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Special issue on trade and the environment

This issue and Focus-on-APEC Bulletins 10, 11 and 12 include some of the papers presented at the Manila Peoples Forum on APEC held in November 1996, and at other regional meetings on APEC. It is not a complete collection of the papers presented, but simply those available as at February 1997. Others will be included in subsequent issues as they become available.

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(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.

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We welcome your comments and suggestions!

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Free trade and the environment:
the Chilean model and its implication for the Asia Pacific

by Sara Larrain*

Chile in the global trade game.

These days Chile is called the "Latin American tiger" because the level of its high economic growth during the past decade.

Macro-economic GDP figures show that the country's growth was between 6 and 7 per cent annually during the last twelve years.

This "incredible" economic growth was obtained by carrying out profound changes, going from a closed industrial system centred on an internal, regulated and protected market, to an economic model based on exporting raw materials, privatisation, and deregulation as a way to achieve its incorporation into the global market.

International organisations such as the World Bank, are calling the other countries of the region to follow the Chilean experience as "the successful model". Also in the surveys of international business Chile was recently ranked among the most competitive countries .

According to the International Institute of Business Development's recent report, based on surveys of 2,465 business leaders throughout the world, Chile holds the fifteenth place in a global competitiveness. The criteria of this ranking are: government support for competition, the ability of society to adapt to and maintain competitiveness, aggressiveness in the world market, and attraction for foreign investment.

Given the "success" Chile is having on the regional and international scene is important to know how it was achieved, and what are the lessons we, as citizens, need to learn about this process. This is why Chilean citizen organisations are exposing worldwide what's really happening with the people and the environment in the country, to show the real costs of this "successful model".

The competitive basis of the Chilean economic model

In a trade context in which Chilean exports have increased fifteen times in the last few years, almost US$9 out of every US$10 that we export today correspond to natural resources in the form of raw

materials or semi-processed materials. Of these, 44.5 per cent come from the mining sector, 17.1 per cent come from agriculture, 14 per cent from forestry and 11.7 per cent from fishing.

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

Government and business officials claim that the country is able to sustain an annual growth rate of 6 to 7 per cent, but they are ignoring the inability of the ecosystem to continue tolerating the stress produced by the present rate of extraction, and the build-up of deposits of residues and emissions of industrial processes. To give a clear picture of the serious pressure of the Chilean export model over the environment, it is enough to note that at present, 64.8 per cent of Chile's competitive exports consist of only ten products: copper, gold, fish-meal, frozen fish, grapes, apples, raw and bleached cellulose, pine lumber and native wood chips. In the other hand, pollution and its impacts on environment and public health has forced the government to designate as saturated areas almost all mining sites where the impact of pollution on public health is serious, and some cities including Santiago, Chile's capital.

The lack of effective laws to protect the environment, weak regulations which are largely unenforced, have all had serious impacts not only on the ecosystem, but also on elementary economic activities, the quality of life and the health of the population.

Environmental impacts of economic liberalisation

1. 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. According to official information the externalisation of environmental costs in the mining sector are very difficult to reverse. For example one company, CODELCO, the state copper company alone, must invest more than 900 million dollars to reverse the air and water pollution it is producing.

Strangely enough, today, both the state and the private sectors claim that they do not have enough funds to pay for the clean up in the regions they have polluted. One of the most important instruments that has contributed to the stress on ecosystems and the negative impact on the population in the mining sector have been the laws and decrees on mining and water promulgated by the military government to attract foreign investment. Both sets of decrees have remained in effect without any change during the transition to democracy. One of them, Decree Law 600, stimulates large investments at the expense of the rights of local community. Through this mechanism, companies have obtained water rights from the government, forcing local populations to diminish their farming and herding activities, and finally abandon their homes. This has had special impact on indigenous groups, the Aymara and Atacameños, and is significant due to the fact that 90 per cent of the mining activities are in the first, second and third regions which are desert zones, and that mining processes require intensive use of water resources. Further, Chilean law does not mention any restoration of land where mining occurred once the operation is finished.

Today APEC countries receive almost 50 per cent of Chilean mining exports, in particular Japan which receives 30 per cent of our copper exports.

Chile's trade liberalisation through free trade agreements like NAFTA

and APEC without environmental regulations will increase the pressure on mineral resources and the impact of mining activities on peoples health and the environment.

2. Forestry sector

To facilitate the liberalisation of exports in forestry, the military government changed the legislation in this area by introducing decrees such as Decree Law 701, which subsidised forestry plantations and freed them from taxes. Decree 701 was in effect for 20 years, starting in 1974. And it was renewed by the democratic government. This decree makes forestry plantations tax free and subsidises between 75 per cent to 90 per cent 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 per cent of the subsidies of Decree 701 go to small tree farmers.

Thanks to these subsidies, forestry exports increased from US$130 million in 1974 to US$2,040 million in 1995. This means an increase of 1,600 per cent in forest exports in the last 20 years. A big part of this increase was the export to the APEC countries, that today receive 44 per cent of Chilean forest products (Japan 31 per cent, USA 7 per cent and Korea 6 per cent)

Another important stimulus to forestry exports was the privatisation of State companies. Six of the largest State owned companies in the forestry sector were sold to the private sector at 78 per cent of their nominal value.

The stress over the native forests in Chile is at the point of becoming irreversible. According to the National Accounts Programme of the Central Bank of Chile, in the period of 1985 and 1994, between 400 to 900 thousand hectares of native forest were lost, and that this tendency continues. If the actual forestry policy remains unchanged,

Chile's native forests will disappear by the year 2025, just thirty years from now.

3. Fishing sector

Chile today is the fourth leading nation in fishing in the world. In order to exploit the market possibilities, 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 ten 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 and the coastal pollution has continued during the democratic government, due to lack of implementation of the rules and the lack of funding to enforce them. Now, over-exploitation affects 70 per cent of Chilean marine resources, affecting 80 per cent of the biomass.

Today , 77 per cent of Chilean marine resources are exported to APEC countries: 62 per cent to ASEAN countries and15 per cent to the US and Canada .

4. Agriculture

Chilean military and democratic governments 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. More than 300,000 hectares of traditional crops were reconverted to export crops such as fruit, vegetables and flowers.

The use of pesticides on these crops, especially in the last ten years (1985 to 994) has drastically increased. Use of insecticides increased by 64 per cent, weed killers by 221 per cent, phytoregulators by 81 per cent and other special products by 180 per cent. 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, for example, where 60 per cent of the pesticides are used, studies carried out by the Hospital of Rancagua show an alarming increase in miscarriages and genetic malformations, research that has now attracted worldwide attention.

Agricultural policy oriented toward the world market has caused a loss of biodiversity due to accelerated changes in soil use, salination of soils, degradation of water sources and erosion. Today, 75 per cent of the agricultural soil in Chile is eroded, this means 45 per cent of the total land area.

Finally, it must be pointed out that the income produced by the growth in agricultural exports has principally gone to the large firms, that the number of jobs has decreased, with an increase only in temporary jobs, and that a large number of unemployed rural farm workers have migrated to the cities. It is estimated that during the next ten years, between 100,000 and 200,000 more families will have no alternative but to abandon the countryside.

The failure of the Chilean model to consider environmental and social costs has contributed significantly to the economic growth of the country and its entry into the global economy, since Chilean products have been more competitive in the international market. However, it can be demonstrated that the Chilean model of economic growth and increased GDP is not sustainable in the long term and is incapable of improving the conditions of life for the majority of its population.

Chilean liberalisation has intensified inequality

The benefits of the Chilean export model are concentrated on a few while many are excluded. This situation which began during the Pinochet dictatorship continues today under democracy.

In 1970, before the trade liberalisation of Chile's economy took place, economic growth and the GDP were lower, but only 20 per cent of the population were living in poverty.

In 1990, the newly elected democratic government was handed a country where 40 per cent of the population lived in a situation of poverty, or twice as many poor as in 1970.

Today, after 12 years of 6 per cent annual sustained growth, 30 per cent of the Chilean population continues to survive at the poverty level; that is 4 million Chileans. In some regions, such as the seventh and eighth regions, 40.5 per cent and 40.9 per cent of the population (respectively) are poor, even though these regions make a high contribution to the GDP. (These two regions contribute 27 per cent of the total in fishing, 12 per cent of forestry, and 19 per cent of manufacturing.)

Poverty in Chile does not exist because the poor do not have jobs, the unemployment rate was 5.6 per cent in 1994. Official figures show that in Chile the poor have jobs, but they have low paying jobs.

Economic growth in Chile is subsidised by low wages. One million households, that is 4 million Chileans, out of a total population of 13 million, have a monthly income of less than 80,000 pesos (US$200), and another million households or another 4 million persons, are on the verge of falling into this category.

As a result, according to official figures, when the Chilean population is divided into ten groups by income level, the richest 10 per cent of the population receives 40.8 per cent of the GDP, and the poorest 10 per cent receive only 1.7 per cent.

This group of the poorest 10 per cent of the population who receive 1.7 per cent of the GDP is comprised of 1,656,000 persons who earn less than 15,000 pesos per month.(US$37.50).

Between 1992 and 1994, that is to say, during the democratic

governments, income distribution has become more skewed as the gap between the rich (who increased their share of wealth by .7 per cent) and the poor (whose share of wealth has decreased by .4 per cent) has widened.

This all shows that the success of Chile's export model is based on low salaries, poverty and environmental destruction. Chile's incorporation into the global economic adventure has benefited a very few at a high cost to the majority of the population.

The externalisation of social and environmental costs has given Chile a great competitive advantage in the world marketplace. However, these same factors make long term participation in the global market not a viable alternative, even by the rules of the market , because of the huge environmental and social debt accumulated. How and where the country will find resources to clean up pollution, to recapture native forest and to take out of poverty 30 per cent of the population ?

Chile has received good ratings, but, without a doubt, it has been a dark victory. The application of these criteria has destroyed the environment and has intensified social unrest in the country. The costs of the globalised economy for citizens and to the environment are not viable, and therefore they constitute a real limit for their future consolidation. That is why, as citizens, we must create the conditions needed to counteract the impact of economic globalisation and develop strategies to reverse it

How to proceed from the environmental movement?

Environmental protection is not only necessary to protect peoples health, quality of life and resources responsibly for future generations. But also is a clear condition for economic health and sustainability.

In the context of free trade agreements, we should simultaneously prevent the intensification of environmental impacts and to generate

alternatives to economic liberalisation. On this way part of our task are the follows: 1. Countries must recognise that environmental deregulation creates trade distortions and that social and environmental impacts are difficult and expensive to reverse. Countries must promote building the environmental costs into the natural resources extraction and into productive processes. 2. Before liberalising trade governments should evaluate social, economic and environmental impacts that will be created or intensified. They should develop a plan and propose measures and recommendations to face or abolish these impacts. These measures and recommendations should be negotiated with the population and the congress in each country, and included in the negotiations package. 3. Countries should have environmental legislation in place and also the institutions and authority to implement environmental impact assessments in order to prevent environmental damage. 4. Countries should have an environmental policy with short, medium and long term goals as a result of an agreement with all social sectors in the country, standards that assure that productive or development projects will not impact peoples health and environmental quality, and also an environmental authority that is responsible for the environmental situation of the country (and not a second rank official under the ministry of economy and trade, a situation common in many countries). 5. Prior to free trade agreements negotiations, countries should agree to a certain level of harmonisation of environmental regulations (in order to abolish the relocation of dirty industries to less regulated countries) and agree on financial and technical cooperation to achieve this harmonisation. This process must b recognise the right of countries to maintain and promote the improvement of its environmental regulations and not regard these improvements as commercial barriers. 6. In the APEC, and in other trade agreements in

which countries have the right to use natural resources existing in all territories of those nations which are members of the agreement, each country should maintain the right to the sustainable use and management of it natural resources, including the improvement of standards to protect his resources. In the case of Chile this is crucial because natural resources are the base of our export economy. Current legislation does not consider this kind of agreements so it must be reviewed. 7. Lastly, taking in account that trade and investment agreements improve corporations' activity and mobility between countries, is necessary to establish inside these agreements elementary codes of conduct that ensure that corporations act responsibility and that allow government and citizen control over their activities.

If government does not implement measures that allow fair and sustainable economic integration between nations, then citizens challenge corporations' activities in the region; evaluate current impacts of trade in each economic sector and share this information in order to develop mechanisms that reduce environmental impact and profitability and therefore less attractive for exploitation.

NGOs should develop ways of showing the real costs of trade agreements. We should coordinate strategies to get rid of subsidies which create negative environmental effects and mechanisms that protect corporate profits and diminish peoples rights and protection.

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Cleaning Up Toxic Wastes in the Asia Pacific Region by Jorge Emmanuel*

As stricter environmental laws and occupational safety standards made disposal of toxic and hazardous waste expensive in rich

industrialised nations, waste generators and brokers have made developing countries (including Eastern and Central European countries) convenient dumping grounds for "the effluent of the affluent". The stories of toxic dumping show a callous disregard for human life and the environment. One of the most famous cases was the notorious Khian Sea, a barge that contained 13,500 tons of toxic incinerator ash from Philadelphia. From 1986 to 1988, the Khian Sea roamed the globe in search of a dumping ground. It tried but was unable to dump the waste in the Bahamas, the west coast of Africa, the Philippines, Indonesia, Sri Lanka, and Singapore, but it did manage to dump 4,000 tons on Gonaives Beach in Haiti before it was stopped. Its remaining cargo was apparently dumped somewhere in Asia.

In 1991, four US companies based in South Carolina participated in a scheme to dump thousands of tons of toxic material contaminated with lead and cadmium in Bangladesh. About 1,000 tons of the toxic waste disguised as fertiliser had already been applied by farmers to their fields before this was exposed by Greenpeace. Although part of the penalties imposed by a US Court was used to take back the waste, no provisions were made to clean up toxic waste from farms in Bangladesh.

Perhaps the most deceptive form of dumping is "recycling" waste in other countries. From 1990 to 1993, 5.3 million tons of waste were shipped from five developed countries (US, Canada, Japan, Australia, and Germany) to Asian countries of Bangladesh, China, Hong Kong, India, Indonesia, Malaysia, Pakistan, Philippines, Sri Lanka, Taiwan, and Thailand. These included not only household garbage and plastics that end up being buried somewhere, but also incinerator ash, lead-acid batteries, wastes containing other toxic metals, and medical waste.

Because safe disposal of lead can be costly and lead-acid battery recycling requires strong measures for occupational safety and

stringent environmental controls, unscrupulous brokers have sent battery scrap to poorer countries with non-existent or unenforced occupational safety and environmental regulations. Thus, toxic levels of lead have ended up in soil, rivers, air. The Center for Investigative Reporting (San Francisco) revealed in 1990 that car batteries from the US were being sent to factories in Taiwan. Workers at the plants complained of health problems and were later found to be suffering from lead poisoning. It was reported that one of the factories dumped thousands of tons of waste in an open field and children at schools near both plants were found to have high levels of lead in their blood.

Reports of lead dumping abound, in Thailand, India, Mexico, Indonesia, and the back streets of Manila, among many others. Children living in the vicinity of Philippine Recyclers Inc. (PRI) in Marilao, Bulacan, have elevated lead levels in their blood, based on a recent study by Greenpeace and the University of the Philippines College of Public Health. PRI, a subsidiary of Ramcar Batteries of Commerce City, California, processed more than 4,000 tons of scrap batteries per month. Since 1991, the Philippines has imported more than 76,000 tons of lead-acid batteries; as pointed out by Von Hernandez of the Greenpeace Southeast Asia Toxics Campaign, that is enough to fill 38,000 40-foot long container vans.

Lead enters the body by being inhaled or ingested. Even at very low concentrations, lead affects the nervous system, blood cells, kidneys, and reproductive system. Symptoms of chronic lead poisoning include vomiting, abdominal pain, stupor, and loss of muscular coordination. Lead can cross the placenta of pregnant women and damage the foetus. Lead has adverse effects on the development of children: very low levels in the blood can cause anaemia and brain damage. For children and adults, increasing lead levels result in

mental loss (speech and writing problems, mental retardation) and eventually, irreversible brain damage.

The major countries exporting lead waste to developing countries are the United States, Australia, Japan, and the United Kingdom.

Ratification of the Basel Convention

One approach for dealing with the toxic waste problem is preventing it in the first place. In recent years, many governments and non-governmental organisations (NGOs) have worked on legal instruments proscribing the insidious practice of disposing toxic wastes in developing countries. Africa was a favourite dumping ground for many years. African countries (except Morocco) are now protected from the dumping of toxic cargo by the Bamako Convention. Mediterranean countries have developed the Regional Waste Trade Protocol under the Barcelona Convention. There is a similar Regional Agreement on Transboundary Movements of Hazardous Wastes covering Central America. As other regions have clamped down on toxic dumping, Asia and the Pacific have become the most vulnerable region for dumping from industrialised countries.

The Basel Convention on the Transboundary Movement of Hazardous Waste was adopted in 1989. Despite strong pressure to weaken the Basel ban by several industrialised countries, especially the United States and Australia, and by waste trade industry representatives, the Basel ban prohibits the export for final disposal of hazardous waste to non-members of the OECD (Organisation for Economic Cooperation and Development) immediately. It will ban export of hazardous waste for the purpose of recycling in 1998. The Basel ban is legally binding on more than a hundred countries that are contracting parties to the convention. However, two-thirds of the parties (about sixty countries) must ratify the ban and incorporate it into their national laws in order for the ban to enter into force. The United States has

been trying to find ways to circumvent the ban.

Notwithstanding the lengthy phase-out period pertaining to recycling of hazardous waste, the ban is an important international response to the danger of the toxic waste trade. There is concern, however, that in the coming year, unscrupulous waste traders will dumped large amounts of hazardous waste for recycling before the 1998 deadline. Pressure should be put to bear on countries to ratify the Basel ban, in particular, the United States - one of the industrialised countries most responsible for toxic dumping in developing countries and the only OECD country that is not a contracting party to the Convention. NGOs could support organisations, notably the Greenpeace International Toxics Campaign, which investigate and document the toxic waste trade, monitor convention meetings and lobby to strengthen the Ban. APEC-member governments should be pressured to ratify the Basel Convention. Moreover, governments and NGOs should ensure that there is strict enforcement of the Ban. Closing the door on toxic waste dumping in the Asia-Pacific region may eventually force industrialised countries to minimise waste generation, reduce over-consumption, and "close the loop" domestically through local recycling industries.

Uncontrolled industrial growth and toxic waste

While stopping the import of hazardous waste into the region is one approach to preventing toxic contamination, minimising toxic wastes generated by industrialisation is another. Rapid growth in East Asia, fuelled largely by foreign investment and trade openness, has come at the expense of the environment. The largest dumping ground of hazardous waste is the air, as tons of toxic pollutants are emitted from cars and trucks as well as from coal-fired plants, chemical processing plants, cement factories, smelters, and other pollution-intensive industries. Major air pollutants include particulate matter, gases that form acid rain (oxides of sulfur and

nitrogen), carbon monoxide, toxic metals, as well as numerous organic compounds. These pollutants are dispersed in the atmosphere and can travel across national boundaries and can be deposited back on the ground through rain. Some pollutants react in the atmosphere to form acid rain, photochemical smog, or other toxic compounds. The major long-term health and environmental effects of these pollutants are well established.

Surface water, such as rivers, streams, and the ocean, has long been a convenient dump for toxic waste - as a place for direct discharge of wastewater and sludge, ocean dumping, or the eventual recipient of pollutant-laden storm drainage, run-off, siltation, mining tailings, accidental spills, etc. Different toxic contaminants in the water can be transported by water flow to communities downstream, they can be adsorbed in sediment from which they can slowly be released for many years, or they could accumulate in marine life and enter the food chain. Toxic wastes have also been dumped on the ground. Depending on the chemical properties of the waste and the environmental conditions, toxic contaminants can evaporate and pollute the air, be taken up by plants and animals and eventually move up the food chain, be transported to other areas by run-off during rainy seasons, percolate through the soil and contaminate drinking water supplies, and/or simply stay on the soil.

Toxic contamination involves the release of toxic chemicals and their subsequent migration to different environmental media. The risk to health and the environment rises as one or more completed pathways of exposure to vegetation, animal, and human populations are completed. Toxic waste can adversely disrupt the ecosystem, overwhelming natural restorative processes, destroying habitats, killing off sensitive species, and markedly reducing bio-diversity. The human health effects from chronic (long-term), low- dose exposure to different

toxic compounds range from disorders of the lungs, liver, kidneys, and other organs, to adverse effects on the immune, reproductive, or central nervous systems, as well as mutations of genes and a variety of cancers.

There are several approaches to minimising toxic waste. In the immediate term, polluting industries can be required to install end-of-the-pipe abatement technologies to remove pollutants before the effluent is released to the environment. For a particular industrial operation, the best available control technology or the highest level of emission control found worldwide can be identified and new operations can be made to meet those standards. For existing operations, an appropriate combination of penalties and incentives can be used to bring the rest of the industry to those higher standards. These technology-based standards can be supplemented by risk-based standards or standards based on the "whole effluent toxicity". It is also important to develop comprehensive strategies to eliminate loopholes that allow facilities to merely transfer pollutants from one environmental medium to another.

Another approach is to require industrial facilities to reduce the source of waste by implementing good operating practices including material handling improvements and inventory control to eliminate loss of material from expired shelf life or improper storage. Operational changes such as improved process control and adjustments in operational settings may also reduce toxic waste generation. Also important are possible product substitutions or changes in product composition to reduce toxicity or the amount of waste generated.

Recycling is the use or reuse of materials from the waste stream or the recovery of materials from the waste stream as a product or for regeneration. Recycling programs can result in cost reductions in a facility.

For the longer term, investments in the region should place a high priority on implementing the highest clean production standards achievable worldwide. The US and Taipei sponsored "Clean Production/Clean Technology" initiative may be a step in the right direction unless it becomes a way to sell energy-intensive or otherwise inappropriate technologies which could have other detrimental effects on local communities. These and other initiatives lack mechanisms for allowing the participation of NGOs and community groups who have a stake in clean production and clean technologies.

US military's toxic waste legacy

Most people associate toxic waste solely with industry. However, military facilities and operations also generate large quantities of hazardous waste from production, testing, cleaning, maintenance, and use of weapons, explosives, aircraft, naval vessels, land transport, etc. as well as storage and distribution of petroleum, oil, and lubricants (POL). Toxic solvents, oils, greases, corrosives, fuels, heavy metals, PCBs, dioxins, unexploded ordnance, and radioactive material are some of the hazardous wastes emitted or discharged directly into soil, air, or water by the military.

For decades, the US Department of Defence was one of the worst violators of US environmental laws. As a result, there are over 22,000 contaminated sites in 3,300 active and former military installations in the United States. Many of these are included in the so-called 'Superfund' list of the most contaminated and dangerous sites. This problem extends to overseas US bases including bases in Asia and the Pacific.

A case in point is Anderson Air Force Base in Guam. For decades, the US military simply dumped toxic waste on the ground. Unfortunately, Anderson sits directly above the major aquifer which is the primary

source of drinking water for three-fourths of the population. In one US government report, the levels of trichloroethylene in the groundwater were several times higher than US federal government limits. Trichloroethylene, an industrial solvent used extensively by the military, is a suspected carcinogen and can also damage the liver and kidneys.

Many of you may recall the disastrous Pinatubo volcanic eruption in 1991, ending nearly a century of military operations at Clark Air Base in the Philippines. More than a year later, a refugee center was opened in a place called CABCOM (standing for Clark Air Base Command) to house 17,000 families displaced by Pinatubo. In 1994, families began complaining of gastrointestinal disorders and skin rashes which they believed were linked to their use of water from some wells that had been dug up at CABCOM. The refugee site is situated on what was once a major motorpool and vehicle maintenance area of the former US military base. Since this area was a former US base and lacking financial and technical resources, then Secretary of Health Dr Jaime Tan wrote a letter in 1995 to his US counterparts, specifically the Centers for Disease Control, asking for assistance to test the drinking water wells. The response took several months. The State Department, which apparently had to approve such assistance, placed the condition that the Philippine government, with its limited resources, had to pay for any assistance.

The US government has failed to do what is right and just, and to accept responsibility for the toxic legacy of its former bases in another country. The US left behind about two dozen major and minor facilities throughout the Philippines. In 1992, after the withdrawal from Clark, the US was forced to withdraw from Subic Naval Base when the Philippine Senate rejected a treaty that would have extended its lease. Subic, the largest US naval base outside the US, was described

by David Berteau, then principal deputy secretary of defence, as a toxic "horror story" in a 1990 Los Angeles Times interview. Before the US withdrew from the Philippines, the Pentagon conducted a preliminary and incomplete environmental assessment documenting some two dozen sites at Subic and a dozen at Clark as areas potentially requiring clean-up because of past dumping of hazardous waste, leaking underground storage tanks, toxic spills and other environmentally destructive practices. Those reports were given to the Philippines government only two years ago due to pressure from US and Philippine NGOs and some government officials.

President Clinton visited the Philippines in November 1994. At a joint press conference, both presidents were asked about the military toxics issue. President Clinton denied there was any evidence of environmental problems despite the fact that much of the evidence to the contrary came from US General Accounting Office and Department of Defence documents.

Following the Manila People's Forum on APEC, an International Forum on Military Toxics and Bases Clean-up will take place in the Philippines from November 24 to 26, during which representatives from various countries will share information and co-ordinate activities to pressure the United States to take responsibility for its toxic and hazardous wastes in overseas military bases. The forum is being convened by the People's Task Force on Bases Clean-up, Nuclear Free Philippines Coalition, and the US-based Working Group for Philippine Bases Clean-up. NGOs can support this international campaign and a proposed resolution being presented by those organisations to the Manila People's Forum calling on the US to meet its environmental responsibility. Since naval bases like Subic have polluted the ocean, clean of military toxics should be an immediate activity under the US government-sponsored "Clean Pacific" initiative proposed for APEC.

The clean-up process

The clean-up process entails several stages. The process usually starts with the discovery of a contaminated site. This is followed by a preliminary investigation which includes a review of historical records (which may reveal past dumping practices, accidental spills, etc.), interviews of current and past employees as well as neighbouring residents, and a visual inspection. The preliminary investigation determines whether an in-depth study should be conducted. If so, a detailed site characterisation is needed to establish the nature and extent of contamination. This information is used to select the best clean-up technology or technologies to employ, and in some cases, to evaluate the risk and determine clean-up priorities. The clean-up system is then designed and installed. Since certain clean-up activities (such as restoring groundwater) can take years to complete, long-term monitoring may be necessary. Anytime during the study process, emergency clean-up activities may be needed to eliminate or mitigate imminent threats to human health and the environment.

Issues related to toxic waste clean-up

The clean of hazardous waste and toxic contamination can be an expensive process. Numerous environmental samples may have to be obtained and costly chemical analyses conducted to determine the extent of contamination. Some clean-up technologies have large capital costs. Who pays for the clean-up? A basic environmental principle is that the polluter must pay and an environmental justice principle affirms that poor communities should not bear the burden for environmental destruction caused by others. Some countries have laws that clearly establish liability for clean-up of toxic waste.

But what happens if the polluter is outside the country's jurisdiction? How can companies in South Carolina be compelled to

pay for the clean-up of their toxic waste in Bangladesh? Or can the United States military be forced to pay for the clean-up of its toxic legacy at overseas bases?

Another issue is clean-up standards. Environmental regulations in many Asia-Pacific countries may not be able to provide guidance on the clean-up process or the level of clean-up (how clean is clean). Who will determine these levels and how will they be defined? An overriding problem may be the lack of technical capacity in developing countries. This could include a lack of essential laboratory equipment, calibration standards, quality control and quality assurance procedures, or experience with clean-up technologies. Some technologies can completely destroy toxic waste, others (for example, standard pump-and-treat with carbon adsorption) merely concentrate and collect toxic contaminants in filters, while others produce toxic by-products (for example, incineration). Because toxic waste clean-up always carries the risk of toxic exposure, occupational safety and health training for clean-up workers is needed, such as in the use of personal protective equipment and decontamination procedures. Many countries have not yet developed such measures.

A vital component of clean-up is independent oversight and community participation. In the United States, this aspect of clean-up is formalised in advisory boards for the clean-up of military bases and weapons production facilities. The experience of advisory boards is uneven across the country, ranging from military bases that manipulate and use advisory boards to put a veneer of public approval on their activities to facilities that work effectively with citizens groups and provide genuine participation. An essential feature of this "advisory board" model is government funding of technical consultants to represent the interests of the community in the

independent review process. This begins to level the playing field as the community's consultant reviews highly technical data and empowers the community with an understanding of the information.

Some ideas for NGOs and community groups

NGOs and communities need accurate information in order to act. Some countries have promulgated right-to-know legislation based on the principle that workers and communities have a right to know whether or not they are exposed to environmental hazards. Under right-to-know laws, industrial plants can be compelled to quantify and release information regarding their generation and emission of toxic waste. The laws also require plants to report any accidental releases of hazardous waste to the environment. Worker right-to-know laws require employers to make available to their employees toxic, explosive, and fire hazard information regarding chemicals that workers are handling. These right-to-know laws can be useful tools for labour and environmental activists in protecting workers and communities from toxic contamination. Furthermore, the information can be used to galvanise communities to pressure local plants to clean up their acts.

The right of communities to participate in making decisions that affect their health and environment is another important principle. The US has applied this concept in its guidance documents on military base clean-up. NGOs and community groups in the region could work collectively to gain greater governmental acceptance of both the right to know and the right to community participation. The Kyoto Declaration's call for effective public participatory decision-making, transparency, and effective monitoring of all aspects of trade investment can also be applied to the clean-up of toxic waste.

In order to clean up toxic waste, building technical capacity may be a prerequisite especially among developing countries. NGOs can help in

this process by encouraging their local scientific and academic communities to take interest in the toxic waste problem, educating a new generation of scientists and engineers committed to reducing toxic pollution and cleaning up toxic waste. Collaborative efforts between professional societies and among scientific organisations from different countries could foster technical exchanges of information such as new and emerging environmental technologies, clean production standards, best available control technologies, data on health and ecological effects of toxic substances, etc. Scientists working with NGOs can help transfer that information to communities in a manner that is understandable and empowering.

In general, there should be greater sharing of information and experience among NGOs and community groups in the region concerned with the toxic waste issue. This exchange could take place in conjunction with conferences such as this or on an ongoing basis through electronic mail and other forms of communication.

The author appreciates updates on the toxic waste trade provided by Marcelo Furtado (Washington, DC) and Von Hernandez (Manila) of Greenpeace.

* Jorge Emmanuel works with the US Working Group for Philippine Bases Clean-up, ARC Ecology, Urban Habitat, and Fellowship of Reconciliation's Latin America and Caribbean Task Force on domestic and international military bases clean and conversion, along with partners in the Philippines and Panama.

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Integrating trade with environmental protection:

Perspectives within the context of APEC

by Ian Fry*

The purpose of this paper is to look at current international trade

trends, then fit these within the context of APEC, and finally suggest actions for government and NGOs to take in an effort to stem the growth in environment degradation.

1. Current financial trends

The Inter-Linked Economy (ILE)

Today we are witnessing an extraordinary globalisation of the world's economy. In a book called the "Borderless World" the author Kenichi Ohmae (1991) defines this concept as the inter-linked economy (ILE). It works on the principle of a free flow of information, money, goods and services. It is a market driven process whereby consumers choose products in an international market. based on quality, price, design, value and appeal. Products are no longer made in just one country. Components may be put together in a variety of countries. Nothing is "overseas" any more.

Some commentators have described the ILE as a huge social experiment gone wrong. But I would argue that it is no longer an experiment. It is clearly an economic process out of control.

The economic elite

Omhae defines the major participants of this ILE as people earning a GNP in excess of US$10,000. These are the economic elite. At the time of writing the book in 1991 these economically elite numbered 1 billion. The economic elite are not only found in industrialised countries, they are participating in the ILE in all corners of the world. For this reason we must be careful not to fall into the trap of defining this current globalisation of the worlds economy as a North-South issue. It is an economically elite - non economically elite divide that doesn't recognise national boundaries.

Governments becoming less relevant

The fact that the divide doesn't recognise national boundaries means that nations and their governments are become less relevant. In fact,

Ohmae suggests that governments are a major hindrance to globalisation and efforts must be made to "bypass" this hindrance. He says that some governments are slow to grasp the fact that their role has changed from protecting their people and their natural resource base from outside economic threats. They should be ensuring that people have the widest range of choice among the best and cheapest goods and services from around the world.

He goes on to say that traditional instruments of central government bankers, such as interest rates and money supply, are obsolete. International financial markets and foreign exchanges can virtually blow away government tampering with financial processes. For instance, if governments tighten money supply, loans gush in from abroad and make the nations monetary policy meaningless. This is the power of the ILE.

Everybody benefits?

The major premise of the ILE is that with a free international market everybody will benefit. When governments step in to intervene to protect resources, markets, industries and jobs, it creates a cost to the consumer. Hence the premise suggests that governments discourage investment and impoverish their people.

International security

It has been argued that a global economy creates international security by the fact that nations need to cooperate into order to trade with each other. Furthermore, because the ILE does not need to recognise national boundaries the need to protect these boundaries is unnecessary and counterproductive.

2. The role of APEC

APEC the anomaly

Within this realm of economic globalisation we have APEC. To global economists, APEC is an anomaly. No region should be signalled out for

special attention. But in reality the region covered by APEC is special. It commands 56 per cent of global output and 46 per cent of world trade and this is expanding at a rapid rate. Within the region there is fierce competition for investment and hence governments are trying to formulate a regional approach to this massive growth.

Accelerated GATT

In the minds of some, APEC is seen as a means of accelerating the commitments made during the Uruguay Round of GATT. The US and Australia see APEC as a forum for facilitating an accelerated agenda for freeing up investment and reducing tariffs and non-tariff barriers. They hope that these accelerated commitments will pre-empt a sub-regional response by ASEAN. This was clearly the agenda pushed by the US at the Bogor meeting of APEC and then followed up by commitment made by governments to Individual Action Plans in the Osaka meeting. Effectively the strong corporate interests of the US are trying to clear all blockages to a free trade agenda. This is evidenced by the statement made by Joan Spero Under Secretary of State when she said that "APEC is not for governments, it is for business. Through APEC we aim to get action to get government out of the way, opening the way of business to do business" (Bello, 1996a).

Japan's interest in the APEC process is not so clear cut. So-called Japanese companies are investing furiously in the region, yet the Japanese government still sees room for protectionist policies, particularly in relation to agricultural products. Exempting agriculture appears to be supported by South Korea, China, Taiwan and to some extend Malaysia (Bello, 1996b).

Despite these various agendas, APEC still remains somewhat of an anomaly. Clearly some countries believe that unfettered trade is in their best interest while others see that a certain level of protectionism is required to allow the development of their own

industries. Malaysia and now Indonesia, for instance, have used various protection measures to develop their own car manufacturing industry.

APEC working groups

APEC has also attempted to look at other agendas not directly related to trade. It has established a number of working groups based on important social and environmental themes. Within the context of environmental issues, the working groups that warrant particular note include energy, marine, fisheries, clean production and sustainable cities. APEC government officials have already held a number of meeting on these themes.

'Clean Coal'

Australia has quickly swept upon the Energy Working Group and taken over the administration of this group to ensure that its secures a strong regional market for it fraudulently called "clean" coal. Needless to say, Australia is not very popular with a number of Pacific Island states who have most to fear from sea level rises and an increase in severe weather events as a result of global warming. APEC has also instigated ministerial meetings on sustainable development, but for the main players in the ILE, these processes may be little more than distractions from the main game of freeing up trade and investment in the region.

3. Is an interlinked economy good for the environment?

Productivity and poverty

Despite the optimism and zeal of international economists there is a very real down-side to the ILE. The major premise that all will benefit is unequivocally wrong. For some to win others must lose. Nowhere is there a nation whose entire population is benefiting from a global economy. In fact, there are good examples to suggest that high productivity can co-exist with widespread poverty. Even countries

within this region who are often defined as the Asian Tigers have well developed poverty within their national boundaries.

Pollution havens

But if we follow the premise of a borderless world then we must accept that poverty and environmental degradation may be an international artefact of the global economy. That is, the ILE is creating strategic international ghettos and environmental disaster zones. International economic forces will move industries to low income areas and areas where environmental regulations are low. The new industrial zones located just within Mexico are clear examples of pollution havens that have been created as a result of the North America Free Trade Agreement.

In this region, governments compete with each other to provide planning and environmental impact exemptions and substantial economic incentives to encourage companies to locate their businesses in their country. As a result, APEC pollution havens are springing up all over the place.

Exploiting traditional resource rights

Furthermore, the ILE looks for locations where there are few restrictions on land use, water rights and human rights. Within this region, Malaysian logging companies, Australian and Canadian mining companies, Taiwanese, Japanese and Korean fishing companies have all exploited regions where traditional resources rights are poorly defined or policed.

Unlimited supply?

The other major premise of the ILE is that the world has an unlimited supply of resources to feed an unfettered growth in consumerism in all "countries" or regions of the world. This is simply not the case. Already we have witnessed a plateau in fishing, while freshwater resources are declining. Energy consumption using fossil and nuclear

fuels is clearly unsustainable. The future costs of the greenhouse effect and nuclear waste problems have not been factored into the international economic model. Economists would argue that environmental policies dampen economic growth.

International insecurity

The argument that international trade promotes international security is also a flawed concept. Recently Indonesia's Foreign Minister, Ali Alatas has claimed that the magnitude of capital flows across borders and the growth of vast capital markets could exert a destabilising influence on national economies in the region.

Without doubt, governments are spending more and more money on armaments. Could it be that government defence strategists are gearing up for an anticipated conflict over the world's diminishing resources?

Environmental subsidy

While there is a strong outcry within GATT and among some members of APEC to reduce tariffs and other forms of barriers to trade, the ILE is being enormously subsidised by not having to account for the environmental costs it is creating. This is a massive environmental subsidy which is being paid by citizens now and into the future.

Social subsidy

Following the principle of environmental subsidies, the ILE is also being granted an enormous social subsidy. Child labour, indentured labour, sweatshops, unsafe working conditions are all components of this social subsidy. Often these subsidies are underwritten by governments as part of their foreign policy. For example, Australia's lack of response to the Dili Massacre in East Timor is founded in a desire to share oil resources and enhance it trade relations with Indonesia. Meanwhile, human rights abuses in Burma are being ignored within ASEAN.

Government officials and industry de-regulation

Without doubt, many government officials are card-carrying members of the ILE. Through various means they receive personal income from the ILE and hence become members of the economic elite. This form of institutional corruption is rife throughout the global economic system. Linked with this process of corruption is the increasing trend by governments to deregulate industry. Industry often argues that they can develop their own codes of conduct -- codes that will be later ignored by both companies and governments.

Institutional corruption

Invariably, governments in developing countries are singled out as being the most corrupt. But, in relative terms corruption in the developing world is a pittance. The recent presidential election campaigns in the United States was reported to have cost in excess of US$800 million. This extraordinary amount of money that has come primarily from corporate donations. Needless to say these corporations expect something in return. This path of corruption may not be as direct as a paper bag full of cash, but it is corruption nonetheless. Needless to say US Government policy is dominated by the need to protect the interests of its corporate constituency.

Loss of democracy

In Australia, both the major parties, receive substantial donations from the corporate sector, often hidden from public scrutiny by shelf companies set up by the political party to act as a go between. As the cost of elections rise, so too must the level of corporate sponsorship and hence the representation of public interests will decline. The growth in corporate sponsored corruption is a significant countervailing force to the often-touted democratic forces of free international trade.

Code for hazardous waste

The hazardous waste trade industry was a classic example where industry claimed that it could develop responsible codes of conduct and be self-regulating. But in a highly competitive ILE there was no real incentive to adhere to these codes. Unscrupulous trade in hazardous waste continued unabated. Governments finally realised that they had to respond. This response lead to the development of the Basel Convention. Needless to say, industry is working very hard to limit the effects of this treaty.

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4. Mechanisms for Integrating Trade with the Environmental Protection

Challenging trade Trade is inevitable and cannot be ignored. Nor can we ignore the environmental and social effects of the ILE. We need to challenge the basic premises under which the ILE operates and make it more accountable and environmentally and socially responsible. The currently loose framework of APEC gives us some opportunity to push for mechanisms to challenge the basic premises of the ILE. But we must work fast, for the ILE will not wait for us, nor will it wait for APEC.

Regulate for accountability

Ohmae said it that was regulators that the ILE had most to fear. Hence, we must find every opportunity to create this fear if we are going to have any form of control over the ILE. The corporate world cannot be trusted to be self-regulatory and it certainly cannot be trusted to protect the environment. The corporate world has a vested interest in providing financial returns to its shareholders. Most have no mandate to protect the environment. So where their actions adversely impact upon the environment, they must be regulated.

Ratify existing environmental treaties

In order to establish international standards for environmental

protection all member governments of APEC should commit themselves to ratifying existing environmental conventions. Some key APEC members, notably the United States have not ratified important environmental treaties, like, the Convention on Biological Diversity and the Basel Convention on Hazardous Waste. etc. It is ironic that the United States is a strong advocate for international cooperation, yet it is not willing to participate in these crucial environmental treaties.

APEC regional environmental treaties

Within the context of APEC, work should begin to develop regional treaties to put in train the processes for attaining environmental protection and social responsibility. These regional treaties should reinforce and strengthen existing international treaties. Only with this level of regulation and control will the rights of citizens be upheld against the ILE. Treaties are basically the only legal mechanism we have available to us to transcend the borderless world created by the ILE.

Guaranteeing rights

Some of these treaties should guarantee all citizens at least rights to: fresh water and fresh air; sanitation; sustainable energy; protection from hazardous chemicals, protection of the natural environment and so on. But environmental protection and social responsibility doesn't just relate to environmental measures, it should also refer to basic human rights as well. Treaties should also be developed to guarantee all citizens basic human rights like: food security; clothing; shelter; rights to land/sea; education; freedom from discrimination, rights of indigenous peoples.

Regional freshwater treaty : an example

An example of a regional treaty under the auspices of APEC might relate to the basic right of access to freshwater. Such an instrument would facilitate cooperation among nations to ensure that shared water

resources were fairly allocated and that upstream nations did not adversely affect the quality of water of downstream users. It would provide for the sharing of knowledge in the management of freshwater. Governments would need to develop national legal measures to ensure that all citizens have access to freshwater.

Trade related environmental measures (TREMs)

In order to capture the ILE within the net of regulation, regional APEC treaties should also incorporate trade related environmental measures (TREMs). Products traded within and across the region should be discriminated against if they have created environmental or social harm in their production. If the product, for example, has polluted water in its production process then it should be discriminated against. This discrimination may be in the from of an environmental tariff or if it is a severe violation, a ban. As some countries require health warnings on cigarettes, maybe we need to apply environmental warnings on products. For instance, "Environmentally harmful chemicals were used in the production of this product".

Sanctioning environmental protectionism?

It is often argued that TREMs are applied as a form of environmental protectionism. A number of countries in Asia have made this claim with varying degrees of validity. The famed GATT dispute over dolphins and tuna may well be such an instance, where the US used the guise of environmental concern to protect its own tuna industry. Sanctions against rapacious tropical forest logging nevertheless, may be valid, so long as rapacious logging operations in temperate forests are given similar treatment.

Power imbalance

The environmental protection debate is often characterised as a North-South issue, whereby the North applies sanctions against the South. But this has more to do with a power imbalance rather than the

North being more sustainable in its production processes. It is reasonable to argue that the converse is actual more correct. Production processes in the North are highly energy consumptive and polluting. Even agricultural practices are far from environmentally friendly. The beef cattle industry in Australia, for example is far from sustainable. It infringes the rights of indigenous peoples, it requires major input of fertilisers and pesticides, it needs high levels of fossil fuel input and results in soil erosion and the pollution of rivers. Increasingly the industry is turning to feedlots which are even less sustainable.

TREMs are not a complete safety net

TREMs will not entirely protect us from the environmental costs of regional free trade, but they will at least guarantee some form of standards and regulation. We should not be hung up on the rhetoric of some governments and corporate interests who cry foul when TREMs are employed. It is a form of protectionism. It is protecting the rights of all citizens to a clean and safe environment.

Regional TREMS dispute tribunal

In order to ensure that TREMs are applied on a non-discriminatory manner, a regional dispute tribunal should be developed. It should be presided over by lawyers with appropriate understandings of environmental and social protection. NGOs should also be represented on the tribunal. While this Tribunal will be necessary, it should no be used a means of slowing down action under TREMs.

Regional liability agreement

In order to ensure that the polluter pays, APEC should develop a strong regional liability agreement. Such a legally binding agreement would place strict and unlimited liability provisions on perpetrators of environmental damage within the region, whether or not they are members of APEC.

Institute for environmental and social protection

A regional institute for environmental and social protection should be established with the explicit purpose of providing training for potential members of the regional dispute tribunal. Such an institute could also provide other important training tasks for NGOs, government officials and corporate leaders. We must be careful that such an Institute serves is purpose of connecting with the dispute tribunal. If it stands on its own, it may well become an institution low in productivity and high in public relations value for government and corporate interests.

Regional corruption commission

There has been some discussion within the context of developing a multilateral investment agreement, to the effect that corruption would also need to be addressed. This has been opposed by ASEAN countries. Presumably these countries fear that corruption within their own governments may be easier to identify than corruption in other participating APEC nations. Needless to say, the United States would deny that their election funding process was a of corruption.

It would be desirable to establish an APEC corruption commission, which would investigate the broad spectrum of corrupt activities association with regional 'cooperation". This commission would need to have significant powers of investigation and would report its findings to an annual meeting of APEC Ministers.

Reducing costs of elections

Within the framework of achieving a just and representative society, governments would need to make a commitment to reducing the costs of elections and make a commitment to revealing the full source of election funds. Only then would countries be relatively free of the scourge of political interference from corporate interests.

Commitment to arms reduction

Following the sentiment of cooperation among member governments of APEC, governments should make a commitment to arms reduction of all forms of weapons. Governments should build on existing arms treaties, such as the Comprehensive Test Ban Treaty. Regional stability cannot be ensured while the huge sale in arms is allowed to continue. Countries would be far better off if they were to redirect arms expenditure to programs for education, primary health care and environmental protection.

Green GNP

Governments should be encouraged to produce measures to assess their real Gross National Product using green accounting methods, so that environmental indicators like soil erosion, water and air quality, pesticide use and so on are all factored as costs.

Charter for democracy

As part of a general APEC Agreement, it would be useful if governments made a commitment to democratic processes in the form of a charter for democracy. This would spell out basic principles of democracy and would commit governments to setting timeframes for achieving these commitments. This charter must be carefully crafted. It must be able to be adapted to suit cultural difference but be sufficiently prescriptive not to allow the continuance of unrepresentative regimes. While individual rights must be upheld, it must also recognise the importance of collective cooperation within and between nations for the purpose of environmental and social protection.

Permanent agenda of APEC

Obviously the idea of a charter for democracy is a very ambitious agenda for APEC. A number of less than democratic governments within this region would claim that such a commitment would create substantial political instability. Similarly a number of so-called democratic governments would argue that they have achieved full and

open government and such a charter would be superfluous. Nevertheless, it should be a permanent item on the agenda of APEC.

5. The role of non-government organisations

NGOs have a vital role to play in the APEC process, particularly as governments become less inclined to represent the interests of their citizens under the ILE. While there is some validity in suggesting that APEC is a totally flawed process, it is a simple fact that it cannot be ignored. It will carry on whether NGOs approve of it or not. It's up to NGOs to find ways to apply pressure to the ILE. To do this, there are some strategic actions that need to be taken:

Developing APEC campaigners

Following from the work of this Forum, NGOs should endeavour to identify at least one person who can work on APEC issues. Even if the NGO is involved in local issues or grassroots campaigns, it should try to have at least one person focusing on the big picture. Even a local land use or local pollution issue may be related to an APEC activity. For example, governments may reduce pollution standards to encourage industrial development. Traditional land use practices may be overthrown to make way for cash cropping, industrial development, mining operation, road construction, dam construction all in the name of creating internationally competitive products.

Furthermore, the more NGOs focusing on APEC the more effective we can be. We don't all have to agree on our approach. Diversity makes us less predictable.

Become APEC and ILE literate

The APEC and ILE processes are complex. If we are going to be effective in counteracting their negative impacts, we need to be extremely literate in these processes. We need to develop training programs and workshops to help us become literate in APEC, GATT and the ILE. While it might be heresy to suggest it, we really must become

more '"corporate" in our thinking. Without compromising our own ideals, we must become more knowledgeable about how the ILE works.

Observer status at APEC

To be conversant with the machinations of APEC, NGOs must try to get participatory status in all APEC forums. The Rio Earth Summit in 1992 established a standard for NGO participation. We must call on all governments to uphold this standard. We should work towards this goal for the next APEC meeting in Canada.

Corporate and government watchdogs

We should establish corporate and government watchdog groups to monitor and report on the behaviour of these entities. Already NGOs have set up watch dogs organisations to monitor multi-national companies, the mining industry and forestry companies, to name a few. We should set up processes to monitor industry magazines and newspapers, do company searches and monitor stock exchanges to track the operations of companies and their subsidiaries. We must untangle the corporate web of subsidiary companies and expose their financial operations.

Dirty companies

We should develop a list of key companies who are causing environmental and social harm in the region, then hold annual events to publicise this list. We should attend annual general meetings of these dirty companies and inform shareholders of the company's activities. We may even chose to buy shares in certain companies in order to actually enter annual general meetings and question the company officials.

Adopt an official

An NGO in Mexico has established an "adopt-an-official program" where members of the NGO select a politician or senior government official to "shadow". They carefully scrutinise his/her activities and expose

public any corrupt activities. This is an excellent idea if done carefully and properly. We should expand this to all cover all APEC countries. Image the effect if all APEC politicians and senior government officials were "adopted" by NGOs.

Insurance pressure

We must pressure insurance companies to be more responsible for protecting their liabilities. They are generally the ones who have to pick up the cost of environmental catastrophes. We should be encouraging them to form a lobby group to call for stricter environmental standards in order to minimise their liabilities. We should also be encouraging them to invest their assets in environmentally friendly industries. Renewable energy technologies should be one industry that we should steer insurance companies towards. It would be in their long term interest to do so, particularly if they insure property that may be affected by severe weather events as a result of global warming.

Set up own dispute tribunals and corruption commissions

If governments are reluctant to establish dispute tribunals and corruption commissions then we should do it ourselves. While we may not have the power to legally enforce decisions, but we can use the power of the media to shame governments and unscrupulous corporate bodies by revealing improper trading practices and corrupt behaviour.

Develop consumer awareness programs

GATT generally does not allow governments to discriminate against products whose production processes are environmentally unsound. If governments can't do it, then we should do it ourselves. Numerous consumer awareness groups already exist and we should endeavour to strengthen their work.

Needless to say, we should not accept that governments have no power to discriminate against products based on environmentally unsound

production processes. We should challenge this in the World Trade Organisation and within APEC fora. In doing this, we must be vigilant in ensuring that our analysis is thorough so that we cannot be accused of applying unfair environmental protection standards.

Product certificates

If we find products that are environmentally friendly, then we should reward them. We should encourage the development and marketing of product certificates schemes. The Forest Stewardship Council process for eco-timber labelling appears to be a good example of such a system.

Become media literate and form Media outlets

Clearly we must become more effective in publicising our concerns. We must become more effective in how we use the media, particularly in this age of satellite communications. With media ownership becoming more and more concentrated, we need to explore innovative and effective ways of getting our stories into the public arena. Forming our own media outlets or news service is one avenue to pursue this. For instance, the Third World Network has established a very effective e-mail news service to monitor the GATT and other North-South issues.

Lifting our game

The ILE is moving ahead at an increasingly rapid rate and so we too must lift our game so that we can respond to this accelerated change. With the ever increasing nexus between government and industry it is up to us NGOs to represent the interest of the majority of the world's population. This is a heavy burden to carry, but if we pool our efforts we can keep pressuring the ILE until it comes knocking on our doors for help. For the sake of future generations, lets hope they knock soon.

* Ian Fry is the regional policy adviser to Greenpeace Pacific

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