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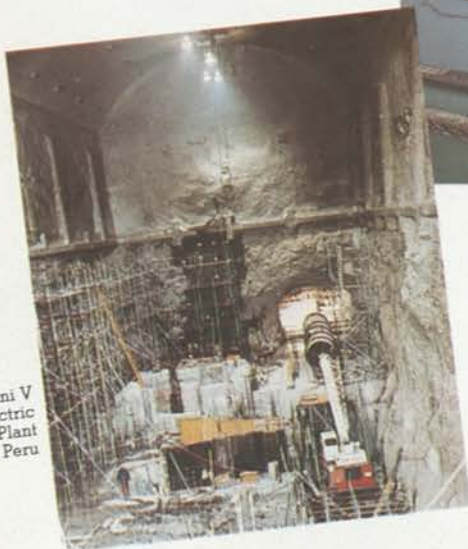


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Third World  
Journal  
of  
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# Changes in "Third World"

Perceptive readers will notice a slight change in the magazine: the cover date for issue number seven is April, instead of April/May as one might expect. Fortunately, there is no cause for alarm. *Third world* has not gone to a monthly format, and the change will not affect current subscriptions. Subscribers will continue to receive a total of six issues a year. The bimonthly dating system will be resumed with the next issue, number eight, May/June 1987. The adjustment was made at the request of several librarians and is merely a technical one to help facilitate cataloging and classification. A major change will be introduced, however, with issue number eight.

Following the recommendations of many of our readers, we have decided to enlarge the magazine to the standard 21 x 27 cm format. The move will result in a more graphically-pleasing publication and will at the same time allow us to save on production costs and provide us more flexibility in our advertising layouts. We hope that the change will please our readers. Our magazine represents a unique editorial experiment, and therefore we have been particularly open and attentive to the comments and criticisms made by our readers. We intend to remain open to suggestions as we enter our second year of publishing in English.

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Cover: Abaeté Propaganda

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I live in Harare, Zimbabwe, and I have looked for *third world* in bookstores, but I haven't been able to find it. Local distributors tell me they cannot import foreign magazines due to problems concerning money transfers abroad. What should I do to receive your magazine on a regular basis?

G. Namashula - Harare, Zimbabwe

You can subscribe directly through our distributors in Lisbon, Portugal. Obtaining our magazine in bookstores and newsstands is difficult in many Third World countries due to exchange control regulations. We are trying to solve this problem by means of bilateral agreements with individual countries. We hope to have good news soon in this regard for our readers in Zimbabwe.

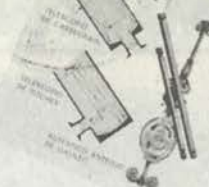
## Errata

We apologize to our readers for two slips in our issue number 5. On page 39, the photo in the right-hand corner is that of Finance Minister Dilson Funaro and not governor-elect Miguel Arrais. The caption under the photo on page 44 refers to the photo on page 46, and vice-versa.

NICARAGUA  
SONNETA MALLER

AGREDO  
1985

21<sup>00</sup>  
C



# NO AL PUNTO FINAL

MAJES DE PLAZA DE MAYO



# RICION

Marching to the streets to oppose the "Punto Final" law

### On impunity

Despite your magazine's ample coverage of human rights affairs in other parts of the Third World, you have so far failed to discuss the effects of the so-called "Punto Final" laws on the democratization processes in Argentina and Uruguay. By attempting to allow the military to escape unpunished, our legislators have violated the principle of the division of power by denying the judiciary the chance to fulfill its role, which is to make justice.

In a publication that circulates in Latin American and African countries which don't always have access to objective reporting on what happens in the rest of the world, it is important that this subject not be ignored.

**Maria Beatriz Nóbrega** -  
Montevideo, Uruguay

### The foreign debt

I would like to suggest that *third world* devote one of its next cover stories to the Third World



foreign debt, an issue that has been radically changing the situation of all African, Asian and Latin American countries.

The debt has become a sophisticated way of imposing economic dependence by harnessing the economy of poor countries in the interest of rich ones. Third World countries are labeled as debtors, implying that they are morally inferior because they owe something to other nations. The peoples of Asia, Africa and Latin America should be made aware that the debt was imposed on them, and that therefore they are not morally obliged to pay it.

To refuse to pay is not an act of delinquency, as many have said, but an act of sovereignty. Decolonization should also apply to our notions on the morality of the debt.

**W. A. Sing** - Sri Lanka

### Pen pals

I would like to correspond with English-speaking people who can exchange ideas on photography and culture.

**Atsu Oris Ackumany** - P.O.  
Box 36 - Akatsi v/r Ghana

*I would like to exchange ideas with Third World English-speaking readers in Africa and the Caribbean.*

**Daniel dos Santos** -  
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The next generation



Ghana's President Rawlings



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## SOUTH AFRICA

### Disenchanted White Voters

□ According to political commentators in South Africa's white press, President P.W. Botha's two most formidable foes in the May 6 elections - a contest restricted to white voters only - were the African National Congress (ANC) and the Reagan administration. But since neither Reagan nor the ANC were on the ballot, Botha simply had no way of defeating

either one of them.

Many white South Africans are beginning to feel impotent in the face of the black rebellion at home and mounting anti-apartheid pressures in Washington, and as a result many voters who traditionally supported Botha's National Party (NP) have expressed disillusionment with the government. This disenchantment permeates both the right and liberal wings of the NP, which has ruled South Africa for the past 30 years and was expected to win the elections. Both groups are convinced that, regardless of

the results of the polls, neither the antiracist black rebellion nor world pressure against apartheid are likely to subside.

Because of this attitude, the NP risked receiving less than 50 percent of the vote for the first time in its history. Public opinion polls indicate a growing tendency in favor of the Progressive Federal Party (PFP), the white liberal opposition which is traditionally made up of Anglo-Saxon descendants largely concentrated in the Capetown area.

After years of cooperating with the NP and the apartheid regime, South Africa's capitalists have begun to distance themselves from its racist policies. They believe that the current government is exacerbating tensions between the white minority and black majority. Fertilizer Magnate Louis Luyt, a traditional NP financial supporter, announced before the elections that his vote would go to the PFP. Another South African millionaire, Gordon Wadell, who had always supported Botha, has announced he will leave South Africa. "The (Botha) government simply chose to ignore that we are in a position where time does not exist for us (whites)," he wrote in a letter to his colleagues on the board of directors of



A National Party rally: "running" against Reagan and the ANC.

## Tricontinental Panorama

Anglo-American, South Africa's largest industrial complex.

Dennis Worrall, the influential South African ambassador to London, has resigned his post and returned to South Africa to run for parliament against the official NP candidate. There have also been important NP defections from within Stellenbosch University, the institution which produced most of the apartheid regime's intellectuals. Economics Professor Sample Terreblanche, who is also a vice-president at the South African Broadcasting Company, the state-owned television corporation, and Law Professor James Fourie have both resigned from the university in protest against the government's reform policies - or lack thereof. They explained that they "no longer believe that the government sincerely intends to reform apartheid".

The revolt against Botha is also intense in the ultra-racist far-right. Retired Colonel Theuns Ruus Swanepoel, also known as "the beast of Soweto," broke with the government, accusing it of "placing communists in key posts." Swanepoel gained world renown a decade ago for having personally ordered the massacre of black residents of the Southwest Township during the anti-

apartheid uprising of 1976. He ran in the elections as a candidate for the ultra-rightist Conservative Party.

The political radicalization of South African whites may prove fatal to Botha. The president is likely to grow increasingly weak, and the NP could be facing its most serious crisis since it rose to power in 1947.

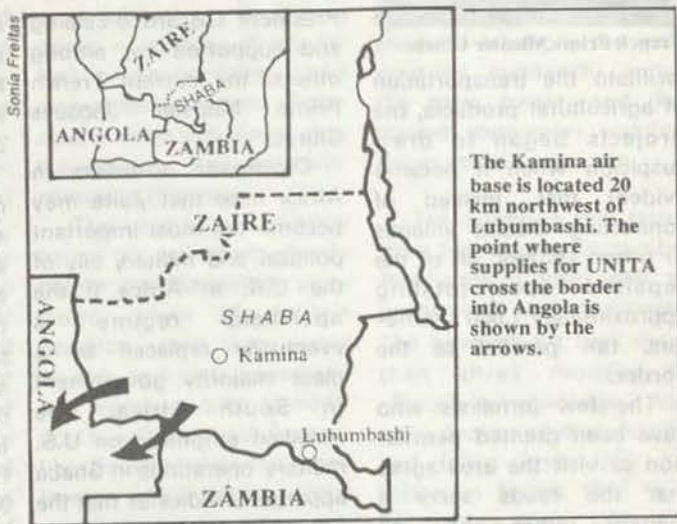
### ZAIRE

## U.S. Maneuvers along Angolan Border

□ For the first time in five years, some 600 Green Berets of the United States Special Forces participated in early April in joint maneuvers with the Zairean

army in the Zairean province of Shaba, near the Angolan border. Significantly, Shaba is the area through which U.S. weapons and ammunition are supplied to the UNITA rebels, Angolan counterrevolutionary armed bands backed by South Africa.

Both the joint military maneuvers and the supply of arms were coordinated from the Kamina air base, located slightly more than 20 kilometers from downtown Lumumbashi, in Zaire, and less than 100 km from the Angolan border. The air base has recently become strategically important for the assistance provided there for clandestine military raids against northern Angola. Its use as a secret UNITA weapons depot was first reported in early February by James Brooke



The Kamina air base is located 20 km northwest of Lubumbashi. The point where supplies for UNITA cross the border into Angola is shown by the arrows.

of *The New York Times*. Brooke's dispatch added that the U.S. Central Intelligence Agency was providing aid to the South African-backed rebels in northern Angola.

The Pentagon's interest in the Kamina air base became obvious in 1985 when the U.S. Agency for International Development began financing several road-repair projects in the province of Shaba, mostly along the Angolan border. Ostensibly intended to



**French Prime Minister Chirac** facilitate the transportation of agricultural products, the projects began to draw suspicion when it became evident that, instead of connecting distant villages to urban centers, all of the repaired roads, totaling approximately 1,000 kilometers, ran parallel to the border.

The few journalists who have been granted permission to visit the area agree that the roads serve a military rather than an

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economic purpose. In December 1985, *The New York Times* published a U.S. State Department document recommending the approval by President Ronald Reagan of a US\$ 20 million aid program to modernize and expand the Kamina air base.

Kamina is equipped with two 2,300 meter-long runways capable of handling large aircraft. Last July, visiting Belgian journalists reported that they had seen huge boxes containing U.S. weapons and ammunition covered with canvas and piled alongside one of the runways. The journalists were in Zaire to cover the visit of Belgian Defense Minister E. De Donnea, who at the time suggested the creation of a Kamina-based African Rapid Deployment Force - an idea originally aired by former French President Giscard d'Estaing and supported by, among others, the current French Prime Minister Jacques Chirac.

Diplomatic observers in Africa note that Zaire may become the most important political and military ally of the U.S. in Africa if the apartheid regime is eventually replaced by a black majority government in South Africa. The renewed emphasis on U.S. military operations in Shaba apparently indicates that the Pentagon plans to intensify

its destabilizing maneuvers in northern Angola - a diamond and oil producing region that accounts for over 85 percent of Angola's trade revenues.

## BRAZIL

### The Failure of the Cruzado Plan

Ballyhooed over a year ago as an economic cure-all, the Cruzado Plan has proved to be one of the most resounding failures in Brazil's troubled economic history. The recession it has left in its wake has brought with it economic hardships that by far exceed anything experienced in the early 1980s. The February 28 anniversary of the plan's announcement was ignored by a population grappling with price increases of the order of 80 and 100 percent.

Following last year's consumerist euphoria, Brazilians were jolted in February of this year by the announcement that the country would suspend payments on its foreign debt service. Government officials lamely explained that foreign reserves, which in February 1986 stood at US\$ 9 billion, had dwindled to less than US\$ 4 billion -

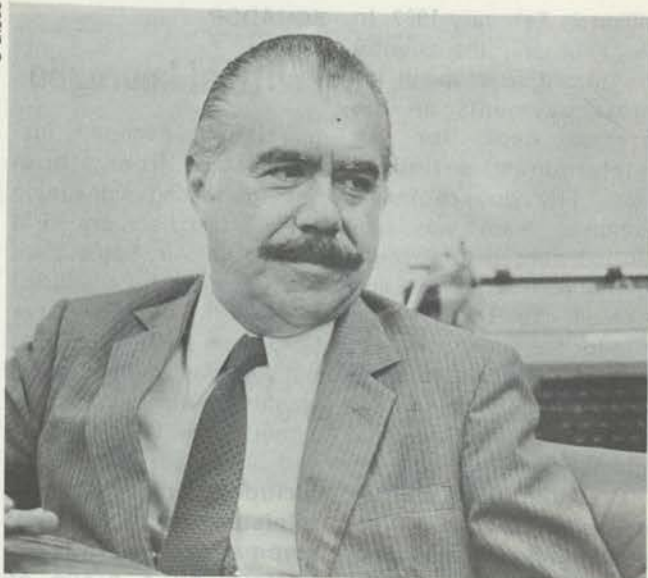
## Tricontinental Panorama

hardly enough to cover two months of imports. The squandering of foreign reserves was the price the government had to pay to keep domestic prices artificially low for most of last year and thus ensure its own victory in the November elections. The price stabilization was accomplished by subsidizing both imports and local products.

According to independent observers, the failure of the Cruzado Plan – which was originally intended to reduce inflation to less than 10 percent annually – could be attributed to the fact that the government proved unable or unwilling to control prices at the intermediate sectors of the economy. Prices were frozen at the consumer level, but the government left wholesale prices to the discretion of commodity producers, processors and distributors. The result was that producers and distributors of staple goods began to pressure consumers by withholding production or selling their goods on the black market.

One notorious example was meat. Unable to force producers to slaughter their cattle for sale at official prices, the government resorted to importing meat in order to restore balance to the market and put an end to price speculation. But meat imports fell short of

O Globo



Sarney: presiding over the death of the Cruzado Plan

demand, and local meat began to be openly sold above the fixed price. Most other products included in the price freeze simply disappeared from the market. On the other hand, successfully controlled prices – such as those for fuel, transportation and manufactured goods – created a consumer binge that the country had not witnessed in 20 years.

The economic policy began to fall apart shortly before the November elections, when 60 million Brazilian voters were about to pick new state governors and representatives, in addition to a Constituent Assembly. Satisfied with the price freeze, Brazilians voted massively for the governing

Democratic Alliance led by the Brazilian Democratic Movement Party (PMDB) and the Liberal Front Party (PFL). The PMDB won a landslide victory, electing 23 out of a total 24 state governors. One week after its electoral triumph, the government suddenly ended the price freeze, and dismayed consumers watched prices spiral once again.

The euphoria that lasted from February to September has now given way to uncertainty and pessimism. The government took more than three months to officially acknowledge it had gone broke and that exports had fallen from US\$ 1.2 billion in March 1986 to a little more than US\$ 100

third world – 11

million in February 1987. In late February, the country was forced to suspend interest payments on the foreign debt for an indeterminate period of time. The government's economic team was dispatched abroad to appease international creditors and hopefully to buy enough time for the country to earn sufficient reserves to meet its interest payments - US\$ 12 billion annually on a total debt of US\$ 107 billion.

President José Sarney has insisted that he will not accept IMF supervision of domestic finances, but at the same time he wants to win a vote of confidence from international banks. Bankers will accept the suspension of interest payments only if Brazil adopts austerity measures - or, in other words, yields to the same IMF demands under another name. In the coming months, Brazil will find it hard to avert a new period of acute economic recession, with high inflation rates and a sharp drop in the purchasing power.

There is, of course, the possibility that the frustration being felt by Brazilians will have political repercussions, sparking demonstrations and labor strikes. June and July may prove to be an extremely critical period for Brazil institutionally.

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## ECUADOR

### Political Imbroglio

□ Having escaped unharmed from a brief but frightening kidnapping episode last February 16 at the Taura Air Force Base near Guayaquil, Ecuadorian President León Febres Cordero is back at his desk, but his political future seems anything but certain. During a tour of the base, Cordero and his entourage - which included his defense minister and an army commander - were taken hostage by a group of paratroopers who demanded the release of Air Force General Frank Vargas Pazzos, 54, who was imprisoned for expressing his nationalistic views.

For a full hour the president and his aides were forced to lie on the ground while the rebellious soldiers pointed rifles to their heads. Following 24 hours of difficult negotiations, a shaken Cordero was set free but not before he agreed to grant full amnesty to his kidnapers and to release General Pazzos. The fact that he survived a threat to his life has brought no political dividends to the Ecuadorian president, an ultra-conservative politician who admires Ronald Reagan and keeps a Colt 45 on top of his desk at all times. To the

contrary, Cordero may be challenged in court for having granted amnesty to the paratroopers in violation of laws designed to severely punish anyone found guilty of attempting a coup.

Regardless of the legal consequences of his action, the damages to his political future are likely to be devastating. Cordero, 56, was known for his ruthless opposition to terrorism. In September 1985, he personally commanded a controversial operation that sought to forcibly release a banker who had been captured by guerrilla fighters. Six people died in the resulting shoot-out, including the hostage. Yet in Taura, when he suddenly found himself held hostage, the president was quick to ignore legal technicalities in the attempt to save his own skin.

Immediately following the Taura incident, there was a move in Congress to impeach Cordero, but it was blocked by the conservative majority. Nevertheless, he seems to have suffered serious damage to his image, even among ultra-conservatives who applauded his iron-fisted control of civilian and military opposition. Within the armed forces, the unity of command seems to have been shattered as a result of mounting suspicions and

misgivings over the peculiar episode. Doubts center on one nagging unanswered question: How could the military secret service not have known that the Taura's *paracas* (paratroopers) were planning a rebellion, especially when a congress member had warned two days before that something unusual was going on at the Air Force base?

General Pazzos, whom his colleagues like to call "Rambo," turns out to be the only beneficiary of the affair. Cordero had insisted on keeping him in a military prison even after Congress recommended last year that he be released. The role that Pazzos, one of the most decorated officers in the Ecuadorian armed forces, will play politically is open to conjecture.



León Febres Cordero

Confusion over the real nature of events at Taura was compounded when it was learned that the paratroopers intended to stage a coup "to guarantee legality," as they put it in a political manifesto made public while Cordero was

still in their hands. Now the Supreme Court has decided to challenge the president's authority to pardon the soldiers: it intends to prosecute them under the anti-coup legislation. The political outcome of such a move is difficult to predict.

### "Apartheid": Luring New Tourists

Beginning late last year, the South African government and the country's largest travel agencies have launched a number of campaigns to attract new visitors to the land of apartheid. The tourism business has fallen victim to the fears of travelers about the nation's permanent state of racial unrest. Tourist figures

dropped from 792,000 in 1984 to 727,000 in 1985, and estimates for 1986 do not surpass 650,000.

In an attempt to lure new visitors, the South African Tourism Board has increased its foreign advertising budget from US\$ 10 million to US\$ 12.5 million. South African travel agencies have resorted to unconventional gimmicks to attract new clients. One recently launched a multi-million dollar campaign in the

South African press, inviting readers to supply the names and addresses of friends or relatives abroad who might be interested in visiting South Africa. Those names were entered into a raffle for 100 round-trip tickets plus a week's paid expenses. A U.S.-based travel agency has promised to refund all hotel and travel expenses to any tourist proving to have witnessed any "disturbances" in South Africa.

## The Brazilian Default

Nearly five years ago, Mexico called a general moratorium on its foreign debt. Now, faced with the utter impossibility of continuing to honor its international obligations, Brazil has been forced to take a similar step. Between the two events, the Third World debt problem has continued to deteriorate, with creditor governments and banks failing to suggest acceptable solutions and blaming the debtor countries for the resulting impasse.

However, events since 1982 have clearly shown that the debtors, the international banks and creditor governments all share a responsibility for the debt problem. Any solution must distribute the burden fairly. To place all the blame on the debtors alone is unrealistic and counterproductive. All of the proposed solutions advanced by creditors have called for bilateral negotiations which seek to protect the interests of international banks while making only superficial concessions to the debtors. The result has been an unrelenting vicious circle. This unilateral approach, as illustrated by repeated attempts to take advantage of the debtors' predicament and to buy time, will prove unrealistic in the long run. It will only invite unilateral counterproposals that could include the outright reneging of the debt by the most hard pressed Third World countries.

All over the world, indebted nations are increasingly coming to grips with the fact that it is economically impossible to

amortize their debts by following the prescriptions of the private banks and the International Monetary Fund. Eventually they will have no alternative but to unite and dictate a joint solution of their own.

During the 1960s, the growth of the Third World's total debt was held in check by both creditors and debtors. In the 1970s, however, the accumulation of huge financial resources as a result of the first oil shock led large banks to ease their lending conditions. A large number of loans were granted at variable interest rates, which until the mid-1970s remained relatively moderate. Subsequent inflationary pressures in the United States, however, caused interest rates to rise worldwide. As a result, the Third World debt, estimated at US\$ 567 billion in 1980, escalated to more than US\$ 1 trillion in 1986 - US\$ 1.035 trillion to be exact.

This unusual jump in interest rates, which was encouraged by a U.S. government eager to attract European and Asian capital to finance its trade deficit, made Wall Street directly responsible for the snowballing of the debt. Debtor nations neither stimulated nor benefited from the increase, just as they cannot be held responsible for the recession that hit the U.S. in the early 1980s and had global repercussions. The recession caused a marked decline in commodity prices, and as a result export revenues shrunk throughout Africa, Asia, Latin America and the Middle East.



Contrary to the historical reaction to an upswing in the business cycle, prices for raw materials remained low even as the U.S. economy resumed its growth. Commodity demand did not increase as might have been expected, mainly because technological innovations and the introduction of substitute products reduced demand. The segments of the economy that registered the most growth were computers, high technology and services - not those that traditionally consume Third World commodities.

This shift in demand is typical of a structural phenomenon occurring in the Western economic system. Consequently, the trend can be expected to persist through the short and medium terms, with debtor countries failing to see "the light at the end of the tunnel." At present, interest payments alone devour from one-third to one-half of the total export revenues of indebted nations. In some cases, the figure exceeds 100 percent. In 1986, Argentina spent 71 percent of its total export revenues to service its debt; in Venezuela the figure was 42 percent, in Brazil 41 percent.

The Brazilian case is illustrative. The country's debt is estimated at around US\$ 108 billion. In the past five years, Brazil paid its creditors a total of US\$ 55 billion, yet the total amount of its debt remains as high as ever. Essentially, the country struggled to generate a trade surplus only to transfer capital abroad. In early 1987, following a marked decline in its trade balance, Brazil was unable to continue to both service the debt and purchase essential imports. As a result, it suspended interest payments. Creditors have failed to take into account the concept of co-responsibility. Left with no

alternatives, debtor countries like Brazil have been forced to dictate their own conditions in order to cope with the difficulties that threaten their future. Discussions that might lead to a joint solution are taking place between debtor nations, especially in Latin America, but no consensus has yet been reached on the idea of a "debtors club" that would lead negotiations. The governments involved claim that each country has its own specific set of circumstances that call for separate solutions.

This, however, is valid only with respect to the technical aspects of the negotiations between creditors and debtors. In fact, the debt problem has long ago ceased to be merely technical: it is political. The issue of co-responsibility with its implicit sharing of the onus goes beyond technicalities and must be seriously taken into account by all of the governments involved. It is a political principle that must be high on the agenda in discussions between debtor countries, industrial nations and multilateral organizations. The technical aspects of the debt are secondary.

Case-by-case negotiations have proved unrealistic and unproductive. A large share of the Third World debt is accounted for by Latin America, but the problem also affects African and Asian countries. (The Philippines and Nigeria, for instance, are among the most indebted nations). Of the Third World total debt, 41 percent is held by Latin America, and 59 percent belongs to Asia and Africa. Hence, although the initiative of coordinating joint negotiations should come from Latin America, any joint proposal must have the direct participation of Africans and Asians if it is to be successful.

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# The Silent Victims of the Debt

As a result of the compulsory impoverishment of the Third World, the physical and mental development of at least the next two generations of children in a number of Latin American, Asian and African countries will be lower than that of their predecessors. Social programs are being cut as part of austerity budgets designed to allow governments to continue payment on their foreign debts. As a consequence, already low medical, sanitation and nutritional conditions are deteriorating further. Several countries, in harmony with international bodies such as UNICEF, have warned of the ominous prospect of a future where a large portion of the adult population is irreversibly impaired by malnutrition suffered during childhood.



"Should we let our children starve to death while we pay the foreign debt?" The blunt question asked by Tanzanian President Julius Nyerere illustrates the direct relationship between national economic difficulties and the

future of children in the Third World.

Of course the foreign debt is not solely responsible for the annual death toll of over 14 million children under the age of five in Third World countries. Other economic, social and cultural problems contribute to this annual slaughter – just as they lead to malnutrition and other calamities that threaten millions of children.

Without a doubt, the gravest of these problems is poverty – not only the material poverty of parents and nations, but also the spiritual indigence of several Third World leaders. Toward the end of his dictatorship, former Phillipine President Ferdinand Marcos built four sophisticated hospitals that cost the Phillipine people five times the amount spent in the country on basic health care. Marcos had his counterparts in other Third World countries, where 90 percent of the resouces spent on health benefits but 15 percent of the population.

"Should we deprive our children in order to increase our defense budgets?" Another blunt question, this one asked by Pakistan's Finance Minister Mahbub-ul-Haq during the annual meeting of the International Monetary Fund (IMF) and the World Bank in Seoul, South Korea in 1985. The Pakistanese official pointed out that expenditures on health and education in low-income countries decreased between

1972 and 1982, while their military budgets spiraled from US\$ 7 billion to over US\$ 100 billion. The price of three modern military aircraft would cover the cost of immunization for all of the world's children against measles, diphtheria, whooping cough, tetanus and tuberculosis – five diseases that account for a major share of infant and child deaths.

### The impact of economic recession

In the Third World, infection and malnutrition together account for 280,000 infant and child deaths per week – more than the combined figures for famines, floods and droughts. Most victims come from the poorest classes, which are the most vulnerable to the economic recessions that have ushered on negative or extremely low growth rates in most Third World nations.



Should she pay the debt?

Since the beginning of the decade, the average income of over half of all African countries decreased by over 15 percent. In Latin America, national incomes declined by nine percent between 1980 and 1986.

Ironically, the negative trend follows three decades of positive growth in Third World countries: between 1950 and 1980, infant mortality rates dropped by 50 percent, the average life expectancy rose by 30 percent, food production tripled and school enrollment rates doubled.<sup>1</sup>

The recent economic recession has obviously had its impact on children in the Third World. In Brazil (see following story), the infant mortality rate – the number of deaths of infants under the age of one who die per 1,000 live

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births – began to rise again in 1983. The previous year, the country had registered an infant mortality rate of 65.8, the lowest in its history (but still a poor showing according to the standards of the World Health Organization which considers 50 the tolerable maximum). Although Brazil is one of the world's leading food exporters, over half of Brazilian children currently suffer from some form of malnutrition.

Conditions for youngsters have also deteriorated in Chile, Bolivia, Uruguay, Jamaica, the Philippines, Barbados and a number of African countries. All of these nations have high rates of malnutrition, underweight births and infant mortality. Only in a few countries in South and East Asia are children spared this plight. Yet, even in countries that have enjoyed economic growth in the past decades, social factors for children have at best remained stable.

Brazil, India, China and some Southeast Asian countries like Formosa and South Korea have managed to make economic progress despite the deterioration of world trade, the decline of commodity prices, the decrease in international aid, the growth of the foreign debt and the curtailment of private financing. However in 17 of the 23 Latin American countries and 24 of the 32 sub-Saharan African nations, average incomes declined between 1980 and 1985, and the predicament of children is even worse.

In an attempt to escape the effects of foreign and domestic economic difficulties, at least 70 countries have adopted orthodox, recessive measures under IMF-sponsored "adjustment" programs. Mexico is a good example of how the bitter medicine prescribed by the IMF can ultimately kill the patient.

A study conducted by UNICEF on the impact of stringent adjustment policies on the poorest families in the Third World shows that the quality of health and education services has declined in many countries and that "a

widespread deterioration of health and nutritional conditions" is evident among children in Africa and Latin America<sup>2</sup>. The immediate cause is that in at least half of all Latin America and African countries, public expenditures since 1980 in health and education have been reduced on a per capita basis. It appears that the poor are bearing the brunt of the effects of their governments' economic reforms.

### Is there a way out?

The relationship between the status of children in the Third World and the international economic environment has been largely ignored, except in a few isolated studies such as UNICEF's "Efectos de la recesión mundial sobre la infancia"<sup>3</sup> (The effects of the world recession on children), by Richard Jolly and G. Andrea Cornia. "Children's problems", according to the authors, "are often approached from a narrow perspective that ignores their more basic causes and concentrates on individual rather than on social causes and symptoms, often leading to inadequate analyses and policies. Even when a study looks into social causes, it tends to focus on national political, economic and social conditions, and seldom takes into account their international components. This neglect of international aspects may be understood in high-income industrial nations, but can hardly be justified in less well-endowed developing countries".

The study shows that a world economic recession does not affect all nations equally and that governments do not respond in a uniform manner when faced with a growing debt compounded by dwindling resources. Not all of them adopt the IMF model – slashing public expenditures (including social programs), reducing the purchasing power of the working class and privatizing state enterprises. Between Chile's monetarist model and the socialist strategy adopted by Cuba, there is a whole



Brazil's Northeast: children go hungry as the country exports food

range of possibilities.

Between 1973 and 1982, per capita expenditures on public health services nearly tripled in Cuba, and per capita expenditures in education more than doubled. As a result, the Cuban infant mortality rate dropped from 28.9 in 1973 to 17.3 during the period. (It had stood at a high of 28.9 prior to the 1959 revolution.) Advances made in the quality of life and elimination of social inequalities are impressive, noted UNICEF experts<sup>4</sup>. In Chile, however, social expenditures per capita declined by 20 percent between 1974 and 1982. The infant mortality rate continued to decline (basically because of the high quality of the old national health system), but the percentage of Chileans living in poverty increased from 12 to 16 percent in only two years (1980-82).

The Cuban example demonstrates that the health of children can be improved even during a world economic recession. And certain

countries are less dependent on the world economic outlook: for example, India and China are less affected by the world recession than is Brazil.

Economic recession cannot be blamed for everything, however. In certain countries, poverty is not a function of outside economic conditions alone. As an indicator for the social conditions of children, the amounts allocated in national budgets for health and education are more telling than Gross National Product (GNP) or per capita income figures.

However the countries with the highest infant mortality rates are generally those registering weak economic performances. In 1985, according to UNICEF data, the ten countries with the highest infant mortality rates were Afghanistan (189), Sierra Leone and Mali (175), Malawi (157), Guinea-Bissau (153), Somalia and Ethiopia (152), Mozambique (147), Burkina Faso (145), and Angola (143). Those

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with the lowest infant mortality rates were Sweden, Finland and Japan (6), Switzerland, Norway, Holland and Denmark (8), and Canada, Hong Kong, Australia, Singapore and Belgium (9).

### Low-cost solutions

Despite the recession, research has increased man's understanding of many of the problems facing the world. If the communications media were to contribute by disseminating some of this knowledge, the annual toll of dead children under five years of age might not reach 14 million. At least half of these deaths could be

avoided through the adoption of low-cost but highly effective measures.

In a recent twelve-month period, the widespread use of two low-cost methods – immunization and the oral therapy to combat dehydration – saved the lives of some 1.5 million children under the age of five.<sup>5</sup> Over four million children were saved in a five-year period in countries that adopted other low-cost measures<sup>6</sup> – including the promotion of breast feeding and correct weaning practices, the monitoring of child growth and development, the control of acute respiratory infections, the assistance of mothers prior to, during and just after birth, and the distribution of

## Bangladesh: Financing Motherhood

Low-income women in the Third World have few means to improve their well-being and that of their children. Despite the fact that they are primarily responsible for agricultural production, women lack sufficient income and the access to bank loans that would enable them to expand production or launch a business. If women had the resources to improve their standing, they would spend their earnings to provide for the basic needs of their children, according to studies. Thus, lending to poor women is one potential way to assure a decent standard of living for children.

For ten years, the Grameen (or Rural) Bank of Bangladesh has adhered to this philosophy by lending money to the poor, especially to women. Its experience demonstrates that such loans not only assist the poor but that they are also profitable.

"There is no justification for the popular belief that the poor cannot handle financial matters, that agriculture is the only activity

that fits them, or that they tend to spend all they earn," remarked Professor Muhammad Yunus, the bank's founder and main architect. "Equally false is the notion that they lack creativity, or that women are not capable of securing bank loans. We have been gradually reversing the vicious circle of low income, low rates of savings and low investments – transforming it into a growing process of high income, high credit, high investment."

Professor Yunus decided to put to the test his faith in the rural poor in 1976 when he established a credit system for villagers who lived near the University of Chittagong, where he taught. He organized small groups of credit seekers who shared collectively the responsibility for repayment – diverging from the normal process where individual debts are guaranteed by individual mortgages. In fact, his plan excluded anyone who owned more than 0.2 hectares or whose assets amounted to twice the value of his or her property. Poverty was thus a positive rather than a negative factor in the granting of loans.

Over 112,000 of the bank's clients were women – 65 percent of whom had never taken a bank loan nor started a business. Eventually, all of the loans were properly liquidated.

vitamin A to children.

Experts estimate that the implementation of these basic health measures can reduce infant mortality and disease by 30 to 50 percent in the next ten years. Although this would still fall short of solving the problem, it would represent a considerable advance. The deep-rooted causes of infant mortality can be ultimately eliminated only through the creation of a new international economic order and the implementation of more just and human social structures.

Arthur José Poerner

There were virtually no defaults in nine years of lending operations totaling US\$ 13 million. Loans varied from 200 taka (US\$ 7) to 5,000 taka (US\$ 170), and most female borrowers invested in cattle or agricultural implements, while some started their own businesses.

Between 1980 and 1985, over 500 female bank employees were trained with the help of UNICEF to expand the services of the Grameen Bank. In turn, 9,500 village women were trained to act as leaders in their local groups. They were to assist women – many of whom are illiterate – to apply for loans and to help introduce basic health concepts in their communities. Group members learned to read and write – as well as how to drill wells and raise vegetables in order to improve their children's diets. Printed on the back of their loan documents were instructions on how to mix mineral salts to fight dehydration in children.

The Grameen Bank has inspired similar experiments elsewhere, from Dominica to

1 UNICEF Executive Director James P. Grant, "Situação Mundial da Infância, 1987".

2 Ibid.

3 "Siglo XXI", España Editores, Madrid, December 1984.

4 Ibid., in "La actual crisis económica mundial y el bienestar de la infancia: El caso de Cuba," by J. Guitérrez Muñiz, J. Camarós Fabián, J. Cobas Manríquez and Rachele Hertenberg, p. 155.

5 "Situação Mundial da Infância, 1987".

6 Ibid.



Third World Network Features

Women discussing loans: children are likely beneficiaries.

Gambia, with similar favorable results. In Nepal, where women spend 60 percent of their incomes on food for their families, 210 female credit groups have emerged in the past five years. Nepalese women buy cattle and seeds or launch their own businesses. These credit groups have served as a base for organizing literacy campaigns, child care improvements, vaccination efforts and the oral therapy of dehydrated children.

Meanwhile, the Grameen Bank has expanded its activities. It is estimated that by 1993 some 2,000 bank offices will be offering loans to half of the landless poor in Bangladesh – a full one-fourth of the population.

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# Meeting Basic Needs

Roughly one-fourth of the world's poverty is centered in just one country – India. Indian children make up 30 percent or more of the global victims of malnutrition, diarrhea, diseases that can be prevented by vaccination, underweight births and stunted growth.

However since independence in 1947, the country has been steadily improving social conditions, and the results may surprise the world in the coming decades.

India now ranks among the world's ten major industrial nations. Food production has outpaced populational growth, and the country has harvested surpluses of most staple grains. Vast infrastructures are in place to communicate with Indian families and help them improve their living conditions and their nutrition and production levels.

Social development programs have significantly improved the lot of a broad spectrum of the population. For example, Integrated Child Development Services (ICDS) provide basic health care and preschool education to one-fifth of all needy children in the country, and the Program for Woman and Child Development in Rural Areas has benefited over 300,000 – a figure that is expected to double in the next three years. And the returns of such programs are beginning to appear: in just over 20 years, the Indian infant mortality rate has declined by 30 percent, life expectancy has

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grown by 40 percent, and there has been a 25 percent reduction in the birth rate. In five years (1980-1984), the number of villages lacking treated water has declined from 230,000 to 40,000.

However, the needs are still great, and the government plans to continue its efforts. Its targets for the year 2000 are:

- to cut the current infant mortality rate by half (to 60 or less per 1,000 live births);

- to reduce the average number of children per family to two (at present some 23 million

babies are born in India every year – more than in all of Latin America and nearly as many as in all of Africa);

- to reduce by 50 percent the number of women who die as a result of complications during or after birth;

- to significantly reduce the percentage of underweight newborn children from the current 30 percent (with an emphasis on prevention rather than on correction);

- to provide elementary education for all children and to eliminate illiteracy (with an emphasis on the education of women and on projects that

will keep girls from dropping out of school);

- to provide drinking water and basic sanitation facilities to 50 percent of the population in urban areas and 25 percent in rural areas.

After a modest beginning over a decade ago, ICDS offices now employ over 200,000 people who implement projects in basic health



Two ICDS beneficiaries

Adiram Solo





Roberto Remo

Construction in rural India: the ICDS centers are part of a 20-point development plan

care and preschool education for the poorest fifth of the Indian population. By 1990, ICDS assistance is expected to encompass 40 percent of all of the country's needy children. According to current projections, by the turn of the century all of the rural poor will have benefited from ICDS activities.

A major feature of each ICDS is its *anganwadi* - literally, a courtyard. Such courtyards are provided at little or no cost and are utilized as child-care and information centers. Each *anganwadi* worker is selected from the local community and must be at least 18 years old. After a three-month training period, they receive 250 rupees (approximately US\$ 20) for a four-and-a-half hour work day, six days a week. With the help of better-trained health personnel who make monthly visits for additional training, the local workers monitor the growth of local children, teach mothers how to prevent the most common childhood ailments (including dehydration), help parents ensure the normal development of their children, organize immunization services, distribute vitamin A, treat minor wounds, provide food supplements if necessary and refer children with serious health problems to health professionals. In

addition, each *anganwadi* center provides preschool education for children under the age of six.

Because of their wide scope, ICDS centers have drawn the attention of many Third World nations. However, a number of problems remain. Training is far from perfect, and it is difficult to ensure adequate supervision and to determine which children or families are most in need.

Yet they have produced some remarkable results. Malnutrition, for example, has been reduced by 60 percent in the areas where the *anganwadi* operate. The infant mortality rate dropped to 90 per 1,000 live births, as compared with a national average of 114. Vaccination and school attendance rates have increased, while the birth rates and school dropout rates have declined.

The Indian government periodically reviews the program at the cabinet level as part of a 20-point development plan. And in relative terms, it is a low-cost program: by the time assistance is extended to all needy families in India, the centers will cost the government no more than one percent of the country's gross national product.

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# Brazil: 36 Million Needy Youngsters

A recent study conducted by UNICEF on children in Brazil, which is summarized below, points out that nearly half of the Brazilian population is under 19 years of age and that 57 percent of them, or 36 million youngsters, live in deprivation.



Over one-half of all Brazilian children are undernourished sons and daughters of undernourished mothers, according to a recently-published UNICEF-sponsored study on children in Brazil. Among other conclusions of the report are that children often suffer from injuries inflicted upon them while still in the womb – a direct result of violence against women. Those who survive childhood disease and hunger grow up to face unemployment as young adults, and in the meantime they are subjected to biological, social, physical, cultural, institutional, racial and environmental forms of abuse.

Brazilian public health programs reduced the nation's infant mortality rate – the number of deaths of infants in the first year of life per 1,000 live births – from 163.4 to 68.1 between 1940 and 1984. In 1982, the rate stood at 65.8. This figure, the lowest in Brazilian history, still compared poorly with the maximum standard of 50 considered tolerable by the World Health Organization.

Since 1983, the Brazilian infant mortality rate has been on the rise. By 1984 it had grown by 12 percent – despite the fact that health programs and the nationwide

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health-care network were expanded during that period. The main cause of the increase in infant mortality appears to be the economic recession with its resulting downward pressure on salaries and wages and the accompanying hyperinflation that hit Brazil beginning in 1983, according to a study by Roberto Augusto Becker, the former head of the Epidemiology Division of the Health Ministry who is currently secretary for special programs of the Brazilian Food and Nutrition Institute (INAN).

Becker and Aaron Lechtig, a UNICEF child health specialist who helped prepare the study, found a close relationship between the purchasing power of minimum wages, as expressed in the number of hours of work

required to buy a basic food basket, and the number of underweight babies, as well as between the number of working hours and infant mortality. Their conclusions point once again to low income as a key factor leading to malnutrition and hence to infant mortality.

The ratio of underweight births (of babies weighing less than 2.5 kilograms as a result of malnutrition during pregnancy) increased from 10 percent in 1977-82 to 15.3 percent in 1983-84 and 16.3 percent in 1985, according to the report. The researchers also found that "while in 1959 it took a minimum-wage



One of 36 million

worker a total of 65 hours of work to buy a basic food basket, this number increased to 130-160 hours in 1977-82 and 195 hours in 1984." Conditions have improved slightly since then. That total decreased to 177 hours in 1985, while preliminary data for the first five months of 1986 show a further decrease to 155 hours.

### Malnutrition

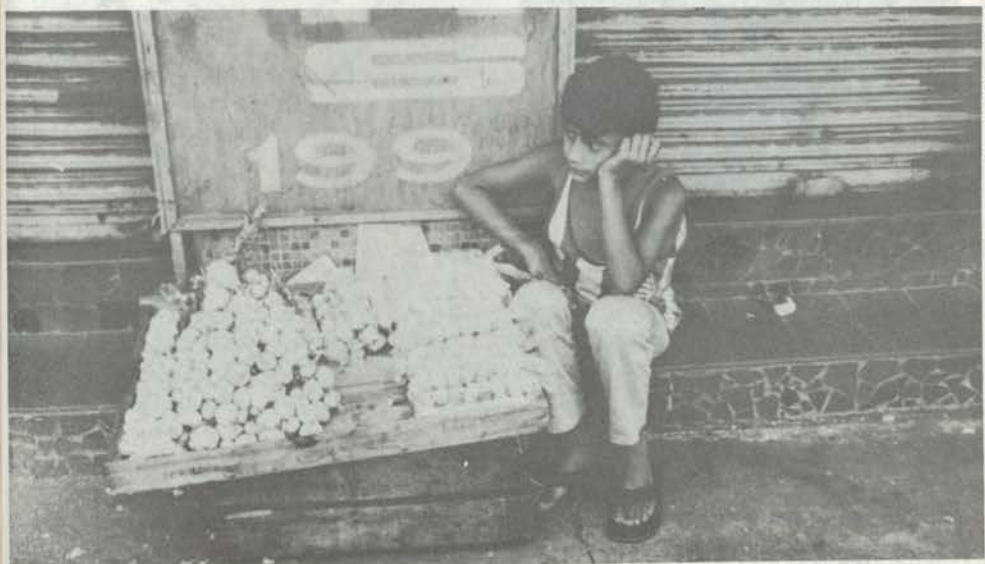
Malnutrition is the basic cause of infant mortality in Brazil, according to Dioclécio Campos Jr., a professor of pediatrics at the University of Brasflia and director of the Human Resources Development Center of Brasflia's Health Department. Malnutrition causes children to be more susceptible to diseases, including the leading direct causes of infant deaths such as diarrhea, pneumonia and diseases that can be controlled by vaccination - measles, whooping cough, tetanus, diphtheria, tuberculosis and poliomyelitis.

Campos has introduced a new indicator in his studies of infant mortality: the number of

years of potential life that are lost in a given period through the death of newly-born children. "Taking 64 years as the average life expectancy in Brazil," stated Campos, "we figure that no less than 4,394,366 years of potential life were lost in the country during 1980 alone." Of course, malnutrition does not affect one-year-old babies only. The Brazilian Health Ministry estimates that the country's child mortality rate - which includes children between one and four years of age - is 3.9 per 1,000<sup>1</sup>. In 1985, approximately 320,000 children died in Brazil: of these, 82.4 percent were under one year of age. The northeastern region, where 29 percent of the population lives, accounted for 52 percent of the country's infant mortality rate.

### Brazil: a "Belindia"

Nationwide statistical averages tend to mask sharp local contrasts. Brazil has often been characterized as a "Belindia" - a country where the wealth of Belgium coexists with the poverty of India. Of course, as a Brazilian



Claudio Edinger/U.N.

Sellings eggs and produce on the streets of Sao Paulo: child labor is common

## Peru: Yellowish-Green Children

□ "It was about 9 p.m. on a terribly hot evening. Three children were leaning against the wooden wall of the hut. Lying on the floor was a paper wrap containing some yellow powder (cocaine paste), a package of cigarettes and a box of matches. One of the kids took out a cigarette, removed part of the tobacco, refilled it with the powder and lit it. He inhaled several times and passed it on to his friends."

This scene was described by Marcial Huidobro, a psychologist at the Family Welfare Institute (Inabif) of Peru, who worked in Tingo María, a small village 528 kilometers east of Lima on the fringe of the Amazon jungle.

Most of the residents of the village live crowded together in shabby huts. They come from the sierra and the poorest areas of the country in search of the wealth promised to them by local drug dealers. According to an Inabif report, over half of the village's population is made up of children under the age of 12. "The children are extremely pale and weak, their skin a greenish-yellow. They dress like beggars and look listless," adds the report.

According to the local police, one child dies every two months as a direct result of drug abuse. However, Huidobro believes the number of dead to be much higher. "Most of these kids have no families, and more often than not their deaths go unreported," he said.

Huidobro also mentions seeing 10-year-old girls who wear an exaggerated amount of make-up in an effort to hide their paleness and attract men. They prostitute themselves to buy cocaine and, in some cases, to purchase the drug for their parents.



Youthful drug addicts abound in the Peruvian village of Tingo María

humorist once pointed out, if a rich man eats roasted chicken under the covetous eyes of a hungry beggar, the fact may be recorded by statisticians as the consumption of one-half chicken per capita.

The hungry beggar in this case is the Brazilian northeast, which has consistently experienced higher than average infant mortality rates. It could be said that, even at the peak of the recession in 1983-84, the Brazilian south and southeast were "eating chicken," since the infant mortality rate declined in both regions during the period. According to Alys Furtado, who heads the Non-Communicable Diseases Division of the Health Department of Rio de Janeiro, the decrease in infant mortality in the southeastern state of Rio de Janeiro reached 21 percent in 1983-84, thanks to government action to control pollution, improve sanitation conditions in shantytowns, provide vaccination for the poor and encourage breast-feeding.

In 1983, the infant mortality rate increased in the western and central regions, but declined again the following year. In the north and northeast, it grew by 21 percent and 25 percent, respectively. According to Becker, there were three reasons - in addition to the recession, loss of purchasing power and runaway inflation - for this increase: the severe drought of 1979-84, one of the worst in history; a drop in the vaccination rate in 1982-83; and the fact that in the northeast children live closer to the so-called "threshold of survival."

The infant mortality rate declined in the northeast from 160 in 1972 to 93 ten years later but increased again to 116 in 1984. Preliminary data for 1985 and early 1986 indicate that the upward trend continues. Eighty percent of all infant deaths in the northeast occur in small villages and rural areas. Forty-five percent of all families and 73 percent of all children under the age of six live in conditions of absolute poverty. Only 44.2 percent of all northeastern households have running water, and only 16.1



Jornal do Brasil

#### A victim of malnutrition in the Northeast

percent are equipped with adequate sanitation facilities. In rural areas, the figures drop to 7 percent and 2.1 percent, respectively.

On the average, the northeast accounts for 43.5 percent of all infant deaths in Brazil, and it registers the highest rate nationally for underweight births. There is a trend toward dwarfishness in the region, according to a survey of 30,223 babies born between 1976 and 1985 in the major northeastern city of Recife conducted by Professor Meraldo Zisman of the Federal University of Pernambuco. The weight of infants born to low-income families has consistently declined throughout the years, and "if current conditions persist, by 1990 low-income mothers in the northeast will bear children weighing no more than 2.7 kilos, or the average weight of African pygmy babies."<sup>2</sup>

#### The massacre of children

It has been estimated that 3,762,000 Brazilian children will die in the next 15 years. Of these, 3,217,000 (88 percent) will fail to celebrate their first birthdays. Brazilian President José Sarney agrees with child health specialists that fighting malnutrition, especially in the country's northeast, must be a priority. In August 1985, he approved a Cz\$ 1.093 billion program called "Children First." The program was designed in reaction to a study by the Brazilian Legion of Social Assistance (LBA) which found that:

- of a total 22.5 million children under the age of seven, 69 percent suffer from physical and psychological deficiencies which retard

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their growth and hamper their adaptation to society;

- at present, the infant mortality rate for the country stands at 88 per 1,000 live births;

- approximately 53 percent of all Brazilian children are to some degree affected by malnutrition, especially in the northeast where the number of undernourished children is ten times higher than in the south.

Maternal malnutrition is closely related to the high rate of underweight babies, and it also leads to a high maternal death rate of 70 per 10,000. (In industrialized countries, the figure is 25 per 10,000.) It can be safely said that over half of all Brazilian women do not eat properly: many of them do not eat every day. Hunger and malnutrition are the main factors leading to poor health in Brazil.

In 1974, the military dictatorship censored a study carried out by the Brazilian Geographical and Statistical Institute (IBGE) which revealed that hunger was pervasive in most Brazilian households. UNICEF researcher

Roger Shrimpton estimated that 60 percent of all Brazilian families eat less than the minimum recommended daily calorie intake. Father Fernando Bastos de Ávila, an adviser to the Brazilian Bishops Conference, claims that 40 million Brazilians are undernourished and that 30 percent of the country's population live in absolute poverty.

The Sarney administration reportedly based its social policy on a study by Professor Hélio Jaguaribe, entitled "Brazil 2000." That study states that one-third of all Brazilian families (35 million people) earn half the minimum wage (US\$ 18 per month) and can be considered destitute. One-fourth of them (30 million people) live in extreme poverty. To relieve their plight, Jaguaribe suggested public

### A Catholic Experiment

The Children's Pastoral is a program instituted by the National Conference of Brazilian Bishops (CNBB) and is designed to bring about a 50 percent reduction in the mortality rate and the incidence of disease among Brazilian children. The program demonstrates the concern of the Catholic Church in the struggle for infant survival and child development, but it also counts on the support of UNICEF, the Basic Education Movement, the Brazilian Ministry of Health and other government entities.

The Children's Pastoral encourages each community to actively participate as an agent



Archbishop Paulo Evaristo Arns

of change. In the words of Dr. Zilda Arns Neumann, the program's national coordinator, "it is a revolution on behalf of the poor, so that they do not have to forever depend on begging."

aid programs involving massive investments in food and sanitation.

### The sanitation problem

The poor quality or total absence of basic sanitation plays a major role in the Brazilian infant and child mortality rates. Of the 320,000 children under the age of five who died in 1985, at least 211,000 could have been saved by relatively simple disease-control measures. Dehydration caused by diarrhea alone accounted for 90,000 deaths.

Sanitation programs adopted in Brazil have considerably reduced the proliferation of insects and contagious diseases, but they are still far from satisfactory. It is estimated that 2.5 million urban households in Brazil lack adequate sanitary facilities: they are too poor to tap into existing running water and sewage systems. In addition, there is a shortage of sewage treatment facilities. Conditions, of course, are worse in rural areas.

### Expansion

The program is the outcome of a meeting held in Geneva in 1982 between UNICEF Executive Director James Grant and Paulo Evaristo Arns, the Archbishop of São Paulo. It was launched in December 1983 in Florestópolis, in the state of Paraná, with the selection and training of 176 community leaders (20 of whom were later to become supervisors). Florestópolis, with a population of 13,000, has a workforce largely made up of unskilled farmworkers, and 34 percent of all men and 44 percent of all mothers are illiterate. The local infant mortality rate is high, and the migration rate is 32 percent.

Less than one year after the January 1984 implementation of basic health measures, the results were so promising that the program was expanded to include six dioceses and

### Educational facilities

Brazilian law recognizes the right of children between the ages of seven and 14 to attend school, but education remains a utopia for millions of Brazilian children. In 1982, six million children failed to register for primary school due to the lack of educational facilities. Of those enrolled in primary schools in 1980, only 13 percent eventually completed the eighth grade. The number of school dropouts among children from low-income families remains high - due in part to malnutrition and the lack of psychological and social incentives.

Preschool education is even more deficient. In 1982, only 11.5 percent of all children under six years of age attended a nursery school. By 1986, the rate had dropped further to 10 percent, with 1 million children enrolled in preschools and another 1.5 million in kindergartens. Children attend class only for half of the day, making it difficult for mothers

archdioceses: São Paulo; Porto Alegre and Novo Hamburgo in Rio Grande do Sul; Maceió in Alagoas; Tubarão in Santa Catarina; and Bacabal in Maranhão. At present, the Children's Pastoral includes a total of 110 dioceses in 20 states.

Although basically aimed at children under the age of seven, the program includes the adult population in its educational work. This work is based on the principle that women are the primary agents of health and education in a family or community.

The success of the Children's Pastoral, which involved 400 communities as of December 1985, has had repercussions abroad. Last November, 15 Latin American bishops visited Brazil to examine the experiment which they would like to transplant to their countries.



Two of Brazil's seven million abandoned youth

## Colombia: Burn Victims

□ Approximately 35,000 Colombian children annually require treatment for widespread skin burns. Seven thousand youngsters under the age of 15 die annually due to the seriousness of their injuries or because they lack access to medical care.

According to doctors at the La Misericordia Hospital in Bogota, 70 percent of the serious burn cases are related to the use of *cocinol*, a cheap petroleum by-product. Government subsidies encourage the use of *cocinol* by low-income families as a household fuel.

The unusually high number of young burn victims is due in part to the fact that, in poor homes, children are often left in charge of the cooking while their parents work.

Dr. Cristóbal Satoque, director of Plastic Surgery at La Misericordia, said that the Colombian government should be held responsible "for burning the population" because its policies have made *cocinol* easily available to low-income people.

He added that the average cost of burn treatment, including 40 days of hospitalization and blood plasma transfusions, may exceed 350,000 Colombian pesos, or roughly US\$ 1,650.

to take full-time jobs outside the home. According to América Ungaretti, a UNICEF educational consultant, and Márcia Mamede, vice-president of the Brazilian chapter of the World Organization for Preschool Education, the Brazilian government has simply failed so far to adequately tackle the issue of preschool education.

Another shocking statistic is that five million of the nation's 12 million handicapped individuals are children. It is estimated that the figure will grow to 7.2 million in the year 2000 and 8.1 million two decades from now. By the year 2007, Brazil will need 16 million professionals to care for handicapped children if it is going to adhere to the standard of two persons per child as recommended by specialized institutions.

Finally, there is the problem of violence against children, which takes many forms in Brazil. Those who manage to survive to the age of five will experience social, physical, cultural and racial violence both in rural and urban areas. One common form of violence is abandonment. According to IBGE statistics, there are currently at least seven million abandoned children in Brazil.

In 1980 over 400,000 families depended entirely on labor performed by minors. A larger number relied at least partially on the income of small children. At present, eight million children are a permanent part of the Brazilian labor market. Many of them are ruthlessly exploited, are unable to attend school and have to face the physical risks common to city life. Thousands end up involved in some kind of delinquency or crime. They are the so-called orphans of living parents - victims of the collapse of families as a result of economic deprivation.

Artur José Poerner

1. Health technicians agree that infant mortality rates may be 10 to 30 percent higher in some areas due to the large number of unreported deaths.

2. "Famine May Produce Pygmies in Northeast," *Jornal do Brasil*, Rio de Janeiro, December 29, 1985.



# The Children of War

War is the most formidable foe of Third World children, according to one researcher. Each day, thousands are left dead, maimed, homeless or psychologically scarred by conflicts around the globe.



"It's as if a Jumbo jet full of children were to crash every day," said UNICEF's Executive Director James Grant of the death toll averaging 360 children a day in Angola and Mozambique as a result of the wars in those countries. Unfortunately, this is but one example of how children fall victim to the ravages of war around the globe.

Last year 140,000 children were killed in these two Front Line member countries, which are constantly exposed to South African-sponsored attacks. According to UNICEF projections, the numbers could climb this year.

UNICEF surveyed the effects of war on children in the nine Front Line countries (Angola, Botswana, Lesotho, Malawi, Mozambique, Swaziland, Tanzania, Zambia and Zimbabwe) but focused on Mozambique and Angola where the effects are most alarming. Moved by the astounding results of the study, UNICEF officials decided to launch a campaign to

Prensa Latina



Angola: the war is dramatically affecting children

call international attention to the plight of southern African children, victims of the apartheid regime.

The UNICEF report describes the consequences of South African-sponsored armed attacks on the revenues and public budgets of Angola and Mozambique and on their health and social services. "In the case of Mozambique," the document points out, "over 700 public health centers have been destroyed since 1981, depriving at least two million people of basic medical attention. As a result of the destruction of health care facilities, the murder or abduction of health workers and the suspension of vaccination programs in several areas, the child mortality rate has increased dramatically, especially among five-year-old children."

The report stressed the need for increased aid to these countries in terms of medical supplies, water and foodstuffs, and for rebuilding schools and health centers - although it recognized the vulnerability of supply trucks that attempt to carry materials into war zones.

Of course there  
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## Cover Story

are young victims of apartheid inside South Africa as well. Louis Le Grange, the former South African minister of public security, admitted a few days prior to his dismissal that 209 children below 16 years of age were murdered and 703 others wounded by the police last year. He added that between 3,000 and 10,000 youths between the ages of nine and 17 were arrested without charges following the enactment of the current state of emergency. "What we are witnessing is the destruction and dehumanization of an entire generation," noted

Max Coleman, an activist in the movement in defense of human rights in South Africa.

South African doctors have found that an growing number of black children bear the symptoms of post-traumatic stress, the same psychological condition detected among North Americans who fought in the Vietnam War. White children also show signs of emotional stress. This stems in part from the fact that schools train their students to cope with what they call "terrorist" attacks: at the ringing of a bell, children dash for cover in trenches they

### Mozambique: Vaccination by 1990

In its nearly 12 years of nationhood, Mozambique has been burdened by droughts and other natural disasters, an economic recession and an armed rebellion financed from abroad. In spite of the obstacles, its national immunization program has proceeded unabated.

Mozambique's basic health care policy was adopted shortly after independence in 1975, and the first nationwide immunization campaign was launched in 1976. A few years later, the campaign was slowed by drought and war. When the rains returned, many health centers had been destroyed by the rebel attacks and health personnel was scarce. As a result, the rate of persons covered by the vaccination program dropped to 25 percent.

Determined to reverse the trend, late President Samora Machel announced in November 1985 a program aimed at vaccinating within one year over 90 percent of all children under one year of age residing in the capital city of Maputo. The Maputo Program was designed to combat six major

preventable diseases and to serve as a model for similar programs in the countryside.

Despite the difficult conditions they had faced in the previous three years, Maputo health workers had been interviewing residents in an effort to identify children and pregnant women who had not received all of their vaccinations — as well as underweight babies. Such individuals were immediately referred to the nearest health center. This experience helped them to undertake a systematic survey of the entire city in early 1986. Six months later they were on the way to immunizing 90 percent of the 34,000 infants in the capital. By August, 62 of Maputo's 98 neighborhoods had been thoroughly screened.

However, more extensive efforts were necessary to reach families living in isolated areas, many of the city's poor, the illiterate and refugees arriving from the war zones. The answer was to start a full-fledged information program. Elementary schools explained to students the benefits of vaccination programs and other health measures. Door-to-door campaigns were undertaken in all neighborhoods; volunteers — including party members, primary school teachers, women, youths and members of the Mozambican Red Cross — worked alongside health officials to urge parents to take their children to a vaccination post. Several means of publicity

previously dug themselves. According to a psychologist, many of these children display symptoms of serious emotional disturbances, such as constant crying, vomiting and headaches. "What can we say when a child is asked to use hand grenades or to dance over the body of a victim of communal injustice? There is little you can do when violence is said to be the only way out," said Graham Hayes, a psychology professor at the University of California. The prevailing state of war in Lebanon has

been covered extensively by the international media. Yet such coverage consistently fails to include one of the most revolting aspects of the war - its effect on the lives of children. Although the chaos that envelops the country makes it difficult to keep an exact count, it is estimated that between 20,000 and 40,000 children have died as a result of the fighting that began about ten years ago. "No disease has ever taken such a heavy toll in only one decade," remarked a doctor who works in the Palestinian refugee camps. In 1982, during the

were employed - posters, pamphlets, radio, television and announcements at public meetings. Even sports events were used to publicize the immunization campaign.

The first rural area to undertake a similar program was the southern province of Inhambane - one of the areas most affected by drought and war. The program was kicked-off in 1985 with the help of UNICEF and the Save the Children Fund. Health professionals trained party members and volunteers from the National Women's Association and the Red Cross to assist mobile units in the job of encouraging parents to take their children to a health center.

The location and working hours of the vaccination posts could not be publicly announced for fear of rebel attacks, so a "silent" communications system was implemented to publicize the vaccination campaign through community organizations, party offices, primary schools and other entities. Volunteers and mobilization teams called on residents to inform them about when the vaccines would be available.

By December 1985, this "silent" strategy

AIM



A youngster scarred by the war in Mozambique

had been adopted in nine districts of the province of Inhambane, and 68 percent of all children under one year of age had been vaccinated. In early 1986, the program was extended to cover all of the 12 districts of Inhambane. By July, the campaign had been expanded to monitor infant growth and to teach mothers how to protect their children against dehydration.

The lessons learned in Maputo and Inhambane will help to guide the country's efforts to improve health care. Mozambican officials expect that 50 percent of all children in rural areas and 90 percent in major cities will have been vaccinated by 1990.

## Cover Story

Israeli invasion, 20 percent of all wounded civilians admitted into Beirut hospitals were under the age of 15. Ten percent of them died as a result of their wounds (in addition to those who were dead on arrival).

"The crucial fact is that war is not included as a cause of child mortality in national or international public health manuals, and thus we have no means of compiling and publishing statistics on the subject," says Lebanese Dr. Amal Shamma, head of the Pediatrics Department of the Berbir Medical Center in Beirut.

According to Dr. Chamma's personal accounting, 82 percent of all children admitted

in Third World nations, where arms purchases exceed the combined figure for spending in basic sanitation, educational and agricultural programs. The amount of money earmarked by industrialized countries for aid to Third World countries is one-twentieth of what they spend in weaponry.

In Dr. Harfouche's opinion, war is the most formidable foe of Third World children. The allocation of huge resources to the military represents a major obstacle to progress and to the extension of health services to children and their families.



L. Sirman

### Central America: orphans and abandoned children

Counterinsurgency operations in Guatemala and El Salvador, as well as sabotage conducted by the Nicaraguan contras, have had dire consequences for the younger population of those countries. As the Guatemalan Supreme Court stated in a document released last year, "the counterinsurgency campaigns carried out by the army have left at least 100,000 orphans

### Homemade hand grenades: children helped overthrow Somoza

to the hospital had sustained serious injuries and 14 percent of them ultimately wound up permanently disabled. "When they are not killed by bombs," said the doctor, "children living in conflict areas lose their parents and their homes. They tend to suffer from malnutrition, a thwarted education, the absence of medical care and stunted growth".

In a study of the consequences for children of increasing militarization worldwide, Dr. J.K. Harfouche pointed out that even in industrialized countries, military expenditures far exceed the amounts allocated by the government for sanitation research, energy development and housing assistance. The ratio is worse

between the ages of two-months and 12 years in the conflict areas (the departments of San Marcos, Sololà, El Petén, El Quiché and Verapaces)."

The court added that the country will experience "a worsening of the plight of orphans, in spite of social assistance programs being developed by national and international humanitarian organizations." The number of orphanages has also increased in Nicaragua. Built by the government in various regions of the country, the orphanages house over 7,000 children who were left alone in the world after their relatives died in the war.

"Why is this happening to us?" wailed a



B. Blesio

#### formation for the Palestinian liberation struggle

Waslala peasant interviewed by Argentinian journalist Stella Calloni, who now resides in Nicaragua. "The contras claim they are killing us in the name of God. I believe God will punish them some day."

"This peasant and her family," said Calloni, "were able to gather together no less than ten children whose parents had died in the village and walked with them for hours to escape the contra's terror."

Workers at the Nicaraguan Institute for Social Security and Welfare pointed out that the contras kill children not only in villages but also in schools. "They use U.S.-made missiles, hand grenades and mortars. I don't think U.S. taxpayers would be pleased if they knew how their money is being spent," they said. "If they knew the truth, they would try to stop this dirty war."

In Peru, the plight of many children is identical. Many youngsters have lost their parents, their uncles and aunts, their brothers and sisters and grandparents. "They survived because, when the massacre began, they fled to the mountains or happened to be tending to their herds near the mountains," said Sister Genaida Gongora, who is charge of one of the shelters coordinated by the Peace and Hope Commission of Humanga Presbyterian Churches in the state of Ayacucho. In Peru, the orphans are the victims of the conflict between Sendero Luminoso movement and the Peruvian armed forces.

It is unofficially estimated that some 2,000 children have lost all their relatives since Sendero Luminoso took to the mountains in 1980. An article by Peruvian journalist Matilde Aralia O'Connel reveals that "the suffering of

these children of war, as they are called, has reached unheard-of dimensions since 1983, when the Peruvian armed forces gained political and military control of the so-called emergency zone, including three departamentos in the sierra and 33 provinces in central and southern Peru. As a result of counterinsurgency operations and direct confrontations with the guerrillas, dozens of campsites have been completely destroyed. Their entire populations have been killed, including an unknown number of children who were slaughtered along with their parents and families."

The Peruvian Commission of Relatives of Detainees and Missing Persons estimates that at least 3,000 children, of a total of 10,000 people, have disappeared in the Peruvian emergency zone in the past five years.

Last year, after Peruvian army patrols had destroyed a village, raping women and using phosphorus bombs to burn the wounded and survivors - including 27 elementary school children - army officer Telmo Hurtado justified these acts, calling them counterinsurgency operations. "If we don't kill them," he said, "these children will grow to become Senderistas who will try to kill all of us."

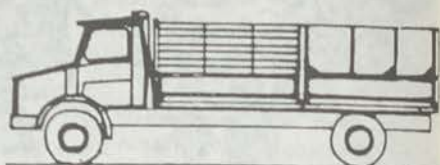
The tragedy of the Peruvian sierra differs little from the plight of Argentinians under the former military dictatorship. Like their Uruguayan counterparts, mothers and grandmothers continue to struggle to force the government and the armed forces to release their "disappeared" children - or at least to return their dead bodies to them for a decent burial.

•  
Micaela Ramada

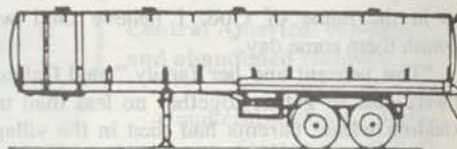
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## J.J.'s Five Years

President J. J. Rawlings has retained his popularity despite the hardships created by his economic austerity program.

J. J. Rawlings headed a group of young military officers who overthrew the elected government of Dr. Hilla Limann on December 31, 1981. Soon thereafter, he promised to reinstate Ghana's post-independence nationalist program and to put in order using revolutionary measures the chaos that had come to characterize the Ghanaian economy.

Five years later, Rawlings remains in power and his popular prestige remains high. But the revolution he promised has not been realized. For political or economic reasons, some of his most ambitious undertakings were abandoned. Income redistribution has failed to materialize; family agriculture, once a government priority, has barely managed to survive; and labor unions are complaining that salaries and wages have fallen far below any acceptable standard.

To be sure, the Rawlings administration has produced some positive results. The economy has rebounded; trade and financial activities are back to normal, exports have picked up, and the country has reestablished its credit position

with international financial institutions. In foreign affairs, Rawlings has been able to preserve his original non-aligned stance. All in all, he is regarded as a progressive leader, both domestically and abroad.

However, a split has arisen among those — both civilians and military officers — who supported the 1981 coup. One faction believes that Rawlings continues to adhere to his

original revolutionary principles; the other accuses him of betraying those ideals in favor of a populist regime that in reality caters to the interests of domestic and international economic elites.

Rawlings became the country's undisputed leader by appropriating the legacy of Kwame N'Krumah's, the independence leader who served as Ghana's first president from 1957 to 1966. Since then, Rawlings has been forced to cope with a series of problems that stem from the basic structure of post-colonial Ghanaian society. The economy remains tied to agricultural production, which is plagued by inequality. Two-thirds of the population supports itself



J.J. Rawlings: his promised revolution has not come to pass

on small plots of land, while export agriculture is largely in the hands of foreign enterprises such as the British Tate and Lyle, that enjoy the support of wealthy local farmers.

Under the pre-1957 colonial administration, wealth generated by gold, cocoa and vegetable oil exports led to the creation of a strong urban sector, concentrated mainly around Accra. A small but reasonably strong bourgeoisie, largely engaged in the services sector, emerged there as well. Shortly after independence, industrial projects introduced as part of N'Krumah's nationalist agenda gave rise to a working class that lacked numerical or economical strength but eventually acquired considerable political clout. Today, Rawlings is faced with problems resulting from conflicts between these two classes.

### **From N'Krumah to Rawlings**

The economic structure inherited from colonial times has left the country in a dependent position. Following independence, the urban elites vied for political power, and the small-scale agricultural sector was left to the alternate manipulations of the two main political tendencies – the nationalists and a group associated with foreign capital. N'Krumah, one of the founders of Pan-Africanism, was the champion of the Ghanaian nationalists. But his govern-

ment was undermined by the political opposition in tandem with the conservative military, and he was removed from office in 1966.

The change in government kicked off a series of liberal civilian and military regimes which lasted until the 1980s, when the group associated with foreign interests began to suffer a loss of prestige based on its inability to halt the deterioration of the economy. Lacking a strong party and leaders to articulate its position, the nationalist sector was forced to wait until a June 1979 rebellion – also led by Rawlings – overthrew the regime headed by General William Frederick Akuffo.

Rawlings did not, however, take that opportunity to declare himself president. Instead he called elections that put the liberal Hilla Limann in office with the promise of reviving the country, reorganizing the economy and putting an end to corruption.

However, the program was not implemented, mostly because the nationalistic civilian and military sectors that supported the government were hindered by uncooperative business elites who had direct access to the president. Eventually the impasse resulted in Rawlings' second coup, the so-called "fourth revolution." That marked a definitive end to what was known as the "Third Republic." (N'Krumah's rule was labeled the First Republic; the second lasted from 1966 to 1969, while the third survived

about a year under Limann.

Rawlings' followers were a mixed group including socialist intellectuals, Marxists militants, military officers impatient with corruption and nationalist labor union and student leaders. He also counted on the support of part of a bourgeoisie which was fed up with administrative and financial chaos, and some vague sympathies were expressed by some peasant leaders. None of these groups had been able to organize a political party capable of filling the power vacuum left by the failure of the traditional elites.

From the very beginning, fierce ideological disputes characterized the vast coalition that supported the government and its main post-coup decision-making body, the National Defence Council (PNDC).

### **The revolution and the IMF**

In his first public address, broadcast over a national radio network immediately after ousting Limann, J.J. Rawlings emphatically announced, "What I am calling for is nothing short of a revolution, something that will radically change our country's economic and social structure." Soon, his nationalistic measures roused the ire of foreign conservative governments who branded him radical and pro-Libyan. Certain conservative neighboring governments like Togo and the Ivory Coast reacted

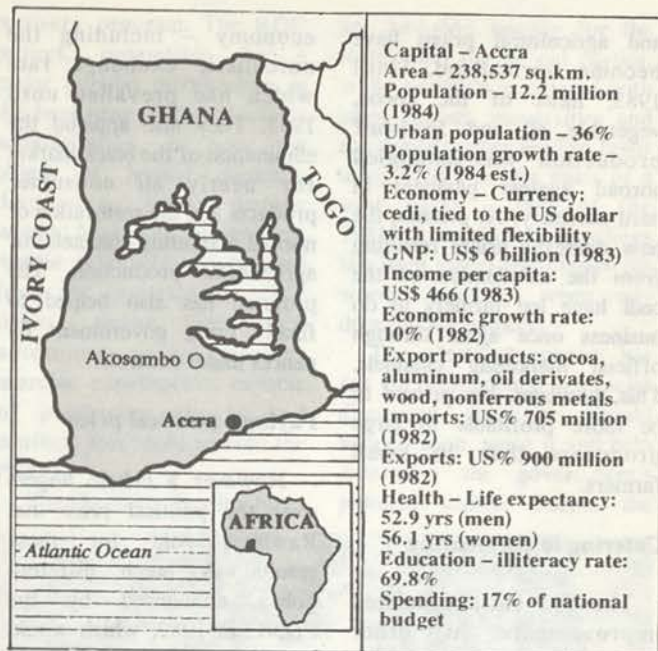


with hostility.

The international opposition to Rawlings sprang largely in reaction to his criticism of economic imperialism and his decision to create defense committees on behalf of workers and the general population. Economic elites, both foreign and domestic, were concerned by the creation of Interim Management Committees which took from them the control over key sectors of the economy. All of this led some observers in international financial circles and the U.S. State Department to call Rawlings Africa's new *enfant terrible*.

Times change, however. Five years later, the World Bank called Rawlings' Economic Recovery Program (ERP) "one of the most impressive attempts at economic reform in all of Africa." Also, the U.S. Agency for International Development increased by 36.3 percent the amount of projects it had earmarked for Ghana in 1986. Thus, instead of the original limit of US\$ 110 million, Ghana actually received US\$ 150 million in U.S. aid last year.

The World Bank itself doubled the amount of loans granted to Ghana in 1985, although the decision was largely symbolic given that the figure remained at a mere US\$ 73 million. Moreover, since the implementation of the ERP, international financial authorities, acting in accord with the International Mon-



etary Fund (IMF), have already granted the country over a half a billion dollars in long-term loans. This surprising generosity on the part of the IMF and the World Bank has produced a radical change of attitude at major Western financial centers: Rawlings has been transformed from Africa's *enfant terrible* into an "IMF model."

#### The ERP and its consequences

Domestically the ERP, which went into effect in April 1983, met with more controversy. In fact, it has become the central issue in a political and ideological dispute which has raged in Ghana since 1981.

When he rose to power, Rawlings assured Ghanans that his policies would be guided by national interests

and oriented towards meeting the basic needs of the poorer population. Yet, what guides the ERP today are the so-called laws of the market. Ghana's currency, the cedi, has been devalued by 5,400 percent from 2.75 to the dollar in 1983 to 150 in December 1986. Subsidies on staple food products have been eliminated, further escalating the cost of living. Prices have climbed by an average of 3,000 percent since 1982, while salaries have increased by a comparatively low 900 percent. Late last year, a Ghanaian worker had to pay four-and-a-half times the current minimum wage of 90 cedis for a one-and-a-half kilo chicken.

The ERP's drastic austerity measures did succeed in slowing inflation from 50 percent to 30 percent a year,

and agricultural prices have become normalized. Until 1983, most of the cocoa, vegetable oil and foodstuff production was smuggled abroad against payment in hard currency. At present, the new domestic prices resulting from the devaluation of the cedi have led farmers to do business once again through official marketing channels. This, however, has proved to be more profitable to large producers than to small farmers.

#### Catering to the wealthy

The ERP has also induced improvements in other macroeconomic indicators such as the Gross Domestic Product (GDP), which increased by an average of 3.3 percent a year between 1982 and 1985, with an all-time high increase of 7.6 percent in 1983-84. Thanks to cuts in public spending, the public deficit has dropped from 15 percent to 3.3 percent. Normalization of trade has led to an increase in the volume of exports. Cocoa exports, for instance, grew by 40,000 tons in the past two years, after bottoming out at 160,000 tons in 1984. Export income, however, has failed to increase correspondingly because of the drop in the price of cocoa in the world market.

Some African economists argue that the IMF prescription adopted by Rawlings in Ghana has corrected a number of imbalances in the country's 40 - third world

economy - including the unrealistic exchange rate which had prevailed until 1983. They also applaud the elimination of the black market for nearly all consumer products and the restoration of normal marketing channels for agricultural production. The program has also helped to finally bring government finances under control.

#### Paying a political price

However a debate lingers over the political price that Rawlings paid for these results. A much different policy announced by the PDNC in 1982, which would have imposed a state monopoly on foreign trade, was abandoned. Encouraged by the IMF, the government began to offer fiscal and other incentives to exporters of cocoa, wood and gold. It also authorized exporters to retain part of their profits abroad in order to finance the import of essential goods, which otherwise would become impossibly expensive in view of the high rates charged by the Central Bank.

The social price has also been high. Price increases have caused a drop in consumption, and poverty has grown. Although dependable statistics are hard to obtain, Ghana's Trade Union Congress estimates that the purchasing power of an average worker is now four times lower than in 1981. The drop in consumption has led to a major reduction in the production of

manufactured goods, which now accounts for only one percent of the GDP vs. 14 percent in 1970.

External dependence is compounded by the nation's spiraling foreign debt, which the World Bank currently estimates at US\$ 1.2 billion. The Bank's projections indicate that, even if the IMF were to commit growing amounts of credit over the next two years (thus increasing the total foreign debt to US\$ 1.7 billion), the government's external payments deficit will run as high as US\$ 142 million by 1988. It is now estimated that payments on the foreign debt will take up approximately 60 percent of all export revenues.

#### Domestic and foreign pressures

J.J. Rawlings will be hard put to balance the demands of workers, peasants and public servants with the economic austerity dictated by international financial organizations as a precondition for new loans. There have been indications that the government will attempt to exert growing control over the ideological discussion taking place within the mass organizations created immediately after the 1981 coup. Such a move would be consistent with the decision two years ago to abolish the Workers Defense Committees (WDCs) and replace them with the Revolutionary Defense Committees (RDCs). What

occurred was more than a name change: the once independent WDCs have been transformed into essentially advisory groups under the direct control of the central government, which has handed them productive rather than political tasks.

Rawlings has somehow escaped with his image intact, but a greater distance now separates the government from grassroots organizations – especially those that contributed most to the radical transformation of Ghana's economy. However, even leftist critics stop short of claiming that the revolution has been betrayed. They avoid directly blaming the PNDC leader, preferring to attribute the current political and economic problems to the absence of a strong, organized single political party that would be capable of channeling the domestic ideological strife in an organized fashion. In their opinion, historical circumstances have so far prevented nationalist groups from accumulating sufficient strength to resist the pressure of the economic sector associated with foreign interests.

### The elections

What seems certain in the opinion of such observers as Ghanaian political analyst Yao Graham is that the country stands at the ebb of an intense class struggle sparked by the 1981 coup, which increased in intensity during the 1983 discussion of the economic

recovery program. The RDC project, responsible for a major popular mobilization at the beginning of the Rawlings administration, is now the object of heated domestic discussion. Some groups would have the committees remain relatively independent from the government, while others argue that such autonomy would prompt anarchic experiments, capable of producing shocks and conflicts that could weaken the PNDC.

The dispute is heating up as

are lobbying heavily for the restoration of the old parties, while militants associated with labor unions, universities and the armed forces tend to favor using RDCs as the basis of a new party – that of the 1981/82 revolution. Rawlings has been vague and chosen his words carefully when addressing the subject.

The electoral process has not yet been opened to popular discussion, but this should happen soon, since it will help determine the government's political stance. Should the



Accra's central market: the ERP caused a drop in consumption

the government prepares to hold district and municipal elections. Rawlings announced his electoral plan in a speech December 31, 1986. If adopted, the elections will take place at a district level with the candidates being chosen by the respective districts or municipalities. The government has pledged to announce the final plans before June, but a key question that remains unanswered has to do with the political parties. Business elites

business elites win out, amnesty will be granted to the old parties, and the business sector will have an excellent chance of taking control of the government. But if those who favor the RDC-based party gain strength, the pressure of militant groups and the intensification of the popular debate will tend to make J.J. Rawlings lean closer to the nationalist side. ●

Carlos Castilho

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## Trinidad-Tobago

# A Rude Awakening

A sense of betrayal caused voters to take to the streets in protest against a government that months earlier they had swept into office by a landslide.

It has been less than a year since the Alliance for Reconstruction, a conservative four-party coalition, defeated the People's National Movement (PNM), which had held power for 30 years in the island nation of Trinidad-Tobago. However, there are already signs of a serious rift between labor unions and the government — a split which is all the more serious because workers and other low-income

people were instrumental in ensuring the Alliance's electoral victory.

Discontented masses have taken to the streets, and labor unions accuse the new government of having failed to keep its campaign promises. Ray Robinson, the newly elected prime minister, did in fact build his platform around economic reforms. The economy of this tiny oil-producing country, which

has existed as an independent nation for only 24 years, has suffered serious setbacks due to declining petroleum prices. Voters had expected the reforms to improve the country's standard of living and help it recover from the worst recession in the brief history of the former British colony. Robinson also promised to end corruption and racial segregation, stimulate agricultural production, revitalize industry and increase employment levels.

However, the first economic program offered by Robinson disappointed most voters and alienated union leaders. Among his first moves were to eliminate subsidies for staple goods, freeze salaries and cut the incomes of cabinet



An election rally for the Alliance for Reconstruction: the euphoria was short-lived

members and other government officials by five percent.

Predictably, the first protests were heard from public employees. The Public Workers Association accused Robinson of forgetting his campaign promises and adopting a recessive economic program that is deeply unfair to wage earners, and of ignoring his commitment to consult with the people prior to implementing new economic measures. Opposition leader Patrick Manning of the PMN charged that the reforms are "illegal, unconstitutional and disastrous."

#### The figures of the crisis

During the previous administration of former Prime Minister George Chambers, the economy of Trinidad-Tobago registered an annual deficit of nearly US\$ 300 million. Inflation escalated, causing unemployment to rise. In an attempt to check the country's economic deterioration, the current prime minister has devalued the local dollar and taken out new foreign loans. This policy has proved catastrophic. The public debt climbed to US\$ 78.9 million in the last quarter of 1986 alone, when the government spent US\$ 2.2 billion but brought in only US\$ 1.9 billion. Monetary reserves dropped by US\$ 539 million, and Robinson reacted by devaluating the Trinidad dollar (quoted at 3.55 to US\$ 1.00 last January) - a move that the prime minister had

1987 - April - N° 07



Capital - Port of Spain  
 Area - 5,130 sq.km.  
 Population - 1,150,000 (1983)  
 Urban population - 22% (1982)  
 Ethnical distribution - Blacks and descendants of Indian workers brought in during the nineteenth century make up the bulk of the population. There is also a small minority (5%) of Europeans and Chinese  
 Populational growth rate - 1.6% per year (1984)  
 Languages - English (official), plus Hindi, Urdu, French and Spanish  
 Economy - Currency: Trinidad dollar, tied to the US dollar.  
 April 1985: 2,40 = US\$ 1.00

GNP: US\$ 7.3 billion (1982)  
 Income per capita: US\$ 6,840 (1982)  
 Economic growth rate: 2.7% per year (1983)  
 Export products: Petroleum derivates (46%); crude (43%); chemical products (2%)  
 Imports: US\$ 2,582 million (1983)  
 Exports: US\$ 2,353 million (1983)  
 Health - Infant mortality rate: 2.6%  
 Life expectancy: 70.2 yrs (men) 73.7 yrs (women)  
 Education - Illiteracy rate: 7.8% (1970)

repeatedly promised not to make.

The economic crisis was a determining factor in the coalition's victory at the polls. The Alliance carried the votes of 70 percent of a population currently estimated at 1.5 million (40 percent blacks, 40 percent of Indian descent and 26 percent mestizos) and largely concentrated in the cities of Port of Spain and San Fernando. The coalition's ostensibly social-democratic platform was designed to win the support of the middle class, which has been hit hard by the

recent crisis. It was the middle class that benefited most by the oil euphoria of the 1970s, when rising prices for crude helped Trinidad attain an average per capita income of US\$ 6,850 - one of the highest in Latin America.

The new government apparently promised more than it could deliver. Unpopular measures were taken as soon as it rose to power. The protests of labor unions and public workers immediately put the Alliance to the test. The conservative Alliance, which lacks ideological

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consistency, began to show the first signs of attrition and in-fighting. One symptom is that each party is trying to blame the others when faced with popular opposition.

#### Racism and unemployment

Old ethnic and racial issues further complicated the relationship between the four coalition parties - the United Labor Front (ULF), the Democratic Action Congress, the Tapia House Movement and the Organization for National Reconstruction. Ethnic Indians in the ULF have charged that racial discrimination is affecting government appointments. The party had supported Robinson in the hope of increasing its participation in policy

decisions, but now ULF leader Basdeo Panday no longer seems overenthusiastic about the new government. Not only is he upset about his party's role in the administration, but he is also opposed to the new prime minister's policy on unemployment.

According to official statistics for late 1986, unemployment affected 76,000 people - a figure equal to 19 percent of a total work force estimated at approximately 400,000. Unofficial sources, however, put the total at closer to 100,000. Over half of all the unemployed are under 21 years of age.

The scarcity of jobs has forced many youngsters into the business of drug dealing. Last year the police announced

that the number of drug addicts had nearly doubled to 15,000 in a twelve-month period. Increased domestic poverty, poor economic prospects and high youth unemployment have contributed to make the country a prosperous link in the international drug network. Colombian cocaine and marijuana, for instance, pass through Venezuela en route to Trinidad, where they are dispatched to other Caribbean countries and the United States. The complicity of the local police and government officials has turned Trinidad into a drug dealer's paradise. Early this year in Port of Spain it was reported that two former cabinet members, 52 police officers and two judges were involved in the drug traffic.

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*In the few months of its existence it has become required reading among journalists, diplomats, politicians and businessmen abroad - all those who need to know what is really going on "down south".*

The new coalition government had hoped to curtail unemployment by increasing agricultural production, but this plan suffered a major setback when the U.S. decided to reduce its purchases of Trinidad-Tobago sugar by 41 percent.

Another area of concern is health, which is suffering from deteriorating sanitary conditions. For years, the high populational density of the islands (224 inhabitants per square kilometer) has contributed to poor sanitation. There was an improvement during the oil boom, but the current crisis has brought with it a drop in living standards and a parallel surge in epidemic diseases. For example, the incidence of AIDS in Trinidad-Tobago is the highest in the Caribbean.

The new government has also faced difficulties in its investigation of alleged corruption under the previous administration. In late January, a special commission was created to investigate all transactions made by the PNM government over its 30-years' reign. The commission should enjoy full investigative freedom — based on the coalition's overwhelming parliamentary majority (33 seats to three for the opposition). However, political observers do not expect the investigation to be a thorough one since many members of the current government, including Robinson himself, were members of cabinets appointed by former Prime

Reuters



A pre-election rally for Chambers' PMN

Minister Chambers.

In the area of foreign relations, the new government is emphasizing the reestablishment of closer links with other Caribbean countries — indicating a shift from the protectionist stance of the PNM. Chambers had banned imports from other Caribbean and Latin American countries following the last increase in oil prices, and the move prompted criticism from other governments in the area, including that of Barbados. In contrast, Robinson plans to join the Caribbean Community (CARICOM). He has also made clear his intention to

strengthen ties with the U.S., which the new prime minister has called "our traditional trading partner." The United Kingdom, the former colonial master, has decided to make its presence felt in the area by deploying a fleet of five destroyers and 2,500 men off the coast of the islands for military maneuvers and "contacts with Caribbean armed forces," as a Royal Navy communique put it. This may signify that the British plan to side with Ray Robinson's conservative government. ●

Fabricio Ojeda  
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## Asia/West Papua

# A 100-year Struggle

For over a century, control of West Papua has changed hands from one colonizer to another. Today, a small but growing guerrilla movement is fighting for independence from Indonesia

Officially, West Papua is named Irian Jaya and is Indonesia's 26th province. However, the people of the region consider Indonesia to be an occupying power, and they have been fighting for independence since the late 1960s under the leadership of the Free Papua Movement (Organisasi Papua Merdeka,

OPM).

For the first ten years, the fight was hopelessly unequal. The OPM guerrillas lacked modern weapons and challenged well-equipped Indonesian soldiers with bows and arrows, spears and weapons made from long, sharp bones. Today, OPM leader Seth Rumkorem claims

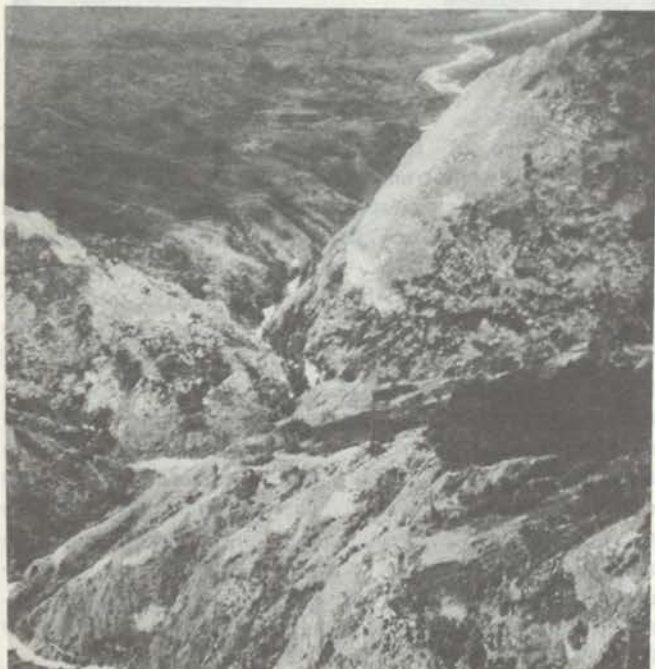
that they have a few hundred firearms – mostly World War II rifles or guns captured from Indonesian troops. The main advantage of the rebels is their native knowledge of the terrain, which they have used to win control of a quarter of the territory.

Over the years, differences over tactics caused several splits within the OPM. However, unity now seems to have been restored around a common strategy – waging a guerrilla war from armed camps in the mountains. The island's jagged terrain is especially suited to this kind of warfare, particularly because the occupying troops are not familiar with the territory and thus lack the confidence to risk heavy casualties by launching large-scale attacks.

### The origins of the war

Although the OPM was founded 25 years ago, its origins can be traced to the 1930s and the first acts of rebellion against colonialism.

West Papua is the western half of the island of New Guinea, which lies in the Pacific Ocean north of Australia. It was a Dutch colony before it was formally transferred to Indonesia in 1963, but the first European country to demonstrate interest in the island was Germany in the 19th century. In 1848, ignoring that continental power, the Dutch



The Wahgi Valley: the rugged terrain is the OPM's best ally

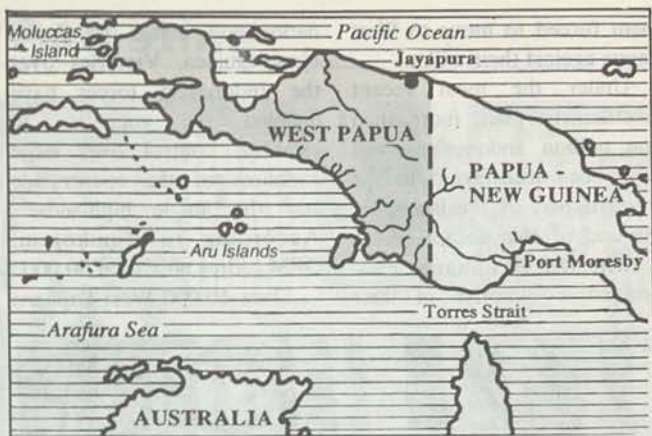


and British arbitrarily split the island along an imaginary line running close to the 141st meridian: Holland claimed the western half of the island and Britain the eastern half.

For the ensuing 40 years, neither the Dutch nor the British made any attempt to exploit the island, busy as they were with their other Asian colonies. At the turn of the century, the Germans again tried to take control of the territory, and the British reacted by proclaiming their half of the island a protectorate and placing Australia in charge of its financial administration.

In West Papua, the Dutch rarely penetrated inland beyond the coastline. Following World War II, when the Indonesian nationalist struggle began to gain momentum, Holland arrested independence leaders and held them in the infamous Boeven Digoel concentration camp in West Papua. Ironically, the Indonesian uprising led West Papuan rebels to consider a merger with Indonesian forces, despite ethnic and political differences. This move was opposed by the Dutch, who believed its New Guinea possession to be rich in mineral ores.

After a few thwarted attempts at exploiting these natural resources, the Dutch lost interest in West Papua. In 1962, they turned the colony over to the United Nations. The following year the U.N. transferred control to Indonesia, on the condition that



Jakarta hold a plebiscite in 1969 to allow the Papuans the right to self-determination.

A plebiscite of sorts was held on schedule, but it turned out to be a farce produced by the anti-communist Indonesian military that took power in a bloody coup in 1965. Instead of holding an election or undertaking a broad public opinion survey, the Indonesians consulted a few West Papuan tribal chiefs, whom they bribed with promises that were never fulfilled.

Based on the assent of these chiefs, dictator General Ahmed Sukarno concocted the "Act of Free Choice" which formally annexed West Papua to Indonesia. Despite the widespread protests that greeted the move, the act was accepted by the General Assembly of the United Nations. The struggle of West Papua became a "non-issue."

#### The situation today

Under Indonesian rule, the nearly four million West Papuans have been subjected

to cultural and physical genocide. The Indonesian regime refuses to recognize the existence of a Papuan nationality or culture. The Indonesian language, place-names and culture have been imposed on the population.

Papuans living in forest communities have been subjected to forced labor for timber companies with the collusion of the Indonesian government. In urban areas, Papuans face racial discrimination in government offices.

A major component of the Indonesian regime's genocidal policy is the replacement of Papuans with Indonesians. The natives are finding life difficult in towns with the arrival of Indonesians who monopolize available jobs in government, commerce and industry. In the countryside, community-owned tribal lands - considered inalienable under Papuan culture - have been confiscated and the inhabitants driven away to make way for resettlement as private plots. The new settlers are Indonesian peasants, many of

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them forced to move to West Papua against their will.

Under the most recent resettlement plan, more than one million Indonesians will have been transferred to the western part of the island by the end of this decade. As a result, the Papuans may become a minority in their

nationhood status as Papua New Guinea. Victories over the Indonesian forces have enabled the guerrillas to establish control over large expanses of the countryside and the jungle highlands.

According to Rumkorem, OPM cadres now total 30,000.

Over 10,000 West Papuans

hundred of them, described by a PNG official as "hardcore political refugees," are confined to the high-security Wabo prison camp in south Papua New Guinea.

Since 1985, Indonesia has increasingly tried to influence the policy of Papua New Guinea toward refugees and the OPM. A PNG military commander made clear last year that the Papua New Guinea government would cooperate with Indonesia in border areas to eliminate the OPM. He described the latter as "a bunch of terrorists" whom he resolved "to wipe off the face of the earth."

Nevertheless, the guerrillas have increased their activities in the last year. Recently, they attacked petroleum installations in Fakfak, West Papua; they have directed operations against foreign companies that exploit the country's natural resources — as well as against the Indonesian military and police.

The most spectacular operation in the recent past occurred in January 1986 when OPM guerrillas attacked and took control of Waris, a border control post near the PNG border, and held it for two weeks. The rebels raised the OPM flag and destroyed bridges and roads, preventing Indonesian troops from entering the area to recapture the post. Some 900 guerrillas reportedly took part in the operation.

Based on reports by  
**Albert Ermste and  
Malcolm Gault-Williams**



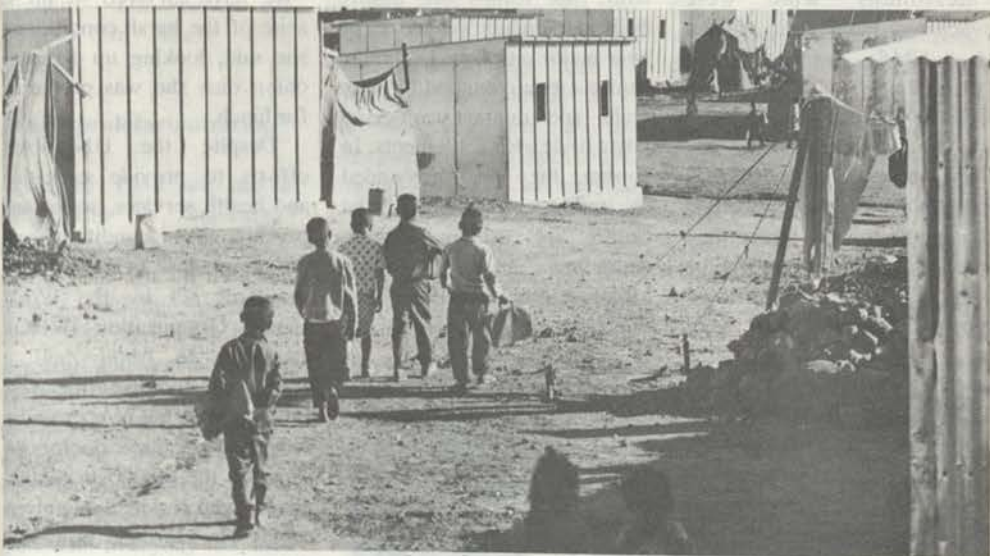
West Papuan craftsmen: being forced off tribal lands

own land.

Given this state of affairs, the OPM formed its first units in 1965 in the central highlands. The OPM intensified its struggle following the independence of the eastern part of the island, which in 1975 ceased to be an Australian colony and earned

have fled the occupation and crossed the border into neighboring Papua New Guinea, where they live in refugee camps. The policy of the PNG government is to try to persuade the refugees to return voluntarily to West Papua; when that fails, they are repatriated by force. Four

## Middle East/Palestine



# Israel's "Sowetos"

Billed in 1948 as temporary settlements, the Palestinian refugee camps are now permanent shantytowns housing a people without a homeland

The road extending from the West Bank to the Gaza Strip sports several immaculate Jewish settlements. These communities contrast sharply, in both number and appearance, with the nearby Palestinian shantytowns which are overcrowded, miserable and designed only for subsistence. The Palestinian refugee camps — including the ten that line the road through the West Bank to Aman, Jordan — stand as silent epitomes of the utter difference between two coexisting worlds. The new, impressive

buildings overlooking paved avenues with their shiny new automobiles suddenly give way to rows of shabby mud huts whose tin roofs are kept in place by heavy boulders.

The first "provisional" camps for Palestinian families displaced by the creation of the state of Israel were installed in 1948. Almost 40 years later, they are still in operation. Their "provisional" dwellers are now permanent refugees, accepted as a natural part of the Middle East's political landscape.

Some camps are famous for

the tragic events that have marked their histories. Massacres and bombings were inflicted upon thousands of refugees living in the camps of Sabra and Shatila (in 1982-83) and Burj el Barajneh and Rashidiyen (in 1986) in Lebanon. Others, such as Bagaa and Marka in Jordan and Jabalia and Dir al Balah on the Gaza Strip, appear only on the maps drawn by the United Nations Relief and Works Agency for Palestinian Refugees (UNRWA).

The UNRWA was founded in 1949 to provide humanitarian aid to Palestinian

refugees. Since then, approximately 750,000 Palestinians who were evacuated from their villages in 1948 have found "provisional" shelter in UNRWA tents.

After the June 1967 Six Day War, over 500,000 Palestinians crossed the Jordan River into Jordan, where they were eventually accounted for officially as "displaced people." Half of them were

places of origin.

Like shantytowns the world over, the camps are hastily built settlements located in or near major cities. In Israel, the camps are surrounded by high walls and military command posts or Jewish settlements. In Jordan, they are surrounded by military garrisons. "The camps are usually shabby, degrading places," noted Milton Viorst in his book *The UNRWA and Peace in the*

on the sporadic pay of her only employed son, a taxidriver. "We have survived so far in spite of the harsh conditions," she said, looking up from an onion dish she was preparing for lunch.

Despite the UNRWA's efforts to provide sanitation and health services, social and psychological conditions do not come close to meeting the standards set by the World Health Organization (WHO), according to Abou Zeid, a Palestinian doctor on the West Bank. The UNRWA provides only two or three doctors to care for the 60,000 to 80,000 people who reside at any given camp. (In Jordan, however, there is an average of one doctor per 1,000 persons.) The camps do not have their own hospitals, and health facilities run by Palestinians in the occupied territories are poorly equipped. Clinics and health centers are in deplorable shape, and not all camps have adequate sewage systems or indoor latrines. In addition, there are too few schools to meet the educational needs of the youth population. As a result, "Exhaustion and a sense of frustration are permanent and widespread," according to Nidhal, a refugee living in Bagaa, the worst of the camps in Jordan.

In addition to the 750,000 Palestinians living in refugee camps, another three million are dispersed throughout the world. This figure includes 800,000 who are Israeli citizens and 1.5 million who are still resisting Israel's



The Shatila camp: recovering from the massacre

fleeing Israel for the second time. Presently about two million Palestinians are officially listed as refugees, and 750,000 still reside in 61 sordid, overpopulated camps. Three generations — two of which have lived their entire lives in the camps — are cramped together in the limited spaces provided for the refugees by various host countries. They are still waiting for the United Nations to deliver on its promise to return them to their

*Middle East.* "Some, like the ant hill of Rafah, in the Gaza Strip, can hardly be considered fit for humans."

Fatima shares a tiny house with 13 relatives in the Jabal el Hussein camp near Aman. All of the family members are "second time" refugees: as a result of the 1956 Egyptian-Israeli War, they were transferred from their original camp in Gaza, where they had settled after being forced to leave their native Lodd. Fatima's family manages

occupation of the West Bank, the Gaza Strip and East Jerusalem. The latter are refugees in their own homeland.

#### Forced "proletarianization"

"Before 1948 we had a small farm in Palestine," recalled Badaquia, as she stood waiting for a bus on the main highway linking Gaza to Israel. "The men in my family grew fruit and vegetables, and women helped when necessary. It was a good life."

Today her life is different, noted the 50-year-old widow. "Now I have to travel 100 kilometers everyday to look for work. If I'm lucky, I can earn 15 or 20 Israeli shekels (10 to 15 dollars) for eight hours of work picking fruit and vegetables. If not, I'll have to feed my family on this one shekel," she added, producing a single coin from her pocket.

For the last 34 years, Palestinians have survived thanks to the aid offered by the UNRWA and other relief organizations. But due to budgetary constraints, the UNRWA began in 1982 to limit food rations to those most in need - such as widows, the elderly and the crippled. Those refugees scattered throughout the Middle East were the first to be affected by the economic crisis in Arab countries.

Occupied by Israel since 1967, the West Bank and the Gaza Strip are now almost entirely dependent on the Israeli economy. However

Israel has experienced hyperinflation in recent years: in 1984 inflation reached 400 percent. One result is an extraordinarily high cost of living that has gradually led to the impoverishment of the refugee population. Unemployment is widespread among all refugees, but those with a university education have been hit hardest. The vast majority of the refugees are landless, uprooted peasants. This group, which accounted for two-thirds of the pre-1948 population, now provide a pool of occasional manpower for the Israeli economy.

Yusif Sayingh, a well-known economic analyst, discussed this phenomenon in an article published by the *Journal of Palestinian Studies*. Entitled "The Palestinian Economy Under Occupation:

Dependence and Impoverishment," the article argued that a large segment of the refugee population has been forcibly "proletarianized" by what Sayingh called a deliberate Israeli policy of exploitation, land confiscation and the appropriation and control of water, a valuable resource in the arid Middle East.

About 95,000 Palestinians - about 25 percent of the workforce in the occupied territories - are employed in unskilled and low-paying jobs which few Israelis are willing to accept. At dawn, those who commute pile into buses, trucks, cabs or take other means of transportation to cross the "green line" that separates the state of Israel from the occupied territories. About half of them are illegal



A refugee woman: surviving in overcrowded quarters

workers who often perform the most difficult tasks without a minimum of physical or social protection and without the right to free association.

According to a report issued by the West Bank Data Bank Project, an independent group in Jerusalem headed by Meron Benvenisti, most of the approximately 50,000 illegal workers are forced to remain overnight in Israel, particularly in Tel Aviv, and are subjected to subhuman



Food rations: limited to those most in need

living conditions. "Workers often sleep on tabletops in the restaurants where they work, or they end up in crowded, unhealthy canteens and attics," the report states. "This is slavery", said Rabii, a 45-year-old Palestinian from Al-Majdal, a village the Israelis now call Ashod, and a cook in a Tel Aviv restaurant. "The Palestinians are being suffocated by Israel."

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### The Gaza Strip: an island?

Geographically the Gaza Strip is not an island. Yet in both political and economic terms this corridor extending along the Mediterranean coast is virtually isolated from the rest of the world. A half-a-million Palestinians live on a 50-km long, 10-km wide strip of land which has been completely absorbed by Israel and is literally surrounded by the Mediterranean Sea and the Negev and Sinai deserts. The

are ruptured, and beaches remain closed all day. Farmers are leaving their lands, fishermen no longer venture out to sea, and students are dropping out of school. And despite it all, Gaza inhabitants hesitate to migrate, given the problems they face as a people without a homeland - a people without passports.

The Gaza Strip has been virtually ignored by the media, which are more concerned with the bloody civil war in Lebanon. "Gaza is a lost country. It has been forgotten for at least the past 19 years," said Hisham Shawa, a Palestinian who is in charge of Gaza affairs in Jordan's Ministry of Occupied Territories.

When it held title to the region, Egypt never concerned itself much with the local population, and when it signed the Camp David agreements in 1979 the Cairo government effectively renounced all rights over the Strip. As part of its occupation policy, Israel does all it can to dissuade Palestinians from returning to Gaza. For example, Gaza dwellers have no nationality and no passport. The exit visa granted to a few by the Egyptian authorities is not valid in many countries - often not even in Egypt. A few "fortunate" ones have an Israeli visa, which is worthless in Arab and Muslim nations and in those countries that do not recognize Israel. In fact, the only purpose of such document seems to be to remind Palestinians of their sad plight. On the upper line,

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after his or her name, the bearer's nationality is listed as "undefined."

Of the 1.5 million Palestinians living under Israeli occupation, about 40 percent reside in Gaza. Two-thirds of these are refugees from the approximately 50 or 60 former Palestinian villages nearby. At present, this human mass is squeezed into eight squalid refugee camps. "With 1,500 inhabitants per hectare, Gaza is one of the most densely populated areas in the world, ranking next to Hong Kong", commented Fayes Abu Rahama, a well-known Gaza lawyer.

#### An Israeli Hawaii

Few things are more insulting to Gaza dwellers than the 20 modern Israeli compounds that have been built along the beaches of the strip. These luxurious oceanside resorts were built by Palestinian laborers on land that formerly belonged to their own people. They are used by the Israeli immigration services as a bait to attract new settlers to the region, which they call "the Hawaii of Israel."

But all the advertising in the world could not mask Gaza's shantytown, which could be called the Israeli Soweto. "Things have deteriorated past what is humanly acceptable", according to Shawa, a Gaza exile. "There is no progress," agreed Abu Rahama, "no development of any sort in the



A woman and her children: nationality "undefined"

strip." Local infrastructure and public utilities are in miserable condition, and the few hospitals lack even basic equipment. Over 1,500 students drop out of school every year to join the ranks of the unemployed: currently, 6,000 university graduates are jobless.

Another aspect of the occupation policy, has been to make the region's economy dependent on the Israeli economy, which itself is unstable. It is estimated that two-thirds of the Gaza workforce commutes everyday to Israel, where Palestinians take low-paid positions - particularly in construction, the service sector and as farm laborers.

With the exception of the United Nations Development Program (UNDP), none of the

many development agencies under the aegis of the UN has dared to launch agricultural and industrial development programs in the occupied territories. The only significant international presence is that of the UNRWA, which is a relief rather than a development agency.

The Palestinians in Gaza have no doubts about Israel's intentions: they believe that the occupation government is waging an economic and psychological war to force people off their lands. "They want the land, not the people", explains Barbari, a Palestinian refugee who heads the Gaza Women's Union. "This is what makes them different from previous colonizers." ●

Essma Ben Hamida

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## Transnationals

# The Capitalist International

Capitalists are better organized on the international level than their more publicized counterparts on the left, according to a book recently published by a Latin-American political expert

**R**ené Armand Dreyfuss opens his book *A Internacional Capitalista* (The Capitalist International, reviewed in our December/January issue) with a quotation from Italian author Umberto Eco: "Only the powerful know clearly who their real enemies are." In a way, this summarizes the theme of his carefully researched book on the political organization, methods and objectives of large transnational corporations in Latin America.

Dreyfuss, 41, painstakingly collected thousands of documents in ten Latin American countries and in the United States, dating from the past 35 years, exhaustively cross-checking all names and acronyms of business and political organizations. His book pays special attention to the political, psychological and advertising strategies aimed at protecting the long-term interests of foreign "megacompanies" in Brazil and Chile during that period. And rather than simply investigating the covert activities of U.S. and European transnationals, he

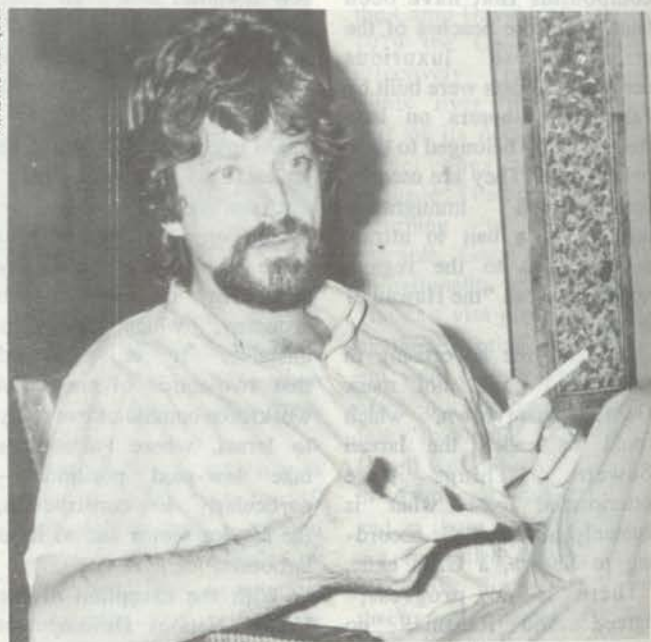
attempts to offer an ideological interpretation of their behavior in Latin America.

While the author concedes that his 600-page book does not make for easy reading, he hopes the revelation of names and acronyms will help the reader to understand why transnational corporations and their "Internationale" sometimes support reform-minded organizations,

misleading even the best political analysts. "Usually," he says, "they can tell far in advance that authoritarian regimes have no hope and that they offer no alternative solution. Therefore, they look for contacts with dissident sectors as they did in Brazil, Nicaragua and Argentina."

Shortly after his book was published in Brazil, Dreyfuss was interviewed by *third world magazine*.

Antonio Marques



Dreyfuss: exposing the international power elites

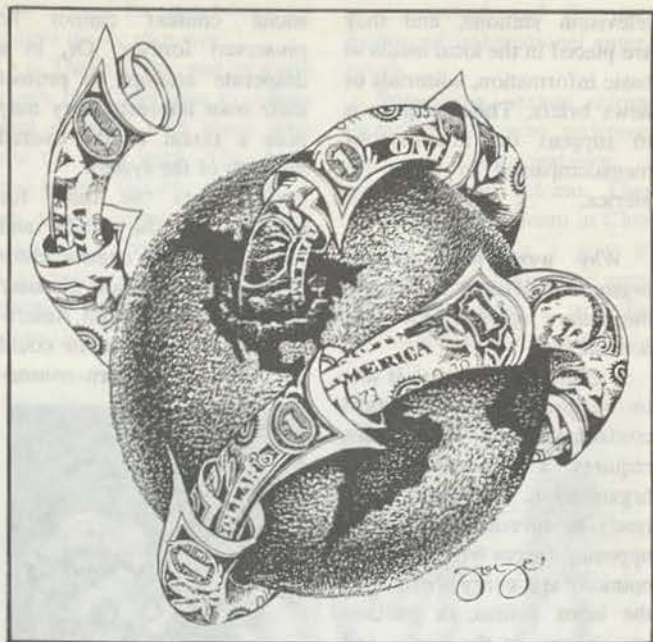


What was your goal in writing *The Capitalist International*?

— Basically to denounce the activities of certain private U.S. and European power structures which I call "organic elites." Right now, we're primarily interested in U.S. businesses in Latin America. These elites have organized themselves institutionally into what are strategically operational general staffs, whose political arms act in various ways. In particular, they concern themselves with one area: the ideological struggle, the attempt to conquer the hearts and minds of the local populations and ruling elites. At the same time they attempt to trip up their competitors.

Who are their members?

— The top managers of large transnational corporations. The so-called "American Society," for instance, is made up of executives from the top 200 U.S. enterprises that control 90 percent of all investments in the hemisphere. Its predecessor was the Council for Latin America, which had succeeded the Council of the Americas. That organization came about as a result of the merger, in the 1960s, of the Latin American Information Committee (LAIC) and the Business Group for Latin America. That's where you will usually find the top managers of the large business enterprises that operate in Latin America. At times they



operate like a real general staff, and they even use that name themselves.

You mean, as though they were preparing for a war?

— Yes, a political war. The LAIC was the operative wing of the Council for Latin America. The Council of the Americas has a general staff for field operations — their "field staff." Its organization is similar to that of such U.S. government agencies as the State Department and the Agency for International Development (AID). They are divided into a number of regional offices, with directors and personnel working hand in hand with the U.S. government. I call these directors "private consuls," since they operate in much the same way as consular organizations or local offices of the Central

Intelligence Agency (CIA).

In the 1960s and 1970s, there was a private consul for Brazil, another for Uruguay, Argentina, Chile, Peru, Bolivia and Paraguay, and a third one for Colombia and Venezuela, and so on.

Their offices are located in Latin American capitals, and local people are often incorporated into their staffs. They work closely with local companies and the U.S. government.

What are their areas of activity?

— Three in particular: social relations or "political marketing," socio-economic affairs and political activities. They have an office in the United States which produces and disseminates information. Over 25 press releases are sent to newspapers and radio and

television stations, and they are placed in the local media as basic information, editorials or news briefs. Their purpose is to support the activities of megacompanies in Latin America.

*Why were these groups organized? Was it to prevent the failure of their economic activities?*

— Quite the contrary. It was to be prepared for political confrontations. And this requires a high degree of organization. They have to be ready to successfully take on opposing forces which, in their opinion, are everywhere — in the labor unions, in political associations, in the media, and even in military and business circles.

They also have to establish connections with the church, student movements and intellectuals. Occasionally the main effort will be of a private nature; at other times it may be a governmental action in favor of a proposal or idea. The basic aim of this strategic effort is to maintain a favorable political environment in host countries.

Their enemies, of course, will change with the circumstances. At times they may be the most conservative, recalcitrant oligarchies...

*The ultranationalist oligarchies?*

— Sometimes, yes. While these oligarchies may be allied to transnational capital, they may fail to understand at any given moment that a particular

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social context cannot be preserved forever. Or, in a desperate attempt to protect their own interests, they may pose a threat to the overall interests of the system.

This was the case, for instance, in the 1950s and 1960s, when the organic elites fostered the creation of sister organizations in Latin America. These organizations could be called “modern-conser-



Salvador Allende

vative”, in contrast to more backward groups which failed to visualize the longer-term game.

In the industrial, financial or commercial areas, support went to those business elites who took a broader outlook on the country and could introduce significant changes in line with the growing complexity of the local society. At the same time, however, there were other adversaries, such as the socialist and populist leaderships.

*Can you give an example?*

— In the 1960s, one major

opponent was Salvador Allende in Chile, while Eduardo Frei was a supporter who deserved assistance. In Brazil, a major enemy was Leonel Brizola. Elsewhere, the enemies were military leaders such as General Juan José Torres in Bolivia. On other occasions, the main opponent was a particular labor union.

*How do they identify and define their “enemies”?*

— By permanently evaluating the local balance of power and pinpointing those political figures, organizations or movements that may pose an obstacle to their number one interest, which is the preservation of the status quo or current order — an order which will permit them to thrive in the long term.

Sometimes the order is preserved at the cost of tolerating pluralist participation in government; at other times, by combating pluralist activities. Sometimes it may become necessary to go as far as to destabilize a constitutionally-elected government, as was the case with Allende in Chile.

### Blurred limits

*You said that their struggle is in the political and ideological fields. Yet, in the case of Chile, they went way beyond that and resorted to action that led to a coup in which the U.S. government played a significant role. Where is the dividing line between what they allow*

themselves to do and what will be left for the U.S. government to do?

—It depends on the circumstances. In some cases the dividing line is clearly defined. In the case of Chile, the organic elites were at work from the very beginning, but they lacked the ability operationally to take a number of steps that eventually would have to be taken. They could and did help to create a favorable political environment by infiltrating labor unions, disseminating certain "news" in the local press, drumming up the support of domestic big business, and establishing links to the military for the formation of a wide destabilizing front.

Nevertheless, they were in no position to take the darker, hidden actions that were taken later. This is where other organizations came in, sometimes acting in concert with them, sometimes acting independently — although in a general sense there does exist collusion between them on a higher plane.

Take the case of Guatemala. In the early 1950s, during the Arbenz administration, the local power structure enjoyed considerable political status. It created an Independent National Union (UNI) made up of businessmen with links to transnational corporations. They were the ones who helped to create a climate that would later justify other kinds of measures.

*In other words, the organic*

*elites break the ground and let others do the dirty work?*

—That's right, and in some cases they later rise to power and share it with those who did the dirty work. They have the broad, flexible outlook of an army's general staff. They develop the tactics and maneuvers that will allow them to achieve a well-defined objective.

Cavalieri/SIPA



Chile: business elites left the dirty work to others

### The possibility of reform

*Anyone preparing for a battle must determine beforehand how much one is willing to lose in order to preserve the essentials. What are the limits for the organic elites? Are there any "forbidden," untouchable areas?*

—I am convinced that their essential, basic aim is to preserve their capability to take the initiative, to direct the process. Certain reforms are permissible, as long as they don't affect the essence of the system of production. That is the untouchable area — the essence of the capitalist system

of production and the protection of transnational enterprises.

Sometimes, certain reform measures are even welcome, such as, for instance, a moderate land reform. They promoted land reform in Chile in the 1960s as a way of defusing tensions in rural areas and enhancing capitalist infiltration in the countryside.

At the same time, they addressed the problem of rationalizing production, introducing new technologies and financing schemes.

It is a matter of political calculation, of determining which pressures may significantly alter the picture. It is then that it may become necessary to sacrifice those who have failed to perceive that their actions are endangering the survival of the system as a whole.

### The case of Nicaragua

*How does the Sandinista revolution fit into your third world — 57*

analysis? Do you think Nicaragua went beyond the acceptable limits by attempting to introduce a mixed, government-oriented economic system?

— Exactly. The case of Nicaragua is an interesting one because the power structures to which I refer were working there in the 1960s and 1970s, establishing groups of political analysts and organizing their business interests. At the time they opposed the Somoza dictatorship because they saw it as too strict and incapable of preventing social unrest: it was a lid that would eventually be blown into space by popular pressure.

They mounted therefore an effort to coordinate Nicaraguan businessmen — the most prominent among them — for the purpose of finding a system capable of replacing the existing one. One of the most important figures in this effort was Pedro Joaquín Chamorro, and he was subsequently murdered by the system's most obdurate wing. The same strategy has been adopted in other countries in the area, such as El Salvador, Honduras and Costa Rica.

*What is the position of the organic elites vis-à-vis a leader such as General Omar Torrijos in Panama in the late 1970s?*

— Torrijos was a difficult man to deal with. The elites were never sure as to how to behave towards that ambivalent, unpredictable man. Certain decisions made by Torrijos complicated the entire eco-

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nomic, strategic and political outlook.

They are now making an effort to form cadres of local businessmen, apparently willing to go as far as diluting the transnational content of the local business in order to make it look more legitimate in the eyes of the country. A front man doing just this kind of work in Panama right now is called Bertolini, a council representative who periodically reports on the local situation to U.S. businessmen.

*You mean, they are willing to reduce their ostensible presence, even if it means giving up some of their most immediate goals?*

— The more they dilute the transnational character of local business, the more legitimate their demands will sound. A broader front can then be formed, and the confrontation will no longer be between national and transnational interests. The resistance movement cannot be said to be anti-U.S. This "national" group of businessmen will then be ready to extend their support to other sectors — the middle classes, professionals, political parties, etc.

*What's the general attitude of the "organic elites" towards the local entrepreneurs in Latin America?*

— It is interesting to note that in the 1970s the organic elites thought in terms of a "tripod" or a "theory of convergence." Such convergence was to take place

between the three pillars of power, or the three areas of economic interest: the local entrepreneurs, the associated transnational businesses, and the state. They visualized a stable regime to be attained through a merger of these three sectors, so that local businessmen did not feel alienated or injured and could thrive economically in an orderly fashion, with the government providing support in the form of infrastructure and guaranteeing the political conditions for economic life to proceed.

The approach was originally developed for Brazil, although it works equally well for other Latin American countries. There comes a time when Brazil-U.S., Argentina-U.S., Bolivia-U.S. or Panama-U.S. Business Councils are created. This kind of interaction aims at penetrating or establishing an inextricable link to government sectors and outstanding individuals and organizations, in such a way as to establish a *modus vivendi* which will be both useful and pleasant for all parties concerned. The useful and the pleasant must go hand in hand in the political scheme in order to avoid dissent.

### **The Peru of Velasco Alvarado**

*What is the attitude of the organic elites towards those military who advocate development models implying a high degree of autonomy for their countries, as was the case of*

## Peru under General Velasco Alvarado?

— General Alvarado was a real shock for transnational corporations. It was no mere coincidence that, during his government, the organic elites decided to take a closer look at the Peruvian Center for High Military Studies (CAEM) and compare it with Brazil's High Military School (ESG). These analyses were largely financed by the U.S. Rand Corporation.

At the time, a sister organization to the Rand group was already operating in Peru under the name of Association for Development (APD). Its members were top Peruvian businessmen from various sectors, either national or transnational.

Alvarado's actions caused a short circuit at the APD, leaving its managers completely disoriented. An effort was then made to reformulate the political activity of the Peruvian power structure and reorganize business leadership there.

Dispatched to Peru was Humberto Cortina, a Cuban exile who had won his U.S. citizenship in 1968 and who was director of an area that included Peru, Paraguay and Bolivia. He participated in the Bay of Pigs invasion and was held prisoner in Cuba for thirteen months. He is also an ex-second lieutenant in the Green Berets.

Lately he has been trying to establish close contacts with the Peruvian military by buying them dinners, meeting with them to exchange



Velasco Alvarado (arms outstretched) with other military leaders

ideas, etc. In sum, the kind of approach that the organic elites usually adopt everywhere.

*It seems that, in the case of Peru, they have so far failed to establish the conditions for a drastic solution like that in Chile.*

— In the Peruvian case they are staging a "cool operation," which is their preferred approach when political conditions are milder. The "hot" interventions are those in the Chilean style. The country's political situation will dictate which approach will be adopted.

*Given the redemocratization of Latin America, how are the organic elites preparing for action?*

— They plan to operate in the open, to make a more overt political effort. They are now forced to deal openly with congresses, with public opinion, and with such popular organizations as labor unions, ecological groups, etc.

*Are they getting ready for a cold or a hot war?*

— Of course they prefer to remain cool when this is at all possible. But given certain "non-negotiable" limits, they may have to resort once again to a hot operation.

*Do you believe this may happen in Nicaragua, for example?*

— All of the transnational corporations in Nicaragua despise the Sandinista government, primarily because

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B. de Carolis/Agencia Nueva Nicaragua

Contra victims: "the transnationals despise the Sandinistas"

Nicaragua may eventually represent a precedent for Central America.

*Why did you choose to give your book such a provocative title as The Capitalist Internationale?*

— My book is an attempt to describe this "Internationale" in contrast to the communist one. I try to trace the emergence of these organic elites, to describe their infrastructure, how they relate with big business, how they consolidate, strengthen and renew each other.

My intent is to help the reader understand how the large transnational corporations go about preparing themselves to become a permanent factor in various political fields. There actually is a capitalist "Internationale" because there are links between various organizations 60 — third world

in different countries and continents. My book attempts to open the eyes of those who still believe their society can be organized on a national basis.

*Do you look into the relationship between this "Internationale" and other similar organizations?*

— No, that was not my goal. In the course of my research, I had to look into the socialist or communist internationals from the viewpoint of capitalist business. But I confess I did not find in them the degree of organization, infiltration and feverish activity which one sees on the capitalist side.

What I clearly saw was that these popular, socialist organizations are really more national, more provincial than international. Only the business world has attained this high degree of political internationalization. Economic

transnationalization began in 1945, but it would never have reached its current peak and strength if the business world had not developed its political "Internationale."

*From the viewpoint of popular movements in Latin America, and in the light of your studies, would you say that the business world consistently stands against change?*

— There are some flexible sectors. The problem is to know who they are, how influential they can be, how far they can go, how efficiently they can act, and what will be the repercussions of the ideas they stand for. Only then can you evaluate the possibility of negotiating with them, either in political or economic terms.

*Do you agree that there are such things as "national" and "transnational" businesses?*

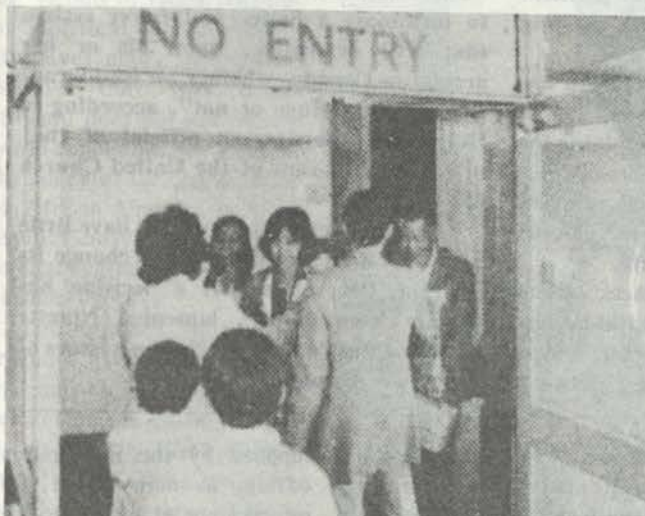
— No. It is difficult to distinguish between what is national and what is transnational. There are technological, economic, financial and scientific aspects to take into account, there is the mass type of production, and everywhere you will find that there are stages or schemes that are directed or monitored by transnational corporations. It is very difficult to talk about "national" enterprises in a strict sense. I prefer to think in terms of renovative, reformist blocks, in contrast with conservative ones. ●

Interviewed by B. Bissio

## Refugees

# The Closed-Door Policy

Despite having a liberal tradition of granting political asylum, member countries of the EEC are restricting access for Third World refugees.



British customs: tougher standards in the EEC

Member countries of the European Economic Community (EEC) are considering the joint adoption of restrictions on persons requesting political asylum, according to international organizations that assist refugees in Europe. In the meantime, many countries have unilaterally imposed tighter limitations.

Among the countries that have revised their policies is France – a country which since 1987 – April – N° 07

the nineteenth century has had a liberal policy regarding political refugees. French border officials, who once freely allowed into the country persons claiming to be the victims of political persecution, are now required to consult first with authorities in Paris.

The French government recently imposed visa requirements for all foreign nationals – except citizens of EEC member countries, Swit-

zerland and Lichtenstein. The French Secretary of State for Human Rights M. Malhuret said that the measure was necessary to fight terrorism. Although he assured that his country would continue to grant asylum, Malhuret stressed the need to coordinate the new policies with other governments on the continent. If such coordination takes place, France will probably fall in line with other European countries that favor additional restrictions.

In West Germany and Belgium, proposals exist that, if adopted, would check the inflow of Third World refugees by admitting only those who arrive directly from the persecuting country. This conforms with a practice followed immediately after World War II relating to the movement of displaced persons. However this principle is much more difficult to enforce in the case of Third World refugees.

Rather than directly denying asylum requests, current West German law uses the more subtle strategy of dissuasion. Asylum applicants are held in crowded camps in subhuman conditions. They are denied work permits for two years and receive no welfare aid. In Geneva, Switzerland, similar policies designed to discourage applications for political asylum have led to a 50 percent reduction in the

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## Canada to Limit Refugee Admission

The Canadian government is considering legislation that would limit the number of refugees admitted into that country. Prime Minister Benoit Bouchard charges that two-thirds of all asylum applicants are not genuine political refugees but rather individuals seeking jobs or better living conditions.

Bouchard claims that the problem has been exacerbated by the recent increase in the number of foreign citizens applying for admission as refugees. *The Toronto Star* reported that a total of 17,000 refugees entered Canada last year, an increase of 1,100 percent over the 1980 figure.

The proposed legislation faces strong opposition from non-governmental organizations concerned with migration issues. During a recent meeting between

Bouchard and NGO representatives, the prime minister said that he believed that all individuals not considered to be legitimate refugees should be immediately deported. Following the encounter, Barbara Jackman of the Canadian Bar Association (CBA) announced that should the government adopt such a policy, the CBA would file suit based on the Rights and Freedoms Charter of the Canadian Constitution.

Refugee assistance groups believe that "The solution is not to restrict access but to formulate a better and fairer system that will determine, upon his or her arrival in Canada, whether an immigrant is a genuine refugee or not", according to Helga Kutz-Narder, an official of the migration program of the United Church of Christ.

Canadian activists, however, have little hope that the government will change its position. "It seems that a decision has already been made", lamented Ninette Kelley of the Council for Refugee Issues of the City of Toronto.

number of applicants since 1984.

The most radical attitude has been taken by Denmark, which until recently boasted the region's most liberal refugee laws. In October 1986, during the inauguration of a new legislative session, Danish Prime Minister Poul Schletter announced that the number of refugee applications had increased dramatically. Justice Minister Eric Hansen submitted a bill which would direct police to refuse entry to anyone requesting political asylum at the border. Under the prevailing 1983 law, all individuals claiming to be

victims of political persecution are entitled to remain in Danish territory while their applications for asylum are considered. Not surprisingly, Denmark has a larger number of refugees per capita than any other European country.

A similar movement to restrict entry is under way in Sweden, another country with a liberal tradition in the area of political asylum. "We have reached our manageable limit of refugees," said Thord Palmlund, director of the Swedish Immigration Office. Immigration applications have tripled in the last year, and according to updated figures

supplied by the immigration office, as many as 1,700 refugees are admitted into the country each month. Most of these are Iranians.

### The position of the European Parliament

The European Parliament has no jurisdiction over the matter, but some of its members argue that the Old Continent should continue to extend support to the victims of political persecution.

In Geneva, Jean-Pierre Hocké, an official of the United Nations High Commission on Refugees (UNHCR),



recently criticized industrial countries who seek to restrict immigration from the Third World without giving special treatment to the victims of political persecution. He said that "Governments that have traditionally respected refugee rights are now adopting extremely defensive policies which in practice deny such rights."

Under the Geneva Convention, asylum is to be granted to all "victims of racial, religious or political persecution." However many governments believe that this broad standard does not suit current world conditions. For instance, the policy of the Organization of African Unity is to grant asylum only to victims of foreign aggression, occupation or social upheaval.

The number of people seeking asylum in industrial nations is less than three percent of the global refugee figure. The UNHCR maintains that it is not asking too much that the small number of those who apply for asylum in these countries be accepted and treated according to the principles of the Western humanitarian tradition. However, what seems to weigh more heavily in the scales than the humanitarian tradition is the high level of unemployment prevailing in Western Europe combined with the extraordinary increase in the number of refugees from such conflict areas as Lebanon, Iran and Iraq, and of victims of racial persecution such as the Tamil minority in Sri Lanka.

### A consequence of colonialism

Many governments argue that it is difficult to distinguish victims of political, ideological or religious persecution from the mass of migrants who enter Europe in search of better living conditions. But UNHCR officials reply that "governments must not take

dismantle domestic trade barriers as well as to adopt a common policy on political asylum by 1988.

Regardless, many Europeans realize that the refugee problem is to a great extent a legacy of European colonialism. As Heinz Oscar Vetter, a delegate to the European Parliament and a member of the German Social Democratic

UNHCR



Sri Lankan Tamil refugees await their verdicts in Amsterdam

measures that will equally affect both groups. Bona fide refugees must not be penalized by laws against illegal immigration."

The moves by individual countries are probably due to the fact that all EEC member countries are expected to

Party, noted, it is reasonable to expect that EEC member countries will continue to help refugees, since they are at least partly responsible for the social unrest now prevailing in many areas of the Third World.

Ricardo Soca

## Third World Books

### THE SCOPE FOR SANCTIONS

Richard Moorsom  
CIIR, London, 1986



Sanctions against South Africa could provide powerful support to the struggle against apartheid. Everything hinges on the strength of the particular measures chosen and the determination of South Africa's key western trading partners to enforce them. These are among the main conclusions of this study of possible sanctions and their likely effects. The author analyzes South Africa's dependence on a narrow range of exports and imports traded with a small group of industrial countries, on foreign finance and on crucial support from transnational corporations that dominate the local economy. The book sketches the likely consequences of the main types of sanctions on the South African economy and discounts speculation about potential negative ef-

fects on black South Africans and on employment in foreign countries.

### TRANSMIGRASI - RESETTLEMENT POLICY

Mariel Otten

IWGIA - International Work  
Group for Indigenous Affairs,  
Denmark, 1986

The book is an in-depth study of the transmigration policy adopted early this century in Indonesia by Dutch colonists and preserved by the Indonesian government after independence. Massive population transfers from areas that are perceived to be overpopulated to regions with lesser densities have not brought positive results. Yet, the current Indonesian government has decided to base its new five-year development plan on just such policy. The target is now to displace 750,000 families (approximately three million people) in what is a largely military operation. This is the case of East Timor, a former Portuguese colony under Indonesian occupation since 1976. In East Timor the relocation from one island to another is being carried out by force. The book demystifies the Indonesian government's population policy, which has the financial support of the World Bank, and warns against the catastrophic effects of a forced removal.

### BASES MILITARES EN AMERICA LATINA

(Military Bases in  
Latin America)

José Steinsleger

Editorial Conejo, Ecuador,  
1986

Argentinian journalist José Steinsleger surveys the main U.S. military bases in Latin America and examines the Pentagon's influence on political relations between Latin American countries. The cases of Panama, Honduras, Puerto Rico and Guantanamo (Cuba)



are examined historically. The book includes an exposé of the strategies employed by the U.S. to justify its military presence in Latin America. The author concludes that, contrary to the Pentagon's assertion that the bases are "defensive facilities," they are actually "bridgeheads" for U.S. interests in the area.

# Investors Flock to the SADCC

For the first time since it was founded seven years ago, the Southern Africa Development Coordination Conference is attracting the attention of private foreign investors.

In an unprecedented display of interest in the potential for investment in southern Africa, approximately 200 private businessmen and investors from several industrial nations gathered in Gaborone, Botswana, last February to attend the seventh annual meeting of the Southern Africa Development Coordination Conference. The SADCC is a regional organization encompassing Angola, Mozambique, Zimbabwe, Zambia, Botswana, Malawi, Tanzania, Swaziland and Lesotho — nine countries that are struggling to reduce their economic dependence on South Africa. Until recently, only the governments of the region and international organizations were willing to make new investments in the area.

The visitors, largely European investors and company representatives, are among the members of the foreign business community who have taken a new stand toward SADCC in light of the escalating global movement to adopt sanctions against South Africa. Although many of



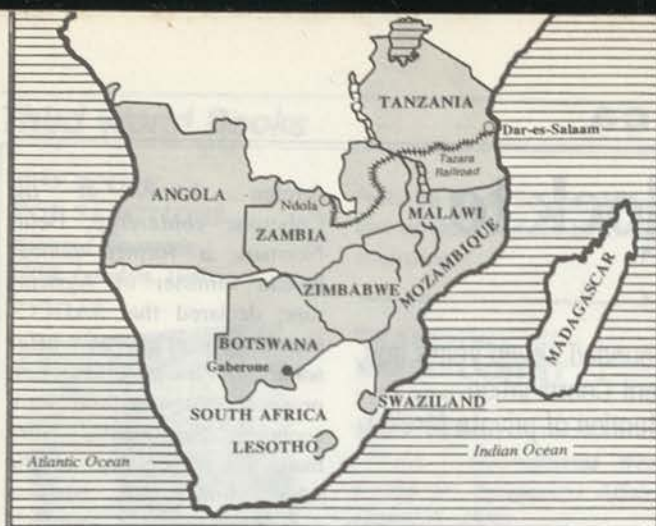
them have long maintained close trade and financial ties with the apartheid regime, the increasing instability in racist South Africa prompted them to turn their attention to other countries on the continent. One motivating factor is the likelihood that the economies of SADCC-member countries will improve when the South African white minority is forced to abandon its system of racial segregation along with its aggressive policy towards neighboring black nations.

In an opening speech to the

foreign visitors at the Gaborone conference, Denis Norman, a former Zimbabwean Minister of Agriculture, declared that SADCC-member countries "now offer some of the world's best prospects for medium term economic investments." Norman, a representative of the white Zimbabwean business community in that country's first government following independence, added that "as soon as the war comes to an end, the enormous economic potential of the area can be quickly developed".

In addition to their genuine interest in establishing new contacts with South Africa's neighbors, the visitors were encouraged by the recent surprise decision by the United States to allocate an additional US\$ 93 million for loans and financial operations in SADCC-member countries. The representative of the U.S. Agency for International Development at the meeting, Peter McPherson, stressed that the decision is a token of his government's "confidence in the future of the SADCC members." He failed to explain, however, how the U.S. government plans to reconcile the increased aid to black countries in southern Africa with its solid economic and military relations with Pretoria.

Although it is too early to assess the real impact of the plans presented by SADCC



**SADCC AT A GLANCE\*:**

Total area: 4,877,927 sq.km.	Imports: US\$ 6,782 million.
Population: 66,761,027.	Exports: US\$ 4,842 million.
GNP: US\$ 22,331 million.	Source: <i>Third World Guide '86</i>

\* all figures are estimates

delegates to the group of private businessmen and investors, the mere fact that the foreigners made the effort to attend the meeting was an indication that results may be quick to come. Mozambique and Tanzania, for instance, recently announced plans to facilitate foreign investments in projects to develop local infrastructure. At the Gaborone conference, several entrepreneurs pointed out that the South African crisis will force them to diversify their activities, especially in neighboring countries that are now perceived to be more politically stable than South Africa.

**SADCC projects**

During the meeting, SADCC experts analyzed several ongoing projects, especially in the areas of energy and communications.

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An issue not included in the agenda but which generated a great deal of discussion was the scarcity of qualified manpower in the region. The decision was made to jointly promote the increased participation of local technicians and to reduce the use of foreign specialists. This will be difficult given that most SADCC-member countries face serious problems staffing projects with qualified local personnel.

Three agreements were announced at the end of the seven-day meeting. The Swedish government will supply US\$ 17 million to help renovate a railroad connecting Zambia's copper mines to the port of Dar-es-Salam, in Tanzania. The railroad, known by the acronym TAZARA, is of fundamental importance to land-locked Zambia. Zambia is in dire need of the railroad since its access to the sea

through Angola has been disrupted by the armed groups sponsored by South Africa that oppose the Angolan government.

In addition, the Swedish and Norwegian governments will participate in a joint project to renovate a hydroelectric plant at Coruama, Mozambique, thus helping the Maputo government to reduce its exclusive dependence on electric power supplied by South Africa. Under an agreement inherited from the colonial period, Mozambique pays South Africa for electric energy produced at the Cahora Bassa Dam in Mozambican territory.

A third major project will interconnect the existing microwave telecommunications systems between Tanzania and four other SADCC countries - Botswana, Zimbabwe, Zambia and Malawi. A joint Swedish-Norwegian effort, the system is projected to be in operation by 1989 at a cost of US\$ 12 million. Integrating the microwave network in southern Africa has long been on the drawing board of the Pan African Telecommunications Network.

The Gaborone conference had already adjourned when another European country declared itself ready to finance SADCC development projects. Great Britain announced recently that it would make available US\$ 18 million in credit for transportation and communications projects in SADCC-member countries. ●

## Third World Newsletters

**DEBACLE** - Debacle is published in English by the Indian Development Research Communications and Services Centre. It runs

domestic and foreign activities of the U.S. armed forces, emphasising Third World trouble spots. Contributors are North American journalists, social researchers and intellectuals intent on exposing the aggressive policies of the Pentagon. P.O.Box 14602, Philadelphia, PA, 19134, USA.

**LINKS** - A quarterly magazine published in English by Third World First, a group of British university students. Links is designed to disseminate information on the Third World in the United Kingdom. Each issue is dedicated to a specific topic. No. 25 covers the

family planning in Africa, birth control, demographic development in the Soviet Union, and a survey of



population issues in Africa following the Arusha, Tanzania, 1984 Conference, 220 East 42nd Street, New York, 10017, USA.

**LIBERATION** - Produced in Tanzania by the Danish Communist Working Group, and published by the Manifest Press, this English-language



articles and studies on Asia, focusing particularly on the environment, women, ethnic minorities and children. No. 3, Vol. II, of 1986, includes a number of essays on the situation of Asian women. 188 Gariath Road (S), Calcutta 700 031, India.

**RECON** - This quarterly bulletin is published in English by a group of North American



political situation in Central America, while no. 26 focuses on nuclear technology and the Third World. 231 Cowley Road, Oxford OX4 1UH, England.

**POPULI** - Issued in English by the United Nations Fund for Population Activities, this magazine analyzes demographic issues. No. 2, Vol. XIII, 1986, includes articles on



magazine approaches political issues in Africa from an independent Marxist viewpoint, and promotes an exchange of experiences between anti-imperialist movements in the Third World. P.O.Box 937, Dar es Salam, Tanzania.

### RECON

SECRET U.S. AIR WAR IN EL SALVADOR

volunteers who monitor the Pentagon and U.S. military projects. It reports on the

## Essay

# The Myth of the Innocent Swiss

After Bhopal, they said it could happen only in the Third World. But the recent chemical disaster on the Rhine River gives further proof that most ecological disasters occur in the industrialized West.

Europe's worst environmental disaster in a decade, the Sandoz destruction of the Rhine river's ecology, came hardly six months after Chernobyl and barely two years after the Bhopal gas disaster. Appropriately, the French have labeled the disastrous event *Chernobâle* (*Bâle* is French for Basel, where the Sandoz accident occurred), and the West Germans have called it *Sandoz-Bhopal*.

Between October 29 and November 29, 1986, chemical factories both in Switzerland and West Germany hit the Rhine with a series of deadly chemical assaults that effectively turned the river into a barren wasteland. All these incidents of river pollution have been benignly termed "accidents."

On November 1 — at night just as in Bhopal — a fire broke out in a warehouse storing toxic chemicals belonging to Sandoz, Switzerland's second largest multinational. Fire fighters attempted to get the blaze under control and

prevent it from attacking other units, but they did not realize that the water they were using, after mixing with deadly chemicals, was spilling into the Rhine.

The factory storehouse did not have a catchment basin for such an eventuality, and to compound the problem, the city's special task force for chemical fires was off duty that very night.

The fire became so intense that barrels flew 60 feet into the sky. An intense pall of

smoke settled over the city of Basel, carrying with it phosphorester and dioxin — toxins used in World War II and Vietnam.

The city slept unaware till its citizens were told a few hours later that they should close their windows, but the message was understood only by the German-speaking part of the population: many immigrant workers did not understand what was happening and failed to take any precautions.

The chemical brew that entered the Rhine contained pesticides and herbicides — including ethyl parathion, a deadly substance that even in small amounts can kill people. Equally devastating was the release of a fungicide compound called ethoxyethyl that contained nearly two tons of pure mercury.

The first victims were the



Clean-up operations could not stop the "wave of death"

eels: they are river-bottom feeders and absorbed the mercury as it settled. More than 150,000 eels floated up dead, and truckloads of them had to be carted away to dump sites. All told, an estimated half a million fish were simply exterminated.

More will die when the remaining fish are starved of their food, which consists of smaller organisms that were cleaned out by the toxins. In doubt now is the survival of thousands of ducks and other birds that will appear shortly on the Rhine in the coming spring months.

For years the Rhine was considered a dead river – the result of dumping by chemical factories operating along its banks. But about 15 years ago, environmentalists and Rhine ecology experts launched an effort to restore the river. Eventually they succeeded in making it a more hospitable environment for wildlife: after regulations for effluent control took effect, they stocked the river with eel, shrimp and even trout. West Germany alone invested US\$ 21 billion in the cleanup and restoration programs. All that was undone in the space of just a few hours.

As with Chernobyl, the consequences of this accident spread across national borders. What the German press dubbed "the wave of death" flowed into West Germany and France, and ended up in Rotterdam, Holland. The chemical slick, 35 miles long, destroyed all life 300 kms downstream. It contaminated



Some of the 150,000 dead eels: a First World disaster

drinking water sources, and populations were forced to switch to reserves.

Eventually, the brew entered the North Sea, from where it will return in small quantities to the shallow northern Dutch coast which functions as a massive wildlife nursery. Some of it entered via the Ijssel River into the Ijsselmeer, an inland body of water in Holland.

As for the long-term consequences of the accident and its impact on the fragile river foodchain, no one was hazarding any competent or confident claims. While most agreed that the river could be considered "dead" for another ten years, more pessimistic observers stated that the entry of the toxic chemicals into the foodchain would prolong their

effects on the environment even further.

The Sandoz accident and the spate of other accidents that followed provided compelling proof, if any were needed, of the lack of concern for the environment by the chemical industry.

However, the Rhine disaster was embarrassing for Europe for a number of very interesting reasons.

In the immediate aftermath of the Bhopal gas disaster, for instance, most people from industrial countries had dismissed that tragedy as peculiar to the Third World. The usual response was: "Nothing of that kind could occur here."

In fact, journalists and commentators, including editors, wrote extensively on

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how the Third World was too ill-equipped and corrupt to handle such hazardous technology. Even the U.S. Union Carbide attempted to distance itself from its Indian subsidiary, claiming that the unit was run differently from the one back home.

All this now seems entirely inappropriate or unimportant. What has emerged quite dramatically from the Sandoz accident is that the company chose profits over safety when it ignored the safety recommendations of a Zurich-based insurance company and decided to have its liability underwritten by a cheaper firm rather than accept the stricter terms.

As noted earlier, the unit had no water catchment, and it had but two water sprinklers. As in Bhopal, citizens and officials, some along the Rhine, were not informed for at least 40 hours.

The accident also challenged the image that corruption is endemic only to the Third World: after scientists discovered new chemicals in the Rhine and started to suspect that other companies were also dumping effluents, the firm Ciba Geigy admitted that 105 gallons of a toxic herbicide Atrazine had leaked into the river from its plant one day prior to the Sandoz accident.

After Chernobyl, European governments were thoroughly annoyed with the Soviets precisely because the latter waited three days to inform them about the nuclear 70 - third world

accident. Now, West German, Dutch and French officials are reacting to the Swiss as they did to the Soviets: they are calling them names.

In the West, Bhopal was dismissed as peculiar to the Third World and Chernobyl as a result of rank Communist incompetence. Sandoz removed those distinctions, which existed despite the accident at Three Mile Island in the United States.

The reporting of the Sandoz disaster also shed some light on the prejudices of the international media, especially those of the North American newsmagazines *Time* and *Newsweek*. The Bhopal gas disaster, which took place on December 2, 1984, made the covers of both magazines on December 17. So did the 1986 Mexican earthquake, which was reported as a cover story soon following the disaster. The Sandoz incident, which took place on November 1, was only reported in these magazines on their inner pages on November 24.

Clearly some kinds of events in the Third World are more important to such magazines than some domestic events. Finally, one should emphasize the fact that, except for Bhopal, nearly all industrial and environmental disasters have taken place within the so-called advanced societies, with all the safeguards promised.

Minamata disease from mercury poisoning in Japan, the SMON tragedy associated with the consumption of

enterovioform and melaform in Japan, the release of dioxin at Seveso, Italy, the nuclear accidents at Three Mile Island and Chernobyl and Thalidomide babies are all part of the advanced countries' march to progress based on such hazardous technologies.

As industrial plants age (many of them were built during and immediately after World War II), more accidents are bound to occur. There is not a single scientist or engineer who can confidently claim that such accidents are things of the past. If anything, we can safely predict an increase in the number of incidents.

The other point to note is that a large number of these disasters have been associated with the Swiss, who have been successful in projecting an image of themselves as concerned with the environment and public welfare. Seveso was owned by a Swiss firm, Hoffman La-Roche; Ciba-Geigy marketed drugs that led to SMON and more recently to deaths from the anti-inflammatory drug oxyphenbutazone. Sandoz, of course, is also Swiss.

So the demolition of the myths concerning such disasters must include this final myth of the innocent Swiss. Innocent no longer - but what a manner for the world to discover how that innocence was a fraud! ●

Dr. Claude Alvares,  
Third World Network  
Features



# SOS for Forests

Third World forests are being cleared at an alarming rate to provide wood for luxury products in the North.

**T**ropical rainforests, which once seemed to be an inexhaustible resource, are now being threatened with extinction by Japanese disposable chopsticks, North American hamburgers, English mahogany toilet seats and other products destined for the industrial North.

"All along, poor people have been wrongly blamed for taking wood and destroying the rainforest," said Vandana Shiva of the Science, Technology and Resource Research Foundation of India. "Now we know that's not true. The forest resources of the poor were taken from them by logging operations, so they were pushed further back into the hills and forced to collect wood from remnants of the forest."

"The roots of the problem are in the wasteful lifestyles of rich countries and the timber industry in the Third World," concluded Shiva.

Examples of wasteful uses range from the shift in popularity in Japan from reusable to disposable chopsticks to luxury products. The result is increased demand that has led to predatory exploitation: in recent decades, 1987 - April - N° 07

global forest reserves which once covered billions of hectares have been cut by one-half. Destruction continues at a rate of five to 20 million hectares a year, according to a 1980 report by the United Nations Food and Agriculture Organization (FAO).

At this rate, the FAO estimates that by the turn of the century rainforests in some countries will be devastated. For example, Nigeria and the Ivory Coast will be virtually completely deforested, and Thailand will lose 60 percent

of its reserves. In Central America, Costa Rica will have lost 80 percent of its forests and Honduras 50 percent. Other countries will suffer significant, if lesser, destruction.

### The Asian Pacific coast

In reaction to this trend, activists from 23 countries gathered late last year in Penang, Malaysia, at the Conference on the Third World Forest Resource Crisis, organized by the Sahabat Alam Malaysia (literally, Friends of the Earth Malaysia). The conference identified Southeast Asia as the region with the most devastating rate of deforestation, due mostly to logging. In 1979 Malaysia and Indonesia alone accounted for 58 percent of the world's total



Logging operations in the Brazilian Amazon



In Japan, 20 billion pairs of chopsticks are discarded annually.

supply of wood and 75 percent of global wood exports.

Two million hectares are being lost each year in the region. If logging continues unabated, many of the forests in tropical Asia will have disappeared by the first two decades of the next century.

In Asia and throughout the world, tribal communities numbering approximately 200 million people depend on the forests for their survival. The encroachment of industrial lumber companies on their lands could lead to their extinction in terms of life-style and cultural identity.

Malaysian researcher Khor Kok Peng, of the Penang Consumers' Association, denounced the tendency to hold the Third World responsible

## An Ecological Disaster

Alarmed over the devastation of tropical forests, scientists emphasize the importance of woods for the preservation of the planet's ecological balance.

A study conducted by the World Wildlife Fund (WWF) points out that by the end of this century forest reserves will completely disappear in many countries if the current rate of exploitation continues. In Brazil, for example, the Atlantic Forest now covers only two percent of its area during the colonial period.

The WWF study notes that the threat is not only to the trees which are felled but to all of the animal and vegetable life in the ecosystem. One million species, including birds, mammals, insects and smaller plants, representing one-third of all life in the tropics,

will have disappeared by the turn of the century if current trends continue.

Nicolo Gligo, of the Economic Commission for Latin America (ECLA), explained that deforestation also affects climatic conditions and soil characteristics by decreasing evaporation-transpiration, by damaging the capacity to moderate rain and wind and by eliminating shade areas.

The first two phenomena, he said, reduce the amount of rainfall and lead to dessication of the soil. This process is promoted as well because the soil loses its capacity to retain water, thus changing its chemical and morphological composition.

Without protective coverage, winds cause erosion while rains alter the properties of the soil, leading to a loss of fertility.

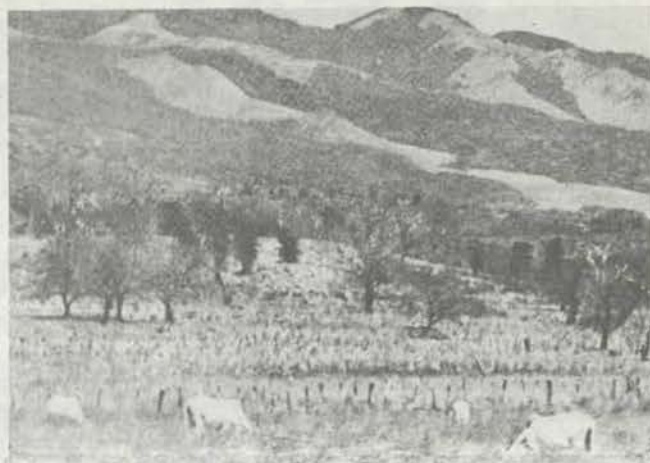
The most dramatic effect of massive deforestation is the increased carbon dioxide content in the earth's atmosphere. The result is an increase in temperature that negatively affects agricultural production.

for the depredation of its tropical forests. Deforestation for firewood and agricultural production is often attributed to Third World peasants, said Peng, while Third World governments are said to be incapable of protecting their own natural resources.

However, data released at the Penang Conference contradict these claims. In 1985, Japan - the world leader in consumption of tropical wood - imported from Southeast Asia 12.8 billion tons of wood, a figure equivalent to 64 percent of the region's total exports.

#### The fast-food menace

In Central America, transnational companies cut down an average of 400,000 hectares of forest per year to raise cattle for the production of hamburgers. Randy Hayes, director of the Rainforest Action Network, said that North American fast-food companies both finance and



Cattle grazes on recently deforested land in Central America

control cattle production and the export and processing of meat in Central America.

The U.S.-based Rainforest Action Network has mounted a campaign to denounce deforestation, but so far it has failed to convince consumers of the need to help defend the environment against the threat of the fast-food industry.

Europe, the second largest market for tropical wood, imported 12 million tons of

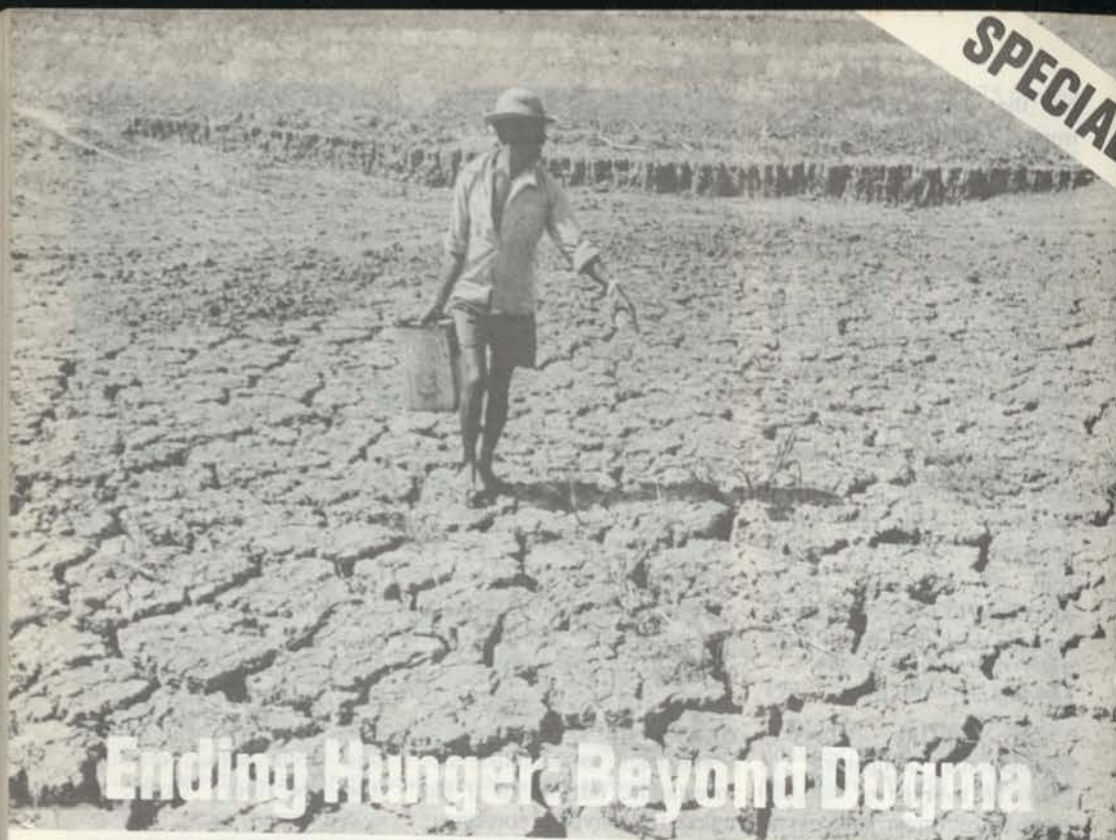
lumber in 1984. Major consumers are France, Great Britain, the Federal Republic of Germany, Italy and the Netherlands, which import logs from Africa, especially from the Ivory Coast, and sawed wood from Southeast Asia, mostly from Malaysia, Indonesia and the Philippines.

The available data indicate that deforestation is encouraged by increased consumption in industrial countries, where tropical wood has become a sign of status. In Great Britain, nearly one-half of all imported wood is used in construction, but the remainder goes into the luxury furnishing of offices and homes.

During a campaign designed to educate British consumers, the Sahabat Alam Malaysia exhibited a toilet seat made of *caoba*, a fashionable hardwood. At the same time the group denounced the fact that "14,000 square kilometers of forests are being destroyed every year for superfluous consumption."



Workers sawing logs in the Philippines



## Ending Hunger: Beyond Dogma

Economic liberalization programs are not the answer to ending hunger in the Third World, according to Frances Moore Lappé, author of "Diet for a Small Planet" and co-author of "World Hunger: Twelve Myths"

**W**hile intense debate on how best to stimulate development in the Third World has raged for decades, the Reagan administration is now sure it has the answer. "We already know what works: private ownership ...(and) reliance on market forces," said President Ronald Reagan recently.

And North American policymakers have no qualms about tying U.S. aid to acceptance of its three-pronged cure for poverty: shrink government and free the "miracle of the market," increase trade by both expanding exports and lowering barriers to imports, and lure private investment. Inside the 74 - third world

Michael Yung



Frances Moore Lappé

World Bank and IMF, the administration is using its considerable influence to make sure that they tie similar strings to their economic assistance.

We are told that if government just gets out of the way, the magic of the market can work. Thus the selling of government agencies to private interests is a key part of the Reagan strategy.

In a recent interview, former Honduran Minister of Labor Gautama Fonseca posed the obvious question: "Now we're supposed to sell off our public enterprises at rock-bottom prices to the thieves and Mafiosi who sucked the government corporations dry to begin with?"



An African might make a similar retort to the U.S. advice to governments there to sell marketing boards and other state agencies to private interests. In his recent speech before the International Monetary Fund (IMF) and World Bank, President Reagan singled out Senegal for praise for "liberalizing" its economy. There, the U.S. Agency for International Development (AID), along with the IMF and the World Bank, has pushed for the selling of several government development agencies, including the agency responsible for irrigation and development of the critically important Senegal River Basin (Societe d'Amenagement Economique des Terres du Delta).\*

How will the privatization of the irrigation agency affect Senegalese peasants? According to John Sutter, an agricultural project officer for the Ford Foundation, "even though the irrigation agency may be inefficient and topdown, at least it involved the farmer in its irrigation decisions.... If agribusiness wins control over irrigation, it will probably try to take over the peasants' lands and force them to become wage laborers."

The issue is not simply intervening or not in the marketplace. All governments are involved in the economy. The question is *how*. And this in turn is determined by in whose interest a government operates. So the first question ignored in the Reagan formula is the *accountability structure of government: in whose interest does it govern?*

If the government is accountable to the interests of the vast majority, a number of specific questions emerge, questions left out in a narrow good-bad approach. To be concrete, let's stick with the problem of inefficient marketing boards and other state corporations in African agricultural economies. The Reagan formula says to get rid of them. A government responsible to majority interests would instead ask a complex set of questions:

- Is there a role *both* for government and private marketing? Might competition between the two make sense?

- Might a government marketing agency be needed to serve farmers in remote areas that private firms would be uninterested in serving

because distance cuts into their profits? Might government be the only vehicle able to insure that private institutions, such as the credit banks, serve the less powerful smaller farmer as well as the bigger?

- How could a government marketing or irrigation agency be more efficiently organized? Zimbabwe's well-run marketing boards are credited with spurring a dramatic production increase among small farmers in recent years.

But because the Reagan approach is blind to the issue of accountability, it cannot even perceive these more difficult - and more pertinent - questions. In other words, because it ignores the issue of accountability, the Reagan prescription has no answer to the questions that the former Honduran Labor Minister posed above: Why would those now acquiring newly privatized enterprises use their new wealth any differently than they have in the past?

The stalwarts of economic progress in the eyes of those promoting "privatization" are precisely those privileged groups who have already demonstrated their lack of commitment to their own societies' futures. Haven't we learned anything from the disclosure that the Marcos family stashed perhaps as much as US\$ 20 billion in Swiss banks, equivalent to almost half the Philippine national debt? Or that capital flight by the rich from Mexico is equivalent to more than 80 percent of that nation's crippling debt?

Apparently not. For without asking to whom is the government accountable and how

therefore can it keep private initiatives responsive to majority interests, there is no reason to hope for a different future for the poor majorities.

To be more specific, local firms and wealthy individuals have no reason to invest or reinvest their earnings locally – where there are no markets – if better investments loom overseas. Within the current free enterprise dogma, there is no solution, since the dogma proscribes capital controls to keep profits at home. An accountability structure to majority needs at home would mean, among other things, measures restricting capital export.

Faced with a heavy foreign debt and

What is the “engine” missing in Reagan’s notion that privatization will release the “miracle of the market” to spur economic growth?

In answering, let me be clear on one thing. I certainly agree that any society trying to do away with the market altogether has faced monumental headaches. The goal of well-functioning markets should be a key part of ending poverty and its worst symptom – hunger.

Reagan’s formula has the answer backwards. It would promote the “free market” and “entrepreneurs.” But do they need promoting? Enterprising marketers spring up spontaneously



Alan García



Edward Seaga



Augusto Pinochet

desperate need for development capital, President Alan García of Peru, recently did just that: he restricted export of capital, including the repatriation of profits from Peru. But such action is anathema to Washington policymakers and would ostracize a Third World country from Western lenders.

#### What every market needs

Thus, without an accountability mechanism, following the Reagan economic dogma is like trying to make a car go with no mechanic responsible for ensuring the overall best functioning of all the parts. But it is also like trying to put the car on the road with a major part missing – the engine!

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wherever there are customers. In much of the Third World where tiny minorities monopolize wealth and income, it’s the customers who are missing. They, not the market, need to be promoted!

*Customers are the engine of the market.* They are what’s missing where poverty is widespread. As even the World Bank acknowledged in its recent study *Poverty and Hunger*, hunger can only be alleviated “by redistributing purchasing power and resources toward those who are undernourished.” But the Reagan dogma remains blind to this obvious truth. For to acknowledge it calls forth a further question: how do you generate more customers?

Government is the only agency through



Brazilian soybeans for export: food production has increased but so has hunger

O Globo

which redistribution of control over land, credit and other essential resources can be achieved and maintained – a redistribution necessary to disperse income in order to generate more customers. And here is the hitch for free-market dogmatists. Since they proscribe a significant role for government – and deem serious redistribution a communist plot – their own stated goal of healthy market economies is doomed. And so are the hungry.

#### More trade is the answer

Corresponding basic questions – about accountability and customers – must be asked of the second tenet of free-market theology, that more trade in itself is the answer for Third World poverty.

Expanded trade will provide the foreign exchange desperately needed both to reduce Third World debt and invest in development, goes the formula. Since “more exports” is the advice Third World planners have been handed for decades, shouldn't we examine historical experience carefully?

By the mid-1980s, Brazil's phenomenal success in boosting agricultural exports had placed that country second only to the United States among world agricultural exporters. At the same time, hunger among Brazilians spread from one-third of the population 20 years ago to two-thirds today.

Only blind dogma could equate export success with victory over poverty. An export boom from a Third World country – especially in products from the land – is more likely to be associated with *worsening* poverty; for where more and more local people are poor, those who monopolize the land must look abroad for paying customers. In Chile, the 30-fold increase in farm exports after General Augusto Pinochet's military takeover in 1973 in great measure can be explained by the widening poverty of Chileans, 40 percent of whom now consume only three-quarters of the calories they need.

The prevailing wisdom that the production of goods for export is the answer also overlooks how over-dependence on exports exposes national economies to forces over which they have no control. By 1985, the price index for primary products – representing the bulk of Third World exports – had fallen to its lowest level in 37 years. In contrast, prices of manufactured exports from industrial countries averaged annual real *increases* of 5.4 percent

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Drought in Somalia: compounded by capital flight



Trenchtown, Jamaica: falling living standards

during 1965-73 and 11 percent during 1973-80. And business analyst Peter Drucker sees no hope of price recovery for Third World exporters in the immediate future. Synthetics and new industrial processes are today replacing many Third World raw material exports.

Jamaica is a telling test of the Reagan economic doctrine. Indeed, following the 1980 election of conservative Prime Minister Edward Seaga, President Reagan advised the world to "watch Jamaica." Seaga removed price controls and subsidies while keeping a lid on wages, made large cuts in government spending, and created various incentives to lure private foreign capital. He was handsomely rewarded for embracing these free market prescriptions of the Reagan administration and the International Monetary Fund. U.S. aid to Jamaica jumped by more than 1,000 percent, from \$14.4 million in 1980 to \$164.6 million in 1985. By 1986, Jamaica was the sixth largest per capita recipient of U.S. economic aid in the world.

Some *have* benefited from the Seaga reforms - Jamaica's four largest banks (two foreign-owned) have seen their profits grow rapidly. But the economy as a whole is deteriorating: the economic growth rate in 1985 - a recovery year for many countries - was a *negative* 4.7 percent. The majority of Jamaicans have seen their living standards decline as prices soar, unemployment and crime increase, and fear and hopelessness have come to dominate daily life.

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### Luring private investment

The third tenet of the Reagan economic theology is the belief that private investment, both local and foreign, will end poverty. AID advises governments to lower taxes, restrain wage demands, and lighten restrictions on taking profits out of the country. Even if increased private investment were the place to start, two questions remain.

First, how is development, including private investment, possible without those essential activities - building and maintaining roads, railways and other infrastructure, for example - which depend on *government* investment because they will rarely be undertaken by private enterprise?

Second, how can AID's plan succeed in luring private investment if the ingredients for profit-making just aren't there? As suggested above, the customers are missing!

Take Sub-Saharan Africa. Most 460 million Africans are too poor to constitute a market to attract investors. Add to this the lack of infrastructure, the depletion of Africa's natural resources, and the massive foreign debt that is bankrupting many African states, and it becomes clear why capital is not just failing to come into the region, it is *deserting*.

With all the media attention on the African drought of the early 1980s, very few people noticed that famine coincided with foreign capital abandoning the continent. As *The Economist* reported: "In 1980, African



countries got close to \$1.5 billion, net, from private creditors; in 1985 there was a net outflow of \$700 million."

Africa is only the worst case, but it is not alone – over all, net direct investment in Third World economies is *falling*. In 1983 it was \$2.4 billion, 48 percent below levels of just two years earlier.

### Why Reagan's formula can't work

Now to recap before moving to the political dimensions of current dogma. I began with the charge that the free market/free trade economic dogma is a powerful obstacle to identifying the roots of poverty and hunger. I then looked at each of the economic tenets now being pushed abroad – privatize, expand trade, lure private investment.

Washington's policy suggestions might make sense in some cases. But they fail because they are rooted in rigid dogma – and because they are not grounded in fundamental principles of democracy. Dogmatic approaches fail because they blind proponents from seeing that *necessary preconditions are missing*.

Only if the automobile has its essential parts can it be expected to go anywhere! For a prosperous economy able to end hunger, essential parts include: one, a broad-based structure of accountability for economic decision-making (that is, a government that answers to more than just the richest families, or at least to those not actively robbing the country!); and two, the wide dispersion of purchasing power (that is, growing numbers of customers).

Where these preconditions are missing – where the majority are desperately poor (because purchasing power is tightly held) and decision-makers answer to an oligarchy – the prevailing economic dogma must not only fail but will make hunger worse.

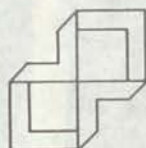
**Frances Moore Lappé**

*North American author and co-founder  
of the Institute for Food and  
Development Policy (Food First).*

*This article was adapted from a speech  
given in late 1986.*

\* SAED still provides extension services to farmers.

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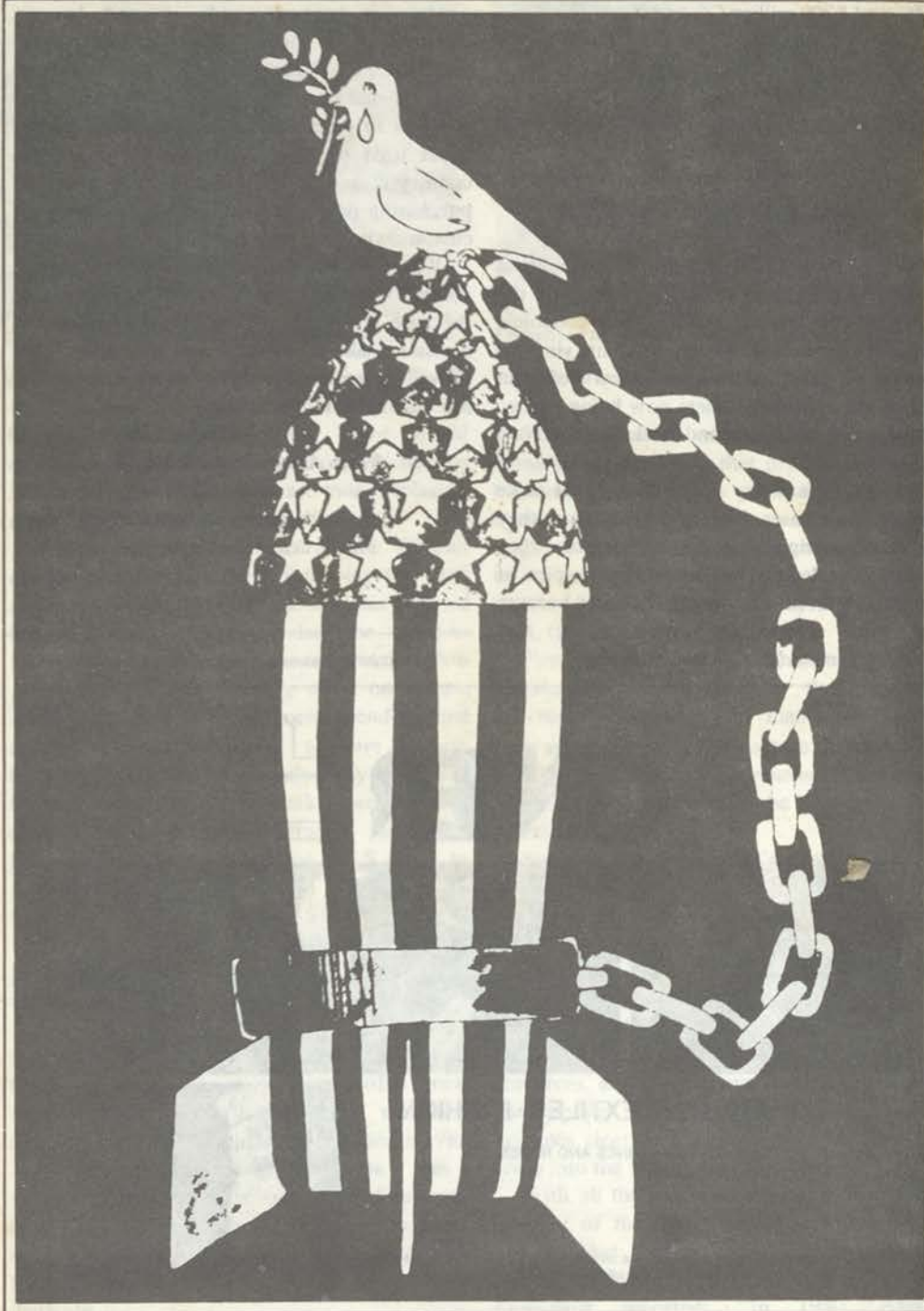
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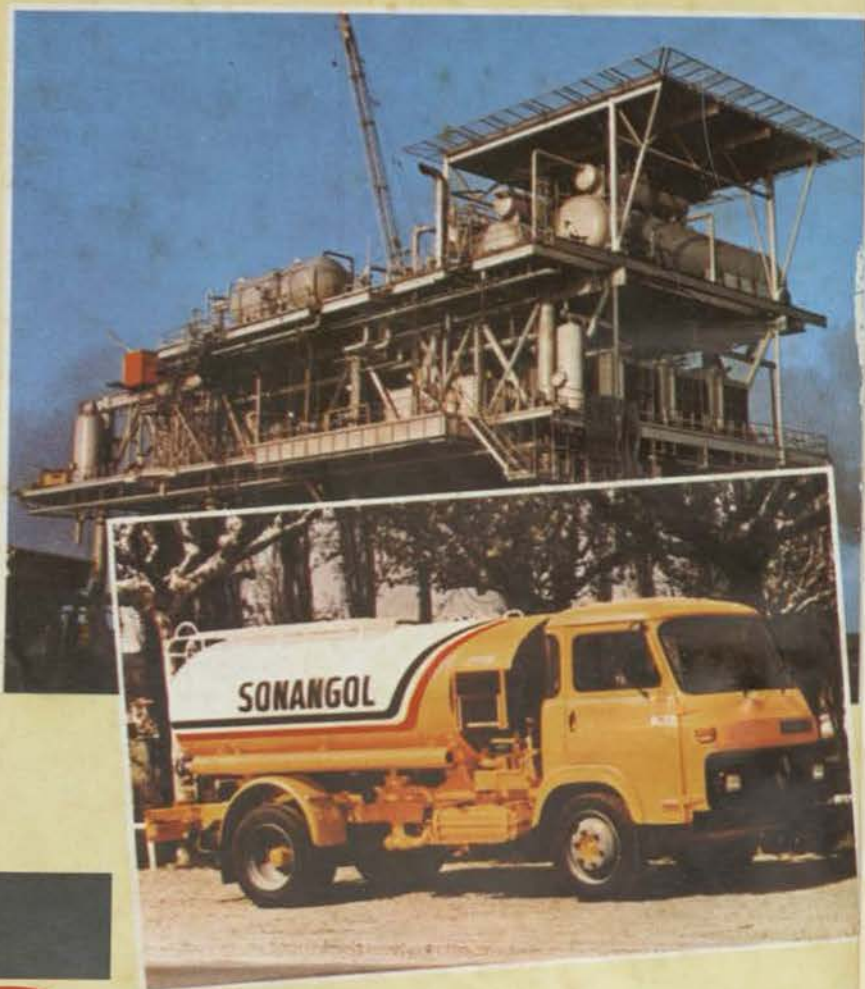
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