999. Once again, US actions showed a huge gap between the free trade rhetoric which it so zealously expounds, and reality. The move put Burdon's comments during the meeting about New Zealand's disadvantages in the area of its natural benefit, agriculture, with dairy and red meat products still facing huge tariffs in some nations, into sharp relief. A major step towards progress in agriculture had been claimed in Christchurch in approving a "substantive and balanced" work programme to prepare for new negotiations, overcoming objections from Korea, which wanted no further work to be done on this till after its 1997 presidential= elections.

Commitment was made to further work on the Uruguay Round "built-in" agenda. Beyond this, areas like improving market access for industrial products and discussion within the WTO on "transparency, openness and due process in government procurement" were also signalled for attention. All 18 APEC members had presented individual draft action plans on trade and investment liberalisation in Cebu in May. At Christchurch, Philippines' Trade Secretary Rizalino Navarro stated that he was pleasantly surprised by this, but that some were "a little uneven". He did not single out any country but added that some had been very forthright, while others lacked details and timeframe.

These plans, to be implemented in January 1997, have not been released publicly. Washington, however, is known to have been reluctant to move far and fast on free trade in election year when claims that free trade hurts US jobs and interests are being raised in Congress. Since May, eight members have produced revised plans. Most are believed to include commitments to free up trade which outstrip WTO requirements. It will be another four months before we learn what is in the action plans. APEC members agreed to

consult each other to improve the draft plans which they have tabled privately. These will be discussed at another officials meeting in August. =

The Chairman's statement emphasised "transparency, comparatibility and dynamism " in revised plans., "We consider that it is now especially important that regional and multilateral approaches to trade and investment liberalisation support and reinforce each other," it said. Disappointment was expressed that only one of the four areas in which the Uruguay Round negotiations on services were extended - Movement of Natural Persons - had been completed. The statement urged for progress in the areas of financial services, and the need to maintain momentum in the work programme on the WTO Committee on Trade and the Environment. It also called on the WTO to define its objectives more clearly, and to act with greater urgency.

Rizalino's aggressive boxing analogy to describe the path to further trade liberalisation was in keeping with the flow of verbiage emanating from the meeting. The first punch would happen in Manila, the second in Singapore, and "hopefully, the knockout will happen to the opponents after that". The Christchurch meeting broadly reaffirmed the APEC 2010/2020 timetable but did not call for acceleration of these deadlines, nor did it seek to push the WTO to adopt this timeframe. APEC support for China's entry to the WTO was signaled, though US criticism over China's denial of market access to US goods and other protectionist measures had characterised the lead-up to the meeting. Barshefsky called for greater commitment in opening up China's economy, while for her part Chinese foreign trade minister Madame Wu Yi said that China had participated in the Uruguay Round negotiations and was willing to implement the agreements as a developing country.

The lack of substance which characterised the 18-point statement from the chair predictably flowed over into the free traders' attacks on critics of APEC. For once, invectives from Philip Burdon were not so evident as he enjoyed what was supposed to be the crowning point in his political career and tried awkwardly to transform the meeting into an event of far greater significance than its contents justified. Former Prime Minister and Labour Trade Minister Mike Moore railed maniacally at the "grumpy, geriatric communists", the "mutant strain of the left" who marched to oppose APEC. "[T]he delegation should be made welcome, not abused by primitives who, if they had their way, would throw New Zealand and our region into chaos and depression", he said. Many New Zealanders are unimpressed with the repetitious market mantras and lyrical waxings from politicians, business representatives and much of the media which have long since displaced any semblance of open debate about the desirability of trade and investment liberalisation and market-driven models of development.

But it is clear that the government did not limit itself to mere abuse of dissenting voices. A week after the APEC meeting, a story of a sinister bungled break-in at the house of GATT Watchdog spokesperson Aziz Choudry on 13 July by two state intelligence agents, and subsequent police raids on his house, and on that of a speaker at the Trading With Our Lives forum, Dr David Small, supposedly for bomb-making equipment grabbed national media

attention - and continues to do so 10 days later as more and more evidence mounts to support initial suspicions. The market myths that enshroud APEC are very fragile. Obviously, abuse and ridicule are not the only weapons employed by the New Zealand government to try to suppress debate and discredit those who threaten to expose the APEC agenda. Dissent is met with anti-democratic, covert state repression. Such is the "stability" demanded by the free traders.

Aotearoa/New Zealand Alternative Activities on APEC a Great Success

by Aziz Choudry
GATT Watchdog

Aotearoa/New Zealand fair trade coalition GATT Watchdog organised a programme of activities to oppose and expose the APEC agenda, coinciding with the APEC Trade Ministers Meeting. Entitled "Trading With Our Lives: The Human Cost of Free Trade" alternative events began with a public meeting which attracted some 300 people on the 12th July, and featuring Romeo "Omi" Royandoyan from the Philippine Peasant Institute and Manila People's Forum on APEC '96, Dr Alejandro Villamar from RMALC, Mexico, Ines Almeida from the East Timor Relief Association, Sydney, and prominent Maori nationalist and lawyer Annette Sykes.

Over 100 people from NGOs, trade unions, community groups, people's movements and other associations within Aotearoa attended a two-day forum. As well as the international speakers present at the public meeting, participants came from India, Australia, and literally the length and breadth of Aotearoa. Speakers addressed concerns about the APEC/free trade agenda as they impacted on indigenous peoples, women, workers, democratic development, biodiversity and the environment.

Cherryl Smith of Maori activist group Te Kawau Maro told the forum: "There is nothing free about free trade. It is the absence of compassion and it is absence of the sacred. The race by free traders to see who can gain access to markets and exploit the 'resources' of the planet, as fast as possible, as unrestricted as possible, makes it one of the most destructive forces facing us. Indigenous peoples bear many costs of this onslaught"

Alejandro Villamar gave a grim warning about the costs of the imposition of NAFTA on Mexico. He spoke of the immense control that big business, and in particular transnational corporations have over the economy. "80% of the exports from Mexico are produced by 2.8% of the companies," he said. Massive job losses, a drastic decline in the minimum wage, and huge numbers of small business closures have accompanied the first two years of NAFTA in Mexico. This is the reality of the Mexican 'economic miracle'.

Omi Royandoyan explained: "APEC is liberalising trade and investment to make it "free" and "open" to big business without impediments to cross-border investments. The APEC "officials" are trying to delink trade and investment with social, economic and environmental safeguards on the premise that

liberalisation of trade and investment has no relation at all with rights of workers, farmers, social and environmental costs."

Murray Horton of Campaign Against Foreign Control of Aotearoa told the forum that transnational corporations were the driving force behind the push to liberalise trade and investment through the GATT/WTO and APEC, and that they were the major beneficiaries. "In one sentence: GATT guarantees Rogernomics forever, cementing in place our totally deregulated economy, with international law preventing any return to national economic protection and forcing us to compete with the most ruthless and cheapest labour economies. How come, if GATT is going to deliver us a chicken in every pot, that we're the ones getting stuffed?"

Some 200 protesters braved freezing rain to march to a rally on July 14 held outside a civic function to welcome the official APEC delegates to Christchurch. They challenged the APEC free trade and investment agenda, and expressed outrage that Indonesian trade delegates should be feted by local businesses, government, and city council while still illegally occupying East Timor. Street theater, including an APEC monster, marchers wielding firesticks, spirited songs of resistance, and miraculously - no arrests - made the short, sharp demonstration an uplifting experience.

GATT Watchdog spokesperson Aziz Choudry told a media conference that at present there were two opposing camps - the rights of corporate giants to write rules on trade and investment to suit themselves, against the rights of peoples to self-determination and genuine democracy. He said that because of the push by transnationals for further liberalisation without any consideration of social and environmental impacts, the world was heading for disaster.

Indonesian Labour Leader Arrested For The Second Time

by ALARM (APEC Labour Rights Monitor)

[Muchtar Pakpahan, labour leader and ex-political prisoner is the chairman of ALARM's Advisory Group]

Ex-political prisoner and labour leader Muchtar Pakpahan was arrested and detained for the secondtime by the Indonesian authorities following the spate of demonstrations in Jakarta these past couple of weeks.

Muchtar is the leader of Serikat Buruh Sejahtera Indonesia (Indonesian Prosperity Trade Union), the independent trade union which the government is refusing to recognise. Only one official trade union,SPSI, is recognised and sanctioned by the government.

The arbitrary arrest was made on the night of July 29, after political unrest broke out in Jakarta on the 27th which led to street demonstrations and riots. Reports said this recent political unrest is the worst to hit the

country in 20 years. It was precipitated by the fight between factions of the Indonesian Democratic Party (PDI), where the military engineered the ouster of supporters of opposition leader Megawati Sukarnoputri.

No charges have been filed against Pakpahan. He was detained simply on suspicion of helping incite unrest, and of being linked with the newly outlawed People's Democratic Party (PDP), whose leader, Budiman Sukjatmiko, is on the run.

SBSI claims a membership of almost half a million workers, with 97 branches across the country.

In April 1994, some 30,000 workers staged a protest rally in Medan following the death of a Deli Factory worker-organiser, Ruslli, and the dismissal of 399 workers from the same factory. SBSI helped organise these actions. It turned into one of the worst street protests in Medan, and Muchtar was arrested and convicted in November for inciting unrest. His conviction was announced a few days before the 1994 APEC Summit in Indonesia.

He served 9 months in jail and was released in August 1995 due to some technicalities. After his release, all activities of the union have been closely monitored by the military.

They have been routinely charged of being communists because "their organisational structure and style of work is the same" as that of the banned Indonesian Communist Party (PKI). Any trade union activity that is done without the military's presence can be branded as an act of subversion.

Muchtar is only one among many SBSI and independent labour organisers and activists who have been harassed, made jobless, detained, imprisoned or killed by the Indonesian military and government.

SBSI and other human rights and labour support groups in Indonesia and Asia have protested against the government's use of the recent unrest as an excuse for another communist witchhunt and crackdown on dissent.

Please send solidarity letters to Indonesian workers and help demand for the release of Muchtar and other political prisoners. Send copies of your letters to the ALARM Secretariat.

Please send protest letters against the government repression and violation of basic human and workers' rights to the Indonesian consulate in your country. Send copies of your protest letters to Pres. Suharto, and the Presidents of the 18 APEC countries.

In Solidarity

Bien Molina Jnr.
ALARM Researcher

Rex Varona

Canadian Activities Toward APEC 97

by Carole Samdup
ICHRDD

While the debate leading up to the NAFTA agreement did capture the attention of the Canadian media and the public, the impact of APEC both at home and abroad has gone largely unnoticed. Nevertheless, Canadian non-governmental organizations are working in partnership to create a series of parallel events to the 1997 APEC Leaders' Summit which will take place in Vancouver on Canada's Pacific coast.

A pamphlet recently released by the Government of Canada celebrates the Asia Pacific Economic Cooperation with the banner headline "APEC, Opening the Doors for Canadian Business". To emphasize trade opportunities, 1997 has been named the "Year of the Asia-Pacific" and an impressive array of official events have been proposed for the months leading up to the Summit. The events include ministerial meetings and senior officials' conferences, trade missions, cultural exchanges and thematic seminars.

Canadian NGOs will reply to official APEC activities by coordinating a series of alternate events. A national committee comprising representatives of different sectoral networks has been named and is currently working in collaboration with Vancouver-based organizations to convene a "peoples' summit" or NGO Forum. The coalition is broadly based and includes strong representation of labour as well as church groups, human rights organizations, development NGOs, student federations and women's groups. The coalition will continue to expand its base by reaching out to other sectors and interest groups in Canada. An email discussion group has been established to facilitate communication and discussion. In early fall an office will be in place with staff to manage correspondence and provide information via a more formalized distribution system.

In order to promote continuity between APEC NGO Forums from year to year, representatives from the Canadian Filipino community have been asked to sit on the coordinating committee until the end of 1996 at which time Malaysian representatives may be asked to participate in their place. (The 1998 Leaders' Summit is scheduled for Malaysia). The Canadian coalition has also agreed to name a representative to the International Convenors' Committee currently based in Hong Kong.

The APEC Leaders' Summit in Canada will provide the spotlight within which peoples' organizations and NGOs can freely express concerns about the APEC process, debate alternatives and propose recommendations for change. The Vancouver APEC NGO Forum will promote increased non-governmental participation from many APEC countries and will emphasize the need to build international coalitions in

order to achieve our common goals. At the same time the parallel events will be an educational opportunity for the Canadian people to learn more about the effects of unfettered trade and investment liberalization within the APEC context.

The International Centre is involved in APEC 1997 NGO activities within the context of its campaign on Economic Globalization and Human Rights. In past years we have worked in collaboration with organizations in many of the APEC countries, organizing workshops, speaking tours and conferences on workers' rights in particular. Last year at the APEC NGO Forum in Japan the International Centre co-sponsored, with Asia-Pacific Solidarity Links, an Experts' Meeting on Workers' Human Rights in the APEC region. The International Centre has facilitated a dialogue between NGOs and Canadian business in order to promote ethical business practice. We have also published materials on APEC and the social clause in the WTO as well as opinion editorials in various Canadian newspapers and magazines.

For more information about our work or plans for the 1997 APEC NGO Forum:
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ANNOUNCEMENTS

A more detailed calendar of the Manila People's Forum on APEC, Nov 1996 will be published in the next issue of FOCUS-on-APEC.

Back issues of FOCUS-on-APEC are now available through the FOCUS website . See the APEC section of the site. For those who do not have internet access, you may receive back issues of the bulletin by e-mailing FOCUS <focus@ksc9.th.com> and requesting the issue/s desired.

Hard Copy versions are available upon request. However, due to our budget constraints we are unable to air-mail the bulletin to many people/groups, so we kindly ask you to print this out and regular mail it to interested people/groups in your country who/that do not have access to e-mail. Thank you.

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