

8th Asia-Europe Peoples' Forum



Challenging Corporate Power: Building States of Citizens for Citizens

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Introduction

This October heads of state and government officials from across Asia and Europe will meet at the 8th ASEM Summit in Brussels to discuss their future priorities and plans. While the countries that comprise ASEM make up around 60 per cent of the world's population - the agenda of these bi-annual meetings is dominated by powerful economic and financial interests.

With ASEM8 coming to the institutional heart of Europe against a background of overlapping and prolonged social, ecological and economic crises, ASEM8 provides a unique opportunity for the citizens of Asia and Europe to assess the impact of current policies and to demand change.

Asia Europe Peoples' Forum

The Asia Europe People's Forum (AEPF) began in 1996 in Bangkok, in parallel, and in response to the first ASEM summit which pushed for stronger regional blocs and the promotion of corporate power. AEPF on the other hand, is grounded in the common desire of people's organisations and social justice networks across Asia and Europe to open up new venues for dialogue, solidarity and action.

AEPF provides a space for citizens to share their struggles, strengthen their voices and develop recommendations, campaigns and alternatives for both regions. AEPF has actively engaged with ASEM, lobbying for the integration of people's rights into participate in ASEM. AEPF has contributed to building stronger networks at national and regional levels and has implemented cross regional initiatives on peace and security, economic and social justice, democratisation and human rights.

'Global Europe' – or *Corporate Europe*?

In 2006, the European Union (EU) adopted a new trade strategy called *Global Europe - competing in the world*. This strategy is explicitly designed to benefit European transnational corporations and includes plans to further deregulate financial markets, to open up public services to private sector infiltration and to provide European corporations with privileged access to lucrative government contracts. It also includes various Free Trade Agreements (FTAs) and Economic Partnership Agreements (EPAs) which the EU is actively pursuing in countries of the Global South. The 'Global Europe' agenda is an aggressive push to access raw materials and new markets in an increasingly competitive world economy.

Asian governments – either individually or working together through regional groupings such as ASEAN – are pursuing deregulation, liberalisation and privatisation agendas that directly parallel the Global Europe project and that are advancing the global agenda of competitiveness through corporate power. Public services are underfunded or being privatised, companies are being given huge concessions, workers' rights are threatened and massive job cuts continue.

The role of Asian corporations in aggressively pursuing new markets is central to the emerging Asia-Europe economic relationship, with Chinese, Japanese, Korean and Indian capital at the forefront of this push. As the late Giovanni Arrighi put it - the real story of the 21st century will be "Adam Smith in Beijing."

In both Europe and Asia the political consequences of this dominance and reassertion of corporate power are clear. At best there has been a hollowing out of democratic accountability as elites make decisions and implement policies with little or no scrutiny from citizens. At worst, this economic development model further embeds authoritarian regimes that treat citizens' rights with impunity and devastate the environment. It is this profound democratic deficit, combined with increasing poverty and inequality that creates the conditions for growing social unrest and resistance. The AEPF represents a growing interregional movement for economic, social, political and environmental justice, and continues to recommend alternative systems to replace failed free market ideology and practices.

The current crises must be seen as an *opportunity* to develop policies based on principles of sustainable public benefit and democracy rather than greed, profit and corporate control. Unfettered corporate control of trade, finance, capital and natural resources must be replaced by policies that meet the real needs of people, underpinned by full democratic accountability.

A new European parliament was elected in 2009 and the EU embarked on a major review of its trade policy as part of its post-2010 Lisbon Strategy. The ASEM summit in Brussels is an historic opportunity to challenge decision makers and to propose substantive and realistic alternatives. At the AEPF civil society voices and activists from across the world will come together to discuss and propose alternatives that envision a regionalism based on democracy, sustainability and solidarity.

TNI - European coordinator of the AEPF

European Union: most anti-democratic and neoliberal in history

At the Asia Europe Meeting (ASEM) in October, Asian governments should not take any lessons on democracy or economics from the European Union. We have to make common cause between Asian and European social movements, because we are all losing out from current policies.

Interview with Susan George, August 2010. Interviewer: Nick Buxton

What kind of Europe is Asia meeting with in October?

Asia will be meeting with the most neoliberal and undemocratic Europe in history. The European Union (EU) has just forced through a constitution, under the name of the Lisbon Treaty, which has the same elements that were rejected by the French, the Dutch and later the Irish. In the words, of the architect of the constitution, Valery Giscard d'Estaing, the European Commission "has made cosmetic changes so it will be easier to swallow."

The European Union is not a democratic entity. We have to vote how they want us to vote or it doesn't count. EU commissioner Gunter Verheugen captured their attitude after the French and Dutch 'No' votes, saying "We must not give in to blackmail." This is extraordinarily disturbing. It is a rejection of enlightenment thought, the rightful capacity of people to intervene in how they are governed. Anti-democratic values are taking hold. We have become stakeholders instead of citizens, consumers instead of sovereign people, we are offered consultation rather than real participation. I don't accept this.

Asians should therefore not take any lessons about democracy from the Europeans. Clearly there are several Asian countries that are not democracies, but that is not my main concern as I am not Asian. My concern as a European is that we are going backwards and that makes me very angry.

Now that the Lisbon Treaty has been forced through, what are your remaining key points of concern?

Apart from the clear democratic deficit - indeed the contempt for democracy - my main concern is that the Lisbon Treaty puts Europe under the umbrella of NATO, and therefore under the military control of the US, and hence the Commanding Chief of the US army. The Treaty says specifically that "for the countries which are members [of NATO]", which is the vast majority of the EU- 27, the NATO commitment is the "the foundation of their collective defense and the forum for its implementation." Obama might be a better Commander in Chief than Bush but it means we are still under thumb of whoever is in charge of the US.

The treaty also confirmed a further push towards the privatisation of public services. The Treaty affirms Europe's commitment to "undistorted competition" and opens up all "services of general economic interest" to competition. Since nearly all public services have an economic interest, this will enable the handover of public services to the private sector (apart from a few deliberately excluded like the judiciary, police, army etc). What they have achieved with telecommunications, they now want to extend to health care, water and education.

And the European Union will also clearly use any way it can to advance these objectives. A typical example is the Bolkestein Directive, which is another long and complex text but included an attempt to make European workers subject to the labour laws and conditions from their "country of origin." For example a Lithuanian worker taken to work in Scandinavia would still be subject to Lithuanian labour laws. Labour unions pointed out that this would put Lithuanian workers in competition with Scandinavian workers, undercutting them with lower standards.

The Directive was defeated in some aspects politically but immediately after this apparent victory, the European Court of Justice came up with four decisions that legalised different elements of the Bolkestein Directive such as the "country of origin" rule. What they don't get one way, they will do another way.

This creates a very unfair and unbalanced battle for non-governmental organisations like TNI or ATTAC. It is difficult enough to follow all the developments in the EU, and even harder to confront proposals as corporations want all of these things and have far more means to lobby and pressure for them.

How do you see the economic state of Europe in the aftermath of the Euro crisis and the recent shift to austerity budgets?

I think what we are seeing is a disaster comparable with the Herbert Hoover period of 1930-1931, where US elites believed that doing nothing would bring salvation and tightening up spending would take out the country out of depression. Before Franklin Roosevelt was elected, Republicans were practising the same policies Europe is practising now, but Europe is going further, with draconian structural adjustment policies like those forced upon southern countries by the IMF from 1980 onwards. These austerity budgets won't create an impulse for jobs or industry; they will lead to stagnation. However, they will once more enrich the elites at the expense of ordinary people.

We desperately need Keynesian policies. We must reject the idea that there are fixed laws on things like deficits. The Germans say 3% but these are artificial numbers. The most important thing to grasp is that even if you are creating deficits, you must do this an investment in the future by investing in education, research, supporting small and medium-scale businesses with environmental and social ends. **We need to start by socialising the banks we bailed out and then forcing them to lend to innovative enterprises.**

We also need to put the European Central Bank back under public control. Did you know that the ECB lends to private banks at 1% and they lend to states like Spain, Ireland and Greece at whatever markets will bear? It is completely perverse but states cant get credit from ECB directly. This is mindboggling but is like that because the financial sector want it that way.

Meanwhile the European economy has lost 4 million jobs in last 2 years since the crisis was formally recognised. This growth in unemployment will continue while EU governments are allowed to practice austerity. This is a moral crisis, I am sorry to say, where the innocent - workers, retired people - are punished while the guilty - the financial sector - are rewarded.

What kind of relationship do you think the EU is looking to forge with Asia?

Unfortunately, I think they are approaching the talks with a narrow market vision incapable of seeing beyond horizon of three months ahead. We used to be a centre for a social vision, demonstrating that this was possible for a whole world. That it was possible to share the benefits of growth so everyone profits and provide education at a high level, healthcare, retirement benefits, unemployment benefits. This gave people protection but also allowed people to innovate because they were not afraid that they would lose everything if they made a bad decision.

Instead we have chosen exactly the opposite course, trying to compete in market terms with people prepared to work for ten, twenty, thirty times less. That is a losing game. We have become subject to the British Conservative Party's vision of Europe which has no social vision, but sees Europe only in market terms.

Meanwhile Europe is pursuing an agenda of trying to exploit weaker partners through so-called 'Economic Partnership Agreements' (EPAs), which force developing countries to abandon any investment rules or anything that blocks the freedom of European transnational companies. Many governments succumb to these agreements particularly countries from Africa, the Caribbean and the Pacific because they fear losing aid or trade preferences. So they end up handing over their sovereignty. It is a kind of neocolonialism.

What kind of relationship should we be looking to forge as social movements?

The best thing we can do is show we can have successful workers movements and demonstrate that by giving workers maximum protection that we can create a culture in which one can innovate and take risks. That is the way to be "competitive" today—not by forcing down wages and benefits to rock bottom.

Trade Unions have to get together with ecologists, women, development organisations and others. We have to seize every opportunity to forge alliances of this kind, something TNI is very good at.

We have to make common cause between Asian movements and our own, because we are all losing out from current policies. Governments and transnational companies are very effective at forming cross border alliances to defend their own interests, so it is absolutely crucial that we do this effectively as social movements.



Susan George

TNI fellow, President of the Board of TNI and honorary president of ATTAC-France [Association for Taxation of Financial Transaction to Aid Citizens]

Susan George is one of TNI's most renowned fellows for her long-term and ground-breaking analysis of global issues. Author of fourteen widely translated books, she describes her work in a cogent way that has come to define TNI: "The job of the responsible social scientist is first to uncover these forces [of wealth, power and control], to write about them clearly, without jargon... and finally..to take an advocacy position in favour of the disadvantaged, the underdogs, the victims of injustice."

Power without responsibility? The rise of China and India

How do you think Asian and European governments view each other strategically as we approach the Asia Europe Meeting in October?

I think the Asian elites are looking for recognition and a higher profile, because their countries are now among the main drivers of global economy thanks to their sustained relatively high GDP growth. European elites recognise this. During the great recession which still continues, the Chinese and Indian economies didn't slow down significantly and have recovered remarkably rapidly. This is partly because of strong domestic and regional demand based on large markets. It is also partly because they are not as deeply integrated into the global capitalist system as the European economy. For example, their financial sector is largely autonomous and fairly tightly regulated so it can be shielded from a slowdown.

"India should be promoting not itself, but the interests of the Global South and its peoples."

This crisis has highlighted what has been in progress, which is that the global power balance is shifting to Asia. There is general recognition that Asia is in the ascendant and Europe is in decline. So the European elites want a stronger relationship with China, India and significant middle powers like Indonesia, Thailand and Malaysia as a way of retaining their own relevance and power. The ASEM process is driven more from within Europe than Asia. For

As the Asia-Europe Summit gets ready to meet in early October, what are the implications of the rising power of Asia for progress on tackling poverty, inequality and climate change?

Praful Bidwai, September 2010. Interviewer: Nick Buxton

Asia, it is not that Europe is irrelevant but that Europe has not asserted its own autonomy enough from the United States.

So any relationship with the EU will be a replication in some way of their relationship with US. This has been clear in Europe's response to the economic crisis, which has been one of very hesitant Keynesianism without disturbing any of the neoliberal arrangements of banking, industrial policy or the overall macroeconomic framework.

How do you understand the rise of India and China? Does it have emancipatory potential for those committed to a more just world?

Asia is not uniform in terms of its economic and social models. Malaysia, for example, has set quite ambitious targets on health and education, far beyond India's and China's. Even in Thailand, there is strong support for egalitarianism. The 'red shirt' protests there had a lot to do with this healthy populism, calling for affordable healthcare for example. It was an assertion that people wanted more than free markets and growth.

But the elites in Asia are, generally speaking, not looking for alternatives in any substantial way; but rather space for greater autonomy in the global system, for changes in North-South relations in areas such as trade. Even in these areas, it is strange how timid the Indian and Chinese elites have been up to now in changing the balance in the International Financial Institutions and other structures for example their percentage of votes in the World Bank and IMF have gone up only marginally. It is egregiously odd that Britain and France still have more votes than China.

How do you think nations like China and India envisage using this greater autonomy or power in the global system?

Sadly, there is hardly any debate on these questions. Recent changes in global power relations have enabled India to get away with a lot – its ownership of nuclear weapons, for example, has been "normalised" even though it involved a breach of the global non-proliferation regime and even though India has signed no agreement on nuclear restraint or disarmament.

But there is no debate on how to use India's growing power. India used to have a certain coherent perspective in the early years after independence, with its commitment to the Non Aligned Movement and decolonisation. Gandhi and Nehru asserted that they did not want to imitate the major imperial powers, arguing that India should exercise a certain moral influence on the world, demanding a more equal, peaceful and freer international order. This led to India taking a leadership in the decolonisation movement and being one of the strongest advocates of the New International Economic Order in the early 1970s. That coherence is now completely lost. Any statement that India now makes related to this past—and it does invoke that legacy from time to time—has no soul.

China and India don't talk about these issues either to each other or in larger forums such as the East Asia Summit. They occasionally talk the language of greater global equality and balance, but don't set a good example. For example, India has been very shy on cancellation of the debts owed by poorer countries to itself.

What about Indian and Chinese transnational companies? Do they differ in any way from European and US transnational companies?

As regards Indian transnational companies operating within Africa, where they are rapidly growing,, there may be a slight difference – in terms of recruiting more Africans, perhaps outsourcing or farming out less to contractors – but otherwise they are no different. They are in the same extractive industries, driven by the same search for maximising profit.

There are some state companies, the Oil and Natural Gas Corporation, for example, which do behave a bit differently than private sector companies. They often try and encourage joint cooperative projects – not just building refineries but training Africans to build and run them in the future, for example. But I am not sure these healthy trends will survive the fierce competition for oil and gas.

Are China and India good models to follow in terms of delivering for ordinary people?

India's economic rise means nothing to the Indian people, who have gained little from it. We have had the two highest-growth decades in recent history, but have seen virtually no reduction in mass poverty, malnutrition, or improvement in the quality of public services. In some respects the poor have become even poorer and there is certainly greater deprivation in terms of dispossession of land, decrease in peoples' access to natural resources and growing vulnerability to climate change. The bottom 50% in India survive on less than \$1 a day. The UN Development Programme's new Multidimensional Poverty Index has not shown any improvement in India. Inequality has grown like never before.

Instead of genuine inclusive development, we have a horrible criminal crony capitalism, where the government gives hundreds of billions in tax write-offs to companies but is very reluctant to spend anything on health and social welfare. The only noteworthy social scheme which is meant to help the excluded is an employment scheme for poor rural families that guarantees 100 days of manual labour every year at minimum wages. Even this programme has not been fully implemented, as the government has been reluctant to add funds to extend it across the country. So India can't be a model at all.

China is largely similar. Poverty there is less wretched and widespread due to the land reforms of the 1950s and 1960s and the state's provision of public services, which for example means that there is almost complete literacy in China compared to India where a third of the people are illiterate. However the pattern of growth they are following now is similar to India in its failure to make a difference to many of China's poor. In China, it is also combined with a lack of civil rights, political freedom and the freedom to unionise. China's growth has been ecologically deeply destructive and unsustainable. The Three Gorges Dam is typical of this, leading to the displacement of more than 2.5 million people.

For the elites in the Global South, the sheer lure of 8 and 9% growth in China and India is very tempting. But we need to realise that these patterns of neoliberal growth are also ones of jobless growth. In India, economists people used to speak derisively of our 'Hindu rate of growth'. This was an average growth of 3 to 3.5% that we had for a number of decades— regardless of the economic policy regime (the assumption being that little has changed in Hindu society for ages). Yet even in this period we had a two per cent rise in employment every year. Now with more than 8% growth, we only have an increase of jobs of 1.2 to 1.3%.

What do you think of China and India's position on climate change?

It is very ambivalent and driven primarily by short-term interests of maintaining high GDP growth. Up to now their position in global negotiations has been articulated within the G77 plus China grouping within the UN Framework Convention on Climate Change (UNFCCC). The two significant agreements that have been signed internationally, the Kyoto Protocol and the Bali Action Plan of 2007, have one positive feature: identifying and assigning responsibility broadly along North-South lines.

Identifying historic responsibility is important but it needs to be modified to take into account at current and future emissions. During the process of negotiations, China overtook US as the world's Number One emitter of greenhouse gases. India has overtaken Japan to become Number Four. And both countries' emissions are rising much faster than global average. So we have to bring these emitters into the net at a future date, and get them to reduce their emissions intensity per unit of output.

“The Indian and Chinese elites both hide behind their own poor in resisting the demand for restraint on emissions. And at the same time, they hide behind the rich in the North.”

However China and India resisted any attempt to be brought into the restraint framework, saying their average per capita emissions are much lower than Europe and the US 2 tonnes in India; 4-5 tonnes in China compared with 10-12 tonnes in Europe) and that they need climate space to tackle poverty and for development. But this is hypocritical because it means little in a society which is so sharply divided between rich and poor.

In fact the Indian rich are very similar to the rich in the North in terms of emissions. The main contribution to rising emissions in India is coming from the Indian rich – with their insatiable appetite for luxury goods. Car consumption in India is growing at 30% a year, while it is falling in the West. Air conditioner sales are 50% higher in India than a year ago. Yet this is in a country where half of all households have no electricity connection.

What about India and China's role during climate negotiations?

In the climate talks, India and China played a cynical game. They expressed solidarity with the Global South. But they also stabbed the developing countries in the back by forming the BASIC group at Copenhagen (with Brazil and South Africa). BASIC secretly negotiated a deal with the US. The scandalous result was the Copenhagen Accord which sets no obligations, no emissions cuts, no targets, no time-bound goals and no roadmap.

Together with 21 other countries, the US and BASIC tried to impose the so-called Accord on the rest of the world community. The only numbers that appear in the Accord are promised assistance which is a fraction of what is need - \$10 billion a year compared to at least \$1000 billion dollars a year that many say will be needed for poor countries to deal with the expensive business of adapting to climate change, and transitioning to low carbon economies. The Copenhagen Accord played into the hands of those countries, especially US, who want no commitments at all, affirming Bush Senior's infamous statement at Rio in 1992 that he was not willing "to negotiate American lifestyles."

How do you think we can move to a debate where equity is at the core of climate negotiations?

I think we need an approach that embraces historical responsibility, current and future emissions, and the question of foreknowledge that you are causing harm. I discuss six approaches in my recent book: *An India That Can Say Yes: a Climate-Responsible Development Agenda for Copenhagen and Beyond*. I certainly don't believe that Cap and Trade is the way forward because of its reliance on the market. We can't allow a precious thing such as the earth's atmosphere to be held hostage to speculation.

One possible way forward is the idea of Greenhouse Development Rights. This cuts through the North-South divide, as it works from a threshold of development, looking at what is needed to meet basic needs of all with human dignity, which roughly works out in Purchasing Parity terms at an average of \$7500 per person per year. Those above the threshold are obligated to pay, whether in the North or the South. If you are a rich Indian elite like Ambani, Mittal or Jindal, you should not be able to hide behind poor people. Similarly the poor in US shouldn't pay for the rich in their country.

A second approach is looking at how much global carbon budget is left and then dividing it up more or less equally among all the world's peoples with some qualifications – for example, the least developed countries must have more room to expand if they can't meet their development objectives or because they need financial support for transition and adaptation. This approach puts a special emphasis on helping marginalised and vulnerable communities, for example shepherds, forest-dwellers and rag pickers, and rewarding them for conserving biodiversity and reducing emissions.

"China and India thus have a deeply contradictory, hypocritical, and duplicitous position on climate change."

If we are to come up with a solution that is acceptable for as many people as possible, we need an approach that embraces equity internationally and domestically. Beyond this, we need a whole series of other steps based on cooperative efforts to develop renewable energy, low-carbon technologies, sharing of positive models of urban transportation systems such as those in Colombia, and of course preventing any patents that block the sharing of these key technologies. ASEM could actually play a constructive role in this but I fear they are not imaginative enough.



Praful Bidwai

Independent Journalist

TNI Fellow and former senior editor of The Times of India, Praful is a freelance journalist and insightful columnist for several leading newspapers in South Asia writing regularly on all aspects of Indian politics, economy, society and its international relations. He is an associate editor of Security Dialogue, published by PRIO, Oslo; a member of the International Network of Engineers and Scientists against Proliferation (INESAP) and co-founder of the Movement in India for Nuclear Disarmament (MIND).

The EU Security-industrial Complex

The EU approach to security is starting to eclipse the rule of law, with very little consideration of human rights.

Ben Hayes, September 2010. Interviewer: Nick Buxton

What is the history of the European Union's security strategy?

Security is one of the newest areas for the EU, as it didn't have an overarching security policy until 2003. The strategy it adopted is called "A Secure Europe in a Better World". It argued that Europe needed to change its way of looking at security. It needed to move from a traditional framework of looking at defence from attack that came from the time of the Cold War to being able to take on a whole new range of threats from organised crime to terrorism to uncontrolled migration.

The EU, it said, needed to take on a strategic security culture, accepting that the first line of defence will often be abroad, intervening in failed states, taking proactive measures, developing security infrastructure. It was in many ways neocon-lite. Politically, the main reason for the strategy was to justify a whole EU apparatus to do this.

What has this meant militarily?

People talked about a European army, and there was talk of setting up battlegroups, but this has not got off the ground. There are 1.8 million soldiers in the EU member states (half a million more than the US) but – with the exception of Kosovo – the EU has not proved able to deploy even a 5000 person rapid reaction force. The EU has so far launched 22 security and crisis management operations, but only six have involved more than 1000 personnel.

NATO remains the dominant framework for military security in EU. Nearly all military missions are in some way dependent on US giving logistical support and most EU countries are happy to do that through NATO.

Would a European military framework be better than a NATO-based one?

There is an argument saying European values would be better represented in a European alternative framework, but there is a far more convincing argument that international policing should be done via the UN rather than the unilateral actions of a few powerful states or regional blocks.

The continued dominance of NATO, which has no democratic structure, is more reflective of the fact that NATO states want to go it alone.

What elements of the European security strategy have been taken forward?

Within Europe, the focus has been all about counter-terrorism and border control, which has been used as a pretext to introduce surveillance policies that would have been unthinkable in the 1990s. Fingerprinting, communications surveillance, travel records, financial transactions – we now have mandatory surveillance on an unprecedented scale. Frameworks for global surveillance developed with the USA have also been set-up.

Outside Europe the main priority has been joint working on migration, in other words, trying to prevent illegal immigration by stopping immigrants in countries of origin or in countries of transit. This has taken the form of technical assistance, with many states

in North and West Africa receiving help in shoring up borders, setting up asylum systems and detention centres, training border police in coastal areas – all to prevent departure from Africa to Europe. There has been a huge effort by the EU and its member states to make developing countries accept migration management clauses as part of trade or aid agreements, which are measures to prevent departure as well as obligations to take back illegal migrants.

In terms of investment, the EU has decided that it wants European companies to compete in the global marketplace for homeland security which is expanding rapidly into a market worth hundreds of billions of Euros. So the European Commission is providing subsidies for companies, mainly arms and IT companies along with some specialists and academics, to conduct research into technologies that will supposedly make us safer. Most of this research has surveillance systems at its core and includes companies who have been involved in arms deals that have resulted in human rights abuses.

I reviewed all of these security research projects for the report I wrote last year, NeoConOpticon: the EU Security-industrial Complex, and one of the most disturbing projects was one which funded research into combat robots for border control. Supposedly unarmed robots would be sent to intersect with people crossing borders illegally. The Polish and Israeli companies that received the funds do produce combat robots and drones. Much of the EU security research funding are subsidies for arms companies to put their wares in the EU shop window.

What are the consequences of the new approaches to security?

The easiest way of describing the EU or US overall approach is that security is starting to eclipse the rule of law. Policing used to be about responding to criminal acts; now it is all pre-emptive - maintaining security, and preventing crime, which makes its reach limitless. Under the guise of preventing terrorism, states have been able to introduce blanket controls with very little consideration of human rights. This has created big challenges for citizens who are keen to protect civil liberties or prevent criminalisation of social movements.

The huge expansion of targeted assassinations using drones, which is also a big area for European research, is an example of complete disregard for the rule of law. Rendition, torture and the use of secret prisons, all of which continue despite Obama's arrival, amount to the same thing. The US and UK are the only ones using armed drones at the moment, but what happens when other states with less checks and balances start to use the same method to target their "enemies"?

Where does climate change fit into the EU security strategy?

Climate change is a slightly newer issue. In 2008, the EU came up with "Climate Change and International Security" strategy, which identified climate change as a threat multiplier, one that would exacerbate existing tensions and that could lead to political security risks that would directly threaten European interests. The strategy also pointed to statistics that suggested that the resulting environmental refugees could create massive human migration. The strategy stops short of saying what it will do about this, but it is likely to be a continuation of the current programme of preventing refugees leaving and outsourcing border control to Southern countries.

What should European security policy focus on?

What European security policy lacks is a focus on peace-building or conflict resolution strategies. It has done nothing, for example, to advance effective resolution of conflicts in the Middle East. The EU could garner support – and be seen as a counterbalance to US global military power - if it invested in these areas but it doesn't. Instead it follows the US in pursuing a hard security doctrine that doesn't address most causes of insecurity.

On migration issues, for example, why is there so little on why people migrate in the first place? Migration is a logical part of globalisation. So if we want to address the reasons people leave and respond in a non punitive way, we have to look at the conditions that force people to leave in the first place. Unless the EU changes track, we are heading the same way as Arizona.

How does Asia fit into European security policy? Will security issues come up in the ASEM summit?

I think the EU is primarily concerned with economic cooperation at the ASEM summit, although there may be some dialogue on security issues and the usual predictable declarations on fighting terrorism and organised crime. I know that the EU has provided counter terrorism assistance to Indonesia and the Philippines. Sri Lanka was also one of EU's targeted countries to prevent EU migration at source.

Beyond that European transnational companies will be hoping to cash in on the growing homeland security demands in countries like Malaysia and India. Most of this will be done bilaterally, as we have seen with the recent UK-India arms deal.

What do you think social movements should focus on during the upcoming AEPF?

I think the obvious priority is the way the focus on security is being used against protest movements and continues to be done so. We need to challenge the homeland security industry – who have become rich and powerful as a result of the outsourcing of the War on Terror and which one day could rival the military industrial complex. They have an interest in the endless expansion of the security-industrial complex, which has very serious implications for way the society is policed, and worrying implications for protest movements. While there are people within movements focused and working on this, I don't think security and civil liberties at forums such as the European Social Forum or World Social Forum are high enough up the agenda.



Ben Hayes

TNI researcher working for the civil liberties watchdog Statewatch, and is a consultant for Cordaid.

Ben Hayes is a TNI researcher who has worked for the civil liberties organisation Statewatch since 1996, specialising in EU Justice and Home Affairs law, police cooperation, border controls, surveillance technologies and counter-terrorism policies. Ben also works with the European Centre for Constitutional and Human Rights (ECCHR, Berlin), and has been retained as a consultant to a number of international human rights, social justice and development organisations. He has a PhD from Magee College (Derry/Londonderry) awarded by the University of Ulster in 2008.

Class and conflict: tensions at the heart of Asia and Europe

Due to the nature of capitalism, we know that there will be increasing class tensions and social conflicts which will grow within Asia even as certain states start to dispute hegemony in West.

Walden Bello, September 2010. Interviewer: Nick Buxton

How has the emergence of Asia as an economic power changed the balance of power globally?

Well I think on the one hand that definitely there has been a major change on the international economic scene. Clearly we now have a multipolar world, with two global economies in particular India and China emerging on to the global economic stage.

Meanwhile Europe is basically in stagnation and the US is still unable to emerge from recession. The US is tied up in unwinnable war in Afghanistan after another disastrous war in Iraq so has lost its credibility as an imperial power. It no longer is able to shape the world according to its wishes, as we have seen with the challenges it is facing even in its own backyard with Venezuela and Bolivia showing that there are alternatives.

What is the implication of the rise of Asia for Europe?

The rise of Asia is significant because it is changing the correlation of forces globally and weakening the political hegemony of the US and Europe. This is important - whatever we think about the character of India and Chinese growth - as it means that a few countries have less power to impose on others internationally.

At this point Europe is being battered economically. It seems to be unable to get out of its economic rut and stagnation. It is going to enter an even deeper crisis, because the move to austerity budgets will only exacerbate the economic crisis and lead to an ever greater social crisis.

The European agenda is already running into trouble with the crisis in Eurozone, which has led to richer countries

beginning to push austerity programmes on poorer ones. This will exacerbate the rich-poor country divide in the EU, which has been papered over in the past by a number of things, such as EU subsidies led by German finance. But those days are now clearly over.

“Europe is going to enter an even deeper crisis, because the move to austerity budgets will only exacerbate the economic crisis and lead to an ever greater social crisis.”

Does the rise of India and China not demonstrate the success of neoliberalism or capitalism?

China was never a neoliberal economy. It is a highly protected economy with a strong state role. For example, China has no capital account liberalisation why is why its currency is doing well. It has also retained control over its financial sector which is why it has not been sucked into the financial crisis.

But China is clearly a capitalist economy par excellence. In fact the integration of China into the global capitalist economy was a key mechanism to continue to reproduce the system. This is an intrinsic part of capitalism, that it contains a dynamic to reproduce itself, which was a core insight of Rosa Luxemburg.

The capitalist nature of the economy has meant China's growth has been based on repression of its working class, the marginalisation of peasants and workers and the growth of huge inequalities. So if people ask if China is a model for developing countries, the answer is definitely no. Even if some aspects of the state role in the Chinese economy are important and worth replicating.

What about India?

Well we also need to demystify India's 'success.' Behind the growth rates, India is a country in crisis. The continuing neglect of the peasantry and the exclusion of the majority from any benefits from its economic growth is what is fuelling the Maoist insurgency.

Measuring success on growth rates is inadequate. If we look at actual social conditions in India and China, we can see this has been growth with great social costs.

What will be the consequences of these growing economic and social divides in Asia?

It is clear that the economic rise of Asia has not yet been accompanied by a growth in political and economic rights. However the organising potential of lower classes working and disputing with capital is going to become much more important. Due to the nature of capitalism, we know that there will be increasing class tensions and class conflicts which will grow within Asia even as certain states start to dispute hegemony in West.

“The organising potential of lower classes working and disputing with capital is going to become much more important.”

In China we are already seeing working classes revolting, with strikes against Foxconn and Honda. This has shown that workers, who for a long time have had a very submissive role, are starting to gain class consciousness and to organise. So we are entering a significant process of conflict and hopefully of democratisation - both economic and political.

What has been the impact of the financial/economic crisis in Asia? How has Asia responded?

Asia has largely escaped the economic crisis up to now. The one thing that has made a big difference, beyond all countries taking measures to prop up their domestic economies and stimulate with greater spending, has been China which has proved to be the real dynamo of the region. It's expenditure of \$585 billion in stimulus spending and its ongoing demand for raw materials and components has made a real difference, and led to high growth rates in South East Asia including here in the Philippines.

However that doesn't mean that Asia will be fine in the long-term. The problems Asia will face is that the Chinese economy is still highly dependent on exports to the US and Europe. The capacity of China's domestic market to be a fall back is very limited, as the Chinese strategy for last 25 years has been export-led growth at the expense of peasantry and lower classes. Increased government spending can only fill a gap for a short time. Unless EU and US recover, this recovery won't last very long. The latest figures show that the US economy is weakening. Europe is entering a double dip recession.

Technocrats in Asia have still not internalised that domestic markets are key and this means redistribution of income. They are still waiting for recovery in West. This is the price Asia will pay for creating economies greatly dependent on exports, particularly to the North.

How will these dynamics shape the Asia-Europe Meeting (ASEM) and the debates in October?

I think that the ASEM project has been limping along. For European elites, the main drive behind ASEM was to try and counter US hegemony to see if Europe could establish new working economic relationships with Asia. This fell apart at the time of the Asian financial crisis in the 1990s, with a loss of interest by European countries. This has revived recently, with a focus not so much on Asia but India and China.

Basically ASEM is a forum where European and Asian countries can dialogue independent of US. It seems to be mainly a talking shop, as no significant economic initiatives have emerged from the meeting that have prospered. For Asian elites, it is seen as an interesting forum but not really an important one.

For civil society, however, this bi-annual meeting has given a chance to strengthen ties between civil society groups between Europe and Asia and this has been a very positive development. For example, it has enabled important work on migrant labour, highlighting the pressure immigrants face in Europe, and all the reasons for why they migrate. AEPF has been a very important vehicle where these kind of discussions and international solidarity have been strengthened.

What key issues do you think the Asia-Europe Peoples' Forum should address and highlight?

I think that AEPF needs to keep the focus on human rights in a number of areas – especially Burma. I think it should push for withdrawal of forces from Afghanistan. I think it should focus on migration, since migrants are facing increasing discrimination within Europe especially as the economic crisis worsens.

“Of course AEPF should also be talking about alternative development models. Clearly neoliberalism has failed in both Europe and Asia, so how can we influence governments to change direction?”

In terms of climate, civil society needs to push Europe to be more proactive and make deep cuts, independent of US inaction. The forum also should encourage China and India to undertake commitments that will reduce their current output of greenhouse gases. Although historically US and Northern countries have been by far the larger

emitters and have the main responsibility to undertake commitments, AEPF could put forward a positive agenda calling for commitments by all countries.

Of course AEPF should also be talking about alternative development models. Clearly neoliberalism has failed in both Europe and Asia, so how can we influence governments to change direction?

One key area where we need to strengthen ties is between labour unions in Europe and workers in South East Asia. Labour unions need to be less protectionist in their views in Europe. While it is right for unions to be worried about job losses and protecting their jobs, they also need to be much more active in supporting workers organising in India, China and South East Asia. Only by intensive efforts to unite workers, can labour movements recapture their dynamism and rectify the imbalance between management and capital that has been so prominent in the last 20 years.



Walden Bello

Akbayan representative in the Filipino Congress, senior analyst at Focus on the Global South and TNI fellow.

Author of more than 14 books, Bello was awarded the Right Livelihood Award (also known as the Alternative Nobel Prize) in 2003 for “... outstanding efforts in educating civil society about the effects of corporate globalisation, and how alternatives to it can be implemented.” Bello has been described by the Economist as the man “who popularised a new term: deglobalisation.”

Bello predicted the financial crisis several years prior to the current meltdown and is a globally respected figure within the alternative globalisation movement. Canadian author Naomi Klein called him the “world's leading no-nonsense revolutionary.”

About TNI

The Transnational Institute (TNI) was established in 1974 as an international network of scholar activists committed to providing *critical* analyses of the global problems of today and tomorrow. TNI aims to produce research and ideas that are *relevant* to social movements and citizens concerned practically with how to steer the world in a democratic, equitable and environmentally sustainable direction.

TNI engages in a broad range of research, policy advocacy and civil society networking activities:

- A leading respected global voice on drugs policy, promoting a pragmatic approach to tackling illegal drugs based on the principles of harm reduction.
- An advocate of participatory, public sector water governance as the most viable means to achieve the goal of water for all, helping to coordinate key regional and global networks committed to public sector reform globally.
- Confronting the dogma of trade liberalisation, which like financial liberalisation has led to increased inequality; actively engages with the building of alternatives, such as the Bolivarian Alternative for the Americas based on regional cooperation and solidarity.
- Engages with innovations and experimentation by social movements, progressive political parties and governments worldwide, stimulating new thinking and policy proposals on participatory democracy, political organisation, urban governance and rural democratisation.
- Monitors the negative social and environmental impact of carbon pollution trading and other free market responses to global warming; works to develop alternative, community-led responses.
- Analyses the changing global frameworks for military intervention and the spread of new security infrastructures.

TNI's **Alternative Regionalisms Programme** focuses on the European Union's role on the critical issues of Trade, Investment and Corporations. The EU and European corporations have been the main proponents of a plethora of free trade and investment agreements, through a strategy called "Global Europe." TNI's Alternative Regionalisms Programme plays a critical bridging role between social organisations in the South and North challenging these agreements and putting forward alternatives.

The programme works with key organisations and coalitions in each region and has spearheaded the development of bi-regional networks, such as Enlazando Alternativas (Europe-Latin America); the Asia-Europe Peoples Forum (AEPF), EU-FTA ASEAN campaign. TNI has helped develop trans-regional strategies on regional integration and co-founded the People's Agenda for Alternative Regionalisms. This aims to promote cross-fertilisation of experiences on regional alternatives among social movements and civil society and contribute to the understanding of alternative regional integration as a key strategy to struggle against neoliberal globalization.

See <http://www.alternative-regionalisms.org> for more information.

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