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Inequality, Democracy and Development under Neoliberalism and Beyond

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Introduction

This book is the collection of articles by young researchers from Latin America, Africa and Asia who were laureates of the South-South Institute held in Bangkok, Thailand in November 2014. The primary objective of the South-South Institute is to offer advanced research training opportunities to the younger scholars on the diverse problems and challenges faced by the countries of the South, and the theoretical and methodological perspectives that might be appropriate for gaining a full understanding of the specific situation of the countries and peoples located outside the core of the international system such as it is presently structured. The main premise of this effort is the glaring inadequacy of much of the theories and methodologies developed in the North, as crystallised in the mainstream social sciences, to provide the required instruments for a sound understanding of the problems confronting the countries of the South. The Institute mobilises young scholars from across the three continents, involving them in discussion, critiques and adaptations of existing theories and the generation of alternative approaches.

The theme of the seventh South-South institute, "Inequality, Development and Democracy and Beyond" is of immense significance for the countries of the global South. Decades of experience of following neoliberal economic policies in various countries across the globe have provided ample evidence that we now live in a more unjust world than before. The withdrawal of the state has led to the emergence of powerful private entities and increased the power for global finance and transnational companies that are guided only by the motive of profit with no social compulsions, and are not even democratically accountable for their actions. This has been associated with significant increases in inequality in most countries and regions. The decentralisation of power and authority has been curbed severely, making nonsense of the rhetoric of democracy typically advanced by neoliberal ideologues. Nor has neoliberalism succeeded in delivering higher growth of putput and employment. As evidenced by the Great recession and the still ongoing financial crisis, the rise of neoliberalism has increased economic instability with grave welfare consequences.

Not surprisingly, for more than a decade now many countries, especially in Latin America, have gone "beyond" neoliberalism, experimenting with alternative policy regimes. The experiment is still on, but already many positive results are visible. The

developing countries of Latin America, Africa and Asia faced unique challenges, which led to each adopting different policy mixes for development in different phases of their post-War history. The homogenised policy framework imposed on these countries under the neoliberal agenda is now proven to be ill suited to address these country specific challenges.

In this context, the discussion at the South-South Institute revolved around several questions. How have policies in different countries in the South evolved over the past decade? How have the associated economic changes affected the social dynamics in these countries? Has neoliberalism been able to address the issue of inequality and development, or has the neoliberal model of development exacerbated the problem of inequality? How do the pre and post liberalisation periods compare in terms of changing trends in inequality, poverty, unemployment, etc? How has the changing nature of State power affected democracy in these developing countries? Has neoliberalism empowered democratic governments, or given rise to more autocratic States? Has neoliberalism caused economic and political power to be concentrated in the hands of the elite in these countries? How have the political formations in these countries responded? How has social tolerance in cases of ethnic, racial or other social divides been shaped in the liberalised period?

The articles in this book reflect both the individual contribution of the scholars themselves as well as the insights gained through discussions at the Institute. As the work of these young scholars shows, there are many variations in responses and in the nature of challenges in different countries of the South – and there are also many possibilities for fruitful analysis and for the development of alternative strategies. It is hoped that this book will add to the understanding of recent social and economic processes in the South as well as point to newer modes of interpreting them and of seeking progressive alternatives.

Inequities and Democracy: The Case of Post-Revolution Tunisia

Sofiane Bouhdiba[1]

Abstract

Many factors were behind the Tunisian revolution (January 2011). This study focuses on the socio-demographic determinants (pyramid of ages, high level of education, unemployment, under-employment, internet***…)***. It also examines the sharp inequities that existed between the upper and lower classes of society.

This research aims at checking the degree of inequalities in Tunisian society, and tries to see if democracy is a guarantee of more economic balance in society. The study is organized in three sections. The first one recounts briefly the methodology used in the survey. The second part presents the main results of the survey. The last part of the study discusses the main results of the study.

Introduction

On 14January 2011, in what has been called the Jasmine Revolution, Tunisians managed to end the totalitarian regime that had been brought in 23 years ago by General Zine El Abidine Ben Ali[2]. Many factors were behind this revolution, in particular, socio-demographic ones (pyramid of ages, high level of education, unemployment, under-employment, internet…), and the sharp inequities that existed between the upper and lower classes of society.

In fact, Tunisia was considered a model of political stability, and there was a general belief that such a situation was due to the absence of notable discrepancies in the population. In December 2010, the whole world discovered suddenly that there were so many inequities between the various classes of the Tunisian societies that this led to a revolution and the Arab Spring.

This research aims at checking the degree of inequalities in Tunisian society, and to try to see if democracy is a guarantee of more economic balance in society. The study is organized in three sections. The first one recounts briefly the methodology used in the survey. The second part presents the main results of the survey. The last part of the study discusses the main results of the study.

1 The author is a Professor of demography in the University of Tunis, and consultant with the United Nations.

2 He took power in a peaceful way on 7 November 1987

The Jasmine Revolution

The Revolution

It is difficult to determine precisely when it all began. As in the most popular uprising that has taken place in the world, the Tunisian revolution was the result of the accumulation of a multitude of micro-events, ending with a mass reaction.

The parabola of the water lily is a good example of what happened in Tunisia. In a pond, every day, the size of a water lily doubles, but nobody notices it. Slowly, the water lily covers half the pond surface, but still nobody realizes the emergency of the situation. Finally, the water lily covers the whole surface of the pond, suffocating it and eliminating all trace of life in what seemed to be a quite micro-environment. But now it is too late to do anything.

This is precisely what happened in Tunisia. Since 1987, when Ben Ali came to power, many small events took place, creating and then consolidating a sentiment of frustration: rackets, confiscation of land, unmerited promotions, abuse of power... When a citizen eventually expressed his frustration in a dramatic way, everything suddenly turned upside down.

If the young Mohamed Bouazizi did not immolate himself with fire on 17 December 2010, one day or another someone elsewould have committed suicide, or made an attempt at hostage-taking. Today, we say that it all started in Sidi Bouzid[3], but it could have begun anywhere in Tunisia. What happened in the beginning of 2011 could have taken place one year before, or two years later. It could have started during the popular turmoil that took place in 2008 in Gafsa (at the centre of Tunisia), or in August 2010 in Ben Guerdane (at the extreme south of the country). The goal of this research is to show that the conditions behind the Jasmine Revolution had existed for a long time.

Although it is difficult to determine the exact date of the beginning of the Jasmine Revolution, we will assume here that it all started on 17 December 2010 when a young man, a university graduate yet unemployed, was selling fruits on the street and had his things confiscated by the police. Vexed, he splashed himself with fuel and set fire to himself in front of the governorate headquarter of Sidi Bouzid, immediately provoking a wave of popular protests that ended on 14 January with a general strike and a riot grouping more than one million people in front of the Ministry of the Interior in the centre of Tunis.

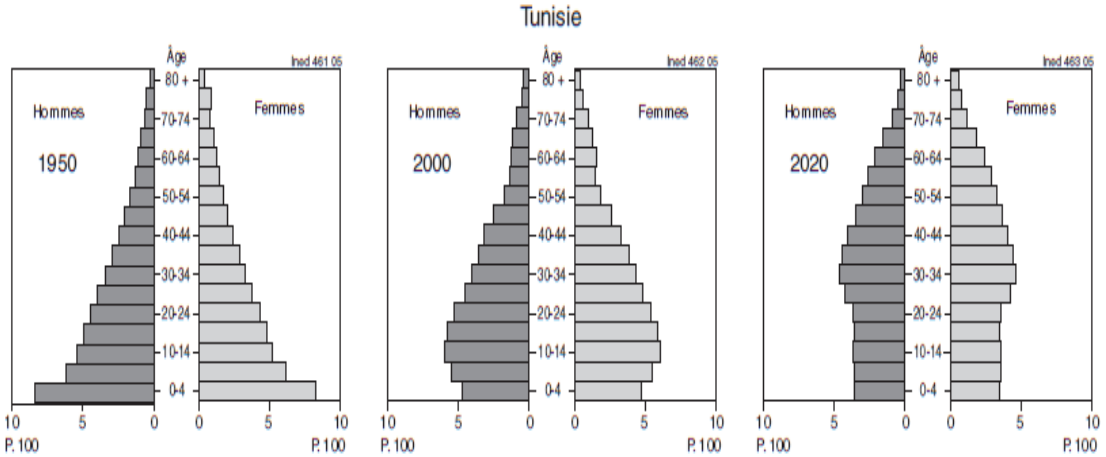
The Socio-Demographic Determinants of the Jasmine Revolution

Many determinants were behind the Jasmine Revolution. This second part of the study examines the socio-demographic ones, trying to determine if poverty was a major factor pushing the protestors onto the streets.

3 A poor town situated in the Centre of Tunisia.

The Youth

We estimate today that around 30 per cent of the Tunisian population is aged between 15 and 29 (belonging to the category of the 'young', according to the United Nations definition). This is clearly shown in the following age pyramids:



Undeniably, and despite an ageing process that started in the mid 1980s[4], the Tunisian population is very young. More precisely, it is at a point called 'demographic bonus'by demographers, that is, a period where the major part of the population is constituted of young men and women of an employable age[5].

This is very important, as we know that the Jasmine Revolution was initiated and consolidated by the young[6]. We can estimate that around 75 per cent of the demonstrators were aged between 15 and 29. Would there have been so many protesters in the streets if only six or seven per cent of the population was of that age?

Education

The Tunisian population is highly educated, as a result of the strategies of education for all settled since the independence of the country in 1956. In fact, the rate of school goers among children aged 6-14 has risen from 10 per cent in 1946 to 95.1 per cent today, with equalityamong genders (95.5 per cent for boys and 94.7 per cent for girls).

We could then say that education is nearly universal in Tunisia, with a high equity

4 As result of the collapse of the fertility level, which is today around 1.8 child/woman, that means below the replacement of generations level (2.1 child/woman)

5 This period is considered ideal because it offers the possibility to the majority of the population to contribute to the economic development of the country. But this can occur only in a situation of full employment.

6 The same president declared 2011 year of the Young.

between genders with regard to access to the schooling system, which is quite a rare phenomenon in the Arab world.

At the university level, the rate of enrolment (proportion of the young aged 19-24 registered in a university) is around 50 per cent today, with 260,000 students enrolled in the different universities. Thus, around 35,000 young men and women graduate every year from the 14 Tunisian universities, with poor prospects of finding a job. Paradoxically, the high level of education was a major problem in Tunisia and initiated the protest among the young and then the entire population.

Unemployment

Officially, the unemployment rate in Tunisia today is 15 per cent, but it is certainly over 20 per cent if we take into account the non-secure jobs (cleaners, watchmen, unskilled workers, unauthorized sellers, etc.). Compared to other countries in the Global South, Tunisia distinguishes itself with a high unemployment rate among university graduates. In fact, in 1984, the unemployment rate among graduates was only 0.7 per cent, while it was over 20 per cent in 2010, and reached 60 per cent in some sections, such as literature or human sciences graduates.

Such a situation creates frustration not only among the young, but also among their families, as they would have made many financial sacrifices to enable to their children to finish their education.

Urbanization

Today, 67 per cent of the Tunisian population is urbanized. And we know that, during the Jasmine Revolution, major events took place in the central squares of the big and middle-sized cities of the country.

In fact, the immolation of Mohamed Bouazizi, the burning of police stations, the attacks against the Ministry of Interior, the sit-in in front of the prime minister's office in El Kasbah, all took place in front of the symbols of the Ben Ali regime, in particular the headquarters of the governorates, the municipalities or the headquarters of the firms belonging to the president's clan. All these spaces are typically urban.

Empowerment

The traditional education programme, the strong opening on the Mediterranean and Europe, and globalization were major factors that contributed to the empowerment of women. Women played an important role in the popular manifestations that conducted the fall of the Ben Ali.

Internet

Internet has had a huge success in Tunisia, and one-third of homes have a direct or indirect access to the web[7]. Most of them live in urban areas. There are 305 cybercafes, nearly always crowded, as they are very popular and cheap[8]. In fact, internet access is easy for anyone who knows how to use a keyboard. The number of internet users has doubled in the past three years, reaching 700 000 users today, with more than 100,000 accounts. The number of connection contracts is about 24,000, and there exist around 2,000 Tunisian websites.

The Tunisian people are avid Facebook users. In fact, Facebook played a central role in the rapid organization of big rallies (more than 100,000 people). In fact, the Tunisian police are not used to dealing with such huge e-meetings. They have more experience in following individuals who meet in small groups in private spaces, such as houses and firms.

The Inequities Factor

When examining the determinants of the Jasmine Revolution, some remarks could be made concerning poverty and economic inequities.

First, it seems that poverty is not the leading factor, as people in the street were demanding more democracy, better governance, less corruption and social justice. One of the slogans of the protesters was: "*Khobz ou me, ou Ben Ali le!* (Bread and water, and no Ben Ali)." Protesters made it clear that they were not asking for improving their economic lives.

That was not the case a couple of decades ago, during what has been called the 'bread riots'. At the end of December 1983, following a request from the International Monetary Fund to stabilize the Tunisian economy, the government announced an increase in the prices of bread, and cereal products such as semolina. Soon after, on 3 January 1984, riots took place, starting from the poorest cities of the country (Douz, Kebili, Gabes, Kasserine…), and reached Tunis. On the 6 January, President Habib Bourguiba announced on television that all price increases would end. Today we are in a completely different situation.

Another fact is that the protesters of December 2010 belonged to various social classes, which was not the case in 1983, as the 'bread riots' were committed by the poor, those who were not more able to buy bread after the increase in prices. During the Jasmine Revolution, the elite had participated massively in the turmoil, and it was an honour for them to explain to the international media that they were not asking for economic measures but for democracy.

7 Agence Tunisienne d'Internet.

8 A one-hour connection is 1.8 Tunisian Dinars, about 1.4 US$.

The claim for more equity appears, then, as one major determinant of the Tunisian revolution. Unfortunately, four years after the fall of the regime of Ben Ali it does not seem as if Tunisian society enjoys more equity. To verify this, I have conducted a survey.

Inequity and Democracy

Manal Wardé, Director of Oxam for the Maghreb region, declared recently that "inequities are still a major fact in Tunisia, and the reasons that pushed the Tunisian people to revolt in 2011 still exist". According to Oxfam, the main evidence of inequities is "the unequal public investment, and the unequal access to public services between the interior regions and the coastal regions".

In April 2014, the American think tank Pew Research Center conducted a survey and came to the conclusion that 77 per cent of the interviewed Tunisians declared that inequities between the poor and the rich were the number one problem in Tunisia. Of a total of 46 countries, Tunisia ranks third concerning the perception of economic inequities, just behind Greece and Lebanon.

Lastly, Oxfam has estimated that, now that parliamentary elections have been achieved and the last steps towards democracy have been taken, it should be the priority of the new Tunisian government to reduce economic inequities.

In order to have a quantitative idea of the level of economic inequities in Tunisia, I conducted a survey during summer of 2014, with a sample composed of 195 individuals living in two areas : 95 individuals in Ettadhamen (10 km west of Tunis), and 100 individuals in Kasserine, a town situated in the centre-west of Tunisia.

The Survey

Methodology

The questionnaire includes 31 questions organized into four sections :

- Food: 4 questions
- Health: 11 questions
- Education: 2 questions
- Leisure: 2 questions

The method consists of comparing the level of life of the rich and the poor in the sample, using lower and top quartiles. The objective of the study is to check if there are still large inequities between the richest and the poorest, after the revolution, in the consumption of food, access to health, education and leisure.

Concretely, the method consists of three steps:

- **Step 1**: calculate top and lower quintiles
- **Step 2**: calculate the interquintile ratios: $\mathbf{R^q = Q^5/Q^1}$

For exemple, R^q (consumption of fish) = 3 means that 20 per cent of the richest consume three times as much fish as the 20 per cent poorest.

The analysis of the 195 questionnaires permitted to come out with the two following matrixes, one based on revenue, the other on environment (urban/rural):

Matrix of Inequities Related to Revenue

Criteria	Ratio
Food	R^q (number of meals with fruits and vegetables by month) (number of meals with fruits and vegetables in the top quintile-20% richest/number of meals with fruits and vegetables in the 20% poorest) **• Cité *Ettadhamen* : 1.7** **• Kasserine :2.7**
	R^q (number of meals with meat by month) **Cité *Ettadhamen* : 2.5** **• Kasserine : 3.4**
	R^q (number of meals with fish by month) **• Cité *Ettadhamen* : 1.7** **• Kasserine : 2.6**
	R^q (number of meals with mineral water, juice, wine… by month) **• Cité *Ettadhamen* :2.6** **• Kasserine : 2**
Health	R^q (perception of state of health, between 100:perfect health, to 0:near to death) **• Cité *Ettadhamen* : 1.7** **• Kasserine : 0.8**
	R^q (number ofmedical visits-control) Medical visit here meansgoing to the doctor for check-ups, not being sick **• Cité *Ettadhamen* : 2** **• Kasserine : 3**
	R^q (medical treatment) **• Cité *Ettadhamen* : 0.9** **• Kasserine : 1.4**
	R^q (entertainment) **• Cité *Ettadhamen* : 0.7** **• Kasserine : 1.3**
Hygiene	R^q (having a kitchen at home) **• Cité *Ettadhamen* : 1.4** **• Kasserine : 0.9**
	R^q (existence of WC) **• Cité *Ettadhamen* : 1.1** **• Kasserine : 1.2**
	R^q (existence of shower) **• Cité *Ettadhamen* : 1.9** **• Kasserine : 1.4**
	R^q (existence of sewers) **• Cité *Ettadhamen* : 1** **• Kasserine : 1.6**

Leisure	Rq (expenses on leisure) • **Cité *Ettadhamen* : 7.5** • **Kasserine : 2.8**
	Rq (Perception of level of life) • **Cité *Ettadhamen* : 2.1** • **Kasserine : 2.2**

Matrix of Inequities Related to Environment (Urban/Rural, Kasserine)

Criteria	Ratio
Revenue	RU (revenue) (revenue of urban/rural) **1.7 et 1.4**
	RU (activity) **1.2**
Food	RU (fruits and vegetables) **1.2**
	RU (meat) **2**
	RU (fish) **1.6**
	RU (mineral water, juice, wine…) **1.4**
Health	RU (health perceived) **0.9**
	RU (medical visits) **2.3**
	RU (medicines) **0.9**
	RU (entertainment) **1**
Hygiène	RU (existence of kitchen) **1**
	RU (existence of WC) **1.1**
	RU(existence of shower) **1.7**
	RU (sewers) **9.4**
Loisirs	RU(expenses on leisure) **1.8**

Results

We clearly see in the two matrices that most ratios are over one, meaning that there are inequities between the rich and the poor, and between urban and rural, the gap being in favour of the urban-rich population. There are only two ratios inferior to one in Kasserine: the perception of state of health (0.8) and the existence of a kitchen at home (0.9).

We also notice that the gap between the poor and rich is larger in Kasserine than in Ettadhamen. This may explain why the first turmoil that led to the Jasmine Revolution started in Kasserine.

Concerning food, the richest consume twice (1.7 to 3.4) as much as the poorest. In Kasserine, interquintile ratios are higher than in Ettadhamen. For example, in Kasserine, the consumption of meat by the richest citizens is 3.4 times higher than the poorest.

Concerning health, the gap is also large between rich and poor. Paradoxically, the poorest citizens living in Ettadhamen consume more medicines than the richest (R^q=0.9). This may be due to the existence of solidarity.

Concerning hygiene, the inequities are minor, if we except the existence of showers, where a gap still exists between poor and rich in Ettadhamen (R^q=1.9), and between the urban and rural population in Kasserine (RU=1.7). We notice, for example, that most households are equipped with a WC, whatever the revenue or the environment.

Concerning leisure expenditures, there are large discrepancies between the rich and the poor. In particular, in Ettadhamen, the expenditures of the richest on leisure are eight times as much as those of the poorest.

Conclusion

This study, based on a small survey, shows that large discrepancies still affect Tunisian society today, four years after the revolution. This may be a sign of failure, as we know that inequities were one of the major determinants of the Jasmine revolution. We could conclude that the first years of democracy are very difficult for citizens, as they experience economic difficulties due to political instability.

In the long term, it is more likely that the new democratic environment could create a framework for economic growth, and thus a reduction in inequities between the various classes composing society. In particular, with the parliamentary elections that took place on 26 October 2014, there are hopes of more democracy and less inequities in the coming years.

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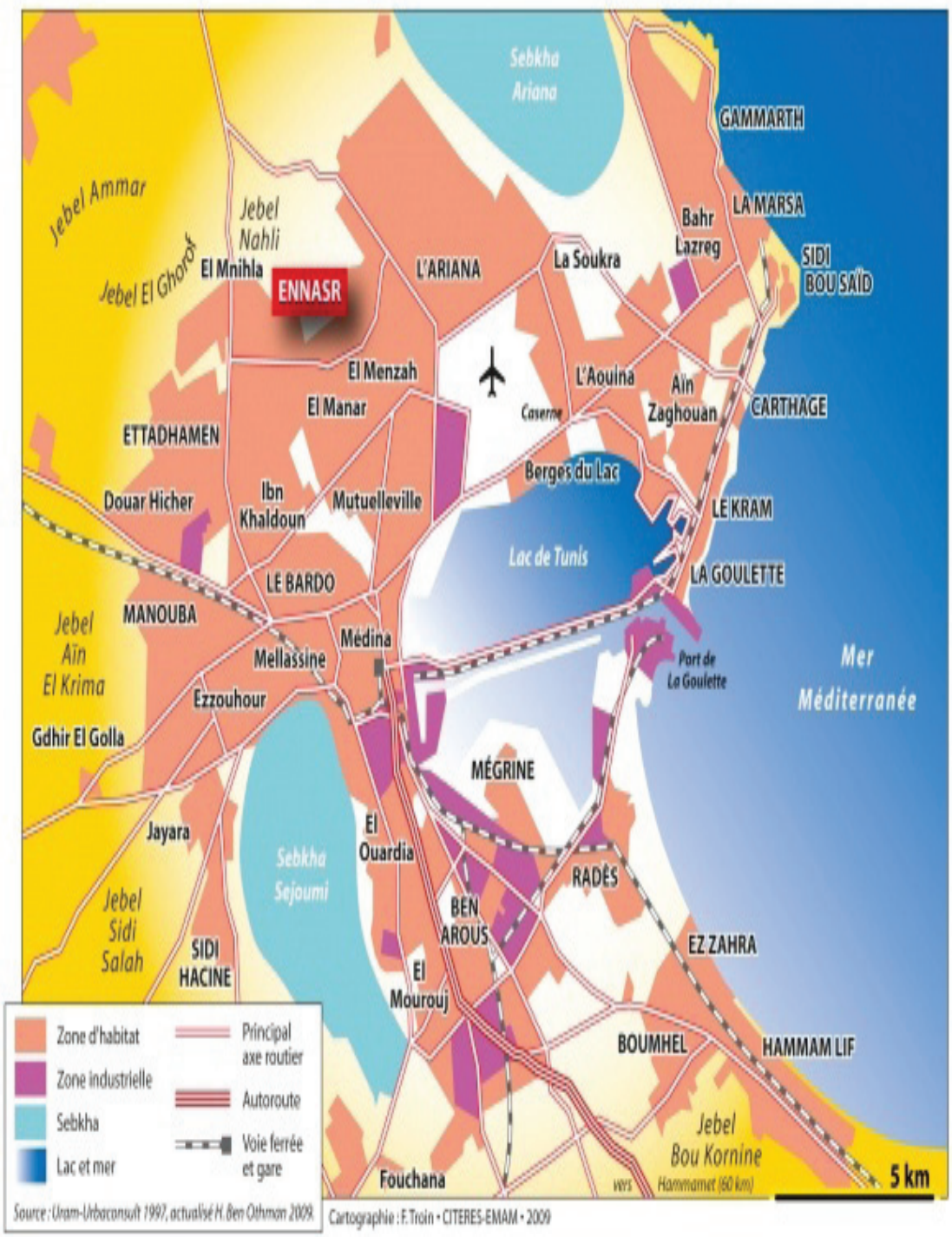
Annexures

Annexure 1: Survey area 1 (Cité Ettadhamen)



Annexure 2: Survey Area 2 (Kasserine)

Inequality and Democracy in a Developing Economy: A review of trends and prospects[1]

Nicholas Kilimani[a*2]

Abstract

This paper provides insights into the historical developments as well as configuration of the different forces which in the end determine outcomes in democratic societies, especially in the developing world. In this paper, we use existing empirical and theoretical literature to present a brief but intriguing exposé of the relationship between democracy or what it is perceived to be, redistribution and inequality in the developing countries. First, we examine the link between democracy, economic growth and equity, and then give a detailed analysis of the democratic experience in developing countries. This is followed by a highlight of the institutional and policy issues that drive democracy, governability and inequality in a developing country context. Most importantly, the paper also explains the reasons why democracy is expected to increase redistribution and reduce inequality, and why such an outcome may fail to be realized when democracy is captured by the powerful segments of society.

Finally, the paper shows that democracy can yield beneficial outcomes of the majority if, and only if, it is deliberately configured towards effective delivery in policy areas that influence the life chances of the majority. So far, however, the experience from the developing world has shown that those basic ingredients are largely missing.

Introduction

Keefer (2004) shows how a vast body of empirical evidence points to how governance failures are a root cause of slow and inequitable economic growth. This, in turn, has been fronted as the characteristic cause of the dismal social economic performance in most poor countries. Such evidence has justified the prioritization of governance on many policy research agendas. This approach has been fronted with the view to better understand the political economy of economic development.

A number of theoretical arguments can be made about the causal relationships that operate over time between a country's years of democratic experience and income inequality; and income inequality and the stability of democracy. Empirical evidence

1 This paper draws extensively from Kohli (2014), *The State and Development in the Third World: A "World Politics" Reader.*

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points to the fact that continuous and qualitative measures of years of democratic experience are estimated to have a significant negative impact on income inequality, independent of economic development and other control variables, for a sample of 55 countries (see Muller, 1998). Similarly, a strong inverse correlation is observed between income inequality and regime stability for a sample of 33 democracies. This association holds independent of economic development, which is found to have no direct effect on democratic stability after controlling for income inequality.

José and Wacziarg (2001), in their study of how democracy affects growth, show that democracy fosters growth by improving the accumulation of human capital but is less robust in lowering income inequality. Conversely, democracy may hinder growth by reducing the rate of physical capital accumulation through raising the ratio of government consumption to GDP. Once all indirect effects are accounted for, the overall effect of democracy on economic growth was found to be moderately negative. In addition, Olson (1982), among others, has argued that policy-making in democracies tends to be captured by interest groups whose demands increase the size and scope of government. In fact, democracy was also found not to have a direct and necessary bearing on a more egalitarian distribution of wealth and status in society.

Thus, democracy as a form of government, democratization of power as a political process, and socio-economic democracy as a possible goal, are analytically and empirically distinguishable. A democratic government, however, may be seen as an improvement over the authoritarian governments because people in most countries prefer a predictable to an arbitrary government, value the freedom of expression and association as ends in themselves, and increasingly hold that they have a right to have some say in the selection of their political leaders.

It is against this background that the paper reviews the known effects of governance on development, the interrelationship among the different dimensions of democratic governance, and the different forces which serve to drive the observed outcomes, especially in the developing world. The review highlights important questions and impediments which need to be addressed, particularly with respect to how democracy can best serve the preferences of the majority. The basic premise of this paper is to demonstrate that democratic governance, although necessary, is not sufficient to facilitate democratization of power in society. The latter requires political struggles and deliberate crafting of institutions and policies within the framework of a democratic government. The paper is organised as follows. Section 2 discusses the the link between democracy, economic growth and equity. A detailed analysis of the democratic experience in developing countries is given in Section 3, while Section 4 gives a higlight of the institutional and policy issues that drive democracy, governability and inequality in

a developing country context. A concise explanation of why inequality may not decline despite the postulations in both theoretical and empirical literature on the positive role of democracy as a tool for resolving inequality is given in Section 5. Section 6 gives a conclusion and summary of emerging issues from the review.

Democracy, economic growth, and equity

A number of factors influence the distribution of assets and income that a market economy generates. These include the distribution of innate abilities and property rights, the nature of technology, and the market structures that determine investment opportunities and the distribution of human and physical capital. Therefore, the impact of a political system on distribution depends on the laws, institutions and policies enacted by it. However, the nature of institutions or policies which a political system generates depends on the distribution of power in society and how political institutions and mobilized interests aggregate preferences (Acemoglu et al., 2013). For example, institutions which concentrate political power within a narrow segment of the population – typical of non-democratic regimes – are expected to generate greater inequality[3]. A number of channels exist through which such impacts are generated. One would be the enactment of policies benefiting the politically powerful at the expense of the rest of society, including policies such as pushing down wages by repression and other means. This was the case during the apartheid era in South Africa prior to 1994.

Generally, empirical literature is very far from having consensus on the relationship between democracy, redistribution and inequality. Several studies have reported a negative relationship between democracy and inequality using specific historical episodes or cross-national studies. Persson and Tabellini (2003) present cross-national evidence; and Lapp (2004) points to a statistical association between democratization and land reform in Latin America. Other studies find contrasting results. For instance, Sirowy and Inkeles (1990) and Gradstein and Milanovic (2005) have argued that cross-national empirical evidence on democracy and inequality is ambiguous and not robust. Therefore, cross-national evidence on the impact of democracy on economic growth, and of democracy on equity, is highly inconclusive. Whereas all democracies may share some political traits that are economically consequential, non-democracies do not. In the latter case, many countries have had highly development oriented authoritarian regimes. Many factors – which include rates of investment, infrastructure, quality of human capital, level of research and production of knowledge, quality of organization and management,

3 Non-democracies tend to be dominated by the rich, either because the rich wield sufficient power to create such a regime or because those who can wield power for other reasons subsequently use it to enrich themselves.

and balance of intersectoral investments – influence economic growth. Since it is difficult even to assign weights to these proximate determinants of growth, the cross-national quantitative studies, attempting to relate democracy systematically, are bound to remain highly inconclusive.

Acemoglu et al. (2014) provide theoretical evidence on why the relationship between democracy, redistribution and inequality may be more complex than empirical expectations might suggest. First, democracy may be 'captured' or 'constrained'. In particular, even though democracy clearly changes the distribution of de jure power in society (see e.g., Acemoglu and Robinson, 2006), policy outcomes and inequality depend not just on the de jure power but also on the de facto distribution of power. For example, Acemoglu and Robinson (2008) argue that, under certain circumstances, those who feel that their de jure power is being eroded by democratization may sufficiently increase their investments in de facto power (e.g. via control of law enforcement, mobilization of non-state armed actors, lobbying, and other means of capturing the party system) in order to continue to control the political process. If so, the impact of democratization on redistribution and inequality may not be observed.[4] Similarly, democracy may be constrained by either other de jure institutions such as constitutions, conservative political parties, and judiciaries or by de facto threats of coups, capital flight, or widespread tax evasion by the elite.

Second, democratization can result in "Inequality-Increasing Market Opportunities". Non-democracies may exclude a large fraction of the population from productive occupations (e.g. skilled occupations) and entrepreneurship (including lucrative contracts) as was the case in apartheid South Africa or the former Soviet bloc countries. To the extent that there is significant heterogeneity within this population, the freedom to take part in economic activities on a more level playing field with the previous elite may actually increase inequality within the excluded or repressed group, and consequently entire society.[5]

According to Acemoglu and Robinson (2008), each elite agent individually contributes to their collective de facto power, which needs to be greater in a democracy to exceed

4 Relatedly, there could be reasons for dictators to redistribute and reduce inequality to increase the stability of that regime (e.g. Acemoglu and Robinson, 2001, and Albertus and Menaldo, 2012, more generally). Plausible cases of this would be the land reform implemented by the Shah of Iran during his White Revolution of 1963, to help him become more autonomous from elites (McDaniel, 1991), the agrarian reforms made by the Peruvian military regime in the early 1970s (Chapter 2 of Seligmann, 1995), or the educational reforms in 19th century oligarchic Argentina (Ellis, 2011).

5 Empirical evidence shows that inequality has in fact, increased in South Africa between 1990 and 2000 (or 2005) and in ex-Soviet countries between 1989 and 1995 (or 2000), periods that bracket their democratic transitions in 1994 and 1989 respectively. This is probably, at least in part, driven by the increase in inequality amongst previously disenfranchised blacks and repressed citizens (see Whiteford and van Seventer, 2000, for South Africa and Milanovicv, 1998, for ex-Soviet countries for a detailed exposé on the post-democracy distributions of income).

the increased de jure power of poor citizens. Under certain conditions, the main result, the study argues, is that the probability of the elite controlling political power is invariant to democratization – or more generally, may not increase as much as it may have been expected to, due to the direct effect of the change in de jure power. Similarly, a democracy may be highly dysfunctional, or effectively captured, if its institutional architecture is chosen by previously restricted franchises or dictatorships. Acemoglu et al. (2011) develop a model where the elite can take control of democracy by forming a coalition in favour of the continuation of patronage, keeping the state weak. This has been the case in many developing countries. This arrangement has not been completely different even in developed economies (see e.g. Gilens and Page, 2014, for an intriguing insight into the travesty of democracy even in a developed society).

Acemoglu et al. (2013) revisit the relationship between democracy, redistribution and inequality. Using a number of theoretical reasons, they detail why democracy is expected to increase redistribution and reduce inequality, and why such an outcome may fail to be realized when democracy is captured by the richer segments of the population. Specifically, Acemoglu et al. (2013) argue that when a democracy caters to the preferences of the middle class, or when it opens up disequalizing opportunities to segments of the population which were previously excluded from such activities, it exacerbates inequality among a large part of the population. The notable example for this is the post-apartheid South Africa. They suggest that inequality tends to increase after democratization when the economy has already undergone significant structural transformation, when land inequality is high, and when the gap between the middle class and the poor is small.

Democracy in developing countries

The experience of developing countries with democracy has been mixed. The early attempts at creating democracies in the 1950s failed because neither the state-society relations within, nor the global context of the developing countries, was conducive for the consolidation of democratic regimes. This was especially the case among poor countries with small urban middle classes, and influential traditional elite with roots in landed wealth, a considerable elite-mass gap, and nonexistent or weak political institutions. These circumstances encouraged the political elite in a few countries to reconsolidate traditional polities (Middle Eastern countries) and in few others (China and Cuba) to undertake revolutionary overthrow of the old regimes. The global context of the Cold War also hindered consolidation of democratic experiments in the developing world.

- In East Asia, the indigenous traditions were deeply authoritarian. The colonial

impact often reinforced these tendencies. This area was also a battlefield for the cold war – especially Korea and Vietnam.

- Africa emerged from colonialism in late 1950s and early 1960s. Its political forms were characterized by weak central and civic authority and of poorly established public spheres. Democratic experiments, therefore, evolved into sectional conflicts over distribution of state power, leading to military coups.
- Democratic experiments in Latin America too experienced a similar fate. Conditions of deep inequalities, established business and landed interests, as well as US sponsored Cold War politics in the region, led to coups (examples include Brazil, Chile and Nicaragua) as the region became a ideological battleground between capitalism and communism.

The reasons for the failure of democracy in developing countries across the world can be summarized as lack of domestic political cohesion and an unfavorable global environment. India stands as an exception. With rapid economic growth in countries such as South Korea and Brazil, the case for authoritarianism received a boost. Similarly, the success of China and Cuba in creating more egalitarian societies and eliminating bottom level poverty also helped in creating a favorable impression for communism. This, however changed by 1980s when more and more countries started shifting from the authoritarian forms to democracy.

The economic and political performance of the authoritarian regimes was being increasingly questioned over the 1980s. On the economic front, the 1974 oil crisis set the stage for global economic contraction. Wary of the political consequences of slow economic growth, numerous authoritarian rulers sought to "borrow and grow" their way out of the adverse global circumstances. While this strategy had marginal success in East Asia, it contributed to a severe debt crisis in Latin America and Africa. As a consequence, the rulers who presided over this economic downturn found themselves in growing political difficulty. Reduction in threats from communism – the ending of the Cold War – undermined one of the major reasons for the existence of autocratic regimes.

Many authoritarian rulers like Fedinand Marcos (Philippines), and Mobutu Sese Seko (Zaire) turned out to be no less corrupt than their predecessors, and therefore came to be seen as an obstacle to more desirable forms of government. There was also a shift in power balance within the countries; the power of the traditional elites declined with the emergence of the urban middle class, which was less nationalistic, more attuned to global economic and political trends, and concentrated in urban centres. Performance based legitimacy of many authoritarian regimes declined henceforth. Many authoritarian rulers, upon taking power, had made themselves minimally acceptable to their citizens by promising superior performance in establishing political order and facilitating economic

dynamism. Over time, however, these claims began to appear hollow. Since coercion seldom provides infinite resources to maintain rule, declining legitimacy and growing opposition reinforced each other, contributing to eventual change in regime. China, North Korea, Indochina, and many countries of Southeast Asia still remain exceptions.

Democracy, governability and inequality

Most new democracies in the developing world have continued to find the tasks of consolidating these democracies and providing effective governance difficult due to various institutional and policy issues.

Institutional issues

- Disintegration of authoritarian regimes was often relatively rapid, which left in its wake a divided elite and a mobilized populace with heightened expectations, and weak links between the elite and the masses. As a result, the elite tended to co-opt each other in perpetuating their self interests more often at the expense of the populace.
- Irrespective of the levels of civil society activism during the anti-authoritarian phase, power in many new democracies has come to rest in the hands of a few individuals, if not a single leader. These leaders have done everthing to weaken state insitutions and civil society in order maintain a firm grip on power for decades on end – e.g. Blaise Compaoré, Burkina Faso, 1987-2014; Yoweri Museveni, Uganda, 1986 to date; Robert Mugabe, Zimbabwe, 1987 to date; Eduardo dos Santos, Angola, 1979 to date.
- Since strong institutions constrain powers of individuals, there has been an incentive for leaders to undertake periodic deinstitutionalization. The consequence has been the inability of the state to address the very basics of service delivery in many contexts. Masses have been left to fend for themselves with rising inequality as the end result.
- In elite dominated polity bereft of strong institutions, leaders have mobilized socio-economic groups more as power resources in intra-elite struggles, and less to satisfy group aspirations.
- Leaders who acquire power because of a personal appeal (the system of ‘individual merit’ in Uganda) have had little incentive to encourage the development of political parties. On the contrary, parties as institutions often constrain the individual discretion and power of towering leaders. Thus, leaders have not had the incentive to strengthen political parties and have instead reconfigured their dynamic to look like it is personal property. The

recent case in Uganda of a fallout between Yoweri Museveni, the National Resistence Movement (NRM) party chairman, and John P. Amama Mbabazi, the party Secretary General, over the latter's rumoured ambitions to contest for party chairperson and national presidency is a just case in point. Similar struggles have happened in Kenya between Jomo Kenyatta and Tom Mboya, Julius Nyerere and Oscar Kambona in Tanzania, Kenneth Kaunda and Simon Kapwepwe in Zambia, and Kamuzu Banda with Kanyama Chiume in Malawi.

A related but separate institutional issue concerns the political problems generated by misdirected state intervention. An interventionist state in the early stages of development has difficulty in establishing a separation between the public and private spheres in social life. The most important consequence of this, from the point of view of democratic consolidation, is that an interventionist state cannot claim that distributive problems are social and not political. Also, an interventionist state typically controls a substantial proportion of a poor economy. Thus, many of the society's free-floating resources are controlled by politicians and bureaucrats. The consequence of it is worsening inequality, perpetuation of lip-service, and the creation of public programmes whose end goal is more for regime survival than a concerted effort to better the lives of the masses.

Policy issues

The emergence of free market capitalism has not been spontaneous – it has been both due to the influence of external powers and the imposition of ideology by the ruling elite. The short term consequences of economic liberalization programmes have made most members of society worse off. As a matter of fact, the level of inequality is becoming an increasing function of economic liberalization. In the absence of social safety nets, coupled with the breakdown in public service delivery, the consequences are becoming evidently disastrous.

The gap between expectations and reform induced reality generally aggravates the problems of fragile democracies.

In the short run, there have always been problems such as implementing economic reforms. The choice of reform strategy continues to be of considerable significance for consolidation efforts. The short to medium term problems pertain to the political consequences of democracy under developing-world conditions of weak political institutions, divided societies, and heavy state intervention. What is clear is that the consolidation of democracy in a developing economy remains an a endeavour full of hurdles.

Why inequality may not decline: Captured democracy and constraints on redistribution

Greater democratization may not always reduce inequality. First, even though democracy reallocates de jure power to poorer agents, richer segments of society can take other actions to offset this by increasing their de facto power. This possibility, noted in Acemoglu and Robinson (2008), can be captured in the following sense. Suppose that the distribution of income has mass at two points – the rich elite who are initially enfranchised, and the rest of the citizens who make up the majority of the population and are initially disenfranchised. Suppose, in addition, that the rich elite can undertake costly investments to increase their de facto power, meaning the power they wield outside what is strictly institutionally sanctioned – such as their influence on parties' platforms via lobbying, or repression through control of law enforcement, and/or non-state armed actors (see Acemoglu et al., 2013a; Santos and Robinson, 2013; Acemoglu et al., 2013b). If they do so, they will "capture the political system", for example; control the political agenda of all parties.

Other mechanisms include de jure constitutional provisions that restrict the scope for redistribution which remain unaltered during democratization. For instance, Siavelis (2000) and Londregan (2000) argue that the constitution imposed by the Pinochet government in Chile prior to the transition to democracy was a way to constrain future redistribution. Another way may be the threat of a future coup, preventing democracy from pursuing high redistribution. Ellman and Wantchekon (2000) discuss how fear of a military coup induced voters into electing Charles Taylor in Liberia in 1997 (see also Acemoglu and Robinson, 2001).

Conclusion and emmerging issues

The overall assessment shows that democracy is not associated with extremes of growth performance. On the issue of economic growth, stable developing democracies are likely to fall in the middle range. A somewhat middle case can be made for democracies on the equity aspect because democracies are unlikely to undertake radical property redistribution. Over time, however, if democratic politics result in democratization of power, then democracies may generate some pressures towards greater equalization. The policy implication, however, is clear: improvements in equity may be compatible with democracy if, and only if, the design of new democracies consciously aims to strengthen social democratic institutions, such as social democratic parties, peasant and labour associations, careful decentralization, and restructuring of the role of governments away from unnecessary intervention and towards those policy areas that influence the life

chances of the majority. So far, the experience from the developing world has shown that those basic ingredients are in the meantime far from attainable in most countries.

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Problematizing Media and Democracy in Africa: Decolonial Perspectives

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Abstract

The relationship between media and democracy in Africa has attracted vast scholarly attention since the so-called third wave of 'democratization' hit Sub-Saharan Africa (SSA) in the early 1990s. Much of this scholarly work is premised on Euro-American centric theories. To the extent that these theories are held to be universal, they hinder critical theorization of the role of bilateral/multilateral donors and Western policy think tanks that have materially and ideologically supported media policy reforms and the democratization agenda in Africa. I argue that this donors' support is not neutral, but is tied to certain material and ideological interests. This reality therefore provides a backdrop from which to interrogate and problematize the role of these global actors in major media policy debates in SSA. To do this, I move away from dominant Western models and theories and rely on decolonial theories which are broadly committed to theorizing the problematic of colonisation, (post) coloniality and decolonization. Decolonial perspectives have intimate links with strands of postcolonial thought, subaltern theory, dependency, World System analysis and African political thought. I use these theories to critique the material and ideological legacies of the colonial encounter that continue to shape and influence the politics and practices of media reform and practices in Africa.

Key Words: Media, Democracy, Decoloniality, Coloniality, Donors

Introduction

The broad questions of how media access and consumption impact on the fostering of civically and politically engaged citizens has been the object of much research since the emergence of democracy debates in Sub-Saharan Africa (SSA) from the early 1990s onwards. The language of citizenship through the media entered the political discourse in the region in the 1990s, during the so-called 'third wave of democratization'. Over the years, the 'democracy project', has led to massive political and economic changes in the region, accompanied by broader media reforms in the print and broadcasting sectors. The media reforms have certainly brought media diversity and pluralism across many countries in the region. The relationship between media and democracy has attracted

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vast scholarly and policy debates over the last 25 years, most of it centred on the belief that a free and democratic society is impossible without free and independent media and an active civil society. These studies broadly see the media and democracy as symbiotically related (e.g. Ronning, 1994; Berger, 1998; Tettey, 2001; Hyden, Lesley & Ogundimu, 2002).

As we enter the third decade of democracy, there is need to disrupt and unthink some aspects of the media and democracy nexus and create new discourses. To do this, I draw on a decolonial critical theoretical frame to unsettle and critique the dominant understandings and practices of democracy, human rights and media. Decoloniality is an epistemic and political project that seeks to liberate knowledge, power and being, and entails an undertaking of "producing a radical and alternative knowledge" (Grosfoguel, 2007: 211) outside the bounds of Eurocentrism. According to Walsh (2007: 226), "Western thinking must be confronted and a different thought constructed and positioned from 'other' histories and subjectivities".

In this paper, I make three key arguments. First, I argue that the democracy, human rights and the normative media frameworks are modernity projects. Following Suarez-Krabbe (2011, 2013), I contend that these two concepts need to be understood in the historical materialization of European modernity which itself "emerged through a relationship of exploitation, violence and control that Southern Europe practised against its African and American *others*" (Suarez-Krabbe 2013: 83, emphasis original). The second argument I am advancing is that the media and democracy agenda that emerged in SSA in the early 1990s is a form of coloniality. I state that disciplinary neoliberalism has been used by the West to impose the democracy project and neoliberal media reforms on Third World countries. Democracy promotion derived and financed by dominant Western actors has been essentially an imperial project designed to serve Western interests. The third argument is that the narratives and ideas framings media and democracy debates essentially emerge from Euro-American epistemic sites and this leads to some form of epistemic coloniality.

This paper is divided into three major parts. The first section locates democracy and freedom of expression in debates on modernity. The next section demonstrates how the media and democracy (Western) agenda as manifested in SSA is a form a coloniality. The third section discusses issues of epistemic coloniality and explores how NGOs and policy elites in SSA (re)appropriate and circulate dominant media policy reform discourses produced in Western knowledge centres. The paper ends with an argument for an epistemic rupture and unthinking of the media, democracy and human rights discourse.

Media and Democracy in Africa: A Brief Context

In the developing world, most importantly in SSA, the 'third wave' of democratization in the 1990s saw the introduction of economic and political reforms in the form of multi-party democracies, and the adoption of economic structural adjustments programmes promoted by the World Bank and International Monetary Fund (IMF). Underpinning these reforms were pervasive discourses of democracy, human rights and good governance, and the media was seen as one of the tools for achieving these ideals. The international community thus urged African governments to reform print, broadcast and telecoms media. Non-governmental organizations, with funding from Western bilateral donors, pushed the media reform agenda. In Southern Africa, this was most prominent with the establishment of organizations such as the Media Institute of Southern Africa in 1992 following the passing of the *Windhoek Declaration on Promoting an Independent and Pluralistic Press*[2] the previous year, which stated that anindependent press is "essential to the development and maintenance of democracy in anation and for economic development".

(Re)Theorising Media and Democracy

Existing academic accounts of media and democracy in SSA have predominantly derived their analyses from two dominant approaches. The first one, liberal-pluralism primarily focuses on political-legal issues such as freedom of expression and questions of state-media relations (e.g. Hyden et al., 2002; Kupe, 2003). In this approach, the media is seen as the Fourth Estate, defender of the public interest and guardian of democracy. The second approach is rooted in Marxism and political economy arguments which view the media as integrated into the existing economic and political elites and therefore reflecting their interests. In the analysis of African media, scholars using these Marxist perspectives have provided robust critiques to processes of deregulation, liberalization, privatization and commercialization that have accompanied media reforms on the continent (e.g. Ronning, 1994; Tomaselli and Dunn, 2001; Heuva, Tomaselli, K. and Tomaselli, R., 2004; Nyamnjoh, 2005; Banda, 2006; Moyo, 2006; Moyo and Chuma, 2010).

As useful as these two dominant approaches have been in scholary conversations, they have made little or no effort to problematize the role of actors, ideas and interests in

2 *The Windhoek Declaration* was formulated and adopted at a seminar on promoting an independent and pluralistic African press, held in Windhoek, Namibia (29 April–3 May 1991). The seminar also paved the way for the UN General Assembly Decision on 20 December 1993 to establish 3 May as World Press Freedom Day. Windhoek was the first of five major regional seminars on the same theme organized by UNESCO and the United Nations Department of Public Information with the active collaboration of a number of press freedom organizations between 1991 and 1997 all over the world –Alma Alta Declaration (Kazakhstan), Santiago Declaration (Chile), Sana'a Declaration(Yemen) and Sofia Declaration (Bulgaria) (Boafo, 2001, n.d.).

shaping the media and democracy agenda. Although media reform policies in Southern Africa have mainly been championed by human rights-based advocacy NGOs, their fostering has been done by bilateral and multilateral donors, Western think tanks and private business interests. The support of media reforms by these actors is not neutral, but is tied to certain material interests. The 'democratization' agenda, under which the media reforms project falls, has been central in promoting the West's foreign policy interests (e.g. see Scott, 1999; McFaul, 2004; Scott and Steel, 2011). It is this reality that I argue provides a backdrop from which to interrogate and problematize the role of these global actors in major media policy debates in Southern Africa. In his seminal work on African political thought as an alternative epistemic framework for analysing African media, Banda (2008) opens up opportunities to rethink and question the dominant theoretical models used in examining media reforms on the continent. He suggests that African political thought, which is part of postcolonial theorizing, can be applied to analyse the role of the media in nationalist resistance and struggle and post-independence construction of African statehood. In addition, African political thought enables us to ponder how contemporary media and cultural production are caught up in the structures and processes of globalisation (Banda, 2008). In these endeavours to rethink Western theories, a number of African scholars have introduced in their study of African media, elements of critical theory as post-colonialism and Afrocentricism (e.g. Fourie, 2008; Wasserman, 2008;Sesanti, 2010) and Afriethics (Kasoma, 1996). These scholars critique Western notions of journalism ethics, which they argue are constitutive of the capitalist world-system, and propose a media normative framework embedded in *Ubuntu,* which puts emphasis on community and collectivity –it moves away from the Western preoccupation with 'self' (Fourie, 2008). According to Fourie (2007:10), *Ubuntu* is therefore "a moral philosophy, a collective African consciousness, a way of being, and a code of ethics and behaviour deeply embedded in African culture". This move to use non-Western paradigms to analyse African media, feeds into a larger movement by primarily US and Europebased scholars to 'internationalise', 'de-Westernise' or 'decolonise' the field of media and cultural studies (Curran and Park, 2000; Abbas and Erni, 2004; McMillin, 2007). In line with this alternative way of thinking and theorizing the media-society nexus in Africa, I use decolonial critical theoretical approaches.

Decolonial theories are rapidly gaining ground in critical social theory. These theories originate in Latin America and are generated by liberation and world systems scholars who have articulated this theory as a response to the historical crises resulting from the project of Western modernity in the Global South. It is noteworthy that although decolonial critical theories are associated with experiences from Latin America, their genealogy can be traced to a group of thinkers of liberation like Aime Cesaire, W.E.B. Dubois, Amilcar

Cabral, Franz Fanon, Cheikh Anta Diop, Kwame Nkrumah, Walter Rodney, Thomas Sankara and Steve Biko, to name but a few who confronted coloniality and its principal apparatuses. In addition, decolonial theories invoke some of the key arguments in the postcolonial and pan-Africanism projects. Walter Mignolo (2011) states that decoloniality has its historical grounding in the Bandung Conference of 1955 which brought together countries from Africa and Asia, thus the political and epistemic foundations of decoloniality have been in place for over five decades. Nelson Maldonado-Torres states the following:

> The decolonial turn does not refer to a single theoretical school, but rather points to a family of diverse positions that share a view of coloniality as the fundamental problem in the modern (as well as postmodern and information age), and decolonization or decoloniality as a necessary task that remains unfinished (Maldonado-Torres 2011: 2) .

Using the term 'coloniality', decolonial theories attempt to understand the "continuity of colonial forms of domination after the end of colonial administration" (Grosfoguel, 2007: 219). It is argued that with decolonization, we have moved "from a period of 'global colonialism'" to the current period.

Coloniality exists in the realms of power, knowledge and being. Peruvian sociologist Anibal Quijano (2007) coined the term *coloniality of power* which is "a global hegemonic model of power... that articulates race and labour, space and peoples, according to the needs of capital…" (Escobar, 2007: 185). This concept helps us understand how social and political power is distributed, and how this distribution (access to power) is connected to a history of colonization and forms a dynamic part of global imperial designs (Quijano, 2007). I argue in this paper that this coloniality of power is implicated in global processes that direct and fund media and democracy projects. As stated earlier, the democratization agenda, under which the media reforms project falls, has been central in promoting the West's foreign policy interests. As Saltman (2006) and Reifer and Mercer (2005) have argued, democracy promoting initiatives are not benign, but are usually strongly tied to the donor countries' geo-strategic priorities. *Coloniality of knowledge* refers to the manner in which Eurocentric knowledge systems are privileged over other knowledges and epistemes (Mignolo, 2007). Quijano (2007:169) states that "African modes of knowing, of producing knowledge, and of producing perspectives became subordinated to Euro-American epistemology that assumed universal proportions and universal truth". Hegemonic narratives are thus projected as absolute and other knowledges outside the bounds of Western modernity are ignored, marginalized or repressed. More critically, however, coloniality speaks to the issues of location and the locus of enunciation. Grosfoguel (2007) articulates that knowledge is situated, and in terms of the locus of enunciation, the location of the enunciator is geopolitically and

historically important. For instance, one can be geographically located in Africa, but articulate issues affecting Africans from the loci of the empire. For instance, as I argue, NGOs and policy elites in Southern Africa articulate and frame debates on media policy reforms from the empire's locus of enunciation. For the purpose of this paper therefore, coloniality of power and knowledge are used to problematize neo-liberalism which has underpinned the media and democratic project and knowledge production processes implicated in this project respectively.

Locating freedom of expression and democracy in Modernity

Many studies on media and democracy have not been overly critical of the modernist aspirations of the democratization agenda. The notions of democracy, human rights and freedom of expression are taken as pre-given and are not often subject to scrutiny, and yet these notions have their foundations in the European modernity project and have been influenced by early classical thinkers such as John Milton and John Stuart Mill (Keane 1991). Dominant scholarly narratives of modernity trace their origin to the 17th century. For instance, Giddens (1990:1) notes that modernity refers to modes of social life or organization which emerged in Europe from about the 17th century onwards, and which subsequently became more or less worldwide in their influence. This view suggests that modernity can be explained by factors that are generally internal to Europe (Escobar, 2007: 181).This paper teases out ideas of Latin American philosopher Enrique Dussel (e.g. 1993, 2000), who puts forward a theory of two stages of modernity. Dussel (2000) locates the origins of modernity with the Spanish conquest of the Atlantic in 1492, rather than in the dominant and commonly accepted processes of Enlightenment in the 18th century. Dussel dismisses as partial and provincial the understanding of modernity as essential or exclusive European phenomenon (Dussel, 1993:65). He calls this the "myth of modernity", as it denies and conceals its negation of the other and hides its underside and its suppression and disqualification of subaltern knowledges and cultural practices (Escobar, 2004). The understanding of modernity as essential or exclusive European phenomenon is thus partial and provincial (Dussel, 1993:65). Rather than the Eurocentric version of modernity, Dusselargues for a world perspective view of modernity that sees 1492 as the date of the birth of modernity during the conquest and colonization of America, "when Europe was in a position to pose itself against an other, when, in other words, Europe could constitute itself as a unified ego, exploring, conquering, colonizing an alterity that have back its image of itself" (Dussel, 1993: 66). This period also marked the origin of the capitalist world system. According to Dussel's central thesis, this conquering was not only for economic reasons, but demonstrates a

modernity "that is constituted in a dialectical relation with a non-European phenomenon, but one constituted in a dialectical relation in a non-European alterity that is the ultimate content" (Dussel, 1993:65).

The 'second modernity' (1645-1945) took shape through the processes of Reformation, Enlightenment, Industrial Revolution, colonisation of Africa and the spread of Europe's hegemony over the Atlantic and these events must be seen as the result and consequence of the 'first modernity' rather than a starting point (Dussel 2000). Thus "the second stage of modernity... expanded and broadened the horizon started in the fifteenth century" (Dussel 2000:470). The European dominance over Africa took place in this second phase of modernity and can be generally separated in two historical moments. The first moment began in the early 17th century with the establishment of exploitative slave trade along the West African coast. The second moment came in the 19th century just as the slave trade was abolished by Britain and United States. This second historical moment saw the actual colonisation of the continent that commenced soon after the Berlin Congress of 1885 (Chowdhury 1997: 37).

The capitalist world-system expanded to cover the whole planet during the second phase of modernity (Wallerstein, 1979) in tandem with Euro-American processes of nation-building, citizenship rights and democracy. Therefore, the genesis of narratives on freedom of expression and human rights in the 17th centuries, linked to European philosophers such as Milton, Locke and Stuart Mill, need to be understood within this 'second phase' of modernity. Grosfoguel (2002:2012) states that while categories of modernity such as citizenship, democracy, human rights and nation building were "acknowledged for the dominant northwestern Europeans, the colonial others were submitted to coerced forms of labour and authoritarian political regimes in the periphery and semi-periphery". While Europe has been preaching democracy in Africa, what it has created through the colonial encounter, is "an intensely antidemocratic, violent, deeply racist, hierarchical, and exclusionary form of leadership (Soyinka-Airewele 2010:120).

Although the idea of human rights as conceived by European liberal thinkers consists of the premise or claim that every human being is sacred, at its conception did not include black people, Jews, Muslims and women. The idea that the African was a lesser human being pervaded the Enlightenment period. Today, even as human rights have been made universal as demonstrated in the Universal Declaration of Human Rights (UDHR), cultural relativists argue that human rights remain "a product of the dominant Western parts of the world, framed in their language, reflecting their needs and aspirations" (Brems 1997:142). As Mutua (2010:339) reminds us, Africa was not present at the drafting table of the UDHR and the Latin American men who were invited were 'decidedly Eurocentric'. Mutua goes to on to argue that although the UDHR is framed as

an ideologically neutral project "that orbits in space, not anchored in historical, cultural and ideological choices" (2010: 340) and its drafters present the human rights idea as universal, ahistorical and nonideological, in reality the drafting of these document was informed by Western liberal pluralist thinking and practice (Mutua 2010:338). In other words, it can be argued that the concepts of democracy and human rights are a product of Western liberalism and are still centred on Western-centric epistemologies and world views. This is manifested in dualist thinking that has framed the West's democracy and human rights project in the Global South. Democracy and human rights discourses remain the core part of a hegemonic world order that reinforce pre-existing imperial tendencies. Rajagopal (2006:769) cautions against viewing the human rights discourse as post-imperial discourse, "unsullied by the ugly colonial politics of pre-1948, when the Universal Declaration of Human Rights (UDHR) initiated the modern human rights movement".

Democracy and dualist thinking

Although democracy is seen to have 'arrived' in the Global South in the 1980s and 1990s, I argue that it should be seen as the continuation of the post-WWII development agenda which was premised on 'modernizing' the non-Western man. Dussel reminds us that the development agenda is not a product of post-WWII, but is rooted in modernity and Eurocentrism discussed in the last section, that are implicit in the "fallacy of developmentalism" which "consists in thinking that the path of Europe's modern development must be followed unilaterally by every other culture … development is taken here as an ontological, and not simply a sociological or economic, category" (Dussel, 1993: 67-68). The idea of development comes from a belief in a single modernity centred in Europe and imposed as a global design on the rest of the world that has subalternized other local histories and designs. Development is thus part of the rhetoric of modernity. As stated earlier, the darker side of modernity did not only involve the conquering of other people, as stated earlier, but also the alteritization of the 'other'. As Dussel (1993:66) argues, modernity was born "when Europe was in a position to pose itself against an 'other', when, in other words, Europe could constitute itself as a unified ego exploring, conquering, colonizing an alterity that gave back its image of itself". Therefore this thinking has developed into a form of dualism that sees the world in a rigid binary, e.g. capital-precapital, Europe–non-Europe, primitive-civilized, traditional-modern (Quijano, 2000: 552) and believes in a non-linear and unidirectional evolution from a primitive state to a modern European existence. This Manechian world of tradition vs modern is based on the foundational myths of modernity that consider all non-European as "displaced on a certain historical chain from the primitive to the civilized, from the

rational to the irrational, from the traditional to the modern, from the magic-mythic to the scientific" (Quijano, 2000:556). Boaventura de Sousa Santos (2007:45) terms this duality of thinking as "abyssal thinking" consisting of "visible and invisible distinctions, the invisible ones being the foundation of the visible ones". Abyssal thinking was at the centre of the making of colonial zones as "the other side of the lines" and metropolitan zones as "this side of the line". The developmental agenda that emerged in the 1950s in the wave of the end of the World War II and Third World decolonization was based upon this form of dualism and abyssal thinking. For instance, US President Harry Truman, in his inaugural speech in 1949 stated:

> More than half the people of the world are living in conditions approaching misery … Their economic life is primitive and stagnant. Their poverty is a handicap and a threat to them and to more prosperous areas. For the first time in history, humanity possesses the knowledge and the skill to relieve the suffering of these people (cited in McPhail 2009: 4-5).

The West thus took it upon itself to embark on a 'civilizing mission' to move developing countries from 'primitive' to 'modern'. The post World War II modernization paradigm saw the media as one of the tools to engender development. The mass media, particularly radio, were viewed as being central to improving the economic and social lot of the poor in the southern hemisphere. In recent years, new media technologies (ICTs) have replaced mass media in perpetuation of the same thinking. The 'ICT for Development' supported by a host of multinational institutions and bilateral donors, posits that ICTs contribute to economic growth and sustainable development and uncritically projects the appropriation of ICTs as being equivalent to progress and modernisation (Chiumbu, 2008). This thinking is best encapsulated in the oft-quoted opening lines of the World Bank World Development Report (1999): "Knowledge is like light. Weightless and intangible, it can easily travel the world, enlightening the lives of people everywhere. Yet billions of people still live in the darkness of poverty" (p. 1, cited in Chiumbu, 2008). Drawing on post-colonial theory, post-development scholars such as Escobar (1995), Crush (1995) and Rahnema and Bawtree (1997) have offered a critique of the modernist ideology underpinning the development paradigm. They argue that the development project represents the 'Third World' as backward, problematic and in need of Western intervention. Although the development project faced many crises and critiques from dependency and Third World scholars, it remained trenched as a Western policy towards the Global South. But in the 1990s, it was apparent that development, as an idea, had run its course. In its place, the discourse of democracy emerged. The paradigm of modernization was reinvented as democracy as illustrated by Abrahamsen:

> The disciplinary aspects of development can be illustrated through the sudden inscription of democracy as a necessary condition for development assistance in the early 1990s. The good governance agenda spearheaded by the World Bank and adopted by most bilateral donors, was heralded at the time of its emergence as a radical break with a development tradition tainted by its frequent support for the strong or authoritarian state, due both to a pervasive Cold War logic and to a conviction that democracy was suited only to industrialised countries...on closer inspection however, the good governance agenda, appears to be less of a radical break with the past, in that it reproduces the hierarchies of previous development where the Third World is still to be reformed and delivered from its current stage of underdevelopment by the West (Abrahamsen, 2003:202-203).

Democracy has been mainstreamed into development strategies of multilateral institutions and Western states. Dualist thought framing the development agenda is apparent in discourses of democracy wherein African Third World societies are positioned as the deviant Other to those of Western Europe and North America (Koelble and Lipuma, 2008). Robins et al. (2008) argue that the exporting of liberal democracy to Africa by Western donors, NGOs and governments, can be seen as part of a "new civilizing mission" that seeks to modernize and democratize the Third World (cited in Chiumbu, 2013: 68-69).

Democracy, Western interests and global coloniality

As discussed at the beginning of this paper, the early 1990s witnessed the promotion of democracy by Western countries in many countries in SSA. Democracy was tied in with discourses of human rights and good governance. The form of democracy that flourished in the 1990s, and continues to do so, has mainly been of the liberal version. While this form of democracy has been heavily critiqued as stated at the beginning of this chapter, very few scholars have questioned its Eurocentric and modernist framings. It would not be wrong to say that attacking democracy is considered sacrilegious. Democracy has become an international norm that is beyond critique. But using the lens of coloniality, it becomes clear that the Western understanding of democracy and its attendant practices towards the Global South reveal the workings of coloniality of power. Because it operates in a hidden form, coloniality of power is able to provide a 'human face' to ideas and practices that promote Western interests that may be detrimental to Africa and its subjects.

In the early 1990s, the promotion of democracy was seen as a priority focus of the post-Cold War foreign policies of Western governments and some multilateral organizations. Western states and institutions began to increasingly link their development assistance/aid to democratization. In this vein, many countries in SSA were coerced to adopt economic structural programmes which were accompanied by several conditionalities, such as realigning policy frameworks with those of the West as a precondition for participating in the global economic system (Mengisteab, 1996). Thus, in the course of the 1990s, the promotion of liberal democracy, good governance and human rights became progressively both an objective and a condition for aid by Western donors. These aid conditionalities opened avenues for the transfer of Western policy ideas, instruments and frameworks, under the mantle of promoting democracy and good governance. In relation to the governance agenda of the early 1990s, Ihonvbere argues:

> In the majority of African states, development planning, financial matters and public policy were already being determined, influenced, or severely constrained by the policies, interests, and power of these bodies [World Bank, IMF] and bilateral donors. Political conditionality therefore, would create a platform to using the disbursement of foreign assistance to condition, influence, and determine the content and context of politics, the political agenda, and the overall ideological content of politics (Ihonvbere, 1994).

Countries that did not conform to the dictates of liberal democracy were disciplined through withdrawal of aid. Coloniality of power thus operates under myriad forms of structural violence, a form of violence which is indirect and non-physical. The radical anthropologist Paul Farmer states that structural violence is subtle, often invisible and embedded in the political and economic organization of our social world. Structural violence can also be related to what Zizek (2009) calls 'objective' violence which falls into two further forms. The first is 'symbolic' violence "embodied in language and its habitual speech forms ... the second type is 'systematic' violence located within economic and political systems" (cited in Ndlovu-Gatsheni, 2012: 421). It is this systematic violence that is hidden within structures of global coloniality. A form of structural violence that is implicated in the democratization agenda is disciplinary neoliberalism (Haardstad, 2012) which is "an imposition of neoliberal policies and market structures on nation-states by multilateral institutions (Chiumbu, 2013: 69). As Giroux (2008:1) argues, neoliberalism as the dominant discourse of our time is "reproduced daily through a regime of commonsense and a narrow notion of political rationality". This "regime of commonsense" has made capitalism as the only economic system of organizing life, to the detriment of many people who have suffered under this system. Processes of deregulation, privatization

and economic openness have led to increased inequality, exclusion and suffering for many people in the region. Freedom of expression and human rights NGOs in Africa are in a way implicated in reproducing coloniality, and act as 'translating' centres that help consolidate a form of democracy which is subtly underpinned by the hegemony of neoliberalism.

Epistemic Coloniality

NGOs have been high-profile actors in the field of democracy and human rights in Africa, both as providers of services to vulnerable and marginalized communities and as campaigners for policy change and reform. They have also provided ideas and narratives framing development discourse and policies. What is noteworthy is that these ideas are often highly conditioned by hegemonic perspectives drawn from global policy institutions, think tanks and multinational corporations. These actors have set the agenda and terms of policy debates –problematizing issues and providing solutions. In Africa, debates on media, democracy and human rights have been influenced by discourses such as 'liberalization', 'privatization', 'deregulation' 'media pluralism' and diversity'. These policy discourses have been shaped in high-level conferences and meetings. These discursive spaces wield tremendous influence in policy formulation and also assist in consensus formation. NGOs working in the media and freedom of expression sectors have peddled these hegemonic ideas on democracy and human rights, often without any critical assessment, and have used them to design media declaration documents such as the *Windhoek Declaration on Promoting an Independent and Pluralistic Press (1991)*, *African Charter on Broadcasting* (2000)and *Declaration of Principles of Freedom of Expression* (2002). These declarations, espousing a neoliberal media ideology, are considered 'home drawn' and 'African-driven', and indeed to some extent they are. But I argue that the participation by domestic NGOs in global conferences and epistemic communities entail a process where the NGOs and other domestic elites inadvertently move their viewpoints to match the views and class interests of Western dominant actors. It is not being suggested that NGOs in the South are unthinking and have no agency, but the creation of consensus around hegemonic discourses is conducted through 'soft' forms of power that mask power dynamics. So NGOs such as Media Institute of Southern Africa, the Media Foundation for West Africa and Freedom of Expression Institute, "through a mixture of policy learning and 'soft forms' of coercion, act as facilitators of policy transfer, articulating and repackaging hegemonic ideas on media reforms (Chiumbu, 2013:72). The construction of consent means that certain ideas and discourses around media reforms and democracy have become common sense. This

creation of common sense points to coloniality of knowledge or what Florescano (1994) calls "epistemic coloniality" – "the process by which the institutionalization of knowledge as scientific knowledge permits the integration of domestic elites into the dominant Western ideology of modernity" (cited in Ibarra-Colado, 2006, 464). Therefore NGOs and policy elites in Africa reproduce and circulate dominant ideas on media and democracy in campaigns, declarations, position papers and training programmes. This shows the close link between power and ideas.Foucault rightly argues that belief systems gain momentum (and therefore power) as more people come to accept the particular views associated with that belief system as common knowledge. This subtle form of power operates covertly. Foucault's notion of governmentality draws attention to the ways in which a multiplicity of authorities and agencies seek to shape people's behaviour by working through their desires, aspirations and interests (Abrahamsen 2003).

Concluding Remarks: Unthinking Media and Democracy

There is need for an epistemic rupture and unthinking of the media, democracy and human rights agenda beyond the narrow definitions imposed by European modernity through what Walter Mignolo (2000) calls "critical border thinking", the epistemic response of the subaltern to the Eurocentric project of modernity or "pluritopic hermeneutics" referring to the possibility of "thinking from different spaces, which finally breaks away from Eurocentrism as sole epistemological perspective" (Escobar, 2004: 219). Mignolo states that border thinking is not an anti-modern fundamentalism; it is a decolonialtrans modern response of the subaltern to Eurocentric modernity.As Ibarra-Colado (2006: 479) states, it is important "that we move towards a different modernity: one that does not rely on totalitarian models or a single ideology". In concert with this line of thinking, Chinweizu et al. (1980) emphasize the importance of working from the standpoint of Africa and not from some abstract universalism. The philosophy of Africanity privileges Africa as a starting point of subjectivity, what Mafeje calls "endogeneity– a scholarship grounded in and driven by the affirmation of African experiences and ... an intellectual standpoint derived from a rootedness in the African conditions; a centring of African ontological discourses and experiences as the basis of one's intellectual work (Adesina, 2008: 134-135).

This unthinking or epistemic rupture comes at a time when two centuries of Euro-American domination, due to the rise of countries like China and Brazil, have given way to some form of a multicentric structure, and this calls for a review of theories that sorely rely on the Euro-American experience (Rehbein, 2010:1). The current political and economic moment that the world finds itself in provides opportunities to counter

the dominant conceptualization of neo-liberal democracy that has been dominant since the 1980s. Recent developments and events such as the global financial crisis that [un]folded from 2008 onwards, Occupy Movements and the Arab Revolutions in 2011 indicate that we may be entering a period of 'non-hegemony' and an era of significant transformation in the organization and structure of world order. In addition, as Six (2009, cited in Chiumbu, 2013: 74) asserts, the rise of new state donors such as China or India questions not only the established modes of development cooperation but also the development paradigm as a whole, and the consequence is that "the Western dominance which for decades determined the external and internal relations of many developing countries, is in decline". As Cox states, "We are living in a time of gradual disintegration of a historical structure, which not so long ago seemed to be approaching what Francis Fukuyama once called 'the end of history'" (Cox, cited in Schouten, 2009:1).

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Limits to Democracy and Emancipatory Politics in South Africa post-1994

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Abstract

Who is the subject of democracy? For whom does it hold out promise, and how does the existential condition of those who aspire for freedom through democracy impose conditions upon the very practice of democracy? In this paper I show how racialized, classed, autochthonized and gendered people in South Africa are gradually being condemned towards a 'slow death', and towards an existence more akin to the 'living dead'. As the people's possibilities of freedom become more and more defined by and restricted to place, inward-looking logics – anti-immigration legislation and xenophobia– deepen the notion of South Africa's exceptionalism and, increasingly, the people seek a reactionary validation from within the ethnic group, nation and race. Such de-radicalization of a politics of being is more profoundly expressed as the reality of abject existence becomes apparent and the people no longer find validation or affirmation of their humanity in and of itself. Reduced to their 'entitlements' rather than their rights, the people are faced with the stark realization that the government has long abandoned them, and the race/nation/gender/class to which allegiance once meant a politics of resistance, now merely function as institutionalized identities, depoliticized by their (neo)liberal application under the constitution. As social identities becomes a liability, so too do any politics that suggest a common existence and a politics of struggle based on shared suffering. This atomization of individuals and their alienation from the structural roots of their oppression suggests the impossibility of claiming justice from a state that has long disarticulated its interests from those presented by the people, and now merely functions as a guarantor of society's slow death.

Introduction

In 2008 the African continent stepped out of its proverbial fishbowl and watched in horror as Black-on-Black violence in South Africa played out on television screens and mass media. Those who more accurately defined this dramatization of hatred as negrophobia, afrophobia and anti-Black violence (Mngxitama, 2010), also drew parallels with similar forms of violence in the West and sought to reveal the racial dimensions

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of this situation (Gordon, 2000). Not only did the characterization of this violence as xenophobic seek in fact to re-cast its victims as bereft of class or racial distinction ("victims of a crime without context or history"), more insiduously, it facilitated the very state – "untransformed, racist and anti-Black, now under the management of the ANC" (Mngxitama), that had since 1994 continued to structure the oppression of Black people in South Africa – in casting aside its singular culpability and enabling it to lead the declared war against xenophobia. This culpability is, of course, shared by liberals everywhere, who worked hard to anomalize violence that emerged directly from a marginalized, disenfranchized section of society that expressed their brutalization upon the only sites that remain admissible, visible and accessible to them – bodies which like their own reflect a brutalization beyond rescue. The liberal mediator (for his participation remains an oxymoron and impossibility) condemns even as he authorises. This authority that any state is able to periodically regenerate towards its own ends, marks the denouement of the liberal democracy, which in functioning for and on behalf of the bourgeoisie class, Marx might have characterized as producing its own gravediggers, no differently from its capitalist iteration. Twenty years into the post-apartheid (liberal) democratization project in South Africa, the marriage between liberalism and capitalism is indeed complete – institutionalized and almost autonomously functioning entirely towards the oppression of Blacks in industry, in the academy, in the townships and on the streets. The surest marker of this institutionalization is in its implementation that has turned the poor and those termed as 'undesirable' into a mere statistic, presented as fact. On violence that assumes this nature, it is not the individual *acts* of violence that guarantee its severity, but rather its processes – through institutions, conditions and structures – that ensure its autonomy and absolves its perpetrators, the real ones, of which are not the hapless border patrol officer, policewoman or man, or immigration officer. The post-1994 state has returned underground – this time as a reactionary, murderous, anti-Black and anti-intellectual apparatus of the White racist captialist patriarchy that insists on defining and imprisoning the notion of democracy as a function of the Enlightenment – endangered by anything or anybody that challenges its essential racism.

More recently, the violence against movements of the landless, the homeless and mine-workers in Marikana exemplify an equally terrifying reality of a state that has cemented its union with capital.

Marikana further exposed the limitations of understanding the mine-workers' strike and massacre from a narrow Marxist and nationalist historiography in which the worker is theorized purely as a subject of capitalist exploitation devoid of agency, subjectivity and context (Naicker, 2013). In her illuminating feminist analysis, Naicker sought instead to show the migrant in the Marikana community as residing "within a subaltern history

of colonialism, apartheid, and elite nationalism", reasserting a conception of democracy and an attempt to deepen and explore democratic praxis in what she views as more meaningful and participatory ways than the "official domain" – what in this paper I too critique as the institutionalization and instrumentalization of democracy – of politics would allow marginalized people (Naicker, 2013). In connection to this one might again pose the question, who is the subject of democracy? The mine-workers' struggles, the struggles in resistance of the "gears of the machine" (Brown, 2014), and intellectual struggles to account for communities that remain unaccounted for even on the Left, are all for emancipation, and are being expressed in a terrain of politics that is grounded in a genuine desire for democracy. Yet to understand the demands, and indeed the limitations of these demands, for freedom is to hold up for scrutiny the post-1994 state and its challenges to freedom (as a real possibility) under democracy.

Who is the subject of democracy?

Democratic theory proceeds from the imaginary of the oppressor as speaking on behalf of those who require rescuing and recognition, and from the imaginary of the oppressed as that which stands in evidence as capable of being claimed. Read in totality, democracy implies a subjective ceding of power and an objective assimilation that redirects oppression away from the histories, cultures and politics that necessitate it. The democratic man, in Rancière's observation, is armed with the unique ability to reify the inherent dignity of every human being – the "rights of man" being the symbolic iteration of a new man endowed with a just, conscientious and moral imperative different from the contexts which create him, yet still functioning within the same context. Yet what does it mean to cede power? What does it mean to re-imagine a self as apart from its inherent subjections? What does it mean to be able to claim power and what does it take to existentially *express* power as something other than an oppositional force that is always in resistance? Upon what conditions might power materialize as an objective force rather than always as a subjective one?

Beyond these conceptualizations of people/citizens within a sovereign state lie even more precariously situated groups who, while not able to claim citizenship by fact of foreign nationality, are nonetheless entitled to certain forms of rights by virtue of their humanity that is shared across the cultural/political sphere (say Pan Africanism), as well as the sphere of political economy. These groups, more than any other, represent the complexities attached to notions of 'sovereign' power. For what does it mean for the state to exercise its sovereignty based on imperialist impulses that valorized identity formation as a form of rule (race/ethnicity/gender/class), yet at the same time devaluing

those oppressed by such valuations? To suggest the workings of imperialized logics, now articulated to the global political economy, as undermining the idea of state's sovereignty, however, is neither to suggest the state as 'powerless', nor an attempt to over-determine the fact that states themselves become complicit in forms of governmentality that emphasize these imperial links. It is, rather, to highlight the problem with the spatial notion of state sovereignty, given that post-Westphalian states are at present "increasingly compromized by growing transnational flows of capital, people, ideas, goods, violence, political and religious fealty" (Brown, 2010: 22) and can no longer exert sovereign power. I view this problematic as critical in understanding the nature of emancipatory politics in the postcolonial transition to democracy.

Understood differently, the notion of 'autonomy' of states at the current juncture of monopoly finance capitalism in the neoliberal era is fundamentally undermined by the captivity of the state to the interests and machinations of global capital. As such, while states no longer exercise control over their transnational borders, the expectation that states continue to *act* out their sovereignty remains tangible (e.g. through the dichotomies under liberal democracy that distinguish good/legitimate/developmental states from bad/illegitimate/failed states). If, as Arendt in equating sovereignty with tyranny suggests, "only power arrests power", then the unbridled flow unleashed under late capitalism ought to be read as a mechanism that both acts against the excesses of the state and inspite of the state. In other words, as symbolizing both the erosion of nation states and their mutability to global capital. It is this contradiction that the paper seeks to examine in the sections that follow, arguing that the conditions imposed on states under neoliberal capitalism demand a more expansive notion of the practice of democracy to interrogate the emerging form/s of sovereignty (which Brown suggests is no longer to be found in the state but rather in the political economy) and the possibilities of emancipatory politics against the challenges being posed by these new forms of what is considered 'sovereign'. This latter view is further complicated by the concern that if statelessness corresponds not only to a situation of rightlessness, but also to a life deprived of public appearance, how could those excluded from politics possibly claim and indeed enact Arendt's notion of the one true human right, the "right to have rights"? (Schaap, 2011: 22).

Injurious and delegitimating logics of the neoliberal capitalist state

Individuals enter the market and its self-rationalizing tendency essentially as an absence. That is, under neoliberalism, we are confronted with the fantasy of the possibility of markets without people, and an even more fantastical notion of 'equality' of exchange,

through which people become (are humanized) in and only through their participation in a realm assumed to include everyone. The neoliberal state applies all of its apparatuses, including its political devices and institutions in maintaining this logic. In it, human beings are no longer viewed in terms of their individual potentialities, capacities, or indeed freedoms to realize their worth or value as human. Rather, the free market fundamentalism that presently defines South African society means that individuals only enter into the consumerized realm as commodities – according to their self-worth (based on the notion of who *does* rather than *can* access the market), and more strikingly, according to their ability to participate in the market. Those, like refugees, undocumented workers, migrant workers and so forth, are circumscribed from this possibility (of entry) by the structural forces that detest their temporality. The reason being that the markets cannot account for these foreign, undocumented, and thus 'undesirable' individuals. Indeed, recent studies of biometrics in South Africa, discussed in detail below, illustrate precisely how critical such accountability is to the neoliberal imperatives of the state.

Biometric accountability forms part of the growing spectrum through which individuals are being interpellated and compelled to partake, not so much in the state as citizens, as in the market as available, obligated, disciplined and assured consumers. It is also one of the new means through which neoliberal states and their flagrant, speculative markets have merged to consolidate and guarantee the survival of both state and market. The notion of a migrant, mobile, unemployed, immiserated and exploited worker, whose income in the labour market is unlikely to be locked into the economy (illustrated well by South Africa's restrictions on external cash remittances), thus remains a notion that contradicts the particular logics of the bourgeois state.

It is in these ways that the neoliberal project there and elsewhere continues to contradict the democratic project there and elsewhere. It is the *demos* in the service of the state and not vice versa. It implies recognition (constitutional/institutional) based upon accommodation constituted by the negation of oppression, as opposed to subjectification, which would compel a regime of rights and liberties that actually recognizes or acknowledges the humanity of all – humanity as a universal possibility. Instead what we witness is this possibility as an impossibility, a universality that manifests as a function of exclusion of certain histories, cultures, politics and identities. For the Black, undocumented, migrant worker appears or is constituted in this site of 'rights' as a negation, as an impossibility and as an "undesirable".[2] It is then their non-existence that most contradicts the human dignity that seeks expression through struggles for democracy,which in its present iteration remains an almost absolute fantasy.

2 The language adopted by the Department of Home Affairs to describe foreign nationals it wishes to expel from the country.

Foreign owners of capital, of the means of production – regardless of their racial identity – escape this trap, for their being is inducted and legitimized precisely through the markets they exercise control over, a spectre that haunts the globe, phantom-like in its mobility and transnationalism, espousing a materiality that is determined in the last instance by capital. This is the primary force driving ongoing patterns of land and resource accumulation on the continent – the reign of markets which undermine the sovereignty of states at the same time as they deny the power of those who lay legitimate claim on the land. The division is then (and in this formulation, is dialectically) that between capital and labour; of economic imperatives that determine the ways in which individuals subjectively reinscribe their own exclusion by appealing to the state for redress, and through claims-making that legitimize a rights regime that in the first instance is circumscribed by discrimination, exclusion, dehumanization and negation. The colour-blindness of capital, though, renders invisible the fundamental anti-Blackness of exclusionary neoliberal regimes, resistance to which ought to unite people on the basis of race in their struggles against oppression under late capitalism.

Furthermore, the evasion of class analysis in late capitalist societies has meant that we *talk around* the nature/truth of our particular oppressions, and evade rather than confront it. The notion of human rights, of identities as inherent, are formulations through which we construct alternative ways not only of viewing ourselves in relation to that world, but also of explaining how it is that we get to become as we are – in our denied, denigrated, oppressed states. In other words, that our existential realities present themselves as objective truth, divorced from the structures, institutions and conditions which generate different realities for people differentially racialized, classed and gendered. What would it mean then to put aside this ontological reality, and where might it lead us to interrogate with Gordon (2012), assumptions regarding what we are, where we are and what they are? What is the reality of Black people? Or of people in a given space or country or time? If, as Gordon's reflections suggest, *reality is not that the people are a problem but is rather the conditions that construct people as a problem*, then it becomes possible to assume an ontological position that denaturalizes identities as essentially legible and available for inclusion or redress.

The former ontological reality disingenuously redirects a burden towards individuals by constructing subjectivity around identities – and away from the conditions that necessitate identification in certain ways, as such leaving unchallenged the status quo. What do we invite when it is our identities that continue to evolve around a static set of conditions which in reality *are* worsening? What do we make of the reality that our actions as beings living and existing in a capitalist world with its alienating and destructive tendencies, are also implicated in this depletion? Is it not the case that identities so

constructed upon our perceived injuries eventually come to define the *condition/s of being* itself? This inability to perceive individuals as being not just victims – and hence inscribed with and subjected to the precarity of their identities – but rather as 'collective subjects of their own liberation' (Neocosmos, 2011: 362), which reinstates a dialectic that both ontologically recognizes the universality of freedom, and paradoxically, legitimates the struggles (and violence, as with Fanon) that genuine freedom entails. In Nietzche's rendering of this paradox, "the free man as a warrior". What harm then, does liberal-democracy's universalization of oppressions, negation of difference and delegitimation of legitimate violence (as struggle), hold out for the realization of emancipatory politics? I turn below to an examination of some of these predicaments in relation to South African state practices, and meanings for the democratic project there.

In so doing, it is critical to make a clear distinction between what is presented as the liberty to claim freedom, and what in reality undermines the freedom to practise difference. For instance, here we might ask what alternative trajectories of emancipation can be read within South African, and more broadly, African postcolonial feminist struggles that are not embedded in the liberal normative discourse of human rights? If human rights as a normative discourse has functioned instrumentally in regulating forms of subjectivity and intersubjectivity, and further, authorized normative violence, what does it mean to overturn such subjugative orders? What does it mean to challenge regimes that normatively grant recognition (rights), yet at the same time negate legitimate expression and presentation of the desires around which different identities come into being? If, as Dhawan contends, this work – of generating alternative visions of normativity – requires challenging Eurocentric, heteronormative, social and political normative orders, then the question not only becomes how do norms emerge, but also how can norms be employed and even appropriated to strive for inclusion, justice and equality to overcome historical violence. Yet, any such political project runs the risk of reinforcing perspectives, identities and positions deemed to be just, while suppressing others that might be considered to counteract justice.

Ideological apparatuses of the state

In Althusser's rendering, one of the key distinctive features of the bourgeois state is the extent to which it functions through its Repressive Apparatus (RSA) such as the Government, the Administration, the Army, the Police, the Courts, the Prisons, etc. (1971: 142-3). These are institutional mechanisms of the state and instruments of power that are not only easily recognizable, but from a civic point of view, also available for public scrutiny, and so it follows, can be more readily apprehended. A less distinctive

realm of state control to which Althusser extends his theoretical consideration is the ideological apparatuses available to the state, for the purposes of elite control of state power. These, the Ideological State Apparatuses (ISAs), encompassing a plurality of mechanisms that range from the religious, the educational, the family, the legal, the political, the trade union, the communication, the cultural, etc. are on the other hand, not as readily visible. It is precisely on this basis that the state interpellates actors (and actions) towards its ends without the necessity of direct injunction, and even more insidiously, the means through which repressive regimes of rule become sustained as a variable of the 'good' versus the 'bad', the 'desirable' versus the 'undesirable', and so on. That which appears in public necessarily does so as valid/validated, and that which is relegated to the 'private' remains so as undesirable/invalid/invalidated.

This is a discursive distinction already extensively critiqued within feminist political theorizations of the state, and further, in Black philosophical thought and queer studies. The organizing principle here might be better understood by considering (with Althusser), the idea that the (bourgeois) state is neither 'public' nor 'private', but is rather the precondition for the public and the private (Gramsci), i.e. what is considered public/private is determined solely by the state, upon the basis of its (bourgeois) interests. Stated differently, "the distinction between the public and the private is a distinction internal to bourgeois law, and valid in the (subordinate) domains over which bourgeois law exercises its 'authority" (1971: 144). It is here then, that we distinguish between RSAs and ISAs – the former functioning primarily through violence, the latter mainly through *ideology.*[3] In the sections below, I extend my examination of the South African state through some existing and emerging mechanisms that highlight ISAs and the ways in which they compel a rethinking of democratic practice as freedom. Critical to note is the fact that ISAs are neither inherently symbolic of particular intent nor functional for any purpose other than that for which they *become* requisite. That is to say – without essentially reducing their functionings to the interest of the ruling classes – that ISAs obtain materiality only to the extent that they reproduce the logics of the capitalist state through a dialecticism that in turn further reproduces them as (ruling) ideology:

All ideological State apparatuses, whatever they are, contribute to the same result; the reproduction of the relations of production, i.e. of capitalist relations of exploitation. Each of them contributes towards this single result in the way proper to it. The political apparatus by subjecting individuals to the political State ideology, the 'indirect' (parliamentary) or 'direct' (plebiscitary or fascist) 'democratic' ideology (Althusser, 1971: 154).

3 Note, however, that both RSAs and ISAs *can* function through both violence and ideology, although it is often the case that RSAs function predominantly through repression and only secondarily through ideology.

In seeking to evade the economism of classical Marxism, my analysis below follows a critique of the *techniques* of rule, through which I reinvigorate individuals as *subjects* of repressive state practices, and not merely as caricatures but as bearers of agency through resistance, and thus presenting contradictions which raise, at the discursive level at least, the possibilities of re-articulating freedom (as struggle) to the democratic project under neoliberal rule.

Biometrics and new mechanisms of control and abjection

Current political theory points to an ever-intensifying connection between the 'biometric' or the 'biological' and the 'political', as evidenced in the concept of 'biopolitics', a grey area in which democratic governments resort to anti-democratic practices, ostensibly for the purposes of protecting their citizens (Lebovic and Pinchuk, 2010). Biometric legislation's declared purpose is to fight crime and prevent terrorism. In actuality, it alienates the citizen and confers a degree of unlimited authority on the state; the information age now enables the state to track the activities of individual citizens' *without revealing itself or its interest in them* (ibid., emphasis added). It is hardly coincidental, as Lebovic and Pinchuk note, that the field of biometrics is based on technologies developed by commercial entities, or that these technologies are already being used by commercial clients. Breckenridge shows that for much of the last century, South Africans have lived with such a biometric order, and in recent years the democratic state has begun to invest in a massive scheme of digital biometrics for the "delivery of benefits and the elimination of fraud". This HANIS system has been preceded by a massive project of digital biometric grant delivery that affects millions of people throughout the country – its essential feature being a fingerprint-authenticated identity document, and a national database to record the identity of citizens (2005: 267). Valued by its US proponents as a system whose power lies in the joining of commercial and government databases around a single biometirc index, Breckenridge shows that South Africa too is already a fully-fledged biometric order – "a society characterized, on the one hand, by ubiquitous biometric identification and a centralized repository of this data, and, on the other hand, by a massive and unbridled commercial data analysis sector" (2005: 269). Like the United States, it has an extremely sophisticated and largely unregulated consumer credit industry. In South Africa, as is likely to be the case in the United States, the two systems of data will mingle unhindered (ibid). In the US the effort to deploy biometrics today is a coercive project aimed at improving the state's surveillance. In contemporary South Africa, Breckenridge shows this as also being part of the state's interest in biometrics, directed particularly *against* immigrants and citizens who illegally claim welfare benefits.[4]

4 The Janus-face of this system is acknowledged as also strongly motivated by a project of redistributive social justice. In contemporary South

Charting some of the ways in which biometrics is changing state practice, Breckenridge highlights, for instance, that powerful multi-functional smartcards issued by IT company Aplitec, that became the vehicle for pension payments in 1999 (instead of a direct cash payment) means that pensioners now receive a credit directly, which can then be used immediately to draw cash from an adjacent cash dispenser. The cards were, however, only secondarily identification tools – they were intended primarily to make the otherwise utterly secluded cash economy of the rural pensioners 'bankable' (ibid., 273).[5] From April 2002, three working groups representing business and government interests were convened to discuss the most important issues. The first group was formed to examine the technical standards for the card, the capacities of the chip it will carry, and the problem of card security. Another group was to consider the other smartcard projects – such as Aplitec's pensions system – already underway in South Africa. And the last group, consisting primarily of the South African Banks and the consortium of Europay, Mastercard and Visa (EMV), would look at the ways in which the cards could be made to interact with the banks' existing infrastructure, current international standards for smartcards and the new "electronic purse specifications"' (ibid., 278).

Apart from consolidating immense power and control in the hands of the state, scholars further point to the effect of biometrics as being on the one hand, the government distancing itself from its private citizens and automating its relationship with them, and on the other hand, a shrinking of distance between the ruling authority and the individual citizen's body to that between a computer keyboard and its operator. The price of increasing the distance between the government and the individual may well serve the purpose of determining, as Lebovic and Pinchuk (2010) argue in the case of Israel too, "who is truly" South African, for the goal of these legalized mechanisms is not merely to improve the existing system's efficiency, but rather to create a system based on ethnic and demographic distinctions. The combination of a dangerous biometric control apparatus designed to distinguish between populations "may well turn out to be the point at which democracy as we have known it breaks down" (ibid.).

For foreign nationals, inclusion remains a permanently circumscribed possibility

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Africa the state's interest in digital biometrics is very largely driven by a desire to repair a broken bureaucracy, to deliver grants and other benefits to the poorest and most vulnerable of its citizens. There is a certain irony in the fact that these coercive technologies are now being applied to the task of hastening the distribution of benefits to those they were originally designed to subjugate (Breckenridge, 2005: 270). This fact, however, completes the rationality upon which such a subliminally coercive system is bound to proceed from.

5 It has been primarily in the area of financial services that the smartcards have wrought the most significant changes. Aplitec immediately began to make the smartcard's automatic deduction facilities available to a small group of companies providing services like family funeral policies and life assurance. A company called Cornerstone, for example, provides life assurance policies to some 230,000 pensioners in KwaZulu-Natal and Mpumalanga, using the risk-free deduction facilities provided by the smartcards. More recently Aplitec has begun to offer short-term credit facilities directly to grant-holders (Breckenridge, 2005: 273).

in a system of government overly determined by the growing interaction between "big money" and "big government" (ibid.). If it is the case that the right to exist and encounter a particular society is guaranteed only through a systematized validation of worth, what then does it mean to experience (the lack of) human rights, or in the most essential sense, one's humanity (or dehumanization), as a non-existent subject? That such systems incarcerate human beings into exercising their rights in reference to the extent to which they are able to access the market? Recall here Rancière's thesis, which calls into question the notion of impassivity with regard to consumption of goods or service when he speaks of human rights as being the rights of egotistical individuals of bourgeois society (2006: 17). By this he suggests that the culture of protest and rights claims ought to be read as "impatience" on the part of the consumer who has been seduced by the seeming "limitless growth that is inherent to the logic of the capitalist economy: democracy as the reign of individuals always yearning to consume ever more" (2006: 20). The exchange between society and state, however, takes place on by far inequitable terms: for the liberal democrat, the condition upon which the citizen's wishes are granted rests on the adherence of the citizen to the state's neoliberal (disciplining) agenda – of government within limits, of social regulation, and of economic austerity.

What is at stake with this trade-off is the political and metaphysical element of human rights. What collectives enable with the depoliticization of human rights is the re-articulation of human rights in line with the aims of the very (political and economic) regimes which oppress and impoverish the communities. As I argue elsewhere, the paradoxical nature of rights claims in the liberal democracy is that the apparent "freedom" that citizens exercise in claiming their rights leads them deeper into an existential *unfreedom* (Ossome, 2015). Political subjects come to expect new things from democracy, which is newly understood as the guarantor of the promises of rugged individualism, mass consumption, and privatization. No longer the guarantor of civic rights, democracy is equated to consumer freedom, allowing "freedom of choice" and "freedom of expression" in and through the marketplace. Democracy is thus newly expected to guarantee open markets, and it is in and through open markets that citizens expect what was previously guaranteed by the state (McLaren & Farahmandpur, 2005: 100). Identities once defined by work and civic responsibility come to be structured under the organizing principle of consumerism. It is thus as consumers that individuals participate and find meaning in democracy. Those, like migrant labourers, non-unionized workers, ethnic minorities, and other marginalized individuals and groups become disenfranchised by an increasingly consumer driven society, which they can no longer participate in. As a result, the gap between their subjectivities and democracy's services continue to grow (Nielsen, 2007).The biometric state, in this regard, takes on the logic of the market itself,

at once minimizing conflicts through its valorisation/authentification of certain sections of society that serve its needs, and adjudicating against those sections of society that present contradictions to its logic. The primary contradiction we see in this instance is that social grants have been shown, in South Africa at least, as being an insufficient basis of ensuring minimum household consumption. The heightened expression of class struggles is testament to this. The reason, for instance, that the state is even proposing to increase the minimum age for the Child Grant (from 18 years to 23 years) owes in part to the fact that it needs to minimize class consciousness and class solidarity, or simply, consciousness and solidarity – both of which transcend race, ethnicity, nationality, age, gender and sexuality.

Legal formalism and constitutionalism as dogma

> *"Laws that allow us to diminish the humanity of anybody are not laws, they are frameworks for crime."*[6]

Under the neoliberal ideology definitive of late capitalism, the law is the primary mechanism of transition to, or creation of, a democratic state (Neocosmos, 2011). Yet setting aside briefly the assumption that the law anticipates and is capable of satisfying the justice claims of variously subjugated groups, or indeed that it is in its *application* that activism ought to focus upon, it is worth considering the mediating space between the dispensers of justice and those who receive it. This space problematically places those ostensibly with the power to 'guarantee' justice on one end and those in need of some form of redress, whether redistributive or recognition, on the other, and assumes that this distribution takes place through the allocation of particular goods or services. However, a distributive understanding of power as a possession of particular individuals or groups misses the supporting and mediating function of third parties (Young, 1990), and misses the structural phenomena of domination (Hartsock, 1983).

The structure of domination in South Africa at present is precisely that post-1994, a progressive constitution re-coded justice as essentially a restorative process that both assumed the existential condition of suffering as transparent to our reading, as well as stifled the discursive and organic processes through which the newly 'liberated' could articulate their notions of freedom. The 'constitutional moment' in 1996, while admissible to the extent of its symbolic transition (from the old regime) and encoding desires so expressed, as a deliberatively constituted process, at the same time reifies a consensus based on an exclusionary universality around notions of *who* is indeed free. Institutionalising difference circumscribes the possibilities of emancipatory politics as an "excess" – only possible in the sites beyond the various domains of politics regulated by

6 John Davinier in the 2014 film titled Belle.

the state (Neocosmos, forthcoming). This is so because the liberty to claim difference stands in marked contrast to the freedom to practice difference. The mechanisms that enable the former (constitutional encoding and legislation) do not, by its very logic, include or facilitate the mechanisms necessary for the actualization of the latter. Constitutions are put in place precisely to *compel* actions in non-consensual ways, to calibrate difference for a 'common' good, and to ensure disciplinarity in/through governance. In other words, the regimentation of 'progressive' society succeeds precisely because of the institutionalization of a duality that ascribes not only proper attitudes and behaviour of those 'for whom' the law is mandated, but also to ensure compliance as the basis for accessing the 'goodies' of liberation.

The totalizing effect of constitutional dogma as observed in the South African context, then, is that the institutions so established materialize as panopticals of what is just or unjust. Foregrounded here are the questions of whether the law can produce intelligible and viable subjects, and whether the normative framing of a progressive constitution can accord variously subjugated groups genuine freedom from all forms of discrimination, accord them justice, and protect their enjoyment of full citizenship rights enshrined in this document. Stated differently, can the desires of the oppressed be adequately read within the liberal discourses of constitutionalism and human rights out of which they are being translated (Ossome, 2015)? Is not enshrining an injury a denial of existential conditions that constantly reproduce that injury, and do institutions not subject the injury to its own imperatives and machinations of power by encoding it?

In 'Does Democracy Mean Something', Rancière makes clear his view that "democracy cannot consist in a set of institutions". Institutions, he argues, mean nothing in themselves. The reason for this, he argues, is that one and the same constitution and set of laws can be implemented in opposite ways depending on the sense of the 'common' in which they are framed. Rancière's point is, on one level, obvious. At times, the constitution and the laws are invoked to stifle debate and dissent. At other times, they are called upon to enable and further the call for new political institutions. In themselves, the constitution and the laws are not decisive. But Rancière goes further. Not only are political institutions not decisive in politics, they occupy the field of politics with a claim to legitimacy and thus delimit and shrink "the political stage". By establishing what is constitutional and legal protest and who can protest and who is even a citizen, the institutions of politics limit politics in "a biased way". They police the boundaries and access to politics "in the name of the purity of the political, the universality of the law or the distinction between political universality and social particularity". What again is at stake here is the possibility of an excessive politics that might carve out spaces for more emancipatory politics.

Reactionary nationalisms and anti-intellectualism

The upsurge of popular dissent in South Africa over the past decade is perhaps the most profound indication of the existence of a sphere of excessive politics, and the violent suppression of dissent the surest confirmation of both the contradictions inherited from the racist apartheid state and the current regime's reactionary nationalism. Political assassination, writes Pithouse (2014) has become a sustained feature of political life in South Africa, with at least 450 political assassinations since the end of apartheid, the bulk of them in the province of KwaZulu-Natal. People involved in grassroots struggles are also at risk of being killed by the police, who have killed at least 43 people during protests around the country during the past 10 years – a figure that does not include the 37 striking miners the police killed in Marikana in August 2012 (ibid.). The ruling party has continually found legitimacy in its capacity to exercise violence despite sustained critique, and its shift towards what Pithouse terms as the "mobilization of horizontal violence" against grassroots activists differs little from the apartheid state's tactics in the late 1980s, at the time confronted with urban rebellion.

The poor and landless are expressing their sentiments in ways that move beyond the ascribed rights claim regime instituted by the state. Instead what we see is protest alongside conscientization and actions that are not only rooted in an intellectual tradition that takes seriously the minds of the oppressed, but is also organically gaining expression at the level of affecting a progressive national consciousness. This is the real threat to the ruling hegemony – the fact that the oppressed are resisting the ridicule of a bourgeois politics of representation, by expressing their own desires into the public discourse, and highlighting the possibilities of popular 'presentation', which Neocosmos (forthcoming) views as inherent in emancipatory politics. Through such a politics,

> people collectively *become* a subject. This is called a process of 'subjectivation'; it is a collective process of becoming and without it we cannot begin to speak of emancipation. In other words a politics of emancipation must be a self-actualising process of subjectivation founded on a universal conception of equality (Neocosmos, forthcoming).

The politics of representation confirms critiques in this paper regarding the impossibility of mediating the emancipation of people through institutional and social arrangements that mobilize certain groups as dispensers of justice (state, civil society) and other groups as (always) receivers of justice. In Neocosmos's rendering, "there can be no state politics or identity politics of emancipation, the idea of an egalitarian state is simply an oxymoron". Furthermore, the anti-intellectualism that is inherent in the suppression of organic dissent is one of the mechanisms through which the state compels the oppressed to waive

their freedoms as *the* condition for the dispensation of justice. To present oneself as a subject is thus on the one hand, to circumvent an institutional path conditioned upon relinquishing certain parts of our claims, and on the other, to articulate the desires of the oppressed away from the prescribed dichotomies of difference through which the liberal democracy legitimates its validity.

Although Mouffe's (2000) notion of radical democracy, which she envisions as an extension of the dissentive space of politics is problematic to the extent that it does not articulate dissent beyond the confines of the state, her elaboration of the liberal democracy is here, instructive in her characterization of it as a regime with a specific form of organizing politically human coexistence which results from the articulation between two different traditions: on one side, political liberalism (rule of law, separation of powers and individual rights) and on the other side, the democratic tradition of popular sovereignty (2000: 18). What is at stake, she argues, is the legitimization of conflict and division, the emergence of individual liberty and the assertion of equal liberty for all (2000: 19). What we witness, however, is the negation of conflict and the undermining of difference within the liberal human rights framework that proceeds from a universalist and essentialist point of view. Where pluralism has been factored in, it has, in Mouffe's argument, been an "extreme" type that emphasizes heterogeneity and incommensurability, and according to which pluralism – understood as valorisation of all differences – should have no limits. Such a formulation ignores the limits imposed on the extension of the sphere of rights by the fact that some existing rights have been constructed by the very exclusion or subordination of others. Such exclusion stands as the primer of the racist, patrimonial, capitalist state that this paper has sought to theorize as the antithesis of any emancipatory politics.

Possibilities of democracy as freedom

The possibilities of emancipation have found critical expression in broad theoretical spheres, including in the realm of philosophical thought highlighted here. Lewis Gordon's contention that one cannot walk around as a Black/oppressed person without being in relationship with a myriad other sets of relations, reasserts a set of prospects for those at the margins of the circumscribed terrain of (liberal) democratic politics. To be Black is to be in relation with the social structures that define one as Black. It is to be constantly and existentially immersed in one's state of being, and by implication, having always available to one the means through which to not only recognize and understand your world, but to fundamentally change it for your own benefit. To truly assert our humanity is to resist the narcissistic ambition to turn away from reality, and deal with the reality that is facing us in the world today that is complex, relational and multidimensional (Gordon,

2012) – a reality that by this logic, equally confronts and contests its own persistence. How then, might we begin to reconceive the possibilities that democratic struggle holds out to us in a world constructed around exclusion, abject identification and subjection to power? The notion of a double-consciousness vs potentiated double consciousness (Du Bois) remains unresolved in this regard – the question that halts the presupposition that 'there is something wrong with the individual', reworked to insist instead that 'there is something wrong with society'. As such, requiring not acting on yourself in ways that seek to exterminate that which you perceive as being wrong with yourself, but rather externalizing our struggles (based on the more accurate perception of a shared humanity and what it means to be human), and harnessing this power and agency towards the annihilation of the conditions and structures that impose on us a negative reality of being – in Gordon's terms, "a critical evaluation of a society that structures you as a negative term". It is to resist, and struggle in a constant dialectical fashion against resentiment (Althusser)/resentment (Brown) – that is, against a politics that affirms and reinscribes our subjection from within the categories handed through our naturalized identities, and which can only always delimit our struggles to the possibilities of those institutionalized identities. In short, we need a new word for the people's pain, and new tools with which to dismantle the master's house – in this instance, the really existing democracy which has shown itself as incapable of confronting the question of human dignity and freedom.

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Elite Capture and Elite Conflicts in Southeast Asian Neoliberalization Processes[1]

Bonn Juego[2]

Abstract

Neoliberal globalization has ushered in a variety of capitalism in Southeast Asia's uneven development landscape. Unpacking the complexity of contemporary capitalist development in the region entails an appreciation of how vested interests give shape to processes of neoliberalization. This article investigates how and why dominant elite classes and social forces mediate the interrelated neoliberalization processes of market reforms and state institutional restructuring in ways that are incoherent with the ideology of competitive capitalism. Empirically, by studying diverse socio economic structures of the Philippines and Malaysia, the article provides an exposition of recent infrastructure projects done through state dealings with capital as part of, or in relation to, neoliberal policies of privatization and liberalization which have been embroiled in controversies over graft and corruption practices involving sections of domestic elites and transnational capital. It shows the realpolitik of the elite-driven and conflict-ridden constitution of capital accumulation in emerging economies of Southeast Asia. Specifically, the empirical cases offer insights into the common pervasive themes of "elite capture" and "elite conflicts" that mutually constitute Southeast Asia's evolving political economy of development.

The evolving shape of capitalist development in diverse socio-political and economic formations in Southeast Asia is bewilderingly complex. Unpacking this complexity involves an appreciation of an array of complementary, intersecting, or conflicting *interests* that constitute *processes* of neoliberalization. Essential to this analytical endeavour is the need to investigate how and why domestic and international elites as dominant class and social forces mediate, negotiate, promote, or resist neoliberalization processes. A critical understanding of this dynamic requires an interrogation of 'competitive capitalism'–

1 This article is based in part on the author's doctoral dissertation. Updates on the two case studies presented here, together with other case studies, were presented in different academic occasions. The author is particularly grateful to colleagues and participants at the Asian Dynamics Initiative Conference in Copenhagen in October 2014 and the Seventh South-South Institute in Bangkok in November 2014 for their feedback and advice that have importantly contributed to the refinement of the ideas and arguments in this study. The usual disclaimer applies.

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which is a system and culture of competition where no particular faction of the capitalist class is feared or favoured in economic activities –as the ideal-type neoliberal reform, and a recognition of the realpolitik of conflicting elite vested interests in shaping a specific capitalist structure.

A couple of objectives are set out in this article – both of which are expected to contribute to the study of the contemporary political economy of Southeast Asia. The first objective is to illuminate the question of agency as it interacts with the structural evolution of capitalist development. In doing so, it shows the *structure-agency dynamics* in the historical process of social change. It makes an argument that the process of neoliberalization is greatly shaped, yet intrinsically constrained, by its dependence on elite interests. By taking into consideration the impediments that stand in the way of neoliberalization, the process is examined vis-à-vis the social and material conditions in which it is deployed. Thus, the analysis here is not only critical of structural determinism, nor merely based on voluntarist interpretations, but it takes into account the social and political contexts in which the reproduction of neoliberalism takes place. Central to this is an understanding of the ways in which neoliberal policies and global accumulation mechanisms have been adapted, modified, or challenged given the historical particularities and circumstances of social relations at the domestic level. The second objective is to highlight another reality – one that is within social conflict theory – in Southeast Asian elite dynamics, apart from the already established studies on 'political-business alliances' (Gomez, 2002) and 'interlocking elites' (Case, 1996, 2003). The aim here is to demonstrate that while there have been alliances and interlocking interests among elites in specific regimes for purposes of political stability and economic accumulation, there are also *conflicts* among vested interests particularly in the neoliberalization process.

To achieve both objectives, the discussions presented in this article have empirical and theoretical implications for an understanding of capitalist development in Southeast Asia. In empirical terms, the article provides an exposition of recent infrastructure projects planned, initiated and done through state dealings with capital as part of, or in relation to, neoliberal policies and market reform initiatives which have been embroiled in controversies and allegations of graft and corruption involving factions of domestic elites and transnational capital. Its purpose is to show the elite-driven and conflict-ridden constitution of capital accumulation in emerging economies of Southeast Asia. Specifically, the empirical cases for both the Philippines and Malaysia give insights into the common pervasive themes of 'elite capture' and 'elite conflicts' that mutually constitute Southeast Asian neoliberalization processes. *Elite capture* means the usurpation, utilization, or appropriation of the neoliberalization process – as well as the neoliberalism ideology – by local and transnational elite, to secure and advance their

interests in the accumulation of wealth and power. *Elite conflicts* refer to the struggle, scramble, competition, contention, dispute or rivalry between (inter-) and among (intra-) the dominant political and economic classes in pursuit of their particularistic interests in the accumulation opportunities opened up and made available by a neoliberalizing capitalist regime. For the Philippines, the case studied is:

[i] the NAIA-3 disputes (Ninoy Aquino International Airport Terminal 3): the multi-million US dollar long-running investment disputes between, on the one hand, the Philippine government and, on the other, a joint venture of a Philippine group of Filipino-Chinese business people (PIATCO - Philippine International Airport Terminals Corporation) and Germany's Fraport AG.

For Malaysia, the case examined is:

[ii] the Port Klang Free Zone (PKFZ) fiasco: a multi-billion ringgit scandal that is arguably Malaysia's biggest corruption case regarding the dubious purchase of the 1,000-acre land area and its development as an integrated commercial and industrial free zone in Port Klang.

These cases and issues have been chosen as concrete examples to show elite dynamics in contemporary Southeast Asian capitalism for two interconnected reasons: firstly, they are related to the neoliberalization process which have ramifications for the principles and policy of neoliberalism; and secondly, they have taken the centre stage of public debate since the beginning of 21st century capitalism in the Philippines and Malaysia. Hence, all these controversial issues reveal various dimensions of conflicting elite relations in the process of neoliberalization in their scramble for capital accumulation. To this end, the flow of discussion of the empirical cases proceeds as follows: first, it delineates the *context* of the cases which situates their association with, or relationship to, the respective neoliberal reform efforts and neoliberalization processes in the Philippines and Malaysia; second, it identifies *conflicting agents* and their interests in particular projects with a focus on their involvement in the controversies and, as such, in the conflictive neoliberalizing accumulation regime; and third, it highlights the important *points of conflict* that inform and give essential inference about the particularities of capitalist development with emphasis on the conflicts in, and contradictions of, the neoliberalization processes in Southeast Asia.

In terms of theory, the discussions in this article have implications for a number of theories on neoliberal globalization, capitalist development and social change, particularly on Southeast Asian capitalist regimes. One, it challenges the hyperglobalist thesis that sees globalization as a seamless process completely dominated by global market forces. Two, it questions the class and economic determinism in some elements

of 'vulgar Marxism'. And three, it reifies the assumptions of social conflict theory in the specific accumulation regimes of the Philippines and Malaysia.

The following discussions examine concrete empirical cases depicting the dynamics of elite interests vis-à-vis the evolution of the peculiarly neoliberalizing accumulation regimes of the Philippines and Malaysia respectively. Based on these cases, the final section concludes with emphases on comparing and contrasting elite dynamics in specific accumulation regimes of Malaysia and the Philippines, characterized by different political-economic power structures and institutions.

Case in the Philippines: The NAIA-3 Dispute

Context

The controversies surrounding the NAIA-3 issue is symptomatic of a neoliberalization process in the Philippines undertaken through public-private partnership that is ridden with conflicts involving, notably, governments, foreign and local investors, domestic judicial institutions, and international arbitration institutions. It is about the nettlesome disputes between vested interests in connection with the construction of a public utility, the Ninoy Aquino International Airport Passenger Terminal III (NAIA-3). This long standing political-economic and legal quagmire spans all post-Marcos administrations – basically, ever since the country has embarked on neoliberal policies.

During the presidency of Corazon Aquino in 1989, the Department of Transportation and Communications (DOTC) hired the expertise of Aéroport de Paristo conduct a comprehensive study of the condition of Manila's primary airport, to recommend developments needed for future growth of traffic and to come up with a preliminary design for a new passenger terminal. In 1993, six Chinese-Filipino tycoons – namely, John Gokongwei, Andrew Gotianun, Henry Sy Sr., Lucio Tan, George Ty, and Alfonso Yuchengco – met with then President Fidel Ramos to express their investment interest in the construction and operation of a new airport terminal. These tycoons then incorporated the Asia's Emerging Dragon Corporation (AEDC), and submitted an unsolicited proposal under the Build-Operate-and-Transfer (BOT) law for the construction of a new airport terminal (the NAIA-3) to the government, through the DOTC and the Manila International Airport Authority (MIAA). The DOTC endorsed the AEDC proposal to the National Economic and Development Authority (NEDA), which then approved the project (see Supreme Court of the Philippines, 2003, 2004).

In 1994, the DOTC formed the Prequalification Bids and Awards Committee (PBAC) to subject AEDC's approved proposal to competitive bidding, and invite comparative proposals from alternative bidders. Another prospective bidder, People's Air Cargo

& Warehousing Co., Inc. (PAIRCARGO), a joint venture of local and foreign investors competed for the NAIA-3 project. In the end, PBAC awarded the project to the PAIRCARGO Consortium. AEDC filed a court petition to nullify the bidding proceedings, specifically questioning PBAC's decision on the bases of, among others: one, PAIRCARGO's actual (rather than potential) financial capability; and two, the inclusion or appointment of foreign corporations for its prequalification bid (i.e. Germany-based companies Siemens and Lufthansa as contractor and facility operator, respectively), which violates the Philippine constitutional requirement of majority Filipino owned and controlled enterprises for the operation of a public utility. Eventually, however, AEDC had not proceeded with the case and the contract was awarded to PAIRCARGO.

In 1997, PAIRCARGO Consortium incorporated into PIATCO and entered into a 'Concession Agreement' with the Philippine government – through the MIAA and DOTC – for the build-operate-and-transfer arrangement of the NAIA-3. As a build-operate-transfer scheme, the government gave PIATCO the franchise to build, operate, and maintain NAIA-3 – including the collection of fees, rentals, and other charges – during the concession period of 25 years. After the concession period, which is also renewable for a maximum of 25 years, NAIA-3 shall be transferred to the Philippine government's MIAA.

PIATCO and its German partner Fraport AG Frankfurt Airport Services Worldwide (Fraport) started building NAIA-3 in 1997 and planned to finish the construction in 2002. While the NAIA-3 contract with PIATCO-Fraport was completed during the Ramos administration, the contract has been considered one of the biggest cases of corruption in the succeeding administrations of Joseph Estrada and Gloria Arroyo. The Estrada administration made amendments to the contract in late 1998. This 'Amended and Restated Concession Agreement'was regarded to be even more disadvantageous to the government that "allegedly gave PIATCO much bigger revenues" – which included contract terms "for PIATCO to collect terminal fees in US dollars while remitting government share in pesos, which would allow PIATCO to profit from the local currency's depreciation; the state's effective guarantee on PIATCO's loans, making it a risk-free borrower; and the scrapping of PIATCO's obligation to build underground tunnels to connect the three terminals, which would have cost it [PHP] 700 million" (Tiglao, 2011). The Arroyo administration, which came to power with an anti-corruption mandate upon the ouster of the short-lived Estrada administration, was also embroiled in the NAIA-3 corruption scandal. As Arroyo's former presidential spokesperson and presidential chief of staff, RigobertoTiglao (2011), himself has noted: "Rumours circulated that PIATCO was able to quickly involve in their project powerful personalities in the new government of President Gloria Macapagal-Arroyo."This is thus contrary to the promise made by

President Arroyo early on her presidency when she announced the cancellation of the NAIA-3 contract in November 2002 upon the recognition that the NAIA-3 issue is "a test case of [her] administration's commitment to fight corruption to rid … [the] state from the hold of any vested interest" and upon the determination of the Solicitor General and the Department of Justice "that all five agreements covering the NAIA Terminal 3, most of which were contracted in the previous administration, are null and void" (Supreme Court of the Philippines, 2003: fn. 5).

As President Arroyo proclaimed that her administration would not honour the NAIA-3 contracts, PIATCO sought arbitration proceedings before the Singapore-based International Chamber of Commerce (ICC) in March 2003. This move of PIATCO to recoup its investments was just the beginning of the long-running convoluted conflicts over the NAIA-3 project, broadly involving an alliance of transnational and domestic business elite (PIATCO-Fraport joint venture) versus the government (Republic of the Philippines).

Conflicting Agents

Under ideal conditions of a competitive market economy, the joint venture of PIATCO (the Philippine group led by the Chinese-Filipino air cargo magnate Vic Cheng Yong) and Fraport AG (Germany's international airport company) winning against the proposal of AEDC (the conglomerate of Chinese-Filipino tycoons) in the bidding of the NAIA-3 project, would have been the start of a promising public-private partnership and the key to the PIATCO-Fraport joint venture's opportunity to amass profits to be guaranteed by state institutions. However, due to the irregularities and illegalities surrounding the contents as well as the proceedings in the awarding of the contracts, this post-bidding award of contract was only the outset of protracted conflicts in the highly contentious domestic and international accumulation regimes.

Several members of the House of Representatives, labour unions, and private citizens filed a petition in the Supreme Court to prohibit the Philippine government from implementing its concession agreement with PIATCO-Fraport. These petitioners mainly argued that the agreement directly contravened provisions of the constitution and the BOT Law (see Supreme Court of the Philippines, 2003). In its 5 May 2003 decision, the Court found merit in the arguments of the petitioners that the five contracts awarded by the Philippine government to PIATCO to construct, operate and maintain NAIA-3 were null and void *ab initio* because of violations of the country'sconstitution, laws, bidding rules and public policy. PIATCO appealed this ruling for reconsideration but the Supreme Court denied it with finality in 2004.

In fact, the Supreme Court decision has interpreted and enforced what business

relations, as well as the rights and obligations between the state and the private sector, under conditions of competitive capitalism, should mean within the institutional framework of the Philippine constitution. Firstly, in deciding that PIATCO was not a qualified bidder, the court has emphasized the importance of complying with the rules of public bidding:

> The basic rule in public bidding is that bids should be evaluated based on the required documents submitted before and not after the opening of bids. Otherwise, the foundation of a fair and competitive public bidding would be defeated. **Strict observance of the rules, regulations and guidelines of the bidding process is the only safeguard to a fair, honest and competitive public bidding.** (Supreme Court of the Philippines, 2003)

Secondly, in nullifying the 1997 Concession Agreement, the court explains the logic of honest and transparent public bidding which benefits competitive firms and which must secure the advantage of the state:

> Public bidding is a standard practice for procuring government contracts for public service and for furnishing supplies and other materials. It aims to secure for the government the lowest possible price under the most favourable terms and conditions, to curtail favouritism in the award of government contracts and avoid suspicion of anomalies, and it places all bidders on equal footing. **Any government action which permits any substantial variance between the conditions under which the bids are invited and the contract executed after the award thereof is a grave abuse of discretion amounting to lack or excess of jurisdiction which warrants proper judicial action.** (Supreme Court of the Philippines, 2003)

Thirdly, in prohibiting contract provisions on direct government guarantees on public-private partnerships, the court has upheld the original intention of privatization in the BOT Law with regard to the duties and responsibilities of the private sector and the government – specifically, the formula for the government not to spend but earn, while the private sector spends and earns:

> To declare the PIATCO contracts valid despite the clear statutory prohibition against a direct government guarantee would not only make a mockery of what the BOT Law seeks to prevent – which is to expose the government to the risk of incurring a monetary obligation resulting from a contract of loan between the project proponent and its lenders and to which the government is not a party to – but would also render the BOT law useless for what it seeks to achieve – to make

> use of the resources of the private sector in the "financing, operation and maintenance of infrastructure and development projects" which are necessary for national growth and development but which the government, unfortunately, could ill-afford to finance at this point in time. (Supreme Court of the Philippines, 2003)

Fourthly, in denying PIATCO's demand for payment from the government, the court has justified and asserted the constitutional right of the state to temporarily take over a business with public interest:

> **PIATCO cannot, by mere contractual stipulation, contravene the Constitutional provision on temporary government takeover and obligate the government to pay "reasonable cost for the use of the Terminal and/or Terminal Complex."** Article XII, Section 17 of the 1987 Constitution envisions a situation wherein the exigencies of the times necessitate the government to "temporarily take over or direct the operation of any privately owned public utility or business affected with public interest." It is the welfare and interest of the public which is the paramount consideration in determining whether or not to temporarily take over a particular business. Clearly, the State in effecting the temporary takeover is exercising its police power. Police power is the "most essential, insistent, and illimitable of powers." Its exercise, therefore, must not be unreasonably hampered, nor its exercise be a source of obligation by the government in the absence of damage due to arbitrariness of its exercise. Thus, requiring the government to pay reasonable compensation for the reasonable use of the property pursuant to the operation of the business contravenes the Constitution. (Supreme Court of the Philippines, 2003)

And finally, in addition to the decision to declare the contracts awarded to PIATCO null and void, the Court has underscored in its *final* ruling the obligation of the Philippine state to regulate monopolies for the interest of the public:

> Section 19, Article XII of the 1987 Constitution mandates that the State prohibit or regulate monopolies when public interest so requires. Monopolies are not per se prohibited. Given its susceptibility to abuse, however, the State has the bounden duty to regulate monopolies to protect public interest. Such regulation may be called for, especially in sensitive areas such as the operation of the country's premier international airport, considering the public interest at stake.
>
> By virtue of the PIATCO contracts, NAIA IPT III would be the only

> international passenger airport operating in the Island of Luzon…. Undeniably, the contracts would create a monopoly in the operation of an international commercial passenger airport at the NAIA in favour of PIATCO.
>
> The grant to respondent PIATCO of the exclusive right to operate NAIA IPT III should not exempt it from regulation by the government. The government has the right, indeed the duty, to protect the interest of the public. Part of this duty is to assure that respondent PIATCO's exercise of its right does not violate the legal rights of third parties. (Supreme Court of the Philippines, 2004)

For the operation of a public facility like an airport, Article XII on national economy and patrimony of the Philippine Constitution mandates the granting of franchise, certificate, or any other form of authorization to Filipino citizens and to majority (i.e. at least 60 per cent) Filipino-owned corporations. This constitutional provision is in consonance with the long-established 'protectionist' Anti-Dummy Law of the Philippines that prohibits Filipinos to be used as mere fronts of foreign capital and that prohibits foreign investors to intervene in the management and operation in the governing body of any public utility enterprise.

President Arroyo, citing the investigation and recommendations of the Solicitor General and Justice Department, voided the government's contracts with PIATCO in 2002. But since NAIA-3 was by then almost completely built (i.e. around 90 per cent complete), at the cost of USD 565 million, PIATCO asked the government to pay for its construction expenses. The government thus initiated expropriation proceedings in a regional trial court to determine the amount and the rightful recipients of compensation. In addition to PIATCO, some subcontractors like the Japanese Takenaka Corporation and its subsidiary Asahi Kosan Co.Ltd also demanded just compensation.

Various Philippine government institutions– the Senate, House of Representatives, Office of the Ombudsman, and the Anti-Money Laundering Council– conducted investigations on bribery and corruption activities that shrouded the awarding of the NAIA-3 contract and its implementation. Criminal cases were filed before the Sandiganbayan, the anti-graft court, against PIATCO executives and Fraport's German representatives in Manila – an instance which is "perhaps the first time or one of the rare occasions that anti-graft cases were filed against foreign investors" (Rimando, 2011: 36).

The decision of the Philippine executive branch and the Supreme Court to nullify and cancel the government's concession agreement and contracts with PIATCO-Fraport triggered a series of costly state-investor arbitrations. In 2003, PIATCO initiated arbitration against the Philippine government at the Singapore-based International Chamber of

Commerce (ICC), an international commercial dispute resolution organization, for breach of concession agreements; and its foreign investor partner, Fraport, requested arbitration from the Washington-based International Centre for Settlement of Investment Disputes (ICSID), an institution created by the World Bank. Both suits claimed a combined payment of over USD 1 billion.

The ICC International Court of Arbitration, in its 22 July 2010 decision, denied PIATCO's reimbursement claim from the Philippine government amounting to USD 565 million because the company violated the country's Anti-Dummy Law. PIATCO then appealed this decision, but on 10 May 2011 the ICC issued a final award in favour of the Philippine government. In the final decision, PIATCO is directed to pay the Philippine government 25 per cent of the reasonable costs of the ICC Arbitration.

After PIATCO's setbacks at the ICC, the company asked the High Court of Singapore to reverse ICC's arbitral award to the Philippine government. PIATCO argued that the ICC tribunal misapplied the Philippine's Anti-Dummy Law and failed to accord due process to the company's complaint. On its 15 November 2011 decision, the High Court of Singapore upheld the ICC's decision that PIATCO committed an illegality in the NAIA-3 contracts and ruled that it was unconvinced of PIATCO's arguments, and as such denied the company's compensation claims (Office of the Solicitor General, 2011).

While PIATCO's suits against the Philippine government filed before the ICC and the High Court of Singapore have already been dismissed with finality, Fraport's case against the Philippine government at ICSID was not yet closed as of 2014. The dispute at ICSID was based on two international agreements: [a] the Bilateral Investment Treaty (BIT) between the Federal Republic of Germany and the Republic of the Philippines for the Promotion and Reciprocal Protection of Investments effective 1 February 2000, and [b] the Convention on the Settlement of Investment Disputes between States and Nationals of Other States effective 14 October 1966 (the ICSID Convention).

ICSID accepted Fraport's request for arbitration on 9 October 2003, which was registered as Case No. ARB/03/25. On 16 August 2007, the majority of the tribunal–with one dissenting opinion– made a decision to dismiss claims of Fraport for compensation on the ground of lack of jurisdiction and the finding that Fraport's investment is not covered within the scope of BIT because it did not comply with the Philippine's Anti-Dummy and other laws. Fraport then appealed to ICSID to annul this award to the Philippine government. On 23 December 2010, an ad hoc Committee in ICSID granted the petition of Fraport to annul the earlier decision that favoured the Philippine government. Following this annulment decision, Fraport again filed a request for arbitration on 30 March 2011, which was then registered by the Secretary-General of ICSID and assigned a new case number ARB/11/12. The Philippine government objected to these actions of Fraport to

file a new dispute and of ICSID to register it with a new case number. On May 2011, the Philippine government and Fraport agreed on the appointment of three new arbitrators, and by February 2012 the tribunal of arbitrator-judges was formed by the Italian Piero Bernardini (president), Bulgarian Stanimir Alexandrov (Fraport appointee), and Dutch Albert Jan van den Berg (Philippine government appointee).

The Government of Germany, Europe's largest economy, finds it imperative to defend the interest of Fraport, whose majority shareholders are two state entities. The NAIA-3 controversy can thus be construed to have direct bearing on diplomatic, trade and investment relations of the Philippines with Germany, as well as the European Union. The then German Ambassador to the Philippines, Christian-Ludwig Weber-Lortsch, proposed a "peaceful settlement" of the issue. He recommended that the Philippine government pay Fraport a reasonable compensation. But while this proposal seems appropriate, as former Philippine Chief Justice ArtemioPanganiban (2011a) has opined, "the devil lies in the details – how much a sum can be considered 'reasonable'; and to whom is how much payable … has been the crux of this controversy from the beginning".

From the rulings of the Supreme Court of the Philippines and the High Court of Singapore to the decisions of the international arbitration institutions ICC and ICSID, the Philippine government prevails over PIATCO-Fraport joint venture. However, the earlier order of President Arroyo to file an expropriation case – which is based on the principle of "eminent domain" that allows the state to buy private property for public use – before a regional trial court has, in effect, burdened the Philippine government the obligation to pay "just compensation" to PIATCO. Accordingly, "the expropriation case succeeded in weakening the government's right to take over the facility with little or no payment" to the claimant PIATCO, which was found by the Supreme Court to have violated, among others, the Anti-Dummy Law, when its foreign investor Germany's Fraport AG increased direct and indirect ownership to 61.44 per cent – thus becoming the consortium's majority shareholder (Rimando 2011: 40; see also Supreme Court of the Philippines 2003). The former chair of the Philippine Securities and Exchange Commission, Perfecto Yasay, has defined well the irony in the expropriation proceedings: that while the two arbitral cases in ICC and ICSID were dismissed "on the findings of graft and corruption participated in by both Fraport and PIATCO", these expropriation proceedings over the NAIA-3 "purposely instituted by the government to cover up the anomalies that accompanied the BOT project" (Yasay 2010). Moreover, as a consequence of the expropriation of NAIA-3, "PIATCO can still be paid a staggering compensation approximating [USD] 1.1 billion because PIATCO is deemed the owner of the property when, in fact, it is not" (Yasay, 2010). A related unresolved issue in this expropriation case is the mysterious killing of the regional trial court's presiding judge, HenrickGingoyon, and a Philippine

government lawyer, Assistant Solicitor General Nestor Ballacillo (Panganiban, 2011b).

Interestingly, while the conceivable burdensome effect on the Philippine state of the expropriation proceedings for PIATCO appears to be a threat for now, the revival and prolongation of Fraport's case at the ICSID puts on the Philippine state's coffers increasingly onerous legal expenses. In this regard, lawyers can also be viewed as central actors in the conflicts in the general neoliberalization process. For seven years since the legal battles started, it is estimated that the Philippine government has already spent around PHP 2 billion (or USD 50 million) as legal costs for private lawyers – specifically, a pioneering international law firm, White & Case, based in Washington DC – hired by MIAA through the government's counsel, the Office of the Solicitor General, to represent the republic in local and international judicial bodies (Rimando, 2011; Tiglao, 2011; Panganiban, 2011b). These legal costs have negatively impacted not only the improvement of the public utility but also the overall government's revenues and hence social services.

Points of Conflict

Reflections upon the NAIA-3 saga can certainly provide important lessons for policy and institutional reforms. At the same time, it unravels the internal contradictions in the ideology of neoliberalism itself, particularly in the aspect where the normative logic of competitiveness has been falsified by the very 'rationality' of elites to act on the basis of their political-economic interests – in a word, behaviours and actions that do not necessarily follow the rules of free market capitalism. Importantly, the issue depicts an empirical manifestation of conflicts in the relations between elites within the process of neoliberalization whereby public-private partnership has gone awry, and the elements of trust and shared interests in a purportedly political-business alliance has been ruptured.

First, the NAIA-3 controversy has evolved from a simple bidding competition between local investors to a network of conflicts involving states and transnational capital, as well as domestic and international judicial institutions. It spawned an inter-elite conflict between, on the one hand, the PIATCO-Fraport alliance of local-foreign investors and, on the other, the Philippine state executives, legislature, and courts. International arbitration institutions (ICC and ICSID) and 'external' judicial bodies (High Court of Singapore) also factor in ostensibly, not on smoothly settling investment disputes, but on a tangled web of interest assertions and claims.

Second, the NAIA-3 case illustrates the structural contradictions in the logic and process of accumulation under conditions of neoliberal globalization: that is, the conflict between the *national* sovereignty of states and the *global* strategy of capital. Investor-state dispute resolution provisions in trade agreements do not only confer greater legal

rights to foreign investors than domestic businesses, but such mechanism fundamentally encroaches on state sovereignty. International trade and investment regimes have given corporations the right to sue governments. However, governments cannot be entirely written off in enforcing capitalism's accumulation agenda simply because governments have jurisdiction over accumulation issues at the level of states which intrinsically implicate the public sphere. While there seems to be an increasing conception that the accumulation strategy of the capitalist class operating in a globalizing world have become transnational and extra-terrestrial, the reality is that accumulation *per se*, particularly production and money, continues to be *materially* embedded in territoriality and *ideationally* tied to questions of legitimacy.

Third, the NAIA-3 mess reveals a conflict in the neoliberalization process between the idea of competitiveness and the practical concerns of private investors. The logic of competitiveness in neoliberalism not only demands states to compete with each other and observe free market competition, but it also compels firms and the private sector to be competitive. However, the graft and corrupt practices in the illegal awarding of contract to PIATCO is not only suggestive of the well-known susceptibility of government officials to corruption, but also of a firm's tendency to avoid transaction costs by resorting to building alliances with state functionaries through bribery. In other words, the case has shown how a firm's strategy in pursuit of its accumulation interest may include the tactic of bribing government decision-makers and power brokers so as to avoid costly market competition.

Fourth, the NAIA-3 debacle reveals the conflict in the neoliberal policy of privatization through public-private partnership within the BOT scheme. BOT promises a private sector-led accumulation regime that spares the state the financial burden of constructing and running public utilities. In the case of the amended BOT contract with sovereign guarantee provisions for NAIA-3 construction and management, the Philippine government is being made to guarantee PIATCO's obligations to its contractors, suppliers, and creditors. Moreover, as evident in the demands of PIATCO-Fraport for just compensation petitioned before local courts and international tribunals despite their business transactions done in bad faith, the Philippine state finds itself absorbing – or being pressured to absorb –the risks and costs of failures of both the BOT project and the market itself.

Case in Malaysia: The PKFZ Fiasco

Context

The Port Klang Free Zone (PKFZ) fiasco has been considered one of the biggest

corruption scandals in the history of Malaysia involving big fish in the country's political arena and government institutions. The planned development of PKFZ was envisioned to emulate the success story of Jebel Ali Free Zone in Dubai, which was established in 1985 and currently recognized as the leading business hub in the Middle East. The PKFZ project, however, has turned into, arguably, the most scandalous financial fiasco in Malaysia that could have cost the country's taxpayers around MYR 12.5 billion in losses. But there is also a deeper dimension being revealed in this issue about the unfolding behaviour of elites vis-à-vis the neoliberalization process in Malaysia's political economy. It is about the tendential nature of entrenched domestic elitesto appropriate surplus in the name of liberalization and 'free market'.

PKFZ is a regional industrial park with 1,000-acre land area located along the Straits of Malacca in Port Klang. As its name suggests, the area is declared a 'free zone' for supply chain management of a specific cluster of exports-oriented manufacturing industries and commerce, where the principles and practices of free markets, free trade, free competition, free movement of goods and labour, and full foreign ownership of enterprises are supposedly observed. It is one of Malaysia's largest integrated free zones for industrial and commercial activities whose operations are sanctioned by the Free Zones Act of 1990 and the Ministry of Finance to promote entrepôt trade of manufacturing companies, where importation of raw materials and other production inputs is duty free and the exportation of manufactured goods is facilitated through minimal customs formalities. Hence, the neoliberal policy of liberalization is to guide the economic activities of production and exchange in the area.

Port Klang became a free trade zone in 1993 as part of the government policy of making it a national load centre and a regional transhipment hub within the medium and longer term government's privatization master plan consistent with the growth strategies of the *Sixth Malaysia Plan* for 1990-1995 and further outlined in the *Seventh Malaysia Plan* for 1996-2000. By 1998, despite these plans and the infrastructure facilities for trading offered by the port, more than a third of Malaysia's external trade amounting to hundreds of billions of ringgit continued to use Singapore ports. In its desire to capture market share, which would entail the reduction of trade diversion to Singapore, the Malaysian government aimed to improve Port Klang's status as a regional port hub (see Tull and Reveley, 2002). Part of this vision was to make Port Klang a cost-effective alternative to Singapore and China for shipping companies servicing the Asian market. On 24 March 1999, the Malaysian Cabinet approved the project to boost and develop PKFZ as the country's leading container port to be facilitated by the Ministry of Transport (MOT), Ministry of Finance (MOF), and the Port Klang Authority (PKA). MOF then made a directive for the compulsory acquisition of land for the PKFZ and recommended that the

development cost be self-financed through PKA's issuance of government guaranteed bonds.

PKA is supposed to be the government's specifically designated regulatory institution to facilitate market operations in a neoliberalized economic area of Port Klang with privatized facilities and liberalized trading operations. As a statutory body created under the Port Authorities Act of 1963, PKA is planner, developer, regulator, facilitator, manager, and the state mandated authority in the free economic zone of Port Klang. However, the narrative about the involvement of the political-bureaucratic elites with official functions and responsibilities in PKA, in connection with the scandal surrounding the development of the PKFZ project, depicts the case of a regulatory institution deciding and acting to the disadvantage of the government, to the distortion of free markets and to the benefit of the vested interests of a few personalities.

Conflicting Agents

The PKFZ scandal is a complex case that, as of 2014 – i.e. seven years since official investigations and public curiosity commenced – continued to reveal the money trail of corruption. Nevertheless, powerful domestic political-business elites are being implicated in the case and tried in the courts. Private and government institutions have also been included in the conflicts. Political opposition groups, civil society, the media, as well as whistle-blowers within the ruling Barisan Nasional (BN) coalition and state agencies have elevated public awareness of this high profile corruption scandal which encompasses the successive BN-dominated governments of Mahathir Mohamad, Abdullah Badawi, and NajibRazak.

In 2001, PKA signed a memorandum of understanding with Dubai-based Jebel Ali Free Zone International (JAFZI) to conceptualize, develop and market the PKFZ project. PKA later on appointed JAFZI as operator and manager of PKFZ for a period of 15 years, and PKA also commissioned JAFZI to draft a Master Plan and Market Assessment Studies, which was completed in December 2004. However, PKA's agreement with this international private firm JAFZI, or the planned PKA-JAFZI joint venture, got into conflict with PKA's parallel negotiations with a local private company, Kuala Dimensi Sdn Bhd (KDSB). On 12 November 2002, PKA purchased the land in Pulau Indah for the port's development from KDSB for MYR 1.08 billion, repayable in 15 years at 7.5 per cent per annum interest. At the same time this land acquisition deal was made, PKA made a separate agreement to engage the same private company, KDSB, as developer for the first 400 acres of the port amounting to MYR 350 million. For the period 2003-2006, PKA made a series of supplemental agreements and additional development works on a turnkey basis with KDSB, whose scope of work had expanded from 400 acres to the full

1,000 acres in a single phase. The total project outlay in all these PKA agreements with KDSB escalated from MYR 1.957 billion to MYR 4.947 billion, which includes interests of 7.5 per cent per annum and deferred payments (see PricewaterhouseCoopers, 2009).

PKA has been accused of giving dubious favours to KDSB, which sold the land to the government in the first instance, and then awarded the development contracts in the absence of open tenders. KDSB also started the infrastructure work in January 2003 – that is, two months immediately after signing the contract with PKA (November 2002), and about two years even *before* the finalized Master Plan from JAFZI was issued (December 2004). All these development contracts and construction agreements were awarded to KDSB with only cost estimates, without the detailed specifications on building plans, especially for a turnkey infrastructure project. Moreover, the appointment of a quantity surveyor, the QS4 Consortium (comprised of Peruding BE Sdn Bhd, Jurukur Bahan H&A, ASA-CM Jurukur Bahan Sdn Bhd, and RK Partnership), came nine months after KDSB's construction work had begun. PKA carried on these dealings with KDSB despite constant advisory and recommendation from the Auditor General which, in 2004, made an initial assessment of PKA's insufficient and unstable financial resources to meet its obligations for the project and which, for the period 2005-2007, urged PKA to look for financial sources to be able to meet its capital obligations to contractors and developers.

At the first scheduled payment in 2007, PKA resorted to secure a 20-year soft loan of MYR 4.632 billion from the Finance Ministry because it was not able to meet its financial obligations to KDSB. Interest cost for this loan would result in a total outlay of MYR 7.453 billion. PricewaterhouseCoopers (PwC), a multinational consulting firm, projected that if this soft loan would not be restructured, it might lead to default in 2012 and/or to a total project outlay of MYR 12.453 billion.

KDSB has virtually held PKA hostage for its business operations on PKFZ development, in which risks and costs are passed on to the government and its taxpayers. The private company was the one who sold land to PKA on overpriced rates; at the same time, it assumed to become the main contractor for the project's ambitious plans – where the free port is to be developed in a single stage rather than in phases – without any public biddings or open tenders. This unscrupulous arrangement would result in cost overruns in both land acquisition and development expenditures amounting to MYR 4.9 billion, which is about five times PKA's estimated MYR 1 billion sustainable debt level (PricewaterhouseCoopers, 2009).

PKFZ had its soft opening on November 2006. Afterwards, on July 2007, PKA terminated JAFZI's services. Reports point to a turf war within the PKA-JAFZI partnership where the international firm, JAFZI, was complaining about problems in the joint venture such as "bureaucracy, interference by politicians and others with

vested interests, deliberate incorrect minuting of meetings and even attempts at tax evasion by the Malaysian negotiators" (Nadeswaran, 2009). Signs of the acrimonious relationship between PKA and JAFZI included the interrogation – if not harassment – made by Malaysia's Immigration Department on JAFZI's representative, Noel Gulliver, an Australian citizen who was himself the free port zone's managing director.

The termination of the agreement between PKA and JAFZI raised serious policy concerns that led the Public Accounts Committee (PAC) of the Malaysian Parliament on August 2007 to inquire about the PKFZ project, to ascertain whether adequate funding or bailout could be provided by the government to fix the problem. PAC's inquiry, which was chaired by Shahrir Abdul Samad of the dominant party, United Malays National Organisation (UMNO), elicited a variety of controversial issues that resulted in a profound investigation of the PKFZ imbroglio which implicated elite personalities from government institutions and private firms. A particular finding of PAC was the unusual arrangement in the public-private partnership contract to develop PKFZ where a government guarantee provision obliges the state to bond holders on papers, which were issued by the private company KDSB itself. Even though PAC's mandate is limited to a legislative inquiry, its findings formed the bases for the ensuing administrative and criminal charges filed against public officials and private individuals.

One of the first government officials to be summoned by PAC was former PKA general manager, Paduka O.C. Phang, who also served as chair of the PKFZ board of directors. PAC sought an explanation from Phanga bout the financial procedure and transactions in connection with the development of the PKFZ project, since she was responsible for the PKA funds, including disbursement, in RHB Bank from 2001 to 2006. Former Transport Minister Chan Kong Choy was also invited in the parliament, but he consistently denied allegations of improprieties in the deal and seemed to prevaricate over pointed and sensitive questions, especially from opposition parliamentarians. As a result of the parliamentary investigations, PAC recommended to the Malaysian Anti-Corruption Commission and the police to investigate Phang and Chan for criminal breach of trust.

The PKFZ scandal became a main issue during the 8 March 2008 general elections. It particularly put BN's coalition ally, the Malaysian Chinese Association (MCA), in the hot seat. MCA is the party which has controlled the Transport Ministry and whose leaders have been chairpersons of PKA since 1989. The corruption issue has arguably contributed to the lacklustre performance of the Abdullah-led BN electoral coalition. Likewise, the unfolding PKFZ controversy represented, as well as deepened, intra-elite conflicts, whereby MCA party members themselves were the ones who made public exposés of the anomalies done by their partymates in the MCA-controlled PKA and

Transport Ministry.

On October 2008, then PKA's newly-appointed Chairman, Lee Hwa Beng (who is an MCA party member) and General Manager Lim Thean Shiang (who is Phang's successor) engaged the services of PricewaterhouseCoopers Advisory Services Sdn Bhd, based in Kuala Lumpur, to come up with a position review of the PKFZ project and the corporation itself, the Port Klang Free Zone Sdn Bhd. The PwC audit report was made public on May 2009, and it effectively heightened public consciousness about the MYR 12.5 billion PKFZ scandal involving influential public officials making deals and decisions that betray public trust and the nation's interest. Notwithstanding the fact that the PwC report is only a 'position review' which pointed out the PKFZ project's enormous cost overruns, weak governance, and weak management, and which accordingly recommended financial restructuring to avoid default (see PricewaterhouseCoopers, 2009), it has become an influential and credible reference for the media, the parliamentary inquiry, the anti-corruption commission investigation, and the court trials, as it has provided leads about the questionable dealings and identified personalities who might be culpable of violating government rules and laws. In fact, the PwC report has also urged Prime Minister Najib to, at least rhetorically, set up a 'Super Task Force' in September 2009 headed by the Chief Secretary to the Government, Sidek Hassan, to conduct its own investigations into the PKFZ scandal (Lee Hwa Beng and Lee Siew Lian, 2012; cf. Lim Kit Siang, 2012). The opposition politicians from the Democratic Action Party (DAP) – namely, Lim Kit Siang, Tony Pua, Ronnie Liu, and Teng Chang Kim – have also sustained their criticisms of the scandal, which they depict as the "mother of all scandals", to mobilize public awareness.

After three years (2008-2011) of his chairmanship of PKA, Lee Hwa Beng then co-authored with Lee Siew Lian, an investigative journalist, the book *PKFZ: A Nation's Trust Betrayed* which offers an insider's account of the scandal involving Malaysia's political-business elites (see Lee Hwa Beng and Lee Siew Lian, 2012). Lee Hwa Beng noted that parliamentarian Ong Tee Keat, former president of MCA and former Minister of Transport, helped him in his exposé of the involvement of their own MCA partymates and colleagues. Under his chairmanship of PKA, Lee Hwa Beng also initiated lawsuits against Phang for breach of duty during her term as PKA general manager and also against the project's private contractors (Goh, 2009).

The audit reports, investigations and exposés have elicited a perplexing narrative of involved public and private personalities in the PKFZ mess. In the overpriced land sale and questionable mode of land acquisition, the involvement of private companies and a government agency that are affiliated and connected with BN politicians have been identified, specifically: [a] the UMNO-controlled Koperasi Pembangunan Pulau Lumut Bhd (KPPLB), which was the original landowner for the PKFZ project; [b] KDSB,

whose chief operating officer is Tiong King Sing, member of parliament for the Bintulu constituency representing another ruling party – the Sarawak Progressive Democratic Party (SPDP) – that is allied with the BN coalition; and [c] PKA under its former general manager Phang, who is closely associated with and appointed by MCA leaders heading the Transport Ministry. KPPLB sold the 405 hectares of land for the free port facility to KDSB for only MYR 95 million in 1999, but when PKA bought the land from KDSB in 2002, it cost a whopping MYR 1.08 billion – i.e. equivalent to ten times land price appreciation in just three years.

Key leaders of the MCA who managed the Transport Ministry have been charged of cheating the government in connection with the role they played in the facilitation of the PKFZ deal. Former Transport Ministers Ling Liong Sik (then MCA president) and Chan Kong Choy (then MCA deputy president) have issued 'letters of support' to KDSB to raise MYR 4 billion bonds to fund and develop PKFZ – an act which is perceived to be full of irregularities because of their influence in the signing of a questionable public-private partnership agreement that allows for the issuance of bonds by a private company (KDSB) which, at the same time, obliges the Malaysian government to guarantee these bonds to fund the infrastructure. These letters of support from both former Transport Ministers – which undergirded KDSB to set up four special purpose vehicles (SPVs) to issue bonds to raise funds for PKFZ project – were issued without approval from the Finance Ministry, but the letters had the effect of being construed as government guarantees and, as such, a government liability. The project is thus found to have 'bypassed' government's institutions for checks and balances, such as the necessary examination by the Attorney General for a huge infrastructure project and the guidelines and stipulations of the Treasury and the Finance Ministry on financial transactions and the issuance of government-guaranteed bonds (PricewaterhouseCoopers, 2009).

Ling, who was then MCA president and concurrently Transport Minister, is reported to have muscled his way into making PKA buy land from KDSB despite the cheaper options preferred by the Federal Government and the Finance Ministry (Lee Hwa Beng and Lee Siew Lian, 2012). Ling has been charged of cheating the government together with his successor Transport Minister Chan. For his defence, Ling wanted his witnesses in the court trials to include incumbent Prime Minister Najib, the former Premieres Abdullah and Mahathir, as well as other bureaucrats – a move noted by KL High Court Judge Ahmadi Asnawi as "calling almost all the cabinet ministers" (Tamarai Chelvi, 2011).

Five years after the parliament and executive investigations started in 2007, only six personalities have been charged by the Office of the Attorney General Abdul Gani Patail, and brought to court in connection with their probable culpability in the large-scale PKFZ scandal. Three are from the private sector, who are charged of cheating and

making false claims, namely: [i] Stephen Abok, former chief operating officer of KDSB; [ii] Bernard Tan Seng Swee of BTA Architect; and [iii] Law Jenn Dong, former engineer at KDSB. The other three are MCA party leaders and former government officials who are accused of criminal breach of trust and cheating on the government, namely: [iv] Phang, former PKA general manager; [v] Ling, former Transport Minister; and [vi] Chan, another former Transport Minister. All of them have already claimed court trials, but the Klang Sessions Court has been criticized for imposing a low amount of bail relative to the offense of these accused.

Several other BN politicians – particularly, political leaders of MCA and UMNO – have been named in the investigations, exposés, and news reports. However, they are yet to be summoned in executive and parliamentary investigations and charged in courts for potential conflict of interests – that is, for holding concurrent government and business positions. These political-business elites who have allegedly committed misconduct, graft and corruption include:

[a] Chor Chee Heung, MCA politician representing Alor Setar in the parliament and also Minister of Housing and Local Government who was both PKA chairman and director of KDSB's parent company, Wijaya Baru Global Berhad (WBGB), an investment holding company with diversified portfolios operating in Malaysia and China;

[b] Ting Chew Peh, MCA politician and former PKA chairman;

[c] Tiong King Sing, a member of parliament allied with the BN coalition and former chief operating officer with controlling shares at WBGB and KDSB;

[d] Azim Zabidi, former UMNO treasurer and former chairman of WBGB and a director of KDSB;

[e] Onn Ismail, UMNO's permanent chairman and speaker and assemblyman of Sementa state while he was chairman of KPPLB;

[f] Faizal Abdullah, Onn's son-in-law and UMNO youth leader, who is chief executive officer of KDSB and executive director of WBGB;

[g] Abdul Rahman Palil, an UMNO politician assemblyman of Sementa state who succeeded Onn as KPPLB chairman while he was PKA board member;

[h] Abdul Rashid Asari, then UMNO's deputy chief for the Kapar division in the Klang district who headed the law firm Rashid Asari& Co. that drafted the PKA-KDSB land purchase and development agreement; and

[i] Prime Minister Najib, who was then Abdullah's deputy premier when the federal government approved the MYR 4.6 billion soft loan to PKA to pay for the latter's obligations to KDSB.

All of these politicians with business interests have been identified to have taken

active and incriminating roles in the scandalous issues of land acquisition, the awarding of development contracts, and the issuance of bonds that besieged the PKFZ mess (see PricewaterhouseCoopers, 2009; Ong, 2009; Lee HwaBeng and Lee Siew Lian, 2012; Lim Kit Siang, 2012).

In October 2013 and January 2014, the High Court acquitted the BN-MCA party leaders and former Transport Ministers Ling and Chan, respectively, for failure of the prosecution to prove beyond reasonable doubt the accusation of cheating the government and other criminal charges against the defendants. The government prosecutors at the Attorney-General's Chambers have not appealed for reconsideration the court's decisions, prompting criticism from the political opposition that these acquittals only show "what every Malaysian had expected to happen" and that "[c]onnection and ties will always get [one] places" in Malaysia where there are "crimes without criminals" (Shazwan 2014).

Points of Conflict

A few notable points of conflict in the neoliberalization process in Malaysia arise from the PKFZ case. The first is the conflict between the 'old' existing relations of institutionalized crony capitalism and the 'new' emerging logic of disciplinary neoliberalism. In the PKFZ project, sections of domestic political-business elites with access to and influence over state decision-making institutions and functionaries have appropriated, or attempted to profit from, the neoliberalized economic activities in a free market zone to their personal interests and advantages. It appears that the market forces of neoliberalism have been subjected to Malaysia's established system of crony capitalism – thus, contrary to the perceived effect of the neoliberalization process to sweep away the vestiges of uncompetitive and market-distorting accumulation structure. This conflict between the opposing forces of crony capitalism and competitive neoliberalism is expected to persist until a hegemonic accumulation regime – secured through legitimacy and/or coercion – emerges with its peculiar norms, institutions, and practices for political-business relations.

Secondly, neoliberalization normatively aims to depoliticize accumulation, but it is actually a politicized process. In the case of the project to develop PKFZ as a free market space, the rules of engagement between state functionaries and the private sector were not based on market principles or government institutional regulations for markets, but on political wheeling and dealing. The domestic private company (KDSB) in this regard did not rely on market mechanisms, but on political connections with decision-makers in state institutions. As a result, instead of playing by the principle of competition that is supposed to be observed in a free economic zone, this domestic company has attempted to make the state the protector and guarantor of its private accumulation

interests. At the same time, the company's partner political elites within state institutions have found this arrangement personally profitable. Thus, neoliberalization's objective of definitively securing market relations has been essentially captive of political relations.

Thirdly, the PKFZ case reveals how a regulatory institution (PKA) has been captured by a section of private vested interests where a politically-connected private company (KDSB) can make an acquiescing government agency (PKA and MOT) pay for a purportedly free market-oriented infrastructure project on non-market-based rates – in particular, the principal price of the land, the cost of development work and their interest rates on deferred payments, which are way above market rates. The regulatory institution (PKA) that is mandated to balance market mechanisms with state interest has turned out to be acting against the general interest of free market capitalism and the particular interest of the state. PKA has favoured a politically connected domestic private firm (KDSB) and sealed agreements that put the state – specifically, the national treasury and the taxpayers – in debt, at risk, under liability, and at a gross disadvantage.

Finally, the political-business alliance in the PKFZ deal (i.e. the alliance between MCA politicians in the government agencies MOT-PKA and the private sector KDSB and its contractors) comes into conflict with erstwhile political allies and business partners. In the political sphere, this refers to the MCA politicians in the Transport Ministry and PKA who have been exposed, investigated, and charged by their MCA partymates and BN/UMNO coalition allies. In the business sector, it alludes to the terminated partnership between the domestic private company KDSB and the international private firm JAFZI. Indeed, while there had been political-business alliances in the project to make the free zone a more attractive and market-friendly investment site, this neoliberalization process itself has also delineated conflicts among political-business elite interests.

Contrasts and Conclusions

Actual class and social forces shape the evolution of capitalist development. In particular, elite vested interests permeate through the process of neoliberal reproduction in Southeast Asia. This active interaction between elite interests and the neoliberalization process reflects a specific configuration of power relations in the regime of accumulation.

A couple of interrelated mechanisms have emerged in the empirical expositions of this article about Southeast Asia's contemporary political economy: [i] the structure-agency dynamics in the development of capitalism, and [ii] the conflictual nature of accumulation. Firstly, the issues presented for both the Philippines and Malaysia have highlighted the scope of agency – particularly the dominant elite classes in politics and business – within the structures of an expanding circuit of capital, in the context of the

material and ideological opportunities for accumulation brought about by a globalizing economy and the ideology of neoliberalism itself. Secondly, the studied cases have shown that, alongside political-business alliances intrinsic in capitalist relations, there exist class and social conflicts naturally arising from the often-competing drive of vested interests to accumulate wealth and power.

The findings from these empirical cases have implications for theories of neoliberal globalization, capitalist development, and social change. Specifically, the interpretations from market fundamentalism, structural determinism, and pure voluntarism are being challenged. First, the study has falsified the hyperglobalist thesis based on the orthodox ideology of neoliberalism about the dominance of market forces and the rationality of the market logic in the era of globalization, by presenting the reality that vested elite interests of local elites (with political affinity to states within which capital ultimately settles and operates) and of transnational capitalist elites (with business interests and strategies in emerging markets and developing economies) have the power and capacity to shape the process of neoliberalization. Second, it has illuminated the limitations of the fundamentally class and economic deterministic assumptions of some elements of vulgar Marxism, by rendering 'the agential' visible in the structure of capitalist accumulation and by specifying 'the political' behind 'the economic' in the political economy of Southeast Asian neoliberalization. Third, it has concretized a social conflict theory to understand the dynamics of neoliberalizing accumulation regimes, by particularly identifying 'the who' and explaining 'the how' in the conflict-ridden nature of accumulation regimes in the Philippines and Malaysia.

Neoliberalization processes in the Philippines and Malaysia are being driven and appropriated by conflicting elite interests. In principle, elites in these countries have no qualms about capitalist development and have a common drive for power and wealth accumulation. However, an overriding issue of conflicts is on who gets what, or who should get more, in neoliberalism's accumulation opportunities and how the neoliberal accumulation regime is to be organized. Thus, to understand the specificities of the evolving development of capitalism in Southeast Asia, it is necessary to decipher the dynamics of dominant elite class *interests* at stake and proactively involved in the diversifying accumulation processes under neoliberalism – i.e. particular interests of the elites in politics, business and the economy, which are sometimes converging and oftentimes conflicting.

Critical differences on elite class dynamics in the evolution of the neoliberalization process between the Philippines and Malaysia can be distinguished in three major aspects that characterize their respective accumulation regimes. The first and foremost contrast point is on the **power structure**, specifically state-capital relations, in the accumulation regime. Malaysia's distinctiveness is that it has an UMNO/BN-led state-party with a

powerful political-business network embedded since Independence (i.e. for almost 60 years) whose vested interests are deeply entrenched, and can be reproduced, in the regime's political-economic institutions. These established political-business alliances – notably, the system of consociationalism between actors in the state, domestic capital, and foreign capital – have historically institutionalized the culture of individualist economic transactionalism *together with* the agenda of the protection of particularist class and ethnic interests. On the other hand, elite interests in the Philippines are being articulated, negotiated, or advanced in an accumulation regime in which state control – and, as such, economic opportunities for capital –alternately circulates among competing sections of the elites through the country's regularly contested electoral democratic space. In this context, the wielding of political-economic clout is *contingent upon* whose faction of the political class, with its respective business partners, is in power.

The second contrast point is the accumulation regime's **prevailing economic development structure**, specifically the economic specialization or activity, in which elite interests are promoted in the neoliberalization process. In other words, this relates to the different economic contexts between elite interests in a neoliberalization *with* industrialization (i.e. Malaysia) and in a neoliberalization *without* industrialization (i.e. the Philippines). In Malaysia, the scandalous project of PKFZ is constitutive of neoliberal reform efforts in privatizing and liberalizing trade policy and government procurement, which are accordingly linked to the country's national industrialization strategy. The state-party's UMNO/BN network of business cronies and political allies has long been well-placed in the regime, whose strong relationships are forged and bound together as an important part of the country's enduring industrialization project. Consequently, these elites are well-positioned to influence and take advantage of virtually all accumulation opportunities from development projects and activities associated with the interconnected agenda for national industrialization and global competitiveness that basically require political decision-making, government sanctions, and state resources. In the Philippines, the controversial deal for the NAIA-3 project was supposed to have been done in the spirit of the neoliberal policies of privatization and liberalization, particularly through build-operate-transfer schemes and public-private partnerships. This infrastructure development project was, on paper at least, simply tied to the neoliberal market and institutional reform policies, but not to any long-term politically planned industrial policy. While the industrializing economy of Malaysia has 'the usual suspects' in its accumulation regime coming from the age-old UMNO/BN political-business network, every incumbent administration in the Philippines presents itself with its own clique of politicians and favoured business elites with a relatively short-termist predisposition and a tendentially expedient accumulation agenda.

The third contrast point is the different **political institutions** of Philippine and Malaysian accumulation regimes that delineate – but not necessarily determine – elite behaviour within the larger polity and society. Authoritarian features in Malaysia control government apparatuses and the media that make it difficult to publicly reveal anomalies, let alone institutionally enforce punitive actions against corruption and other wrongdoings. In essence, the state-party dominates the executive, parliamentary, and judicial institutions, as well as the influential means of socialization through mainstream media. This, therefore, poses tremendous challenges and difficulties, as well as risks, for opposition politics. On the contrary, post-Marcos dictatorship Philippines has been able to move towards a democratization process and put in place some democratic rules and institutions, notably: the system of checks and balances between the executive, legislative and judiciary; a relatively free press and vigorous media with activist investigative journalism; and a multitude of active civil society and social movements. This configuration of democracy provides an important institutional basis for public vigilance and opposition against elite misbehaviour and deviance in the conduct of political and economic activities. Arguably, political-economic actors in the Philippines accept, at least, the procedural rules of democracy; that is why those accused of misconduct most often get investigated by executive and congressional bodies, prosecuted and tried in courts, and in some cases, convicted.

Notwithstanding these contrast points, an overarching theme in thisarticle is that *elite capture* and *elite conflicts* pervade the process of the peculiar neoliberalizing capitalist regimes in Southeast Asia. Neoliberalization is expanding the circuit of capital accumulation beyond the nation-state and creating new capitalist class formation and pro-capitalist political forces; but, simultaneously, it is broadening a set of prospective clients from whom entrenched domestic elites can extract rents and appropriate profits. Dominant elite classes – at both the local and transnational levels – have strategies to profit from neoliberalism through the usurpation of the neoliberalization process itself, consistent with their particularistic interests in the preservation and perpetuation of their personal stakes, social status, and class power. After all, the neoliberalization process, as well as the ideology of neoliberalism, is a fundamentally elite-led and elitist agenda. This, however, does not mean faithful conformity of the elites to orthodox neoliberal policies. As illustrated in the cases for both the Philippines and Malaysia, the *interests* of elites in the expansion of capital accumulation, particularly their behaviours and actions toward both the constraints and opportunities in the structures of accumulation under conditions of neoliberal globalization, often contradict the *ideology* of competitive capitalism. At the same time, it has become more palpable that there are inter- and intra-elite *conflicts* coexisting with the 'old' and the 'new' political-business *alliances* in the neoliberalizing accumulation regimes of the Philippines and Malaysia.

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Balancing Out Forests: Implications of the Forest Conservation Act, 1980 in Southern Odisha, India

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ABSTRACT

The Forest Conservation Act, 1980 was enacted to conserve India's forests by regulating the de-reservation of forests with approval from the Central Government. The act is seen as a straightforward solution to loss of forests by facilitating development through conservation. Through the case of conservation by compensatory afforestation as prescribed under the Act, this study interrogates whether the Act holds up a win-win scenario for development and conservation by examining its ground level implementation. In doing so, the paper also tries to unpack the socio-ecological outcomes in the study area. To unpack discourses at policy level interviews were conducted with scholars, academicians, and several forest department officials in Delhi and Bhubaneshwar. To understand implementation and outcomes two villages in Kashipur block of Southern Odisha was selected; one near the forest diverted for mining conveyor belt and other near the compensated site respectively. These cases are indicative of the outcomes of the Act. Ethnographic tools including interviews and observation were used to collect village level data. Preliminary analysis of the data suggests that the Act operates in an unequal power setting – inequality in access to prior information, non-recognition of pre-existing rights over forest, denial of customary use of land and in relationship with the state. Communities at both villages face social and environmental outcomes such as excessive dust from construction, loss of cultivable land and changing social dynamics within the village. Forests are primarily viewed only as trees squarely leaving out its social value and ultimately becoming a question of land. The Act is seen to cause complications in an already marginalised landscape failing to create a win-win scenario; state and the user agency in the gain. The findings of this paper contribute to the micro-level understanding of this important Act taking into account political and historical processes in the landscape; essential in a state endowed with minerals ready for exploitation.

Introduction

Large scale diversion of forests for development projects such as mining, dams and other projects such as railways has been a major driver for the loss of forest land. The Forest Conservation Act, 1980 (FCA) enacted by the Government of India institutionalized a

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set of procedures to divert forest areas for other non-forest purposes such as mining, industries and dams. The FCA has an inbuilt mechanism to compensate forest loss due to diversion through compensatory afforestation (CA) in other non-forest or degraded forest sites in the vicinity of the project. The National Forest Policy of 1988 rehashes the importance of safeguarding forests as property of the state managed with the help of specialists (Kohli and Menon, 2011). The money thus far collected from the user agencies towards CA remained underutilized. As per a report of the Central Empowered Committee (CEC) on compensatory afforestation, less than 60 per cent of the total funds recovered from user agencies were spent and only 61 per cent of the total target area for CA had been covered by 2002 (Kohli et al., 2011). This brought about the formation of the ad hoc Compensatory Afforestation Planning and Management Authority (CAMPA) in 2005 to streamline disbursement of funds and monitor progress (Kohli et al., 2011). The money collected from the mining corporations for compensatory afforestation, additional afforestation, Net Present Value (NPV[2]) is deposited in the CAMPA fund which is then disbursed to respective States and Union Territories. Afforestation activities, conservation measures and other ancillary activities to strengthen the forest department are carried out by the Forest Department based on the CAMPA guidelines stipulated in 2009.

Kohli and Menon (2011) highlight that there is large scale diversion of forest land for non-forest purpose although the extent area diverted varies each year. This diversion can be viewed alongside a reported increase in forest cover by the Forest Survey of India (FSI) in the country from 21.05 per cent in 2011 to 24.01 per cent in 2013, with most of the increase being reported in non-forest areas. These numbers promote the FCA as a facilitator of development by displaying a seemingly win-win situation for conservation and development.

The linking of capitalist accumulation processes with conservation initiatives at a policy level has been theorized. Neil Smith suggests that strategies are developed to ensure there is no dampener on capitalist accumulation where nature is commoditized as in the case of carbon trading, marketized and financialized (2009); these strategies are even profit generating. Castree (2008) characterizes certain 'biophysical fixes' through which nature is neoliberalized. Each "'fix' constitutes a way of achieving strategically a core objective for capital and /or the state" (Castree, 2008). One such fix directly refers to capitalist accumulation through resource extraction, and another fix illustrates initiatives by the state to maintain legitimacy among capitalists, civil society and the natural environment. The FCA can be viewed as one such fix as a means to overcome capitalism's inherent

2 NPV is "understood as a value to compensate, in money terms, for the loss of tangible as well as intangible benefits flowing from the forest lands due to its diversion to non-forest use. The new user of the forest land is expected to bear the cost of these losses by the payment of NPV." (Kohli et al., 2011)

'ecological crisis' (O'Connor, 1988). While capitalist resource extraction such as mining results in forest loss, the state enacted the FCA to acknowledge this 'ecological crisis' that follows such extraction, by developing neutralizing measures such as compensatory afforestation. Therefore, despite FCA stating that it is meant for the conservation of forests, it still has mechanisms to facilitate change of forest land use (Kohli et al., 2011).

In this paper, through the case of 'conservation' by compensatory afforestation as prescribed under the FCA, I interrogate whether it holds up as a win-win situation for both development and conservation in my study area. The paper also attempts to unpack social and ecological outcomes on the landscape.

Context

37.34 per cent of Odisha's geographical area is forested, which includes 18 wildlife sanctuaries and one tiger reserve (FSI, 2011). Unchecked timber smuggling, mining, industrialization and uncontrolled grazing have been cited as some of the key factors causing degradation of forests in the state. The state has a long history of forest protection and conservation measures such as joint forest management, compensatory afforestation schemes, the Odisha State Forestry Development Project (OFSDP) funded by the Japan Bank for International Cooperation, and several other working plans. It has been reported that an increase in conservation measures and teak and bamboo plantations in scrub areas has resulted in a net increase in forest area (FSI, 2013). There was 1,444 sq. km increase in total area of forest cover between 2011 and 2013, with a 544 sq. km increase particularly in tribal areas (FSI, 2013).

Odisha is also rendered important in the global economic arena due to its vast and diverse mineral deposits (*Indian Minerals Year Book*, 2011).The state of Odisha alone accounts for 55 per cent of India's total bauxite[3] resources (*Indian Minerals Year Book*, 2011); they form a part of the East Coast Bauxite deposits developed due to residual weathering in a series of plateaus and hills across the states of Odisha and Andhra Pradesh (Rao and Raman, 1979). These deposits are found in complex environments which form part of Odisha's forest cover which are inhabited by tribal and non-tribal people, and wildlife. Most mineral-rich hills and forests fall under Schedule V[4] areas as prescribed under the Indian constitution, and are home to 62 different scheduled tribes who constitute 22 per cent of Odisha's population[5]. The landscape has been subjected to continued human interventions, including subsistence practices such as

3 Bauxite is the central mineral used for the production of aluminium

4 Schedule V and VI of the constitution say that mineral rights in tribal land belong to indigenous people.

5 From Ministry of Tribal Affairs, http://tribal.nic.in/index2.asp?sublinkid=545&langid=1

shifting cultivation and Non timber forest product (NTFP) collection, and state practices such as plantations and conservation initiatives (Das, 2001).

With the advent of neoliberal economic policies, over the last decade there has been a surge in clearances for bauxite mines due to increase in need for aluminium for military, mobile phone and packaging purposes, nationally and internationally (Padel and Das, 2010); 29 permits for bauxite mines have been cleared during the last 11th Five-Year Plan period (DTE, 2012). Apart from this, there are 27 prospecting lease applications and 53 mining lease applications pending with the Govt of Odisha.[6]

Nine bauxite reserves occur in southern Odisha forming a tract cutting across the three districts of Koraput, Kalahandi and Rayagada. Many of these areas have become sites of contestation where the local communities are fighting against the state and corporations for their livelihoods and homes, and against environment damage (Das, 2001). The legal relationship of tribal people with their land, on which many of them practice subsistence agriculture, has been under constant transformation since colonial times, with land becoming important for revenue, timber, development projects such as roads and rails, conservation or mineral resources over different periods in time (Das, 2001; Sahu, 2008; Sarangi, 2004). This landscape has also witnessed many anti-mining protests mobilized both by local communities and external actors, of which some have been successful in stalling mining operations. This illustrates the complex processes which include degradation, protection, and modification of livelihoods and resistance that a particular landscape is subjected to when exposed to a mainstream paradigm of neoliberal development through resource extraction.

The intensive expansion of economic production and conservation initiatives need to be interrogated in tandem to highlight the unpredictable nature of neoliberalism in creating winners and losers within a particular political, ecological, geographical and historical setting.

Study Site

I locate this study in one of the most backward regions in the country, the Kashipur Block of Rayagada district. Rayagada is one of the eight KBK (Koratpur, Balangii and Kalahandi) districts which have been identified as backward regions and are subjected to several integrated management plans since the early 1990s to accelerate poverty reduction and create opportunities for economic, social and human development. This block forms

6 Note on Bauxite Mining in Odisha: Report on Flora, Fauna, and Impact on Tribal Population (2007) Additional information sought by Supreme Court with respect to Writ Petition (Civil) no. 202 of 1995. While some of this information on pending licences may be dated, currently permission for Vedanta to mine Niyamgiri has been rejected by eight out of 12 gram sabhas in the districts of Kalahandi and Rayagada.

a part of the east coast bauxite reserve mentioned earlier. Incursion of multinational companies with an interest to mine bauxite in this area started around the early 90's, and for the next 15 years the area was subject to a lot of violence and protest movements. After much violent perseverance from the companies mining permission was granted and a refinery was also built relocating three villages. Mining has started since 2013 and the refinery is also operational now.

Kashipur Block is spread over 1,501 sq. km and comprises 415 revenue villages. Many of these villages could ideally be called hamlets. As per Census 2011, Scheduled Tribes (STs) comprise 60 per cent of the population and Scheduled Castes (SCs) about 20 per cent. The local population practise both settled and swidden agriculture, although there has been a considerable reduction of area available for cultivation and shifting cultivation practices have transformed to short fallow cultivation on hill slopes (Kumar, Chaudhury et al., 2005). The block has four CA sites set up against the forest diversion of Utkal Alumina International Limited (UAIL) which operates both the mine and the refinery; 102 ha of forest land was diverted for constructing the alumina refinery, which has been compensated in three sites surrounding the Titiguda forest reserve in 2000-01; 2.335 ha of forest land was diverted in 2010 for the construction of a conveyor belt line, which was compensated in 2012 near the Podabandh protected forest.

This paper focuses on two villages, one near the diverted forest and another near the compensated site, to understand the immediate social outcomes of implementation of the FCA, such as reactions towards diversion and compensation, and change in community dynamics within the village.

Methods

To answer the question of whether conservation through compensatory afforestation produces win-win scenarios on the ground, data was collected at the community level as well as from members of civil society. I conducted interviews with scholars and academicians, and several forest department officials in Delhi and Bhubaneshwar. Secondary data such as government documents and other reports was also collected from various sources. This was done to try and unpack discourses around FCA at a macro-level to collate it with micro-level data.

Ethnographic data was collected during October-December 2014 from Podabandh village located in the vicinity of both the CA site and the Podabandh Protected Forest. Several visits were made to the village, and village walks were undertaken to visit the CA site. A household (HH) survey of the entire village based on a semi-structured questionnaire was conducted. There were two focus group discussions (FGDs) conducted in the

village. For the purpose of this paper, mostly data from the FGDs will be presented and discussed. An FDG with 22 villagers was also conducted in Hatikhman, where a village forest was diverted for the construction of conveyor belt.

Discussion

At the outset I would like to add the caveat that this is work in progress and this section is based on preliminary analysis of the data collected thus far. The first part of the discussion will focus on secondary data and data gathered among civil society, and the second part will focus on data gathered at the community level.

Discourses around the Forest Conservation Act, 1980

FCA as 'monetisation of responsibility' is an idea put forth by an eminent academic lawyer in Delhi in my interview with her. She was appointed as the chairperson to prepare an independent site inspection report for forest land diversion under the FCA for mining bauxite ore in Lanjigarh Bauxite Reserve. She reiterated that collecting funds from user agencies is dilution of responsibility by 'converting responsibility into cash'. This does nothing but sidesteps the main issue of actual forest loss and promotes activities such as mining. The FCA has institutionalized a combination of a "centralized, standardized system of valuation and compensation, thus giving a semblance of efficient and scientific forest regulation a.k.a. conservation" (Kohli and Menon, 2011). This system of valuing forests and compensation has made conversion of forests into decontextualized, mobile and tradeable commodities between regions (Kohli and Menon, 2011). This system of valuation also leads one to the question – what are forests under the FCA? How are forests defined and how are they being valued? Forest had not been defined under the FCA; it only mentions that it includes lands that have been notified as forests under the Indian Forest Act, 1927 (Das, 2010). In 1996, an order in the popular Godavarman case[7] expanded the meaning of the word "forests" to its dictionary meaning in the FCA (Kohli et al., 2011). This meant that even non-notified areas irrespective of ownership would be categorized under the FCA (Das, 2010). This open-ended definition of forests, subject to various interpretations, has facilitated easier transfer of forests to non-forests, and the power of the state to denotify forests have worked in favour of development projects (Das, 2010).

In answer to what is being valued, in my interview with an academician in Delhi who has worked on the micro-politics of mining in Zambia, said that there is an absence of systems thinking within the FCA. It simply talks of replacing one element of an entire system, i.e. trees into another system. In effect, forests are only thought of as trees.

7 T.N. Godavarman Thirumalpad vs Union of India [W.P. (Civil) No. 202 of 1995] is popularly known as the Forest Case. It is an ongoing matter being heard in the Supreme Court against large-scale illegal felling of timber and denuding forests in Gudalur Taluk, Tamil Nadu

There is also no concern of how another system where afforestation happens could be altered. A monetary value assigned to the trees depending on the forest type is then paid by the user agency. In 2005, the concept of Net Present Value was introduced to take into account that a forest didn't only comprise of trees but was also a provider of ecosystem services and goods. A committee was constituted to develop a methodology applicable to different biogeographical zones to estimate NPV in monetary values. In an interview, the 2005 NPV committee chairman told me that the committee's suggestion to evaluate on a case by case basis instead of an eco-classsification was dropped by the government. This case by case basis could mean more time taken towards diversion and further delays. For the government, it made more sense to have values assigned for each biogeographical area except in eco-sensitive zones, to expedite the process of diversion. The then chairman of the NPV committee also pointed out a pitfall in an economic valuation, case by case or otherwise – that only the supply point of view is taken into account, not the demand aspect. This means that the demand for mines, dams and other non-forest purposes is left out of the equation. This is an important point that there is no long term plan for activities such as mining in our country – if this is done, it will be possible to develop a comprehensive picture of diversion. The ex-chairman also pointed out the limitations to markets being used for conservation, such as ignoring demand, and also assigning values to intangible services provided by a forest block.

In both cases of compensation for afforestation and NPV, the social setting of both the area diverted and the area compensated has been entirely ignored. A scholar in Delhi pointed out that compensatory afforestation happens in an unequal power setting where the communities in the area have no information on why land is being taken up for afforestation. The user agency has a much higher preference with the government, as it is seen as the harbinger of development, foreign direct investment (FDI), and as a source of revenue for the state.

Finally, compensatory afforestation becomes politics of land (Kohli and Menon, 2011) as it has to be carried out in non-forest land, preferably adjacent to a forest block. In the non-availability of such land upon certification by the Chief Secretary of the state, CA is to be done over double the extent of degraded forest area at the cost of the user agency. Most of the non-forest land identified belongs to the revenue department and/or is under customary land use with unique ownership and management practices (Kohli and Menon, 2011). In several cases, the existing land uses are ignored, and are transferred to the forest department to be eventually notified as reserve forest. The key stakeholders of the land that is transferred for compensation are squarely left out of the Act. The several outcomes that may arise within the community and the environment itself are not addressed in the FCA; these outcomes will be discussed in the next section through a case study.

To summarize, the FCA, even at the policy level, has several issues that makes the question of whether it truly promotes a win-win situation even more compelling. The FCA is seen as a very linear, simple process that appeals to logic devoid of any social or ecological implications. I now turn to the case study to explore the immediate outcomes of implementation of the FCA to unpack the ground situation. I will first explore the implications in the village where forest land has been diverted and then in the village where non-forest land has been transferred to the forest department for compensatory afforestation. This enquiry of immediate outcomes of diversion and compensation in tandem will help highlight the problems associated with the FCA.

The Forest Conservation Act, 1980 – on the ground

Diversion of forest land and its associated village

A diversion of 2.335 ha of forest land for construction of the conveyor belt corridor and mines access road was proposed in 2009. The site inspection report of the Divisional Forest Officer states that the legal status of the forest proposed for diversion is 'Gramya Jungle' or 'Village Forest'[8]. Out of the total 2.335 ha, an area of 1.465 ha is managed by the nearby village, Hatikhman Van Samrakshan Samithi[9] (VSS). As described in the report, the forest mainly consists of degraded scrubby sal growth. The report mentions forest land of all villages being devoid of forest growth except in the village Hatikhman where there is scrubby sal with full root stock. The report also states that reduction in forest cover will have little impact on the eco-system. To compensate this reduction 5.93 acres of non-forest land was identified in another village, Podabandh, adjacent to the Podabandh protected forest. I will first discuss results from data gathered from a community level discussion with village members from Hatikhman.

Hatikhman and its diverted forest

Hatikhman is a small village with 29 HHs; 27 HHs belong to an OBC group called the Gouda, 1 HH is ST and the other SC. There are not many hills or dongars surrounding the village and currently none of the HHs practise shifting cultivation. The villagers had the erstwhile kodki patta[10], which was retained even during the 1961 survey and settlement of the revenue department. This patta was revoked later in the 1991 settlement. Since then the village has stopped shifting cultivation, as their own village doesn't have any

8 A forest can be notified as a village forest under the Orissa Forest Act, 1972 for the benefit of any village community or a group of village communities

9 VSS is group set up by the forest department in the village to help the FD undertake its activities. A joint bank account is set up with the VSS president, who belongs to the village, and the forester. In Podabandh the VSS was set up in 2009.

10 A kodki or hoe was used for shifting cultivation. Previously assessment was made on the basis of kodkis owned by a family, i.e. the number of working hands in a family (Kumar, Choudhary et al., 2005). Patta is the legal document that acknowledges ownership over private land.

dongars. The village is present along the 30 km long conveyor belt line that is under construction to transport bauxite ore from the mine to the refinery.

During the discussion that was held in the village, the people complained of dust from the construction of the belt hampering their agriculture. Most of their agriculture happens on patta land near the belt line. This has had a severe impact on their crop yield. A lady also mentioned that even their cattle cannot graze due to excessive dust. Four villagers have lost patta land to the belt and have received compensation. It came out in the discussion that people sought some compensation for the troubles they are facing due to excessive dust.

In 1992-93 a VSS committee was set up in the village to oversee protection of the village forest. At the time when the VSS was set up, there were only 15 HHs. An elderly man in the village mentioned that the VSS committee has a village level patta over the forest. I observed that the sal trees on the way to the village weren't big, and probed why this was so. One of the men in the village commented that the trees were being cut by people from other villages surrounding the forests, to be used as personal firewood and to be sold. It was mentioned that the forester doesn't come, and that it is left to the village people to protect the forest. Protection duties become difficult to perform as there is no monetary support from the FD. They said that even if they report the people who are cutting trees, the FD files no case against them. Hence protection of the trees becomes difficult. During the conversation, when I incorrectly spoke of the forest as a reserve forest, the villagers immediately turned to correct me that it was 'their' forest, and that they even have a patta for it. The 22 people present at the discussion seemed to be aware that this was 'their' forest.

Upon being asked about the diversion proposal[11] for construction of the conveyor belt which was already underway none seemed aware that 'their' forest had been proposed for diversion. When I explained to them about how this proposed diversion and compensation near Podabandh village, they became very defensive. They reiterated that the forest belonged to the village and that even if the company (user agency) had permission they could not cut them; they needed the villagers consent. In fact, the villagers said even that if they protected the forest fiercely now, it would grow back in three years with such big trees that no one could cut them.

The villagers seemed clueless about the compensatory afforestation site that had already been set up. I explained to them about the concept of CA and told them that once the government was satisfied with the growth of CA plantation and other compliances sought, the trees in 'their' forest would be cut. Even though they did not entirely believe

11 At the time of interaction with the village, the trees were not yet cut as Stage II clearance was still pending.

what I said, their immediate response was to ask whether they had rights over the trees planted elsewhere. It was a logical question, as 'their' trees were being cut and hence the rights over the trees compensated must be theirs. During the conversation, one man remembered that the conservator had come to their village two years ago and had said that only if the seven members of the VSS agreed would the trees be cut for the construction of the belt line. The man said, "If we don't give the signature, even if he is Brahma[12] he cannot build the belt line. He can take the belt line around the trees." This statement shows the confidence of their perceived rights, and the trust they have in the government that no trees would be cut if they denied permission.

The trees were eventually cut in December 2014 after Stage II permission was granted by the state. The discussion brought to the fore the villagers' naivety and deceptive tactics used by the government and user agency to obtain permission from the VSS committee. There was lack of prior information and awareness among the villagers that their forests were going to be cut in December. Their crops and cattle continue to suffer because of the dust arising from the construction.

To understand the other part of the story, I will now discuss the experiences from the village near the CA site.

Podabandh and the compensatory afforestation site

Podabandh is a village neighbouring the Podabandh protected forests. It has 40 HHs belonging to SCs, STs and OBCs. The forest extends to an area of 96 ha and consists of dry peninsular plain sal forests. It is known to have housed fauna such as sloth bears, boars, leopards and also tigers. Historically, there have been incidences of loss of cattle and odd events of children falling prey to leopards and tigers. Over the years, most of the fauna have become locally extinct. From the interviews it is understood that there has been a severe loss of forest starting from when the Forest Department in the late 60s cut part of this forest to send wood to the saw mills. This was done through external contractors and led to more illicit felling of trees. The protection of the forest is lackadaisical and the place is accessed heavily by neighbouring villages for firewood and wood for activities such as the construction of houses. The main livelihood is from agriculture, both settled and shifting. The study village has limited land and hills as compared to other villages where agriculture is undertaken.

In 2012, 5.93 acres of government non-forest land (Abada Ajogya Anabadi) from Podabandh village, adjacent to the forest, was transferred to the FD for compensatory afforestation. This area has been planted with teak trees with the help of the village VSS. The state gazette notification mentions that 5.93 acres of land has been transferred for

12 Brahma is a Hindu god who is believed to be the creator of the universe.

the purpose of CA, but the village head emphatically disagreed and said they had lost up to 10 acres of village land to this plantation. The village also had no clue as to why plantations were set up on their village land.

Loss of land to afforestation and other state efforts

In the early 90s, the International Fund for Agricultural Development (IFAD) entered Kashipur Block to improve livelihood practices, afforest hills with fruit trees and reduce dependence on shifting cultivation. Under IFAD, about 100 acres in one of their dongars or hills was planted with agave. This was to help them make rope and sell it in the market. The land below this plantation belonged to another village; over time that village cut down the plantation and usurped the hill. IFAD also planted several fruit trees, including cashew and mango, on the hills after informally distributing the land among the households. But almost all of these trees have been felled over the years, either for household use or to clear the place for shifting cultivation. This was the first loss of dongar land used for shifting cultivation by the village.

In 2005, with the entry of the watershed programme, about 30 acres of land was given up for planting trees. Most of these trees were cut by the villagers, again either for household use or to clear land for shifting cultivation. About 50 per cent of the trees still remain in the 30 acres. In 2013, post CA plantation, about 20 acres were planted with *Albizia sp* trees under the OFSDP. This was again on government land where villagers practised shifting cultivation. Overall, Podabandh has experienced a net loss of cultivable land, and this has in particular affected the landless HHs in the village. Mr Naik, a landed villager, says, "In total, we have lost 50 acres of our village land to these various projects. There was no patta to this land, it is government land, but we used to do dongar chaas (shifting cultivation) in these areas. But what can we say, now that it is government land."

In particular regard to the 2012 CA site, the legal status of land has also changed due to its transfer from the revenue department to the forest department under the FCA. The site has been brought under the ambit of the Podabandh protected forest.

The compensatory afforestation site – landed vs. landless

Podabandh already being a village with limited land as compared to other villagers, the loss of land has especially had an effect on the landless of the village who depended more on it. Upon interviewing the landless HHs, it was found that they were unhappy with land lost to the CA site. Mr Jhodia says, "The landed in the village just gave away land to the forest department. We need to be one village to stop the FD. What little we grow now is not enough – we have to go out now." Another statement about the CA site by a landless person was: "People who have bhota land (10 per cent slope land below

a hill, where landed people have patta) tell us that the dongar is also ours for which they actually don't have a patta. They allowed us landless to do dongar chaas there and then they also give permission to the FD to plant trees. We have used the land before." In reaction to this Mr Naik says "You (landless) were doing agriculture on government land. Why will landed people give any permission or deny that it is their (government) land which they took it away." This shows the division in the village between the landed and the landless. The latter still depend on shifting cultivation, in spite of having to cultivate on denuded hills. This reduction in cultivable area has not only exacerbated an already inbuilt inequality within the village but also forced the landless to look for alternate livelihood strategies. Many of the landless HHs send their young men out for seasonal migration to work on construction sites and factories in cities outside the state.

Adverse reaction among the landed towards the CA site was more in terms of rights over the trees planted, and the fact that the FD planted and forgot about the trees. These reactions clearly don't stem from a basic livelihood concern since many of the landed had given up shifting cultivation already, owing to heavy loss of soil due to the lack of trees on the hills. The bitterness amongst the landed was more directed at the FD for not consulting them on the species planted and the fact that the CA plantation was never cleaned and provided with manure, and the fact that the villagers were also not paid their proper dues for coolie work in setting up the plantations.

Outcomes

In Hatikhman village, forest that is being diverted comprises degraded sal trees. But at the CA site, teak has been planted contrary to even what the CA guidelines specify. The guideline specifies that local species of trees need to be compensated on non-forest land adjacent to a reserve forest or protected forest. As described earlier, the Podabandh protected forest has sal, and in accordance to the spirit of the law, sal trees should have been planted to replace what was cut. In planting teak, the FD seems to have only increased the 'economic value' of the plantation. Can a teak plantation be deemed a forest? How does a teak plantation in any ecological or social way compensate for the loss of a degraded sal forest? How have the local rights of people over the diverted forests been compensated? These are pivotal questions that bring out the complications of this seemingly logical act essential to understand whether the FCA is a win-win solution.

Hatikhman being situated near conveyor belt will continue to experience the problem of dust affecting crops and cattle, not just during the construction phase but during the operations phase as well. In Podabandh, the outcomes have been around two main issues: loss of cultivable land, and creating differences between the landed and landless. Podabandh also receives no form of compensation except for the coolie work

done during the setting up of the plantation. The landless squeezed out of their dongars receive no compensation. At the very least, keeping with the spirit of the law, planting sal in the CA site adjacent to the protected sal forest or planting species that the community want there is of some potential ecological or social value. With the change in the legal status of land, the communities will not be able to demand profit sharing if and when the timber is harvested at the site. The FCA also created further inequalities between the landed and landless.

Conclusion

The Forest Conservation Act, 1980 as a straightforward state "fix" (Castree, 2008) to overcome the 'ecological crisis' due to capitalist accumulation processes results in producing more complications and repercussions on ground. The repercussion on the villages at the diversion and compensation end include loss of rights over forests, loss of land, drastic changes in land use and livelihood either due to dust from the construction or reduction in cultivable land, and severe lack of awareness and information. In trying to overcome an 'ecological crisis', the FCA produces further crises in the political, social and the ecological realm itself. The FCA causes complications in an already marginalized landscape, creating only a win-loss scenario. Both the user agency and the local communities pay the price of ecological compensation; the former driven to further profits and the latter driven to further marginalization. For the user agency only time and money are lost, which are more than recovered once the operations begin. But the local communities stand to lose due to long term implications on their landscape, affecting their lives.

From the findings at the village level there is resonance with the idea that the FCA lacks a systems approach. Monetary valuation for trees and other environmental services depends on the type of forest, but leaves out the type of 'dependence' on forests by neighbouring villages. The village continues to exist in the same area having to deal with immense change but receives no compensation, unlike even villages that are displaced. Valuation only takes into account ecological aspects of the forests, i.e. if they are dense evergreen, scrub etc. without accommodating social value.

From the findings it was also discernible that the FCA does operate within an unequal power setting on the ground. The inequality exists in access to prior information, non-recognition of pre-existing rights over the forest, customary use of land, and in relations with the state. The state plays no role in levelling the ground. By fixing prices for compensation beforehand, there is no scope for negotiation by the local communities for the loss of their forests. And on the other hand, there is no prior information given to the

village where compensation is undertaken; the village has no say on land being diverted for compensation. There exists a situation where communities at both the diversion and compensation site end up paying social and environmental costs.

The findings of this paper contribute to developing a micro-level understanding of how a national legislation such as the Forest Conservation Act produces at times irreconcilable changes in the local socio-environmental conditions. Especially in a state like Odisha, where there is a presence of vast quantities of minerals which are under the constant scanner of capital, it is imperative to develop a micro-level understanding of such Acts due to potential forest diversions.

Within the FCA, the NPV does not include people and their access to land, and the degradation in the area is historical, not only by local people. The "fix" should not further marginalize a landscape; it needs to be more nuanced to be able to deal with a complicated landscape, taking into account historical, political, and social processes already interacting within a setting.

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Gender Based Inequities in the World of Work: Insights from Latin America, Sub-Saharan Africa and Asia

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Abstract

This paper examines gender based disparities in the labour market, that persist across the globe in the form of low participation, occupational segregation, vulnerable employment, wage disparity, limited access to skill, gendered division of unpaid work and other forms of discrimination within and outside the labour market, which have serious implications on female empowerment and upon the macro economy. It gives an overview of the gendered structure of the labour market, focusing particularly the global South, taking selected countries from Latin America, sub-Saharan Africa and South Asia. The paper discusses the various economic and social dynamics – both structural and trends, and looks at the policy structures in different countries of these three regions that govern the constraints to full economic participation of women. With this, the paper goes into analysing progressive strategies to reduce gender based inequities in the world of work – both paid and unpaid - to ensure stability and expansion of decent employment opportunities among women.

Introduction

Inequality between the developed economies and developing ones, particularly in the Global South, between the richer and the poorer within a country, and in different other paradigms like regional, rural-urban, gender, social groups has increased in many countries over the last few decades, with rising disparities in income, land and other productive assets, work conditions, structural change in the labour market, access to education, health and other dimensions of human development. Various social groups, especially women, children, persons with disabilities, indigenous peoples and migrants suffer disproportionately from income poverty and inadequate access to quality services. It is multi-dimensional, and is increasing across and within many countries, particularly in the South.

Rising inequality has huge implications for social and economic development with its powerful and corrosive effects on economic growth, poverty alleviation, social and

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economic stability and socially-sustainable development. In the aftermath of the global financial and economic crisis, people living in poverty and vulnerable social groups, across the globe, have been affected *a fortiori,* adding urgency to the need to address inequalities and their consequences. Harsh fiscal austerities have constricted public expenditure, the brunt of the crisis thus falling more on the people, thus increasing their vulnerability and raising discontent towards the government, even in countries with consolidated democracies.

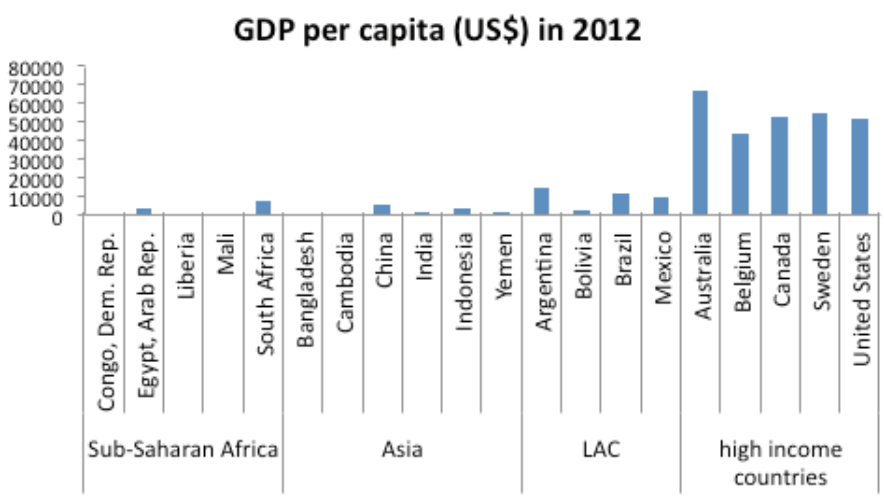
Globally, there exists huge inequality in the distribution of income. In 2012, the gross domestic product (GDP) per capita in sub-Saharan Africa stood at $ 1,666, as against GDPs per capita of $ 32917 in the European Union and $ 51755 in the United States. Though the Latin American and Caribbean countries, Sub-Saharan Africa and the South Asian countries have been growing faster than the developed countries, the absolute gap in GDP per capita has been increasing between the developed nations and these groups (WDI, 2013) (see Table 1).

Table 1: Difference in GDP per capita (US$) between developed economies and selected developing economies in the South (in US$)

	2000	2012
Developed and Latin America and the Caribbean	18098.99	28616.16
Developed and South Asia	22049.81	36993.27
Developed and Sub-Saharan Africa	21962.43	36723.06

Source: World Bank World Development Indicators, 2013

Fig. 1: GDP per capita (US$) in different countries



Source: http://databank.worldbank.org/data/views/reports/tableview.aspx?isshared=true, accessed on 11 July 2014

There are various dimensions of inequality. This paper will focus on labour market discrimination in terms of employment opportunities and wages – specifically on the unequal relations and labour market outcomes arising out of gender based discrimination and its relation to macroeconomic policies.

Do gender based disparities in the labour market affect economic growth?

Gender based disparities persist in the form of limited access to assets, credit facilities, education and skill, burden of unpaid work at home, occupational segregation, wage discrimination, regularity of earnings, and concentration in self-employment, working mostly as family helpers. But underutilization of the full economic potential of women and gender based discrimination can have serious macroeconomic consequences. Cuberes and Teighnier (2012) estimate GDP per capita losses to the extent of 27 per cent because of gender gaps in the labour market. It is estimated that of the 865 million women worldwide who have the potential to contribute more fully to their national economies, 812 million live in developing economies. Aguirre et al. (2012) suggest that if the female labour force participation rate (LFPR) is raised to country-specific male levels, it would, for instance, raise GDP in the United States by five per cent, in Japan by nine per cent, in the United Arab Emirates by 12 per cent, and in Egypt by 34 per cent.

There are various economic and social dynamics that govern the constraints to full economic participation of women. Even if they participate, given their reproductive responsibilities and the gendered structure of the labour market, they are concentrated mainly in 'survivalist' rather than 'growth' activities. The paper probes into the inequities in different sectors, regardless of income or class status, ethnicity or location, the type of employment women get engaged with and remunerations for their work, and tries to determine the factors leading to such disproportionate outcomes.

Gendered structure of the labour market

Participation in the labour market

Between the early 1990s and 2007, world employment grew by around 30 per cent. However, the performance of the labour market varied between regions, the share of wages in GDP declined in many countries, and the gains from employment generation were not equally distributed among individuals in most of the countries. Gender based disparities persist in the labour market, as well as in the sphere of unpaid work. The female employment-to-population ratio has been consistently low, with women concentrated in low productivity and low pay occupations. Though there have been improvements over

time, globally, the labour force-to-population ratio was 77.1 per cent for males, and 51.1 per cent for females in 2013 (ILO, 2014).

Table 2: Gender gaps in labour force participation rates (LFPR) (%)

	Male labour force participation rate			Female labour force participation rate			Gap (percentage points)		
Region	1992	2002	2013	1992	2002	2013	1992	2002	2013
WORLD	80.2	78.1	77.1	52.4	52.1	51.1	27.9	26.1	26
Developed economies and European Union	71.8	69.4	67.5	50.3	51.7	52.8	21.5	17.7	14.7
Central & Southeastern Europe (non-EU) & CIS	74.1	68	70.7	52.6	49.1	50.2	21.5	18.9	20.5
East Asia	84.2	81.4	79.4	71.4	69.1	66.4	12.8	12.4	13
Southeast Asia and Pacific	82.6	82.8	81.8	58.4	58.4	58.8	24.2	24.4	23.1
South Asia	84.8	83.3	81.3	36.1	35.8	31.8	48.6	47.5	49.5
Latin America and Caribbean	82.5	80.3	79.5	43.5	49.6	53.6	39	30.7	25.9
Middle East	77.6	73.8	74.3	13.3	17.2	18.7	64.3	56.6	55.5
North Africa	74.4	74.1	74.3	21.8	21.2	24.4	52.6	52.9	49.9
Sub-Saharan Africa	79	76.5	76.3	60.3	63.5	64.6	18.6	13	11.8

Source: Global Employment Trends, ILO, 2014

There are wide disparities in female LFPR among different countries/regions. It is high in many Sub-Saharan African countries, often more than the LFPR in developed economies, as in case of Zambia, Ghana, Botswana etc. (Fig 2a). Most of the work is subsistence based, and confined to farming and household enterprises. In some cases, remaining out of the labour force is not an option for women, as they have to engage themselves in some economic activities to eke out a livelihood. In India and Sri Lanka, the female LFPR is alarmingly low, with an increasing gender gap over the last ten years (difference between the male and female LFPR). Open unemployment is less in South Asia and Sub-Saharan Africa, but vulnerable employment (defined as own account workers plus unpaid family workers) is extremely high (at 76 per cent in 2012). In India, Bangladesh, Ghana, Zambia etc. it reaches the extent of 85 per cent, as against three to four per cent in Norway and Sweden. In Brazil and Venezuela, female LFPR is about 50 per cent. Chile, one of the most developed economies in Latin America, is closing the gender gap but the female LFPR at 47 per cent is much lower than the average (54 per cent) for Latin America taken as a whole. This low labour force participation of women is also accompanied by a low level of estimated income and high wage inequality among men and women. The ratio of female wages over male wages for similar work is less than

0.5 (Figure 4). In 2012, 388 million of the female workforce (66 per cent of the workforce) in South Asia was extremely poor (below US$2 a day), followed by Sub-Saharan Africa where 204 million of the workforce (63 per cent) were working poor (GET, 2014).

Fig. 2a: Female and male LFPR, 2013 (%)

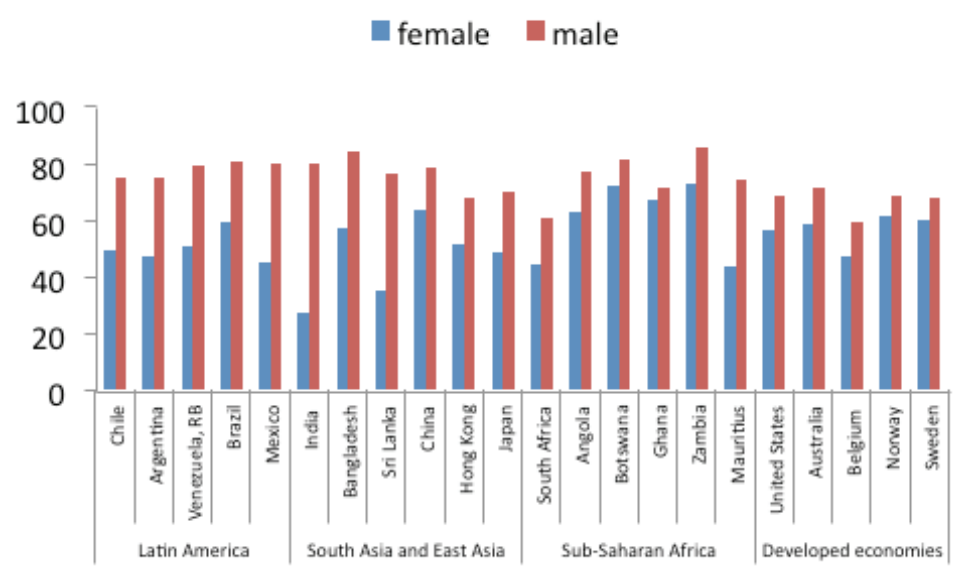


Fig. 2b: Gender gap in LFPR in 2013 (by percentage points)

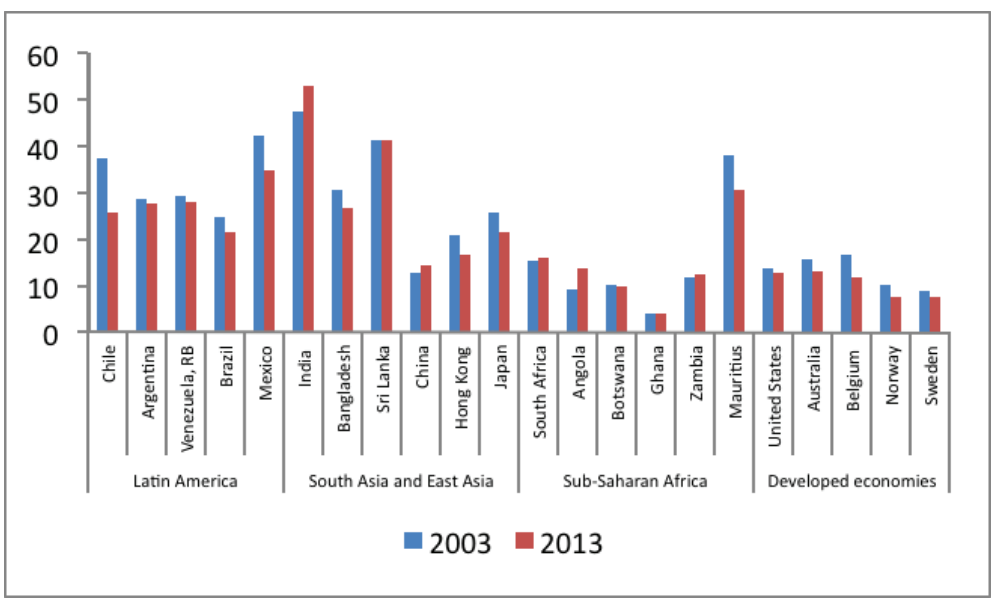
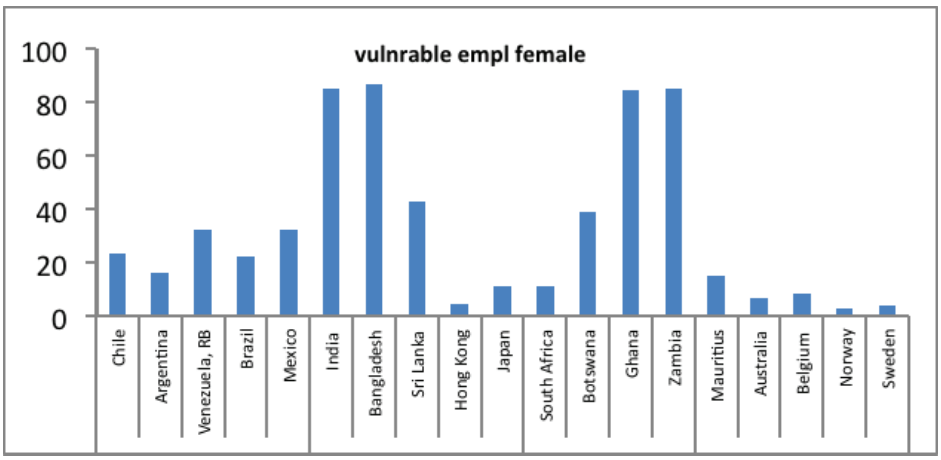


Fig 2c: Vulnerable employment among females, 2013 (%)



Source: World Development Indicators, 2014

Agriculture is the main source of employment for women in the rural areas of Sub-Saharan Africa, South Asia and Southeast Asia. In Latin America, rural female workers are equally distributed between agricultural and non-agricultural sectors. In the Middle East and North Africa (MENA), rural women work mostly as self-employed agricultural workers, and rural men work mostly as non-agricultural wage earners. Self-employment is usually more prevalent among women, and thus they are less likely to be wage earners as compared to men. Among the self-employed, women are more likely than men to be working as family (rather than own-account) enterprise workers, mostly in traditional agriculture. South Asian women are also more likely to remain unpaid for work in their own family business, than in any other region. ILO data for 2007 indicates that 59 per cent of the total female labour force in South Asia works as contributing family workers, compared to 36 per cent in Southeast Asia and the Pacific, 35 per cent in Sub-Saharan Africa, and only seven per cent in Latin America. The corresponding shares for men are 18 per cent in South Asia, 18 per cent in Sub-Saharan Africa, and four per cent in Latin America (ILO, 2008). In contrast, in Central Asia and Europe, non-agricultural activities are the main source of employment for both men and women, where the majority of the rural population works as wage employees.

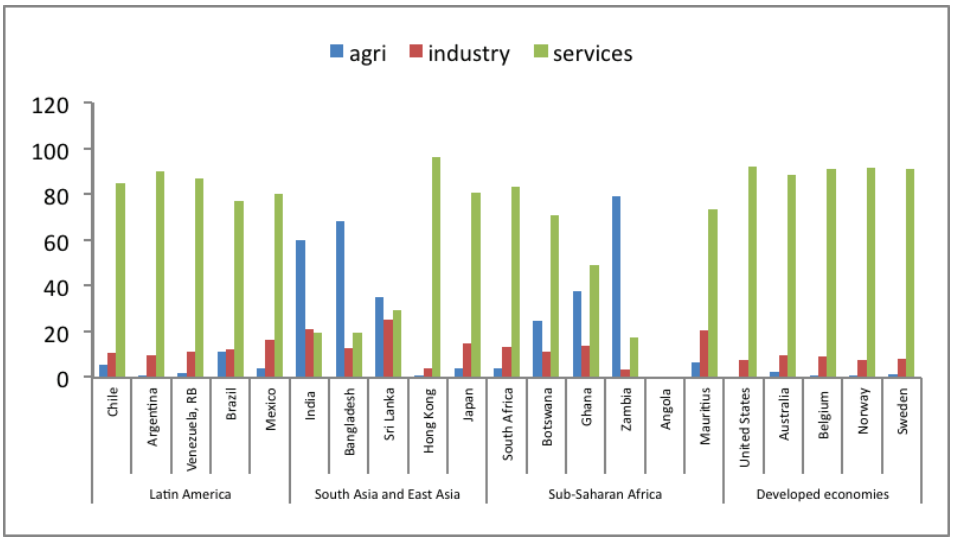
In India, 76 million out of the 101 million rural women workers were engaged in agriculture in 2012. Among them, 37 million were unpaid family workers. In manufacturing too, 70 per cent of the women workers were self-employed, and 25 per cent of women workers in the manufacturing sector were family helpers (in both rural and urban areas). On one hand, female employment has declined since 2010; on the other, vulnerable employment is high among women. Female LFPR showed a decline in the period when

the Indian economy was growing at an unprecedented rate. During 2004-05 to 2009-10, the female LFPR declined from 29 per cent to 23 per cent, and further down to 22 per cent in 2011-12 (NSS Report, 2013). Even though there had been a decline in the employment of females in agriculture, 75 per cent of rural women are dependent on this sector.

Though women are the mainstay of small-scale agriculture, they lack land titles and other forms of property rights which then deprive them of the typically associated benefits, such as access to institutional credit, extension services and subsidized inputs, decision making and technology, post harvest management, and remunerative marketing opportunities. Additionally, in times of any economic crisis, they are more likely to be deprived of the benefits of crisis relief packages. It is also to be noted that with regard to ecological degradation and changing agricultural technology and practices, women's work has become harder and more time-consuming, as they are largely dependent on agriculture and work mostly as manual workers.

In the industrial sector, men are more likely to be employed than women. This holds true even for developed economies – the lowest female to male ratios were exhibited in several developed economies like Luxembourg, Norway, Sweden, Canada and Australia in 1990 and 2010. It is especially notable that there has been a decline in the ratio of female-to-male share employed in the industrial sector since 2000 in countries where manufacturing employment was 'feminized' in the 1980s and 1990s, like in Mauritius, Hong Kong, SAR of China and Morocco, as they became more capital intensive. With globalization, poor women working in the manufacturing sector in developing countries have become more engaged in export-oriented labour-intensive manufacturing, with home based manufacturing being mostly at the end of the global value chain. In India, there has been an increase in the share of home based workers – those who work on their own (the self-employed), as well as those who work for others (mainly as industrial outworkers). With contracting and sub-contracting in developing countries, jobs in the manufacturing sector are increasingly shifting from factory floors to the home, and are performed predominantly by women.

Fig 3: Share of female workers by sectors, 2013



Horizontal and vertical segregation

Women's work is largely segregated into a few sectors, in occupations which are mainly informal, with low wages or profits, devoid of any social insurance, low in productivity (return for labour), and often with more drudgery (in terms of working hours and conditions). Despite the narrowing gender gap in education, there is still dependence on self-employment and other informal and intermittent type of work.

In Angola, despite a very high economic growth in the last decade, inequality and levels of extreme poverty remain quite high. About 68 per cent of the Angolan population lived on less than $2 per day (in PPP) in 2009. Poverty is greater in female-headed households, especially in rural areas. Even though agriculture and fisheries contribute to only eight to ten per cent of the GDP, they account for more than 80 per cent of all jobs generated in the country. Women represent 70 per cent of total agricultural employment, including fisheries. In urban areas, women are concentrated mainly in the informal sectors. Following the end of conflict, the growth of the Angolan economy has been mainly driven by oil exports and, to some extent, diamond exports, which have been accelerating due to favourable international oil prices. But there has been an excessive appreciation in the real exchange rate (from the 'hard-kwanza') and a rise in prices of non-tradable goods within the domestic economy, and therefore very limited diversification of the economy. However, there has been practically no diversification towards service export activities or towards agriculture, light manufacturing, etc. where women are more engaged.

In Kenya, South Africa and Zambia, which have the most rapidly growing high value agricultural export industries like fresh flowers, fruits and vegetables, women comprise

about 70 per cent of the agricultural labour force and are concentrated in the most vulnerable and temporary segments of the commodity chains. In Africa, in general, informalization is very high, particularly when provided by global commodity chains. However, unlike chains in manufacturing, or in services such as data processing and other KPOs, here the chains are mainly agriculture based.

A structural shift is observed in many Sub-Saharan African countries, with changes in the gender based division of labour within informal sectors. In the face of high unemployment, men have started taking up many of the lucrative women's jobs in the informal sector, like women's tailoring, informal cosmetics manufacturing in West Africa, and beer brewing in East Africa. Women, on the other hand, are shifting to men's informal activities, which are at the lower end (Meagher, 2010).

Transnational informal economic networks are proliferating in many parts of Africa, like the 'Mama Benz' trading networks in West Africa, Hausa networks of Nigeria, Mouride networks of Senegal etc., all of which are extremely male dominated. If there are any women, they are mainly concentrated in the most vulnerable, low income end of these networks. Transnational informal employment opportunities for women have evolved very rapidly, but are mostly associated with global care chains for unregistered domestic labour or care for the elderly, and global prostitution networks associated with rising levels of female trafficking (Meagher, 2010).

Therefore, there are varied and deep gender dynamics and power structures embedded within and outside the labour market that regulate how women are incorporated into this market. On the one hand, there are social stereotypes and legal norms. Women are pressed with high unpaid work, social welfare services, unequal access to skills, lack of access to productive assets and land rights, high prevalence of violence and so on, which disadvantage them in the labour market. But other than social difficulties, there is another factor, probably the most important, which is that international financial institutions and multinational corporations at the head of global commodity chains govern the structure of the labour market more dominantly, as we saw in case of Africa.

Among the Latin American countries, there are more non-agricultural employment opportunities. Despite the rise in women´s participation rates and the growth of female employment in most of these countries, the labour market remains noticeably sex segmented, with the majority of women concentrated in services, and in wholesale and retail trade, while men are distributed more equally across all sectors. Moreover, a higher proportion of men are salaried workers, as compared with women. In 2011, in Chile, 78 per cent of the male labour force occupied salaried positions, as compared with 66 per cent in the case of women. Domestic service was almost exclusively female, absorbing 11.8 per cent of the female labour force, and only 0.6 per cent of the male labour force

(Rein, 2011). Open unemployment among women was close to ten per cent.

Brazil, one of the largest economies of the world and the most populous country of Latin America, is much behind in terms of gender parity in economic participation and wage equality. The gender gap in Brazil is fully closed both in health and survival, and in education. But in terms of economic participation it has a long way to go, with the country ranking 81 out of 134, according to the Global Gender Gap Report, 2014 – just three per cent closer to the closure of the gender gap in LFPR over the last ten years (Figure 2b). Therefore, the country with significant improvements in educational attainment has a huge educated talent pool which remains untapped. Investments in education are not seeing the returns that they ideally should have, had the barriers to women's participation in the labour market been removed, particularly with regard to productive and remunerative employment opportunities. The case is similar in Japan and Chile. India too has witnessed rising female enrolment in education, which is again one of the important factors explaining the decline in female LFPR post-2005. These women are likely to, and should, join the labour force in the coming five to ten years, for which significant productive employment opportunities need to be created in the non-agricultural sector so that they don't go back to agriculture or low paid, low productive, non-agricultural sectors.

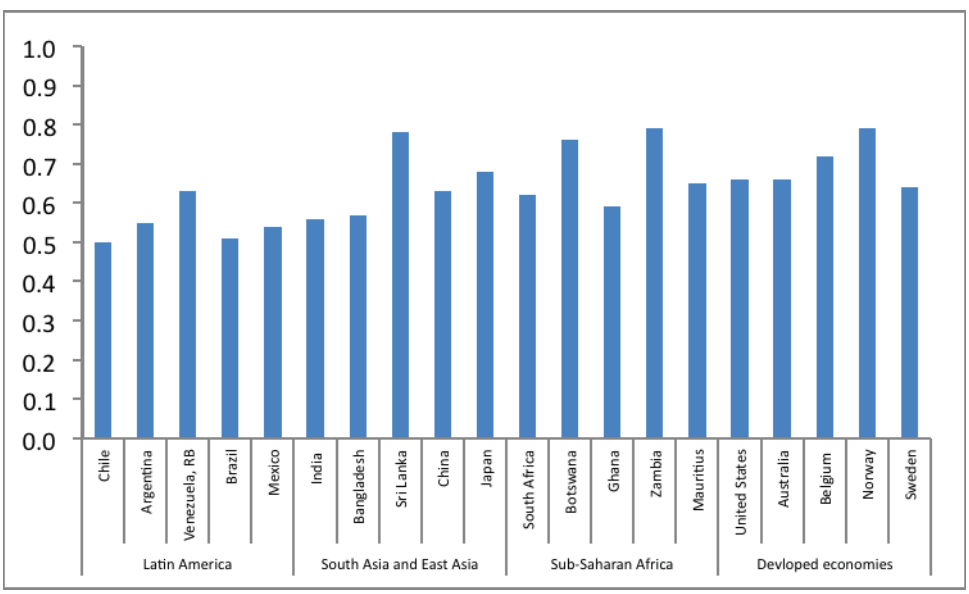
In Brazil, the informal labour market is significant, though it is transforming over time. Women are overrepresented in the informal economy, working mainly as home based workers (own account workers), sub-contracted wage workers, small traders etc. The estimated earned income of women is only 59 per cent that of men, and in terms of wages it is 50 per cent of what men get. The difference arises as Brazil has started implementing targeted reforms to remove restrictions in access to resources and entitlements for women. The share of women who own land titles increased from 13 to 56 per cent between 2003 and 2007, attributed mainly to the National Documentation Program for Rural Women Workers (Woytek, 2013). The Bolsa Familia direct cash transfer programme, launched in 2003, has increased women's share in household income. Recently, in Brazil, legal changes have been approved giving more workplace rights to the country's estimated 6.5 million strong army of maids and other domestic helpers. The entitlements include minimum wages, a break during the day, social security coverage and a working week limited to 44 hours and a maximum eight hour day. The new amendments which is being cleared and passed by the Congress in June 2015 include entitlements to extra payments for night work, severance pay if fired without just cause, contributions to nursery care and insurance against workplace accidents (The Hindu, 2015). Such policy reforms are positive steps and need to be expanded to every sector, which will have a long term impact on just not the welfare of the women workers or their individual future but on the

economy as well. AIAS (2009) shows that an increase in Statutory Minimum Wage in Brazil during 1995-2005 accounted for 44% of the total reduction of the Gini coefficient of the country. Along with rise in SMW, wider and stronger net of legislations are needed, particularly in the informal sector which engages a significant share of women, to promote gender equality and empowerment of women.

Wage disparity

Gender based wage disparity cuts across all countries and both developed and developing economies. Undervaluation of women's work, sex segregation channelling women into low value added jobs, an overall wage structure in the economy with a focus on sectors that are male dominated, the view of women as economic dependants and secondary earners, women being concentrated in informal work and therefore out of the ambit of unions etc., and women as unpaid workers within the family and also the economic sphere, all contribute to the wage gap.

Fig 4: Gender wage gap (ratio of female to male wages for similar work), 2013



Source: Global gender gap report, 2014

There are other factors too. For instance, there is often a calculated process of suppressing women in the labour market in the form of low wages, informality etc. and thus raising the rate of profit. In the pretext of increasing and sustaining competitiveness, there has been a downward mobility of wages, increasing casualization, a shift to part-time work or piece-rate contracts, and an insistence on greater freedom of hiring and firing.

Low female wages have in fact spurred investment and exports by lowering unit labour costs, providing the necessary resources to purchase capital and intermediate goods that raise productivity and growth rates. In export-oriented activities, women workers are preferred by employers, primarily because of the lower pay (which women might accept as they have lower reservation wages than men), longer hours and inferior conditions of work, less secure contracts, and because they typically do not unionize. Hiring and firing is easier as life-cycle changes such as marriage and childbirth are used to terminate their employment and engage a fresher set of female workers. The high 'burnout' in many of the sunrise sectors of the late 20th century, such as consumer electronics, required periodic replacement of workers, which was easier when the employed group consisted of young, mostly unmarried, women who could move on to other phases of their life cycle (Ghosh, 2013a, 2013b).

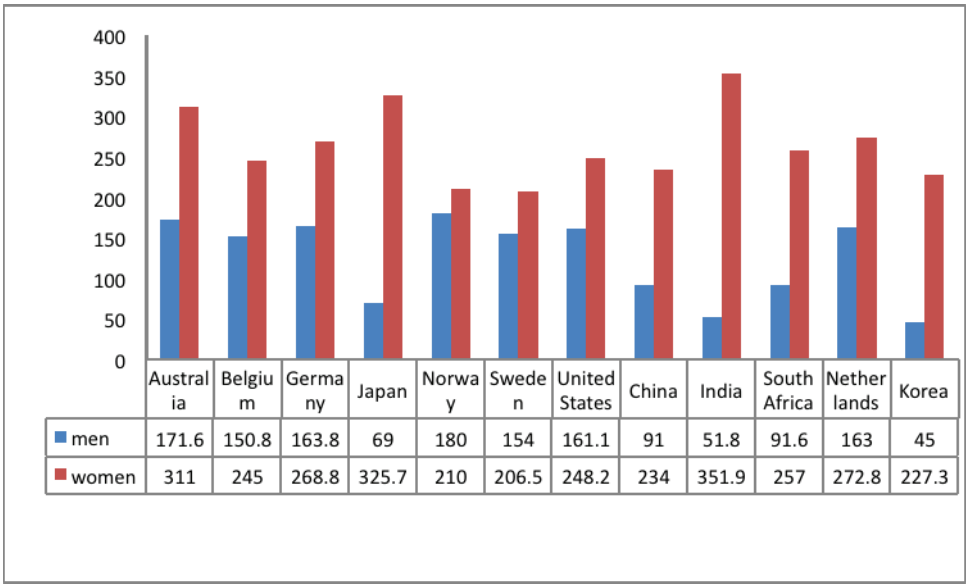
As often argued, especially in a globalized economy where firms are under a great deal of pressure to hire least-cost workers, demand for female labour will be sustained and, eventually, upward pressure on female wages will lead to wage convergence of male and female workers.

One factor affecting the widening gender gap in the labour market may be the insufficient public support for care work or policies, thus increasing their burden, and therefore restricting women's participation in the labour market, or confining it mainly to those activities which they can easily calibrate with their household duties. However, this unpaid work is not exogenous to the economic system. Women's work contributes to the economy even if it is not recognized or accounted for. women's work – be it unpaid work, non-remunerative family help, self-employment or low paid wage work – actually adds to capital accumulation through non-payment, lesser payment, piece rated payment, informality of structure, keeping it home based (thus avoiding social protection) and flexible (thus irregular hours spent on work), but extracting the surplus value from their work (both paid and unpaid).

Unpaid work – the gender dynamics

Women's ability to participate in the labour market is constrained by a higher allocation of time to unpaid work like child care, care for the elderly, ill as well as able bodied adults, cooking, cleaning, collecting water and fuel, and other household activities. Even though their contribution to non-economic activities leads to substantial economic gains, it often remains unrecognized and unaccounted. It goes unseen that their labour in unpaid work frees the male members to go out to work. This gender dynamic at the household level leads to gender division between market and household work, and vice versa.

Fig 4: Time spent in unpaid work (minutes per day)



	Australia	Belgium	Germany	Japan	Norway	Sweden	United States	China	India	South Africa	Netherlands	Korea
men	171.6	150.8	163.8	69	180	154	161.1	91	51.8	91.6	163	45
women	311	245	268.8	325.7	210	206.5	248.2	234	351.9	257	272.8	227.3

Source: OECD statistics, 2013

The chore gap, defined as the gender-wise difference in time spent in unpaid work, like care, household duties etc., is significantly high in India. Women spend an average of 352 minutes per day on unpaid work, as against 52 minutes per day by men. In Japan, Korea and South Africa, too, the gap is very high. Therefore, women spend more time on unpaid work. In contrast, in Norway, Sweden, the United States, Germany, Belgium and Australia, men spend about 150 to 170 minutes per day on unpaid work, therefore reducing the disparity. More women are thereby released, who can join the labour force.

Sweden's generous and flexible parental leave policy with a high coverage rate for child care, job guarantees and eligibility for reduced working hours, contributes to high female labour participation rate, with a gender gap of only six per cent. The Organisation for Economic Cooperation and Development (OECD) countries, who have the highest public spending as a share of GDP on child care and education services for children under the age of five, have been found to have higher employment rates among mothers with young children (Aguirre et al., 2012).

The 'Skilled Labour Strategy' in Germany has, since 2011, included measures to improve the availability of child care facilities, and to promote more family-friendly working hours, in order to raise the female LFPR of 52 per cent, as against 66 per cent of male LFPR (Woytek et al., 2012).

It is estimated that female LFPR in Japan would rise if career opportunities for women

were enhanced along with better child care facilities, which would then lead to a rise in the annual economic growth rate of the country (Steinberg and Nakane, 2012). Antonopolous and Kim (2011), in their study on the economic benefits of investing in social care (South Africa and United States), argue that job creation in the care of children and the elderly can increase female labour force participation by reducing the burden of unpaid work for women and girls, and expanding income earning options for women.

The Programa de Estancias Infantiles para Apoyar a Madres Trabajadoras (PEIMT), a federal programme in Mexico, aims to provide day-care to facilitate female labour market engagement, as well as to promote the development of children. The programme provides financial support to both individuals and to public organizations that intend to start up nurseries, and a subsidy to low-income mothers. In 2011, 45,000 jobs were created for day-care providers and their assistants, mainly poor women, while 300,000 children were enrolled and 10,000 day-care centres were registered in the programme. In 1986, Colombia established the Hogares Comunitarios de Bienestar (HCB) programme, through which community nurseries were created and the focus was on childhood development, nutrition and health, with the government providing food and nutritional supplements for children. Even though this programme does not explicitly intend to improve female labour force participation, Attanasio and Vera-Hernandez (2004) found that HCB participation increased the probability of mothers' employment and working hours.

All countries in Latin America experience early marriage of women, which then tends to extend and enhance the reproductive period of women, thus spending more time on unpaid work. This hinders the probability of their gaining skill levels, delays their entry into the formal sector, and impedes their continuation in it. OECD statistics demonstrate that all countries of Latin America experience degrees of violence against women that have serious implications on productivity levels (Rein, 2011).

In every country, even those where female LFPR is high, there should be regulatory reforms to support child and elderly care. It has been observed that in many countries, women are mostly in vulnerable employment, concentrated mainly in the agricultural sector. Enforcing regulatory reforms will release women so they can allocate more time to pursue education/skills, which would further increase their productivity, generate more employment, and reduce gender based disparities at household and labour market to some extent. This, again, needs more public investment in the service facilities, including those that directly impact the time allocation of women.

Formal part-time employment to balance work with family responsibilities

The gendered division of labour outside the labour market has significant implications on

the labour market itself. To balance work and family responsibilities, women often seek jobs that are flexible and part-time, often home-based jobs. This undermines women's position and negotiating power in the paid labour market, and often hinders their access to credit and other productive resources. Many European countries are experimenting with formal part-time employment, based on the ILO Part-time Work Convention (C175) and the European Community Directive. In the Netherlands, the female LFPR has increased since 2000, as part-time work contracts have been regularized along with social security coverage, well-compensated parental leave, employment protection and rules as full-time workers, also facilitating the transition from part-time to full-time status (ILO, 2010; Steinberg and Nakane, 2012). However, part-time work arrangements which can enhance female LFPR can also perpetuate gender roles, resulting in disadvantages in career development.

Conclusion

Across countries, women's economic participation is lower than that of men, women account for most of the unpaid and non-economic work, and in the labour market women are over-represented in the low-productive agriculture sector and other informal sectors, as well as among the poor. Various factors, both economic and non-economic, which are often interlinked, contribute to the gender based inequities. Intra-household division of labour implies more time allocation for women in unpaid work such as the care of children, the elderly, and ill as well as able bodied adults, cooking, cleaning, collecting water and fuel and other household activities, which restrain their participation in paid economic activities to a large extent. Long periods of absence from the labour market reduce their skills. Public investments to provide basic service facilities are very low in most of the countries. The provision of child care facilities, drinking water, sanitation, health care etc. can help women to join the labour market. Publicly financed parental leave schemes can also help shift gender norms and support an increase in female LFPR.

Even though there have been improvements in education, illiteracy still looms large, more so among women. Lack of education and skills is an important factor that deters female participation and upward mobility. There is practically no technical education among women. Educational and professional training and certification courses, including introductory training and continuous learning, high school-level technical professional education, and technological higher education courses are necessary. Training institutes are generally city based, which makes it difficult for rural women to access them. Therefore, there should be increased expenditure on female education, along with improvements

in spatial distribution of the educational and training institutes and development of rural infrastructure, to boost female LFPR in emerging and developing countries.

International financial institutions and multinational corporations at the head of global commodity chains decide the rules governing the labour market to a large extent, as in the case of Africa. The case is similar in many parts of Asia, where women are generally at the lowest end of the global value added chains. These distortions, which are artificially created for the economic gains of the market, have an adverse impact not only on the economic gains of the country but also on the sufferings of women even though they often work more than men.

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Situating India's Food Security Challenges in a Political Economy Framework[1]

Roshan Kishore[2]

Abstract

Notwithstanding claims of reduction in poverty, undernourishment continues to be an acute problem in India. The enactment of National Food Security Act was a subtle admission of this problem. However, it is early days to comment whether the act will succeed in its objectives, given the myriad factors which would determine the pursuit of food security, many of which are rooted in the nature of overall economic regime.

Introduction

The post-Independence economic regime in India had a significant element of state control and economic planning involved in it. While the model is credited with achieving feats like the development of heavy industries, and later, the Green Revolution which imparted self-sufficiency in food grains for the country, it attracted criticism from the votaries of deregulation for repressing the market forces and hence preventing an efficient allocation of resources. This policy orientation, it was argued, was the main reason for poverty and disguised unemployment in the agriculture sector in the country.[3] Although the dilution of this policy regime had started in the 1980s itself, it is 1991 which is taken as a watershed year in terms of shift in economic policy in India. Today, after more than two decades of unleashing economic reforms in the country, there is adequate evidence to examine the distributional and welfare implications of these policies. The findings are in keeping with the acquired wisdom that merely increasing the growth rate of GDP need not lead to better distributional and welfare implications, unless conscious efforts are made towards this goal. The biggest policy indictment of the adverse effects of the neoliberal growth trajectory on welfare can be found in the coinage of the term 'inclusive growth', after the initial bravado of increased growth rates alone being the silver bullet died down by the end of 1990s. The central argument which the paper tries to buttress is the following: being the "spontaneous system" that it is, capitalism in its neoliberal

1 This paper was presented by the author in his capacity as a participant at the 7th South-South on 'Inequality, Democracy and Development under Neoliberalism and Beyond' organized by the Latin American Council of Social Sciences (CLACSO), the Council for the Development of Social Science Research in Africa (CODESRIA) and the International Development Economic Associates (IDEAs) held in November 2014 in Bangkok.

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3 Bhagwati (2001)

phase has generated its own dynamics which might impose restrictions on the ability of policy makers to successfully pursue welfare augmenting policies, without running into a conflict with other classes in the domestic and global economy. In other words, unless there is a structural break from the neoliberal/free market growth trajectory itself, the idea of ensuring growth through all possible means and then distributing the enhanced resources to augment welfare might not work. The paper will try and make this argument by highlighting issues related to food security in the Indian economy.

I: State of food insecurity in India and its underlying causes

While there is an implicit admission of the fact that economic reforms have not been successful in delivering on the promises which were made, the official view continues to assert that there has been a significant decline in poverty during this period.[4] Given the fact that income data is not available in India and the official poverty estimates are not pegged to any consistent benchmark, these claims have drawn scathing criticism in literature, with alternative estimates suggesting a significant increase in direct (calorie norm based) poverty during this period.[5]

As per Food and Agricultural Organization (FAO) data, the number of food insecure people in India has hovered around the 200 million mark since the last two decades. Although FAO data does show a 10 per cent decline in the share of undernourished people, it needs to be underlined that estimates of food insecurity by FAO are extremely conservative by its own admission. Not only are they based on nutrition requirements for a sedentary lifestyle – which requires much less energy than anybody who is engaged in manual labour would need – there are other conceptual problems in the way these estimates are calculated.[6] To give an example, FAO's food security cut-off for India is 1,788 kcal/day, while the Indian Council of Medical Research has pegged nutrition requirements (which were supposed to be the benchmark of poverty calculations originally) at 2,100 kcal/day and 2,400 kcal/day for urban and rural areas, respectively.

Given the fact that poverty has been 'officially' declining in India during the reform period, it is to be assumed that food insecurity should have been declining as well. However, this is not supported by data regarding nutritional intake in the country. As per National Sample Survey Organization (NSSO) data, there has been a continuous decline in the calorie and protein intake levels in the country during the reform period, as is shown in Table 1.

4 As per official estimates, the percentage of people below poverty line in India declined from 35.97 to 21.92 between 1993-94 and 2011-12 (data given in Reserve Bank of India website).

5 For example, see Patnaik (2007) and Patnaik (2013)

6 For a discussion on these issues see Annex 2, FAO (2012) and Wise et al (2012)

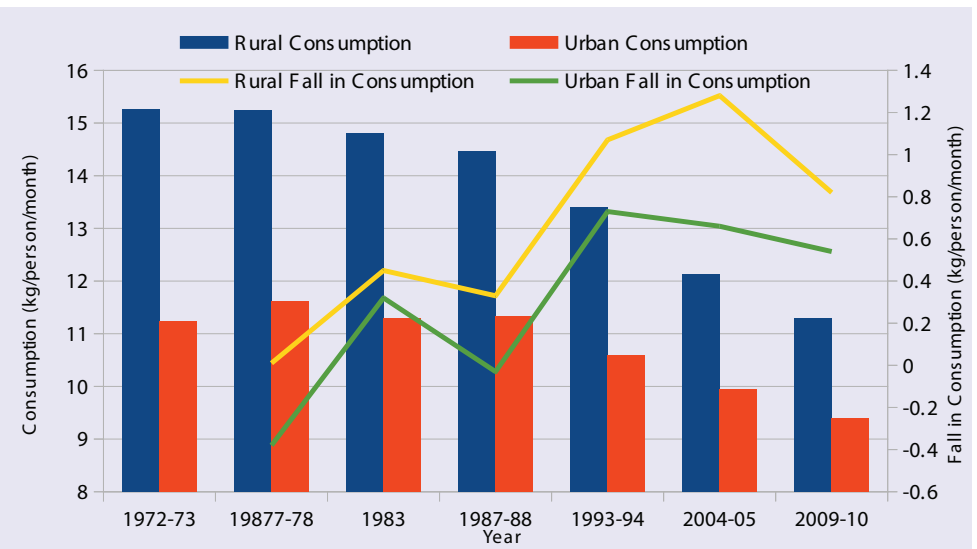
Table 1: Nutritional Intake in India

	Calorie (Kcal/day)		Protein (gram/day)		Fat (gram/day)	
	Rural	Urban	Rural	Urban	Rural	Urban
1993-94	2153	2071	60.2	57.2	31.4	42
2004-05	2047	2020	57	57	35.5	47.5
2009-10	2020	1946	55	53.5	38.3	47.9

Source: Various NSSO Reports

The reason for this decline appears to be a sharp fall in cereal consumption during this period, given the fact that it continues to provide a big share of calorie and protein intake in India (more than 50 and 60 per cent in urban and rural areas). Chart 1 shows the trends in per person cereal consumption.

Chart 1: Cereal consumption in India



Source: Various NSSO Reports

Clearly, there seems to be a conflict between the claims of declining poverty and worsening nutrition levels as a result of a sharp decline in cereal consumption. At the root of this conflict is the economic explanation of the decline in cereal consumption in the country during this period. The official view has been to attribute this reduction to a voluntary dietary diversification owing to increasing incomes, along with factors such as reduced calorie needs, etc.[7] However, given the fact that there exists no income data

7 For example, see 3.13.4, NSSO Report Number 538,'Level and Pattern of Consumer Expenditure'.

to back this claim and this period has witnessed a fall in nutrition levels, there is enough reason to be circumspect about this explanation.

In 2013, the government enacted a National Food Security Act (NFSA) in the country, which seeks to bring up to two-thirds of the population in the country under the coverage of subsidized cereal provisions.[8] This marked a partial undoing of the dilution of the erstwhile Public Distribution System (PDS) into a Targeted Public Distribution System (TPDS), which brought in a distinction between Above Poverty Line and Below Poverty Line households where the former were entitled to cereals from the PDS at much higher prices. Although the NFSA stopped short of making the PDS into a universal scheme, it does involve a significant distribution of subsidized cereals if implemented in letter and spirit. At the level of policy making, the NFSA amounts to a subtle admission of the fact that the logic of increasing incomes leading to declining cereal consumption was a flawed one, lest there would be no logical basis to such a large-scale programme that seeks to boost cereal consumption of up to two thirds of the population. While the journey from TPDS to NFSA is a classic case of readjustment in economic policy making to pursue welfare goals, the question that arises is whether the goal can be achieved.

II: Can the NFSA successfully ensure food security in India?

This section will deal with two issues primarily: one, whether the NFSA can be implemented successfully and live up to its objectives; and two, does it successfully address the various aspects which concern the ensuring of food security in the country? The answer to this question is connected with the design of the programme, state of food production and management in the economy and policy space vis-à-vis India's commitments to the World Trade Organization (WTO).

Cash transfer based food security programmes versus direct provisioning of food grains

First of all, the fact that the NFSA is a targeted programme makes its success contingent on the appropriate handling of the identification problem, failing which it can suffer from large-scale wrong exclusion, which would defeat the very purpose of the programme. Wrong exclusion was one of the biggest reasons for the failure of TPDS to ensure food security in the country. Notwithstanding this important concern, there are additional reasons to believe that the manner in which the NFSA is being planned would create more problems in the pursuit of food security.

Food security policy in India has been based on the public stockholding route, where the government procures foodgrains through the Food Corporation of India (FCI) and then

8 See National Food Security Act at http://indiacode.nic.in/acts-in-pdf/202013.pdf.

distributes it through a network of Fair Price Shops (FPSs) across the country. Arguments have been made that such a system is inefficient and leakage prone, and should make way for a cash transfer based food security programme where targeted beneficiaries can access foodgrains from the open market by using monetary entitlements transferred to them under the food security programme.[9] An additional argument which has been made in support of such a policy transition is its conformity to Agreement on Agriculture (AoA) rules in the WTO.[10]

There is a strong ground to argue that such a policy change would be detrimental to the ability of the NFSA to ensure food security. There is a rich literature which argues that cash transfers can lead to mixed outcomes when used for welfare programmes due to various factors.[11] Any successful cash transfer programme requires a large administrative apparatus, which involves huge costs. In a country with a population as large as India, the administrative costs of running a successful cash transfer programme can be prohibitively high. Also, the probability of cash transfers being successful is contingent on the level of financial inclusion in a given region, which tends to be much lower in Third World countries compared to developed ones. There is also the risk of cash entitlements being diverted for other usage instead of buying foodgrains, which can undermine the objective the programme itself. Another important constraint which all cash transfer based programmes face is the question in indexation of entitlements. Given the fact that food inflation tends to be much higher in Third World countries, a failure to regularly index cash entitlements can lead to erosion in the real value of food entitlements of the food security programme.

In addition to these factors, there is another important reason why shifting to a cash transfer based food security programme from the public stockholding route can be counterproductive from the viewpoint of food security in India. This has to do with the fact that there exists a large amount of pent up demand for cereals in India due to the lack of economic wherewithal, with a large part of the population to access them, which is what the NFSA seeks to bridge by providing grains at subsidized prices. Even if one were to assume that the cash transfer based programme can overcome all identification and indexation problems, the food security programme would be faced with a situation where an additional and significantly large (the NFSA talks about distributing more than 55 million tons of cereals) price inelastic demand for cereals would be created in the market, as the government is committed to indexing the entitlements for any change in prices. In a situation where the government has frittered away its ability to control the

9 For example see Basu (2011)

10 More on this will follow in the discussion.

11 For example, see 'Cash Transfers as a Strategy for Poverty Reduction: A critical assessment' available at networkideas.org.

food market by diluting its procurement mechanism, private players can easily indulge in speculative activities, thus increasing the cost of running such a programme.

Food Security in any region is contingent on a complex interplay of demand and supply side factors. The FAO has described four key dimensions to it, namely, food availability, economic and physical access to food, food utilization, and stability (vulnerability and shocks).[12] Whether or not a programme like the NFSA can be successful, depends not just on the design of the programme but the larger macroeconomic indicators which are captured in the four dimensions of food security listed above. Ascertaining the state of these factors requires a macroeconomic analysis of the overall food economy.

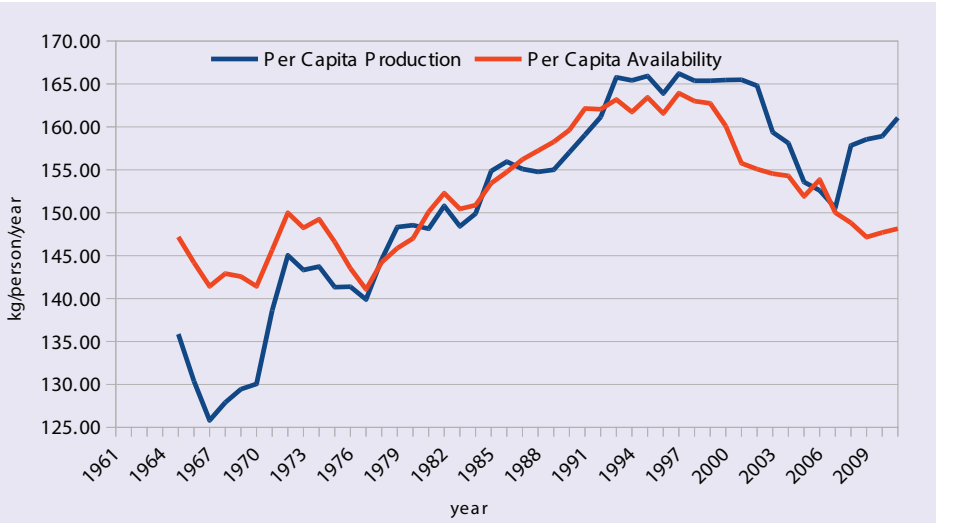
The macroeconomic state of food production and agriculture during the neoliberal regime

Prior to the introduction of high yielding varieties in India, or what is also termed as the Green Revolution in Indian agriculture, the economy was dependent on imports for fulfilling its foodgrain requirements. On the face of it, food production seems to have done reasonably well in India, with the total cereal production crossing 260 million tons and a continuous increase in cereal (primarily rice) exports during the reform period. The notion of a glut in food production has been further enforced by accumulating stocks with the government, which are at their highest levels. However, a closer examination of the situation reveals a different picture. First of all, there has been a decline in the per capita production and availability[13] of cereals in the economy during the reform period. While there has been some recovery in the per capita production figures during the 11th Five Year Plan period, the availability figures have continued their downward trend. Chart 2 shows these trends.

12 FAO(2013).

13 Availability = production + net import – addition to stocks.

Chart 2: Per capita production and availability of cereals in India



Source: Economic Survey, Ministry of Finance, Government of India

The decline in per capita production and availability figures has serious repercussions for the Indian food economy. Not only does it show that increase in cereal production has failed to keep pace with population growth, it also points towards a fall in per capita demand for cereals in this period. It is important to introduce a distinction between the concept of direct and indirect demand for cereals at this point. While the direct demand for cereals (demand for cereal consumption in staple form) might decline with increasing incomes, the indirect component (as feed to raise meat based diets) increases with incomes and drives the total demand up with an increase in income levels. Yotopoulos[14] had described this relationship through a diagram which is given below.

Diagram 1: Relation between income and cereal demand

Source: Yotopoulos (1985)

14 Yotopoulos (1985)

The argument which Yotopoulos makes is consistent with both cross-sectional and time series international data on per capita availability of cereals, which shows higher per capita figures for countries with higher incomes. The argument developed by Yotopoulos debunks the thesis of increasing income leading to declining cereal consumption and buttresses our point that at present it would not be prudent to harbour notions of a glut in cereal production, since present consumption levels might be based on squeezed demand owing to lack of purchasing power. The Planning Commission also made similar observations in the 12th Five Year Plan document.[15]

Another important factor in the Indian food economy is large-scale procurement by the government and huge stocks of food grains which have been accumulated as a result of this process.[16] Arguments have been made that increasing Minimum Support Prices (MSP) and unlimited procurement have led to an overproduction of rice and wheat in the country which has adversely affected the production of other crops, especially fruits and vegetables. While the exact nature of procurement and foodgrain policy has been a subject of much debate in the country[17], there seems to be little factual ground for such claims, which was shown by a performance audit of the FCI by the official audit agency, the Comptroller and Auditor General of India (CAG). In its performance audit the CAG clearly said that the average procurement by the government had been less than its sanctioned offtake in the last five years, and the situation could only be salvaged because ex-post offtake figures were much less than what was decided ex-ante.[18] While the government made a virtue of the situation, using it to justify its lower offtake, it is possible that the situation represents a failure on the part of the PDS to provide promised entitlements to its beneficiaries, which in turn is also contributing to the accumulation of reserves with the government.

15 "Another important and related issue is the likely future demand for food. The Twelfth Plan Working Group on Crop Husbandry, Demand and Supply Projections, Agricultural Inputs and Agricultural Statistics has made projections for foodgrains and other food items by the terminal year of the Twelfth Plan, that is, 2016–17 … which would suggest that present levels of cereals production already exceed likely demand at the end of the Twelfth Plan. These projections are based on actual past patterns of observed demand and the fact that cereals consumption per capita has declined since at least mid-1990s. However, it is also the case that India has very high levels of malnutrition and, although there are many reasons for this, deficiencies in calorie intake remain one of the most important. With cereals supplying over 50 per cent of total calorie intake even now, falling cereals consumption is the main reason why per capita calorie intake has not increased despite rising incomes. It is not just that the share of cereals in total food expenditure is falling; even poor people are reducing the share of income spent on all foods in order to meet other non-food needs. In such a situation, where there is a disjunction between such a basic element of human development as nutrition and other demands in an increasingly consumerist society, there is need to ensure that minimum nutrition requirements are actually met."
Chapter 12, page 17, Volume II 'Twelfth Five Year' (2012-17), Planning Commission, YojanaBhawan, Government of India.

16 Against a buffer requirement of 250 lakh tonnes of rice and wheat, the government had food stocks to the extent of 427.45 lakh tones as per FCI data.

17 The newly elected government has formed a committee to look into the restructuring of FCI which is yet to submit its report.

18 http://saiindia.gov.in/english/home/Our_Products/Audit_Report/Government_Wise/union_audit/recent_reports/union_performance/2013/Civil/Report_7/Report_7.html.

Shrinking policy space for pursuing public stockholding based food security programmes

The World Trade Organization's Agreement on Agriculture treats public stockholding based food security programmes (where foodgrains are procured at an administered price) as an amber box item. The quantum of support which is added to Aggregate Measure of Support (AMS) is the product of quantity of grain procured times the External Reference Price (ERP).[19] India and other developing country members comprising the G-33 sought an amendment to this rule in the Bali Ministerial Conference of the WTO held last in December 2013, as it forecloses any effective use of a public stockholding based food security programme.[20] As things stand right now, the WTO General Council has put in place a permanent peace clause which would provide immunity from being dragged to the WTO's dispute settlement body to any developing country member that has such a programme in place, until a permanent solution is arrived upon. While the present arrangement is better compared to what existed before the Bali Ministerial, or the four-year peace clause that was agreed upon in Bali, it is by no means a win-win situation for food security policymaking in India. Firstly, the agreement imposes serious notification and information requirements vis-à-vis the procurement programme in the country and brings in the scope of interference by other WTO members. Also, the peace clause does not provide any immunity from disputes under the Subsidies and Countervailing Measures clause of the WTO, which can be used to challenge export of cereals from government stocks.

III: Is India's pursuit of food security in sync with its agricultural policy?

The foregoing discussion indicates that ensuring food security in India is not just a question of allocation of fiscal resources and distribution but linked to food production in a crucial way. In this regard it becomes important to evaluate whether policy making in agriculture is suited to creating an environment which would enhance cereal production in the country. We argue that there exists a wedge between the policy perspective vis-à-vis food security and agriculture in India, which is capable of undermining the pursuit of former. To take an example, India has emerged as the most important stakeholder in the current efforts to amend the AoA rules which foreclose an effective use of the public stockholding route for food security, and understandably so, given the commitments made in the NFSA. However, even as the outcome of these efforts remains uncertain – given the strong reluctance of developed country WTO members, particularly the US

19 External Reference Price is average international price of the commodities during 1986-88 (fob/cif price, depending on whether a country was exporter/importer).

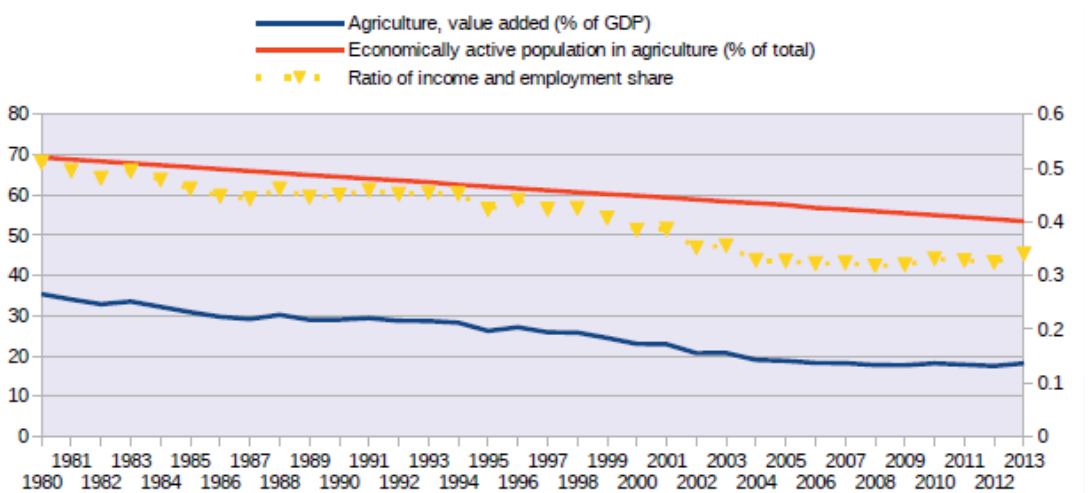
20 For a detailed discussion on this issue see Dhar and Kishore (2014)

and EU, to allow for any amendments to the AoA – important functionaries in the Indian policy making establishment have been arguing for dismantling the public stockholding food security programme and putting in place a cash transfer based programme where there would not be any need for the government to procure cereals in excess of its buffer stock requirements. While the final verdict on whether such a policy change would be implemented or not is still uncertain, these arguments seem to be resonating across the political spectrum, as can be seen from the volte face by the incumbent government that had promised 50 per cent return over and above the cost of cultivation to the farmers during the election campaign.[21] At least four political economy factors can be attributed to these tendencies in the realm of agricultural policy making. While each of these merits a detailed study separately, a brief discussion on what they entail for India's agriculture and food security is given below.

Worsening balance between income and employment in agriculture

Contrary to what was promised by the votaries of economic reforms, the balance between agriculture's share of income and employment has been deteriorating steadily in India during the post reform period. Chart 5 shows these trends.

Chart 5: Share of agriculture in employment and GDP



Source: GDP share from Economic Survey, Ministry of Finance, Government of India and Employment share from FAOSTAT Data

An important reason for this deterioration has been slow growth of employment opportunities outside agriculture, which is why there has not been a concomitant decline

21 Instead of doing anything to fulfill its poll promise, the government issued an order which bars state governments from paying any bonus above the MSP to farmers.

in agriculture's share in employment with the fall in its share in GDP. While a discussion on the reasons and scope of generating gainful employment outside agriculture is beyond the scope of this paper, there are enough grounds to argue that it would be extremely difficult to absorb the huge population which is engaged in agriculture in a country like India in manufacturing (on the lines of a Lewis Model type transformation), given the low employment generation potential of the sector today. Against this backdrop, the agricultural policy should be focused on preventing displacement of a large amount of labour force in imitation of agrarian sectors in the advanced capitalist countries, and ensure that smallholder agriculture remains viable so that distress driven outmigration does not happen.

One of the most important policy measures which was taken to address this concern was the enactment of a rural employment guarantee scheme (MGNREGA) which entitled each member of a household to 100 days of unskilled labour. The newly elected government has made clear its intentions to dilute this law by restricting it to some of the most backward districts of the country.[22] A glimpse of the government's thinking on the labour question in agriculture can be seen in the previous year's Economic Survey which laments the fact that compared to mechanization levels of more than 90 per cent in the West, Indian agriculture has mechanization levels of less than 25 per cent.[23]

There is an important political economy explanation to such a policy. The availability of a poorly paid rural labour force facilitates outmigration to urban areas, which ensures that wages remain low. Rural wages saw a rise after the enactment of the MGNREGA, thus inviting the ire of those who stand to gain by lower wages. However, while availability of a workforce willing to accept lower wages might do good for those who save in wage costs, such footloose labour is not only susceptible to the denial of minimum wages, given the lack of any bargaining power, but also most vulnerable to food insecurity, given the fact that it is ill-suited to avail of the extant welfare programmes as its mobile nature creates difficulties in accessing these programmes.

Emerging imbalance between food security requirements and market dictated demand-supply scenario

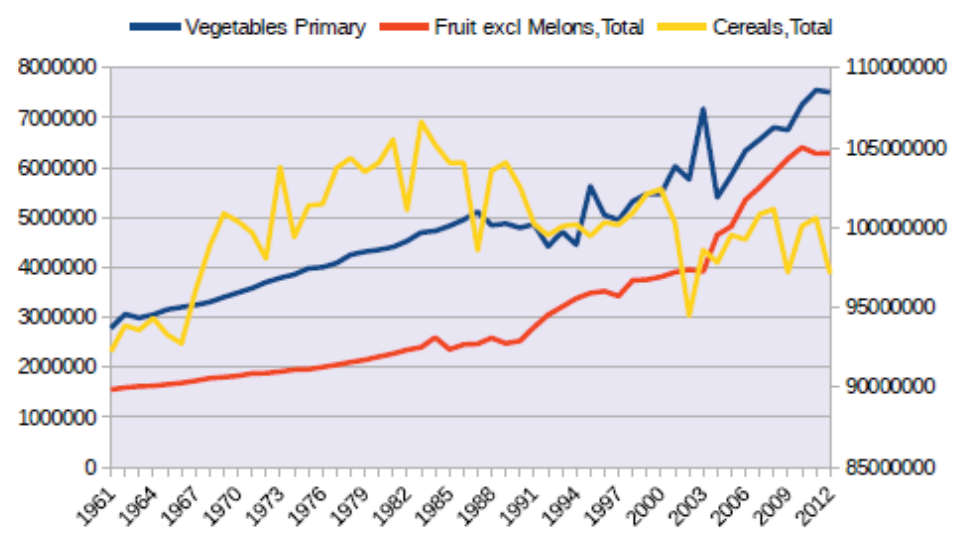
As pressure on agricultural land is increasing for non-agricultural purposes like housing etc., the conflict regarding what the shrinking agricultural land should be used to grow is also deepening. Intuitively, when such a conflict comes into being, what is produced would depend on what would command the best price in the market, thus making the production basket sensitive to the demands of the rich. In India, the running refrain for

22 http://www.business-standard.com/article/economy-policy/economists-petition-modi-against-dilution-of-mgnrega-114101301328_1.html

23 See Section 8.29, page 144 Economic Survey 2013-14.

the last few years has been that unjust increase in MSPs has led to an over-cultivation of cereals at the cost of other agricultural products like fruits and vegetables, although there is no factual evidence to support the claim that cereals have had adverse acreage effect for fruits and vegetables in the recent period, as is shown in Chart 6.

Chart 6: Area under the cultivation of cereals, fruits and vegetables

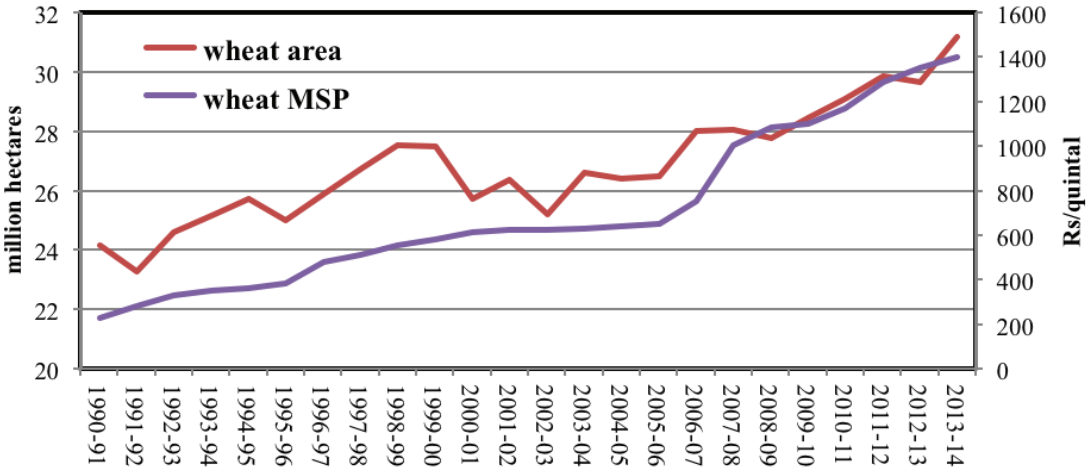


Source: Database of Indian Economy, Reserve Bank of India

However, there is evidence to suggest that in case of a situation where real MSPs are allowed to fall down by keeping nominal MSPs stagnant, there is a fall in the area under cereal cultivation as farmers try to shift to other crops which might be more remunerative in their view. Chart 7, which shows the trends in area under cultivation for wheat and MSP, proves this point. The fall in area under wheat cultivation, accompanied by a depletion of reserves through subsidized exports, necessitated the import of wheat in the country.[24]

24 India had to import 5.4 and 1.8 million tonnes of wheat in 2006-06 and 2007-08 after area under cultivation went down due to stagnant MSPs.

Chart 7: Area under cultivation for wheat and MSP



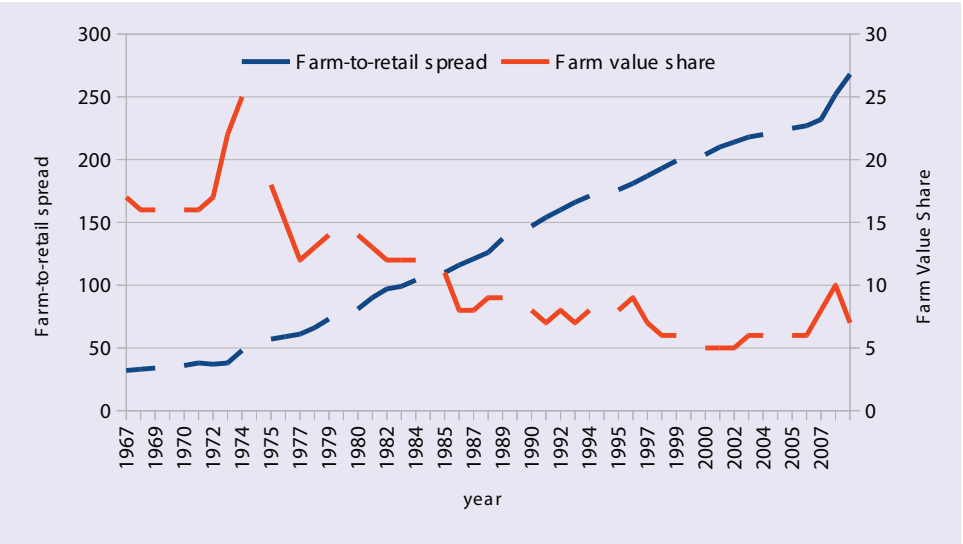
Source: Database of Indian Economy, Reserve Bank of India

An important reason for the adverse environment against MSP regime is the pressure to bid away agricultural land from cereal production for other crops, which are in greater demand from the richer sections of the society.

Increasing aspirations of big business in the Indian food market

Thanks to its procurement regime, the government is the biggest buyer of cereals in the Indian economy, with its procurement amounting to more than 40 per cent of the marketed surplus in the country. It is clear that such a scale of procurement ensures that there exists some kind of pressure on the market to keep the market price at par with the MSP. Therefore, it is in the interest of big private buyers that the current procurement programmes are diluted. However, the logic given for such arguments is the exact opposite, which is that allowing market forces to determine prices would lead to increased earnings for farmers as it would get rid of the middlemen who are involved in such transactions. But there exists no evidence to show that private buying would necessarily lead to improved earnings for farmers. On the contrary two examples can be given to show that when corporations buy directly from farmers, the latter experience a decline in their share of prices. The first example is that of farm retail price spread from the US economy, which has been increasing continuously as shown in Chart 8. As can be seen in the chart, the gap between farm gate and retail prices has been increasing continuously, which suggests that farmers have not been getting a fair deal in one of the most corporatized agricultural economy in the world.

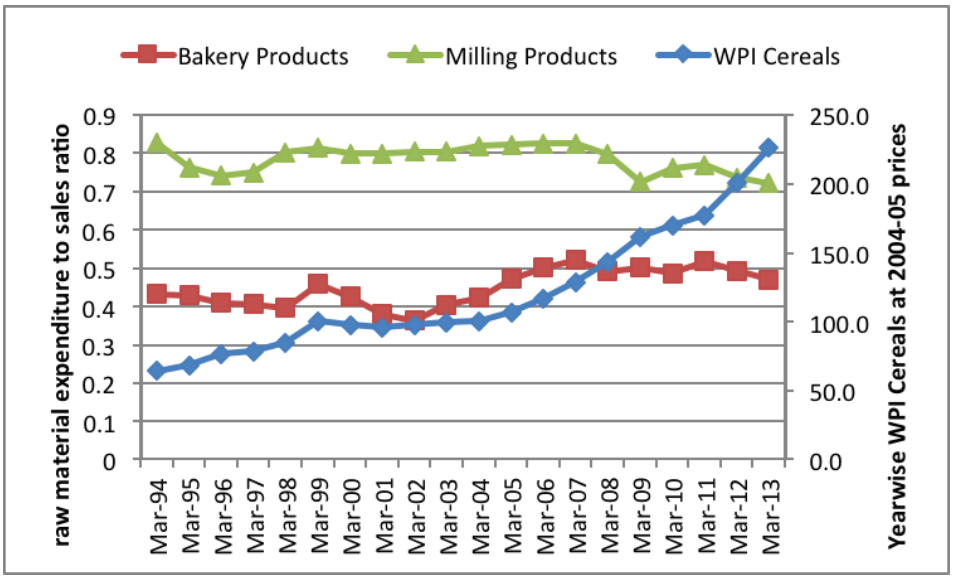
Chart 8: Farm-retail price spread in the US for bakery products



Source: USDA Data

Another buttress to this argument is to calculate the share of expenditure on raw materials to sales for Indian companies in the bakery and milling products sector, which would give a rough estimate for the trend in per unit value the farmers receive for selling their cereals to these companies. Chart 9 shows these trends. When compared to the Wholesale Price Index (WPI) for cereals, it can be seen that the per unit share of farmers has not increased despite the fact that cereal prices have increased significantly.

Chart 9: Share of raw material expenditure to sales



Source: Calculated by using PROWESS and WPI data; WPI figures are financial year averages from 1994-95 onwards

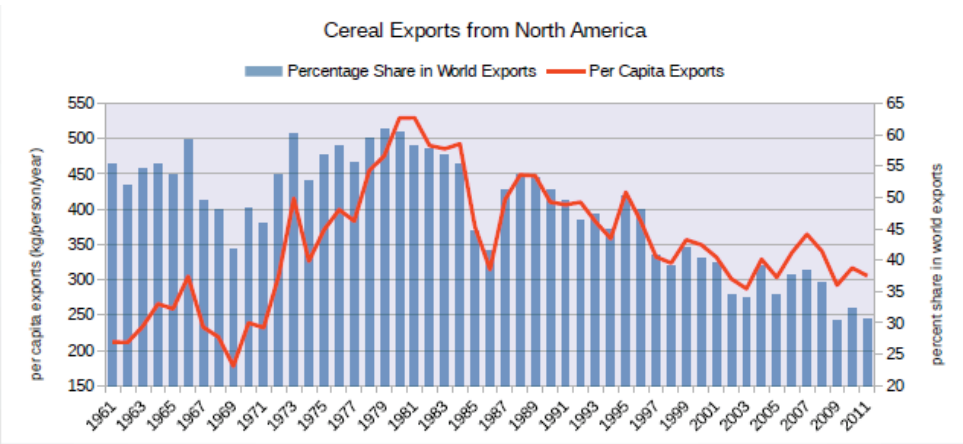
On the basis of the data presented above, it can be argued that there is enough ground to be circumspect to the claim that allowing corporations to buy directly from farmers would lead to greater incomes for them.

Changing dynamics in the international food market

By the 1970s, the dominant narrative coming from advanced capitalist countries was that Third World countries should not be growing cereals as the former could produce them more in a more efficient manner.[25] However, the situation has changed drastically today because of food production growth in the advanced capitalist world hitting a plateau, which has resulted in a situation where they are not in a position to increase their exports to the rest of the world. Chart 10 shows these trends.

25 See Friedmann (1990)

Chart 10: Cereal exports from North America



Source: FAOSTAT Data

This discernible change in the international food economy has created a situation where there is objective ground for countries like India to export more and more cereals in the world economy. Although exports per se are not contradictory to food security, they can have an adverse effect if they bring down the level of per capita availability of cereals in any economy – which is what has been happening in the case of India.

In lieu of a conclusion

The discussion we have had so far points towards the fact that despite the government enacting an ambitious food security legislation to address food security, there exist myriad contradictions in the Indian food economy which can undermine the pursuit of food security. The root of these contradictions lies in two interrelated facts: firstly; the overall policy environment which is pro big business and hence not taking steps to provide smallholder agriculture, which is worsening the income employment balance; secondly, an emerging asymmetry between the market desired food production basket and food security needs, due to inequality in income and hence effective demand. Whether or not these contradictions are handled successfully concerns not just agriculture/food security policy but the overall macroeconomic regime.

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Commodification and Westernization: Explaining declining nutrition intake in contemporary rural China

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Abstract

Despite China's rapid growth in the past decade, Chinese rural residents suffer from a continuing decline of both calorie and protein intakes. We investigate the dramatic historical changes in nutrition intake in the Chinese countryside. There are two main explanations for the decline: first, the changing demographic and economic structure contributes to a lower demand for energy compared to traditional rural society; second, the rising cost of non-food essential goods could lead to a squeeze in food budget. Using both national level and provincial level data, we find evidence for both factors. We further argue that the current abnormally low level of nutrition intake is mainly due to commodification in the context of diet Westernization. The nutrition intake of rural residents declines, as they divert their consumption from relatively cheap sources of energy (grain and vegetable) to more expensive alternatives (meat and poultry) under a squeezed budget.

Introduction

China's rapid growth in the past decades has been accompanied by a decisive increase in both real per capita income and food consumption. One of the easiest measures of the wellbeing of the Chinese people is seeing what they have on the dinner table because, according to an old Chinese saying, "food is heaven". In general, the Chinese have been quickly moving from a plant-based to a meat-based diet in recent years. Nowadays China produces 600 million metric tons of grain and consumes even more, as it has recently become a major importer on the global food market (Xu et al., 2014).

At the same time, however, China's bon appétit seems not to be evenly shared among its population, at least in terms of nutrition. There has been a secular declining trend in nutrition intake for the more than 600 million rural residents in China in the last decade. Figure 1 illustrates the historical pattern of both per capita calorie and protein intake of rural residents. In the 1980s both calorie and protein intakes were increasing, while in the 1990s they stagnated for several years. Starting from the early 2000s, both nutrition

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intakes have been decreasing.

The trend seems to be at odds with the rapid poverty reduction in the last decades. A closer examination suggests that the official poverty rate might fail to pay enough attention to the actual cost of living. The Chinese poverty line was first derived in 1985, largely based on a typical basket of individual food consumption in the 1980s that provides 2400 Kcal per day. In the late 1990s, China revised its poverty line, substantially decreasing the share of non-food consumption and lowering the minimum calorie intake requirement to 2100 Kcal per day. With the consumption pattern and prices changing rapidly, the official poverty line calculation tends to under estimate poverty standards and overestimate poverty reduction (Park and Wang, 2001). In fact, the rural population in poverty increased by 100 million when China finally, and significantly, amended its official poverty line in 2011.[3]

The data used here is based on the compiled survey results of the Chinese National Bureau of Statistics (NBS). One may suspect that this puzzling trend of nutrition intake is driven by a significant change in the method of collecting food consumption data in rural households. However, there is no such evidence. The NBS has been using the same food diary method of data collection consistently during the last three decades.[4]

A related concern stems from the rural school mapping programme in China starting from the early 2000s. The programme closed many small rural schools and, as a result, an increasingly large number of schoolchildren have to attend boarding schools and eat away from home. The food consumption of these children is not included in the household food diary. If the NBS were to still count them as household members in calculating average food consumption, it would create underestimated results for the last decade. As a matter of fact, in their calculation, the NBS excludes household members who mainly eat outside.[5] Consequently, the school mapping policy and related social change has no impact on the observed trend.

While the schoolchildren might be excluded from our data, it does not mean they have a healthier life. Luo et al. (2009) gives a detailed account of the poor canteen services provided by boarding schools in rural Shaanxi Province. In their 2008 survey, only 30 percent of the school canteens served breakfast, and seven per cent provided eggs; 36 percent provided meat, fish or eggs for lunch, and 27 per cent for dinner. Even if any animal protein was served, it was only twice a week and had to be purchased by students. In China's poor rural regions, such as the Qinghai, Ningxia, Shaanxi provinces, students in boarding schools or those who eat lunch at school are more vulnerable

3 See http://www.theguardian.com/world/2011/nov/30/china-raises-rural-poverty-line, accessed on 10 Dec 2014.

4 The authors have confirmed this by online exchanges with the NBS.

5 The authors have confirmed this by online exchanges with the NBS.

to under-nutrition due to the lack of adequate facilities, services and quality food. The adverse health consequences of such inadequacy include low height-for-age score, anaemia and low haemoglobin (Luo et al., 2009; Luo et al,. 2010; Luo et al., 2011).

The recent literature on rural public health provides a general picture of severe nutrition and health outcomes in the last decade. For example, there is some evidence of an increase in the rates of both stunting and being underweight among rural children since the mid-2000s, reversing the decreasing trend in the previous decade or two (Liu et al., 2013, p.302). Similarly, Zhou et al. (2012) finds that children less than five years of age in seven remote and poor counties have a high prevalence of stunting (19.3 per cent) and being underweight (13.1 per cent)in surveys between 2007 and 2010. Another survey in 2010 covering 84 villages in the mid-western provinces reports the prevalence of stunting among children below three years as being 27.0 per cent (Jiang et al., 2014).

A 2004 survey of 100 villages in Northwest China (Gansu Province) shows striking food deficiency in food insecure families (Hannum et al., 2014). When asked about recent food consumption, 77 percent of mothers in food insecure households reported that their children (under 16) had "almost never" consumed meat in the past month; the corresponding numbers were 57 percent for rice, 57 percent for eggs, 73 per cent for fruits, and 96 percent for dairy products.

Although some recent studies document that the rate of being overweight has been increasing in both rural and urban China (De Brauw and Mu, 2011; Gordon-Larsen et al., 2014), Wang et al. (2009) suggests that the truth might be 'stunting overweight'," which could be traced back to under-nutrition of the children in the infant period, and of the mothers during pregnancy and lactation period. Based on a 2006 survey of 50 counties of 13 mid-western provinces, Wang et al. (2009) draws particular attention to the high prevalence of stunting (57.6 percent) among overweight children. The study also reports the rates of stunting and being underweight are, respectively, as high as 30.2 percent and 10.2 percent for children under five years of age.

China is not an isolated case on the issue of declining nutrition intake. In recent years, scholars have observed similar declining nutrition trends in India. For example, Deaton and Dreze (2009) find that average calorie intake of Indian rural residents declined by 10 percent from 2240 Kcal to 2047 Kcal between 1983 and 2004. Basu and Basole (2013) suggest that the declining trend in India started in the early 1970s. But the Chinese case differs from the Indian one in two ways. First, the magnitude of the decline in China is considerably more dramatic than India in absolute and percentage terms. According to our estimation, calorie intake declined by 20 per cent, 2595 Kcal to 1991 Kcal from 2000 to 2011. Second, unlike the long term trend in the Indian data, the Chinese rural nutrition intake has different trends in the previous decades and the dramatic decline is

only a recent phenomenon.

Broadly speaking, there exist two plausible hypotheses for the observed nutrition intake decline: lower energy demand and budget squeeze (Basu and Basole, 2013). First, economic development often brings improvement in technology and changes in occupation and demographic structure (with urbanization), which naturally reduces the amount of energy needed in people's daily life. Therefore, we might observe a declining tendency of nutrition intake over the course of economic development. This channel is mostly voluntary and does not necessarily suggest a deteriorating level of population health. Second, economic growth often accompanies increasing commodification. This might lead to higher cost of running a family business and necessary non-food expenditure such as health and education. Meeting the requirement of those necessary expenditures, households might be forced to squeeze their budget on food items, which could cause an involuntary decrease in nutrition intake.

This paper incorporates both types of explanations into our analysis of the Chinese story. First, by examining the historical patterns of national nutrition intake we critically review the relevance of major factors. We find that explanations for both the lower energy demand and the budget squeeze are related to nutrition decline. Second, with our compiled provincial level panel dataset, we conducted econometric exercises and found further evidence for both the lower energy demand and the budget squeeze hypotheses. In particular, the baseline fixed effect model suggests that a one percentage point increase in the non-food essential share of household consumption would lead to a 0.86 percent decrease in calorie intake and a 0.84 percent decrease in protein intake. For example, from 2000 to 2010, the average Chinese rural family increased the share of their spending on education and health care and other non-food essential goods by 10 percentage points of their consumption budget. That alone would decrease their daily calorie intake by almost 9 percent, from 2595 Kcal to 2360 Kcal.

Based on discussions on the historical transformations of the rural diet, we argue that the abnormally low level of nutrition intake is due to commodification in the context of Westernization. The rural residents have been continuously Westernizing their diet from a plant-based to a meat-based one, while suffering from a budget squeeze resulting from increasing commodification as part of the agrarian change. As households divert their consumption from relatively cheap sources of energy (grain and vegetable) to more expensive alternatives (meat and poultry) under a squeezed budget, their nutrition intake (in terms of both calorie and protein) declines.

The next section reviews relevant literature and examines the national data. The third section looks at the question using provincial panel data and discusses the causes of the nutrition decline with econometric results. The fourth section has some further considerations

in the context of Chinese economic development. The last section concludes the paper.

Alternative explanations and the Chinese story

China is not the only country experiencing energy intake decline in a booming economy. The Indian "calorie consumption puzzle" (Chandrasekhar and Ghosh, 2003) has aroused considerable academic interest. The widely cited work by Deaton and Dreze (2009) mainly explains what has happened in India with voluntary factors such as a lower level of physical activity and better health environment. Meanwhile, there are also works that delve into involuntary factors that have more political economy implications. Patnaik (2007, 2009, 2010) argues that it is general impoverishment which causes declining nutrition intake. Basu and Basole (2013, 2014) discuss both voluntary and involuntary factors in nutrition intake determination and find strong support for involuntary explanation in Indian data.

The Chinese nutrition intake decline was also noted a decade ago (Du et al., 2002; Du et al., 2004), but not until recently has it been examined and attention overwhelmingly been paid to the voluntary dimension. For example, it has been argued that demographic changes (the age/gender structure) might have a significant impact on the energy demand of the Chinese population with other conditions unchanged (Zhong et al., 2012; Zhong and Xiang, 2012; Carter et al., 2009). Chinese urbanization has attracted millions of young and middle aged rural labour to move to the cities in recent years. This change in demographic structure might lower energy demand of the rural population left behind, since children and older people consume less energy compared to young adults.

To what extent does the Chinese data support this argument? We use demographic survey and census data from 1991 to 2011 to produce an adjusted nutrition intake series which standardizes age and gender. Following the method described in Zhong et. al. (2012), we calculate for each year a *seventeen-year-old male equivalent scale* for the entire population and then calculate the average calorie/protein intake of that male equivalent across years (see Appendix 1 for details). This enables us to examine whether nutrition intake has declined after controlling demographic factors. Figure 2 shows the adjusted series of both calorie and protein intake in the countryside between 1991 and 2011. It is clear that the declining trend in the last decade does not change significantly after adjustment. Therefore, demographic change seems not to be a key driver behind the observed nutrition intake decline in rural China.

Second, as some studies have suggested, occupational change and/or more mechanization may lead to less physical activity and energy demand in China (Xiang and Zhong, 2012; Zhong and Xiang, 2012). Intuitively, agriculture could be more physically

demanding than most other occupations; rural residents working in agriculture would need to consume more energy compared to their counterparts. Similarly, a higher degree of mechanization should correspond to a lower energy demand. A simple check seems to bear this argument out. Figure 3a shows a positive cross-sectional relationship between occupational change (ratio of rural labour force working in agriculture) and per capita rural calorie intake based on provincial level data; while Figure 3b also plots a negative relationship between mechanization (machine power per acre of land) and calorie intake. Both panels seem to suggest that, as rural population gradually moves out of agriculture and substitutes machine for labour as a result of economic growth, they would reduce their nutrition intake due to a lower energy demand.

But if the nutrition decline is entirely caused by the results of economic development and its by-products, we would expect to see a consistent pattern in nutrition intake changes. For example, the richest regions (the eastern part) should in general correspond to a larger decrease in nutrition intake compared to poorer regions (the central and western parts). However, this seems not to be the case in China. Based on data from nine provinces, Du et al. (2004) report that, between 1989 and 1997, while total energy intake declined for all income groups, declines were the lowest for the top tertile and highest for the low and middle income tertiles (p.1507). Our national data also confirms this pattern. Figure 4a illustrates the percentage changes in calorie intake in eastern, central and western regions over the past 30 years. Between 2000 and 2009, average calorie intake has declined by 19 percent in eastern regions, while in less developed central regions the calorie intake has declined by 26 percent. Obviously something more than voluntary factors are at play here. The limitation of voluntary type arguments can also be seen from Figure 4b which shows rural calorie intake based on five different household income levels. Before 2000, the high income classes and low income classes saw mild calorie intake increase and decrease, respectively. But all income classes experienced calorie intake decline after 2000. Even if high income classes might reduce their nutrition intake because of less energy need, we cannot say exactly the same for people in the lowest income groups. In a nutshell, the voluntary type factors might be part of the story, but they are far from the whole story.

Different from the voluntary type of explanation, the involuntary type of arguments mainly concern the deteriorating economic conditions of the population. The involuntary type of explanation does not necessarily imply a decreasing trend of rural real income. In fact, between 2000 and 2010, rural real income per capita steadily increased at over 7 per cent per year. At the same time, however, China saw increasing commodification of subsistence goods such as education and health care that tend to raise the cost of living.

One study that has paid due attention to the involuntary dimension in the Chinese context is by Meng et al.(2009). The study finds and explains the continuous calorie intake decline for the urban poor in the 1990s: during this period, public provision of social welfare (such as health care, education and housing) was dismantled and replaced with a market-oriented system; although their income did not fall, low income urban residents had to increasingly spend on non-food necessities, leaving the budget for food vulnerable.

Our study proposes a similar interpretation for China's rural dwellers. The commodification of basic goods and the urban-biased growth have systematically made life more difficult for the average rural household. National data shows that rural families faced a growing financial burden of health care: between 2000 and 2012, health spending as a share of total household expenditure increased from 5.2 per cent to 8.7 per cent (NBS 2013). Despite a significant extension of health insurance coverage in the 2000s, the percentage of rural households facing catastrophic health expenses (defined as an amount equal to or greater than 40 per cent of a household's disposable income less subsistence expenditures) did not fall; rather, it increased slightly from13.2 per cent in 2003 to 13.8 per cent in 2011 (Meng et al., 2012).

State policies are often ineffective and create extra hurdles for rural residents. For example, the aforementioned school mapping programme, which requires rural students to attend boarding school in towns, significantly increases expenditure on commuting (Zhao and Parolin, 2002). As another example, China implemented a major rural tax reform in the early 2000s, intending to alleviate the fiscal burden of farmers that had surged since the de-collectivization of rural China. However, the programme reduced the fiscal capacity of villages to provide public services such as a primary school and public health facilities, which disproportionately increased the financial burden on poor families (Alm and Liu, 2013).

These policies also tend to aggravate the existing problems arising from commodification. The marketization of higher education and consequently tuition surge in the late 1990s already createda major burden for the rural poor. Due to the worsening quality of public education in the countryside, families have to shoulder even higher costs. Based on a survey of 11 provinces in western China, Zhang (2014) finds that in addition to the direct financial burden of tuition increase, low and middleincome families had to invest more in the early stages of their children's education process if they planned to send their kids to colleges,

All these increasing costs of subsistence lead to a budget squeeze on food among the less well-to-do households. As Hannum et al. (2014) states, based on a survey in northwest China,"36 percent of mothers reported that their families went hungry

because of insufficient food or money to buy food; 41percent reported having had to depend on relatives or friends to give food; 49 percent reported that they or their family had borrowed money from relatives or friends to buy food; and 23 percent reported having to cut food available for children because there was not enough food or money."

One type of such a budget squeeze takes place within the rural household consumption bundle. The increasing cost of essential goods and services such as health care and education is more likely to be a burden for less privileged people like rural residents compared with their urban counterparts. For example, the price index for health care and school textbook expenses in the countryside has increased by almost 200 percent over the last two decades (*China Statistical Yearbook*, various years). In order to meet the requirement of non-food essential expenses, rural households might have to decrease their spending on food. As Figure 5 demonstrates, from 1993 to 2011, the ratio of non-food essential expenditure (spending on residence, health care, transport and telecommunication, education and cultural services, etc.) increases from 27 per cent to 45 per cent, while the ratio of food expenditure decreases from 58 per cent to 40 per cent. This change cannot be simply regarded as a result of the so-called Engel's law (the proportion of income spent on food decreases as income rises), as the nutrition intake has declined to an abnormally low level at the same time. At least part of these budgetary changes must reflect the burden of life and the squeeze on household food consumption.

Another possible source of such a budget squeeze, which is unique for the rural residents, is the rising cost of family business. Agricultural input prices have increased almost three times over the last 20 years (*China Statistical Yearbook*, various years). In order to maintain the basic operation of the family business, rural households might have to cut their spending on household consumption. Figure 6 compares the ratio of household consumption and basic family business operation within the total rural household budget from 1998 to 2011. Although the proportion of the budget spent on basic family operation cost does not have a persistent trend, it does seem to have a negative relationship (i.e. squeeze) with that of household consumption.

Based on the descriptive evidence above, we are able to identify several possible causes of the observed nutrition intake decline from both voluntary and involuntary type explanations. The decreasing need for energy is mainly due to occupational change, mechanization and economic development in general. On the other hand, we do find clear evidence of a budget squeeze from both operation of family business and increasing expenditure on non-food essential goods. The relationship between nutrition intake and these factors are examined in more detail in the next section.

Econometric Exercises

Data and Methodology

In order to examine the causes of nutrition intake decline, we need to formulate a conceptual model for nutritional determination. First and foremost, the average nutrition intake level is determined by the actual household expenditure on food. More spending on food naturally leads to more nutrition intake. This is where the budget question comes into the story. As we discussed above, two types of budget squeeze could have a significant impact on how much households would like to spend on food compared to other necessary spending on family business and other essential goods and services. Of course, the spending on food is also affected by the need for energy, where the voluntary type factors come into account. As the previous section suggests, moving out of agriculture and more mechanization could lead to a decrease in physical activities, which may in turn lower the need for nutrition intake. All of these can be perceived as a by-product of overall economic development.

Besides, dietary choices also affect the level of nutrition intake. Given the amount of spending on food, the transition from a plant-based diet to a more expensive meat-based one is a possible way to decrease the amount of total calorie and protein intake for consumers. Some of the above factors also have an impact on dietary choices. For example, given the same amount of spending on food items, a higher level of living standards might induce people to choose a more expensive/less energy intensive diet.

Therefore, the basic model of nutrition intake can be described as below:

$$NI = G(E_f, d) \tag{1}$$

Where NI is nutrition intake; E_f is real expenditure on food items; d is dietary choice.

Real expenditure on food items is determined by the following equation:

$$E_f = E \times r_c \times r_f \tag{2}$$

Where E is real total expenditure; r_c is the ratio of consumption in total expenditure; r_f is the ratio of spending on food items in household consumption.

In the three decision processes for household consumption, r_c and r_f are both affected by voluntary and involuntary factors. The budget squeeze resulting from costs of family business operation and non-food essential goods and services would decrease r_c and r_f. On the other hand, a lower energy demand might also lead to a decrease in both consumption ratios. So in general, we have the following:

$$r_{c,f} = H(V;IV) \tag{3}$$

WhereV is voluntary type factors; IV is involuntary type factors.

Based on (1)-(3), we obtain a more specific model of nutrition intake determination:

$$NI = G(E,d;H(V;IV)) = F(E,d;V,IV) \tag{4}$$

In short, nutrition intake level is determined by total real expenditure, dietary pattern, and various voluntary/involuntary factors. Since we have already specifically discussed the relevant indicators in both voluntary and involuntary type arguments, we can write down our baseline empirical model based on the above formulations:

$$\begin{aligned} \mathrm{Log}(\mathrm{NI}_{it}) = {} & \beta_0 + \beta_1 NFE_{it} + \beta_2 FBC_{it} + \beta_3 Log(E_{it}) \\ & + \beta_4 d_{it} + \beta_5 Aglab_{it} + \beta_6 Mac_{it} + \alpha_t + \theta_i \\ & + \varepsilon_{it} \end{aligned} \tag{5}$$

where NI refers to either calorie or protein intake; NFE is the portion of non-food essential spending in household consumption; FBC is the portion of spending on basic family business operation in total household expenditure; E is total household real expenditure; d is dietary pattern in food consumption; Aglab is the ratio of rural labour force working in agriculture; Mac is the total machine power per acre of land; α_t and θ_i refers to provincial/regional fixed effect and year fixed effect, which capture the unobserved differences across time and location.

We compile a panel dataset of 30 Chinese provinces/regions for the time period of 1998-2010 (see Appendix 1 for variable construction and data sources). The sample covers the whole Chinese mainland, with the exception of Tibet due to data unavailability.

Results and Discussions

Table 1 presents the results from the baseline models in column (1) and (4) for calorie and protein intake respectively. We are most concerned with the four main voluntary and involuntary factors. The coefficients of both non-food essential spending and family business spending are statistically significantly negative, confirming our hypothesis that involuntary factors play an important role in determining nutrition intake. At the same time, one voluntary factor, the ratio of rural labour force in agriculture, also has a statistically significantly positive relationship with nutrition intake. But the other voluntary factor, the machine power variable, does not have a significant impact on nutrition intake after controlling other variables. Overall, the empirical results provide support for both

voluntary type and involuntary type arguments.

How do we interpret the results? The baseline estimation suggests that a budget squeeze resulting from both non-food essential consumption and family business operation leads to a decrease in nutrition intake. Specifically, a percentage point increase in the proportion of consumption on non-food essential means a 0.86 percent decrease in calorie intake and 0.84 percent decrease in protein intake. A percentage point increase in ratio of family business in total expenditure will cause 0.39 percent decrease in calorie intake and 0.44 percent decrease in protein intake. The share of non-food essential spending alone has increased by 10 percentage points in the last decade; if other factors are unchanged, that alone would imply an approximately 9 percent decrease in both calorie and protein intake.

As for voluntary factors, a percentage point decrease in rural population working in agriculture would lead to a tiny change in nutrition intake: 0.43 percent in calorie intake and 0.34 percent decrease in protein intake. It seems that although voluntary factors such as moving out of agriculture do have statistically significant impacts on nutrition intake, the effects are rather small compared with those of involuntary factors.

The coefficients of the two remaining variables also provide some important clues to understanding the nutrition decline problem. Firstly, the real household total expenditure has a positive impact on nutrition intake, given that others are controlled. As household expenditure has increased steadily over the past decades, that would have prevented nutrition intake from falling even more than the current records. Second, the Chinese diet has been shifting from a plant-based one to a meat-based one in the past few years and continues to do so. Our results suggest that the process of dietary change (in the sense of higher portion of protein from meat) has a statistically significantly negative impact on nutrition intake. We will discuss more on the effect of dietary change in the next section.

For robustness checks, we add two loosely related control variables in order: real per capita net income and the ratio of purchased cereal to total cereal consumption (see Appendix 1 for data sources). Data on net income is available for the whole period from 1998 to 2011 while the cereal purchase information is only available from 2004 onwards. Conceptually, real net income has an ambivalent impact on nutrition intake: on the one hand, higher income might cause more food consumption and more nutrition intake; on the other hand, higher income might imply less physical activities and better living conditions that need less energy. The ratio of cereal purchase partly reflects food costs of rural households, as the spending on food items increases if more cereal comes from the market instead of self-production. Historically, this ratio started at merely 17 percent in year 2003 and has steadily increased to 37 percent in 2011. The ratio is close to 50 percent in 2011 in advanced regions such as Guangdong. In Beijing, more than 90

percent of cereal consumption in the rural households comes from market purchase.

Table 1 presents the results in Column (2),(3) and (5),(6). We have some brief comments on them. First, the main findings in the baseline models are intact. We can still see the significant impacts from non-food essential spending and dietary changes. Second, none of the newly added variables are statistically significant and their addition does not change the magnitude or sign of the baseline model coefficients.

These exercises reinforce our confidence on the baseline model results and shed light on a coherent story about the historical changes of nutrition intake in rural China. Particularly, we need to understand how the budget squeeze factors (such as the increasing spending on non-food essential goods) and dietary upgrading together lead to the current nutrition crisis. The next section discusses the interplay of the two distinct causes and its implications for nutrition ofthe rural population.

Budget squeeze, dietary change and nutrition

According to the above empirical results, both voluntary and involuntary factors as well as dietary change have been significant players in shaping the decline in calorie and protein intake in the Chinese countryside during the last decade. Nevertheless, all these factors deserve some more consideration before we move on to further discussion.

First of all, the voluntary causes, such as moving out of agriculture, play a limited role in the historical process. Not only is the scale of its impact small compared with others, as our baseline model suggests, it would also show a lack of common sense to assume that a rural resident would reduce her nutrition intake to an abnormally low level because of a lower energy demand.

Second, the two remaining factors share credit in bringing down the rural nutrition intake. Diet upgrading alone would not necessarily cause much nutrition loss, unless only a limited portion of consumption budget is spent on food. If there is no budget squeeze, we would expect to see a constant or increasing nutrition intake along with an upgrade in diet. Similarly, a relative decrease in spending on food items itself would not be sufficient for causing the dramatic nutrition intake decline as China saw in recent years. If rural residents resort to cheaper and more plant-based diets, we are unlikely to observe any declining trend of nutrition.

Therefore, we argue that the huge decline of the rural nutrition intake can be better understood as largely a joint result of both budget squeeze and China's rapidly upgrading diet. The increasing cost of non-food essential goods, in the context of diet upgrading, leads to the pattern changes presented in Table 2. Figure 7 presents a more visual illustration of the dietary changes. Grain and vegetable consumption of an average rural

resident seemed to have increased between 1980 and 1990, had a small decrease between 1990 and 2000, and was followed by a big drop in grain and vegetable consumption between 2000 and 2010. At the same time, however, the consumption of meat/poultry/dairy products seems to be steadily increasing. In other words, with an already squeezed food budget, Chinese rural households are at the same time moving away from traditional diets, starting to consume more expensive energy sources.

Figure 8 clearly illustrates this historical change in the lens of protein sources. In the 1980s, rural households were able to consume more meat and poultry while maintaining their grain and vegetable consumption, which resulted in a temporary improvement in their nutrition status. Throughout the 1990s, the protein from grain and vegetables had a moderate decline but still maintained a relatively high level of nearly 60 g or so per capita per day, while the protein from animal sources kept increasing. That is why the total nutrition intake was relatively stable during the 1990s. But the trend starts to change in the last decade, when nutrition gains from increasing consumption of meat/poultry/diary fall behind the nutrition loss from decreasing consumption of grain and vegetables. Thus the total nutrition intake, whether measured in calories or protein, starts to decline dramatically.

Whenever budget squeeze limits rural households' access to food and nutrition, dietary change aggravates the problem. For ease of interpretation, Table 3 provides two hypothetical scenarios with different diets (grain and meat), which shows the impact of dietary choice under the same budget. In Scenario 1, a consumption bundle of 12 kg of grain and 2 kg of pork provides 1560 Kcal and 37 g of protein. In Scenario 2, a more meat-based consumption bundle only provides 1106 Kcal and 22 g of protein. This simple illustration partly reflects what was going on with regard to consumption in rural households during the 2000s.

What causes underlie the Westernization of rural diet? Pingali (2007) notes that current food consumption patterns are showing signs of convergence towards a Western diet in Asian countries. Globalization, and the consequent global interconnectedness of the urban middle class, is the driving force behind the convergence of diets. A complete survey of factors in China is beyond the reach of the current paper. One possible reason might be the increasing impact of the urban/modern lifestyle through television shows and advertisements. Since more than ten years ago, the mainstream media has started advocating the idea of a "modern/rational" diet which includes much less grain consumption and much more dairy/poultry consumption (*Beijing Evening News*, 2001). Although the countryside provides the cities with food, it is the urban capital which dominates the country's food imagination. Keep in mind that economic growth in the last two decades has also increased the rural-urban income difference (except very recently).

Now an average urban resident earns two times more than a rural counterpart. It might be reasonable for the urban population to continue consuming more meat and poultry, but it might not be such a healthy choice for rural people.

In this sense, the nutrition intake decline in the last decade or so has been a genuine product of the Chinese agrarian change featured by both commodification and Westernization. On the one hand, commodification significantly fuels the tension between food consumption and non-food spending (both essential consumption and family business operation), and thereby squeezes the food budget. On the other hand, Westernization widely boosts consumption of more expensive energy sources and promotes a Westernized diet for less affluent population like rural residents. According to our discussions above, these factors are the crucial forces behind the nutrition crisis in contemporary rural China.

Concluding Remarks

The nutrition story in this paper reveals the often neglected side of Chinese economic prosperity. Despite China's rapid growth in the past decade, Chinese rural residents suffer from a continuing decline of both calorie and protein intake.

We argue that both voluntary and involuntary factors contribute to the observed change in trend in the 2000s, but the abnormally low level of nutrition intake is due to commodification in the context of diet Westernization. As households divert their consumption from relatively cheap sources of energy (grain and vegetable) to more expensive alternatives (meat and poultry) due to a squeezed budget, their nutrition intake (in terms of both calories and protein) declines.

The declining nutrition intake is a result of dramatic changes in the contemporary Chinese agrarian relations. The shocking failure of sustaining a healthy rural population is a unique manifestation of the contradiction of the Chinese agrarian change. The deepening of commodification, the pro-market state policies and the encroachment of Western/urban lifestyles into rural families all contribute to the story. At the same time, the worsening nutrition status of rural residents will further accelerate the ongoing agrarian transition and catalyse broader social changes in China.

The nutrition story has a long-lasting impact on both China and the world, as commodification and Westernization continue. On the one hand, the dietary change could imply a more severe decline in nutrition intake, given that the budget squeeze factors are still at work. That will definitely damage the health of the rural population which is a serious concern for China's future development. On the other hand, if the current economic growth could bring more benefits to the rural residents and to some extent

relieve the current budget squeeze, a dietary upgrade would simply mean much more food consumption in the countryside. That might have long-term disturbing effects on China's food security and the global food market. A real solution to the above problems has to include both an improvement in the economic conditions of rural households and a change to a more sustainable plant-based diet.

Appendix 1: Variable Definition and Data Sources

Appendix Table 1

Variable Definition and Data Sources	
NI	**Nutrition intake** • Rural household daily calorie (kcal) and protein (g) intake per capita • Authors' calculation based on data of rural household per capita consumption on major food per year (divided by 365), *China Rural Statistical Yearbook,* various years (except for 1992) and *China Yearbook of Rural Household Survey* for 1992. See Appendix 2 for methodology of converting food consumption into calorie and protein intake.

Major Food (Per Kilogram)-Calorie/Protein/Fat Conversion Table

	grain (*0.85)	vegetables	edible oil	pork, beef & mutton	poultry	eggs & related products	aquatic	sugar	liquor
calorie (kcal)	3553*0.85	180	9000	3915	627	1468	782	3776	1842
protein (g)	93*0.85	11.4	0	99.5	113.8	123.8	125	4.6	0

Data source: Conversion coefficients for pultry and liquor are from China Mid-/long-term Food Development Strategy Research Group (1991, p.481, Appendix Table 1); conversion coefficients for other food are from Feng (2007, p.22, Table 1).

Note: The conversion coefficient for grain is discounted by a factor of 0.85 to adjust for loss during processing and storage.

$$\mathrm{NI}_{adj} = \frac{\mathrm{NI}}{\mathrm{AMES}}$$

NFE	**Non-food essential expenditure ratio** • Share of expenditures for (a) housing, (b) medicine and health care, (c) transport, post and telecommunications, and (d) cultural, educational, recreational services in total living expenditure, %. • Authors' calculation based on data from *China Rural Statistical Yearbook,* various years.
FBC	**Household business costs, taxes & fees ratio** • Share of expenditures for (a) rural household business and (b) taxes and fees in total expenditure, %. • Authors' calculation based on data from *China Yearbook of Rural Household Survey* for the years 1998-2009; *China Rural Statistical Yearbook* for theyears 2010 and 2011.

$$\mathrm{AMES} = \sum_{\mathrm{i}=1}^{\mathrm{n}} \mathrm{AMEC_i} * \frac{\mathrm{P}_i^{\mathrm{age-sex}}}{\mathrm{P}}$$

E	**Total real expenditure per capita** • *China Yearbook of Rural Household Survey* for the years 1998-2009; *China Rural Statistical Yearbook* for the years 2010 and 2011. • Adjusted for Rural Consumer Price Indices (2011 CPI=100). *China Statistical Yearbook*, various years.
d	**Dietary choice** • Share of animal protein in total protein, %. • Authors' calculation based on data from *China Statistical Yearbook*, various years (except for 1992) and *China Yearbook of Rural Household Survey* for 1992.

Aglab	**Agricultural labour** • Agricultural sector employees as a share of total rural employees, %. • Authors' calculation based on number of total rural employees and number of rural employees in agriculture from *New China 60 Years of Agricultural Statistical Materials* (for the years 1998-2008) and *China Rural Statistical Yearbook* (for the years 2009 and 2010).
Mac	**Mechanization** • Major agricultural machinery power (10kw/1,000hectare). • Authors' calculation based on data of total sown area of farm crops (1,000 hectare) and total power of year-end major agricultural machinery (10,000 kw) from *China Rural Statistical Yearbook*, various years.
Net Income	**Real per capita net income of rural households** • *China Statistical Yearbook*, various years. • Adjusted for Rural Consumer Price Indices (2011 CPI=100).
Cereal	**Purchased cereal to total cereal consumption ratio, %.** • Authors' calculation based on data of cereal purchase and cereal consumption. • *China Yearbook of Household Survey* for the years 2010 and 2011; *China Yearbook of Rural Household Survey* for the years 2003-2009.

Appendix 2: Calculating (Adjusted) Nutrition Intake

Calculating Nutrition Intake per capita, NI

We calculate nutrition intake by converting household per capita consumption on major food into calories and protein. The *China Statistical Yearbook* includes and documents nine major food categories that provide nutrition. These nine food categories and the energy and protein that they provide are listed below:

Appendix Table 2

Calculating Adjusted Nutrition Intake per capita, NIadj

The adjusted annual nutrition intake is calculated by applying the following formula:

Where*AMES* is the *Adult Male Equivalent Scale*, used to adjust nutrition intake for China's demographic profile. FollowingZhong et al. (2012, pp.1012-5), we calculate the *AMES* in each year by adding up the *Adult Male Equivalent Coefficient* (*AMEC*) for each age-sex group weighted by the population ratio of each corresponding demographic group:

Demographic data is obtained from the *China Population & Employment Statistics Yearbook* (2007-2012) and *China Population Statistics Yearbook* (1992-2006). AMEC data is computed in Zhong et al. (2012, pp.1014, Table 1).Their method is to assume the daily energy requirement of a 17-year-old male (the most energy demanding age-sex category, barring women in pregnancy and lactation) to be one, and then proportionally convert the daily energy requirement of people in other age-gender categories into indexes ranging from zero to one.

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Table 1: Determinants of Nutrition Intake

	Calorie						Protein					
	(1)		(2)		(3)		(4)		(5)		(6)	
Non-food Essential	-0.862	***	-0.836	***	-0.954	***	-0.836	***	-0.847	***	-0.830	***
	(0.116)		(0.118)		(0.165)		(0.121)		(0.124)		(0.174)	
Family Business	-0.387	***	-0.378	**	-0.205		-0.441	***	-0.445	***	-0.217	
	(0.148)		(0.149)		(0.174)		(0.155)		(0.156)		(0.183)	
Total Expenditure	0.230	***	0.210	***	0.167	***	0.119	**	0.128	**	0.026	
	(0.045)		(0.048)		(0.063)		(0.047)		(0.051)		(0.067)	
Diet	-2.381	***	-2.423	***	-1.958	***	-2.009	***	-1.990	***	-1.820	***
	(0.173)		(0.177)		(0.252)		(0.181)		(0.186)		(0.290)	
Agricultural Labour	0.434	***	0.449	***	0.362	***	0.344	***	0.337	***	0.356	***
	(0.084)		(0.085)		(0.104)		(0.088)		(0.089)		(0.109)	
Machine Power	-0.071		-0.066		-0.117	**	-0.064		-0.064		-0.128	**
	(0.042)		(0.042)		(0.053)		(0.044)		(0.044)		(0.055)	
Net Income			0.067		0.000				-0.029		0.039	
			(0.060)		(0.087)				(0.063)		(0.091)	
Cereal Purchase					-0.028						-0.037	
					(0.058)						(0.061)	
Sample Size	390		390		240		390		390		240	
R-Squared	0.81	o	0.81	o	0.68	o	0.77	o	0.77	o	0.66	o

*Note: Standard errors in parentheses. Significance at 1%,5%,10% is denoted by ***,**,* respectively.*

Table 2: Key rural food items annual per capita consumption in selected years

	1980	1990	2000	2010
	(kg)	(kg)	(kg)	(kg)
Grain	257	262	250	181
Vegetable	127	134	107	93
Meat	8	11	14	16
Poultry	1	1	3	4
Aqua-product	1	2	4	5
Dairy	1	1	1	4
Calorie (Kcal)	2384	2586	2595	2041
Protein (gram)	63	66	65	52

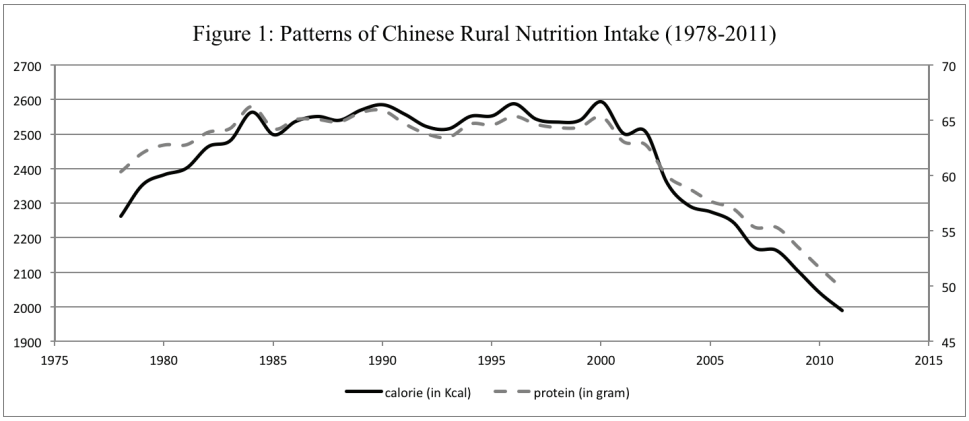
Note: All numbers are rounded. There are other food items like edible oil and eggs that are not listed here to save space. The calorie and protein is calculated using the total food consumption.

Source: See Appendix 1 and Figure 1.

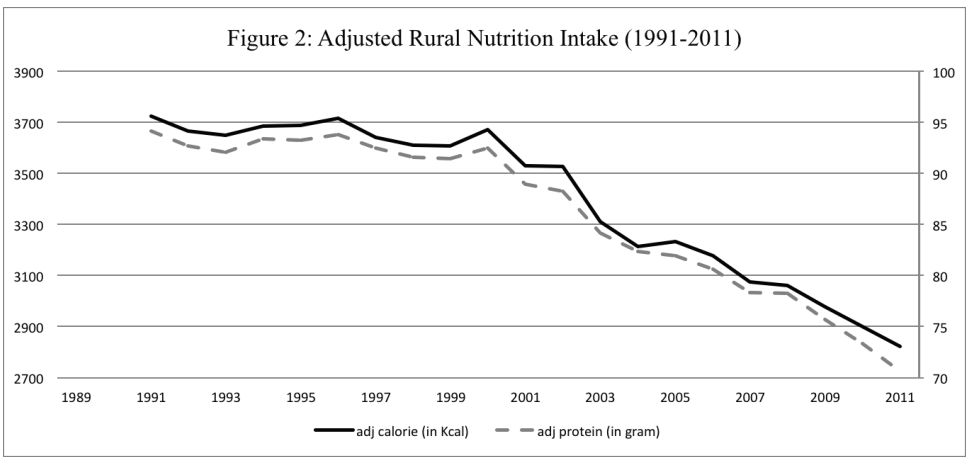
Table 3: Diet and Nutrition

	Scenario 1			Scenario 2		
	Quantity	Calorie	Protein	Quantity	Calorie	Protein
	(kg)	(Kcal)	(gram)	(kg)	(Kcal)	(gram)
Grain	12	1208	32	4	403	11
Meat	2	352	6	4	704	12
Total	o	1560	37	o	1106	22

Note: Both scenarios assume a monthly food budget of 100 RMB (the Chinese currency), grain price at 5RMB/kg, meat price at 20RMB/kg. These assumptions are loosely based on current market prices. See appendix for the method of calculating food nutrition. Both calorie and protein are on a daily basis.

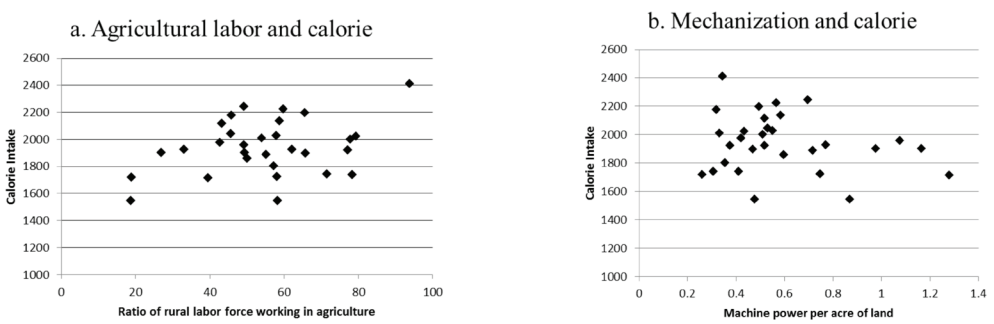


Source: see Appendix2.



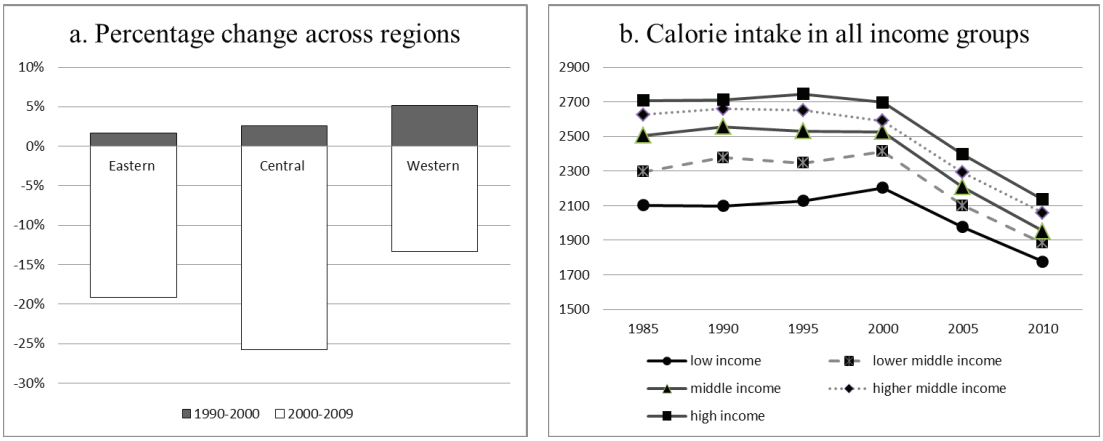
Source: see Appendix 2.

Figure 3: Occupation, mechanization and calorie intake across provinces in 2010

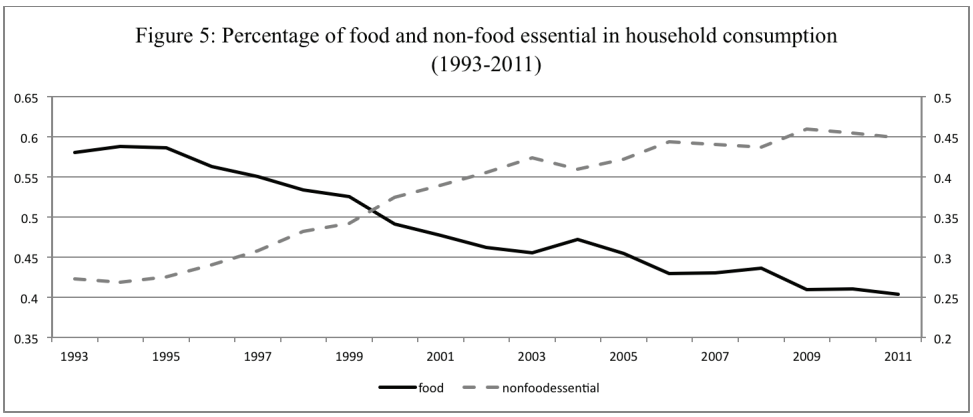


Source: see Appendix 1. Tibet is excluded for lack of data.

Figure 4:Geography, income and calorie intake.



Source: Author calculated based onChina Statistical Yearbook, various years.



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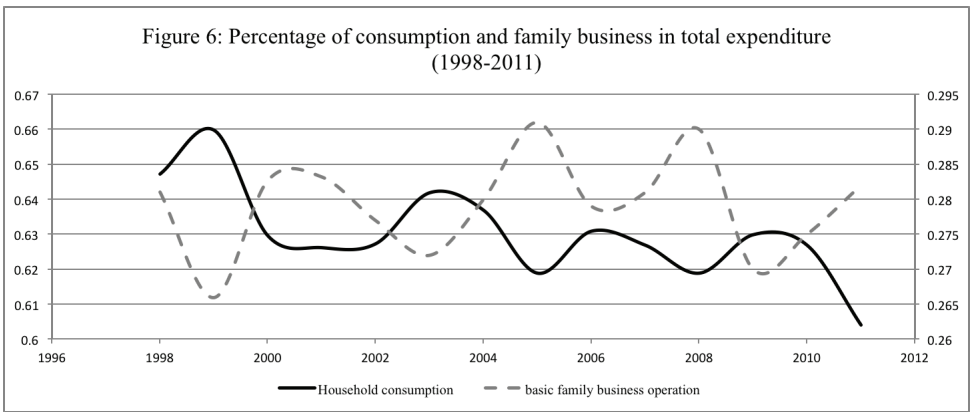

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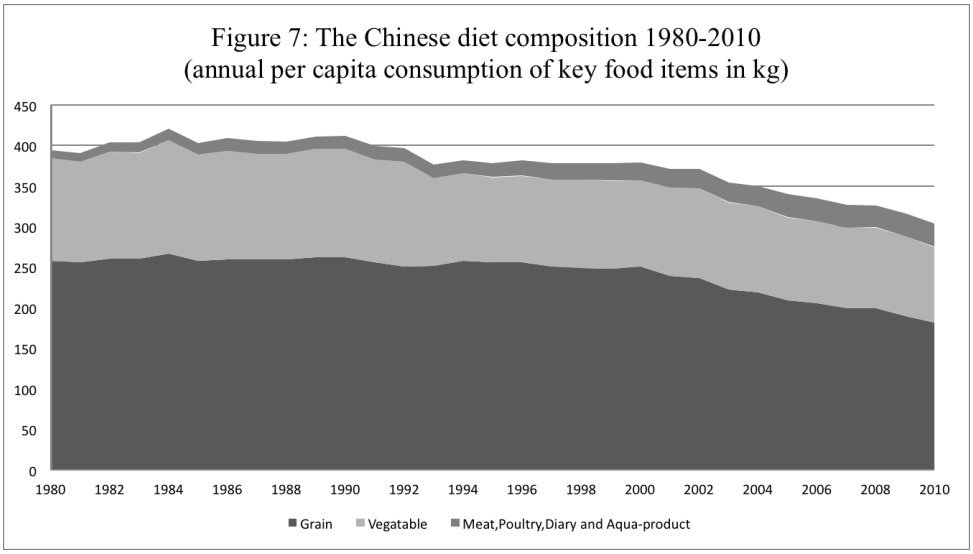

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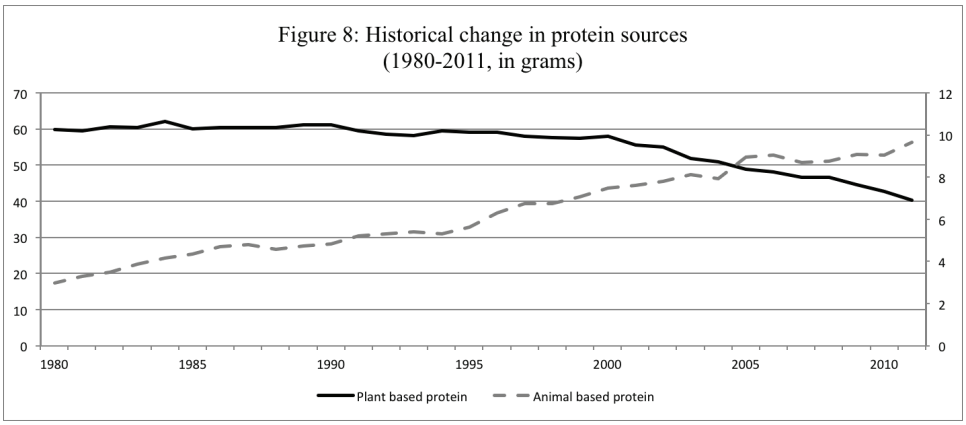

Source: see Appendix 1.

Political Economy of Land Ownership and Development in Eastern Indonesia: A Case Study of Two Provinces[1]

Emilianus Yakob Sese Tolo[2]

Abstract

Nowadays, Indonesia is still facing the problem of poverty, and inequality of land ownership is one of the main causes. Poverty is mostly concentrated in the village level, especially villages in eastern Indonesia. It is approximately 70% of uderdeveloped villages situated in 32.000 villages ineastern Indonesia. Utilizing the combination of qualitative and quantitative research methodology by doing approximately 60 in-depth interviews and 640 questioner fillings, this research aims to evaluate the government program on land certification in two islands –Floresand Seram- in eastern Indonesia. The paper concludes that poverty in eastern Indonesia is mainly caused by inequalities of land ownership, caused by the Dutch colonization, land grabbing by men, village traditional leadersand governmental elites, and privatization. This paper recommends that agrarian reform by leverage has to be done in order to enhance development in eastern Indonesia. Besides, cooperatives and village industrialization too can boast the economic progress which benefits more to people in eastern Indonesia. In addition, based on its cultural setting, the paper also proposes for implementing the collective land certification instead of individual land certification in eastern Indonesia.

Key Words: poverty, developement, inequility, land ownership, agrarian reform by leverage, cooperatives, idustrialization and collective land certification.

Introduction

Indonesia is rich in natural resources but many of its people live in poverty, inequality of land ownership being one of the main causes. A huge portion of land is concentrated in the hands of the State and the economic-political elite ranging from the national to the village level. In 2013, while 98.88 per cent of small enterprises found it difficult to get access to land, most of the land was utilized by 0.01 per cent of big corporations that

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contribute 41.83 per cent ofthe national income and 82.98 of export (Palupi, 2014).[3] Therefore, the Gini index of landownership continues to rise from year to year, from0.50 in 1983 to 0.72 in 2003 (Initiative Policy Review, 2011). Since the New Order (*Orde Baru*), the average amount of land owned by a farmer has been decreasing yearly – 1.05 hectare (1963), 0.99 hectare (1973), 0.90 (1983), 0.5 (2003) and 0.3 (2011) (Setiawan 2008).

Inequality of land ownership in Indonesia can occur either in urban or rural areas (Lucas 1992). However, most inequalities of land ownership are in rural areas (Mulyanto etal., 2009). Therefore, poverty too is mostly in the rural areas, at 63.4 per cent (Setiawan, 2008; Prakrasa Policy Review, 2011; Mulyanto et al., 2009). According to the research done by Mulyanto et al. (2009) in Java, agricultural land at the village level is concentrated among the rich local elite. For example, the research on Wetankali village reveals that most of villagers (57.8 per cent) are landless; only a few of them (0.2 per cent) have agricultural land, but less than one hectare. Out of 605 people who own land, only 26 people (4 per cent) own a big portion of land, approximately 8.4 hectares each, and 17 per cent of the land is cultivated by sharecroppers (Mulyanto etal., 2009).

Inequalities of land ownership in Indonesia are dominantly caused by land grabs by the state, businessmen, bureaucrats[4] and the political elite (Tolo, 2014). Land grabs in Indonesia occur in four ways: regulation, market, legitimating, and force (Hall et al., 2011). Most of the land (70 per cent) is claimed as government ownership under the forestry department. However, local people in many places in Indonesia also claim government land as theirs, although without any land certification. Moreover, according to Yusuf

3 According to Prakarsa Policy Review (2011), the wealth of 40 from the economic and political elite is equal to that of 60 million people. Alternatively, the wealth of 43,000 people is equal to the wealth of 140 million people.Therefore, the Gini index is rising yearly as follows: 0.39 (2009), 0.38 (2010) and 0.41 (2011). Eventhough the Indonesian economic growth has performed quite well in the last five years – 4.5 per cent in 2009, 6.1 per cent in 2010, 6.5 per cent in 2011, 6.3 per cent in 2012, and 5.78 per cent in 2013 – it did not contribute to poverty reduction. According to the data from the statistical office (BPS 2012), the total number of poor was 11.96 per cent (29.13 million) of the total population in Indonesia, wherein 63.4 per cent live in the villages. The World Bank (2011) revealed that 40 per cent of Indonesians are poor (Sinaga, 2012, *Media Indonesia*, 5.1.2012). In the last three years (2009-2011), the number of poor people increased to 2.7 million (Sinaga, 2012). Economic problems of the national level also occur at the province level, especially in eastern Indonesia. For example, in Nusa Tenggara Timur (NTT), according to the province statistics office, in the three years from 2010 to 2012 economic growth was 5.6 per cent. Since 2008-2012, income per capita has been increasing yearly: 4.5 million IDR (2008), 4.8 million IDR (2009), 5.7 million IDR (2010) and 6.1 million IDR (2011). However, the Gini index NTT (2012) was 0.38. In 2012, out of a total population of 4.8 million, there were one million poor people. Poverty is concentrated more in the rural areas (22.41 per cent) than urban areas (12.21 per cent). Compared to the data in 2010, poverty reduction was 0.29 per cent, in urban areas only; in the rural areas, poverty was increasing at a rate of 1.19 per cent. Besides, the number of unemployed people in 2012 was 62, 400.

4 Due to legal and illegal land grabs since the late 1980s, land disputes have been increasing significantly, which involve the bureaucracy and developers. In many cases, according to Lucas (1997: 232, 234, 250), for the sake of development: *first*, 'bureaucracy plays pivotal role in the administration of land clearance and in the settling of land disputes'; *second*, 'local government is expected to facilitate private investment in industrial development, natural resource development, industrial forestry, and estate agriculture, as well as tourism'; and *third*, 'the military ... is seen to backing private developers'.

(2001) only five per cent of land in Indonesia is registered for land certification and the rest has disputed claims. The domination of state over land, the concentration of land in the hands of the elite, and the absence of land certification in rural areas have caused land disputes between local people and the government because of unclear ownership, as in Flores, Mesuji, Bima, Pulau Padang, Jambi, North Sulawesi and Papua (Prior, 2013; Tolo, 2014). Therefore, the development agenda in the agricultural sector seems to have failed to enhance people welfare and sustainable resources management.

After the introduction, we will give a literature review ofthe political economy of land ownership in Indonesia. In the third section, we will elaborate a general view of land ownership and development. In Section Four, we will present the methodology and the data collected. Finding and discussion will be explained in Section Five. The paper will end with a conclusion and recommendation.

Political Economy of Land Ownership in Indonesia

Political economy aims to "understand the relationship between economic growth and poverty... by seeing the ways more powerful classes accumulate by appropriating surplus from less powerful" (Corta, 2010: 18). Bernstein (2010) proposes four questions in order to reveal the relation between economic growth and poverty, as follows: Who owns what? Who does what? Who gets what? And, what do they do with it? By answeringthese questions, we can reveal the predicament of the poor in the agrarian sector, finding the connection with the social relationship through which they are exploited and oppressed by the rich. With this approach, we would like to understand the agrarian injustice that has led to poverty in Indonesia.

Agrarian injustice in Indonesia can be traced back to the kingdom era when all land belonged to the king. According to Javanese political culture, the king is entitled to all land within the kingdom (Anderson, 1990). Therefore, ordinary citizens had to pay taxes to the king. In the colonial era in Java (1830-1970), there were land enclosures and slave labour (*rodi*). In 1870, the Dutch government issued a law to facilitate private land ownership, which led to land grabbing in Indonesia[5] (Lucas, 1992; Borras & Franco, 2011). In addition, under the law Staatbland 1838 No. 45, those who had suffered from land grabbing and did not do slave labour, were caught legally to work as unpaid workers in the Dutch estates (Mulyanto, 2011). When the Japanese occupied Indonesia,

5 Today, along with the expansion of capitalism, land grabbing is growing rapidly, especially in developing countries (Braun &Meinsen-Dick, 2009) such as Africa (Klopp, 2000; Cotula et al., 2009; FIAN 2010), Asia (Borras& Franco, 2011) and Latin America (Borras et al., 2012), which bringsa great manynegative effects on the welfare of the people. As a developing country, Indonesia too experiences land grabbing (Lucas, 1992; Borras& Franco, 2011). With comparative advantage (arable land, rich natural resources and cheap labour), since the colonial era Indonesia has become the most strategic target for land grabbing for the sake of dometic and foreign capital investment.

the land system was regulated according to their interests. Therefore, during the Dutch and Japanese occupation, the land tenure system in Indonesia was more beneficial to the interests of the colonizers and local elite (Soemarjdan, 1962).

After Independence, the Indonesian founding fathers initiated change in the colonial land tenure system. In 1945, agrarian reforms took place in Banyumas, Central Java. With Law No. 13 1946, landlords' privilege rights over land were taken by the government and land was distributed to sharecroppers. As compensation, the government gave lifelong monthly payment to the landlords. In the guided democracy era, the government issued Law No. 1/1958 which led to the abolition of private estate (*particuliere landerijen*), and all landlords' privileges over land were taken over by the government. The landlords were given two options: (1) selling the land directly to landless farmers or (2) selling to the government which would distribute the lands to sharecroppers in the *particuliere landerijen.* In the both cases, the government was authorized to set the price and ensure gradual payment within five months (Soemardjan, 1962;Rachman, 2012).

The peak for government initiation of agrarian justice was when it issued Law No. 5/1960 on Basic Agrarian Law (*Peraturan Dasar Pokok-Pokok Agraria*) (UUPA) and Law No. 2/1962 on Sharecropping Law (*Undang Perjanjian Bagi Hasil*). The aims of Law No. 5/1960 were (1) to change the colonial tenure system to the Indonesian tenure system which would benefit Indonesia's interests more, especially the farmers' (2) to end the dualism of the land law system with respect to local wisdom (*hukumadat*) (3) to give a legal certainty over land, especially about people's rights. The purpose of Law No. 2/1960 was (1) to create fairness between sharecroppers and landlords (2) to protect sharecroppers who are vulnerable to the exploitation by landlords (3) to stimulate the sharecroppers to enhance their productivity (Soemardjan, 1962).

However, during *Orde Baru*,[6] Law No. 5/1960 and No. 2/1960, which demand agrarian reform, were suppressed and neglected by the government. It allocated only 30 per cent of Indonesian land for Law No. 5/1960 after a forestry law was issued in 1967 (Setiawan, 2008). In 1971, the government stopped the funding to promote agrarian reform based on Law No. 5/1965 and No. 2/1960. It seemed that "…agrarian reform was 'no longer a government priority'" (Lucas, 1992: 83). Therefore, during *Orde Baru*, the Gini index of land ownership increased yearly. Local governments were in a dilemma. On the one hand, they had to defend people's lives over land, but on the other, they had to facilitate national development. People who fought against government policies over land were vulnerable to physical torture and violence, and were brought to jail and

6 *OrdeBaru* is the 32-year administration under the second Indonesian president, Suharto (1966-1998). It is the opposite of *Orde Lama,* the period when Sukarno was president, after Indonesia got its independence in 1945.

marked as communists (PKI) (Lucas, 1992; Lucas, 1997).

When *Orde Baru* collapsed, the new government stipulated Tap MPR No. IX/MPR/2001 on Agrarian Reform and Natural Resources Management. The purpose of this law was (1) to create agrarian justice (2) to utilize natural resources fairly (3) to resolve conflict over agrarian and natural resources utilization. In addition, this law too demanded the implementation of Law No. 5/1960 for agrarian reform. Tap MPR No. IX/2001, Tap MPR No. 1/2003, and Tap MPR No. V/2003 forced the government to implement Tap MPR No. IX/MPR/2001, to overcome all agrarian conflict and push agrarian reform by establishing an independent institution (Setiawan, 2008).

In 2007, Indonesian president, Susilo Bambang Yudhoyono (SBY), planned to implement agrarian reform with the principle *'tanahuntukkeadilandankesejahteranrakyat* (lands for fairness and people welfare)'. The Indonesian Parliament (DPR RI) too insisted that Law No. 5/1965 was still relevant and urgent for Indonesia. One year before, SBY had planned to allocate the conversion of 18.15 million hectares of productive forests for the national land reform agenda. However, at the end of 2007, with no political will, no land reform could be implemented. In 2010, the government issued regulation (PP) No. 11 on Curbing and Utilization of Neglected Lands (*Penertiban dan Pendayagunaan Tanah Terlantar*). Out of the 4.8 million hectares of 'neglected lands' that were to be distributed to landless farmers, the National Land Department (BPN RI) only gave 37,223 hectares.Most of the neglected lands have not been distributed to farmers until now (Setiawan, 2008).

In 2012, the DPR RI stipulated Law No. 2 for Land Acquisition for Development and Public Needs (*Pengadaan Tanah untuk Pembangunan bagi Kepentingan Umum*) and Presidential Regulation (*Perpres*) No. 71 regarding Land for Development and Public Needs (*Penyelenggaraan Tanah bagi Pembangunan untuk Kepentingan Umum*). These two laws led to land acquisition for development and public needs, and agrarian conflicts cropped up across the country (in 29 out of 33 provinces in Indonesia)[7]. During the SBY administration (2004-2012), there were 618 agrarian conflicts all across the country, over 2.4 million hectares, involving 731,342 families (Arsyad, 2012).

Agrarian injustice in Indonesia has caused poverty to the Indonesian farmer. With 43 per cent of Indonesian labour working in the agriculture sector (Khudori, 2013), most of

7 The highest number of agrarian conflicts occurred in JawaTimur province (24 conflicts) and Sumatra Utara (21 conflicts). During SBY's leadership itself (2004-2012), there have been 618 conflicts (Arsyad, 2012b). In the three years from 2010 to 2012, agrarian conflicts were on the increase – 106 cases in 2010, 163 cases in 2011 and 198 cases in 2012, within 963,411.2 hectares, involving 141,915 families. Out of 198 agrarian conflicts in 2012, 40 per cent happened in the plantation sector (90 cases), 30 per cent in the infrastructure construction sector (60 cases), 11 per cent in the mining sector (21 cases), 4 per cent in the forestry sector (20 cases), 3 per cent in the fish farming sector (5 cases), and 1 per cent in the marine and coastal areas (2 cases). Most of the conflicts in the plantation sector occurred due to land grabbing, wherein the government gave concession permits to certain companies without a local community agreement (Arsyad, 2012b).

them are landless. According to Joyo Winoto (2013), the current head of the National Land Department (*Badan Pertanahan Nasional*), approximately 84 per centof farmers possess agricultural land of less than one hectare. Most agricultural land is located in the villages. Therefore, more than 60 per cent of poverty is concentrated in the villages in Indonesia, due to inequalities of land ownership (Setiawan, 2008; Prakrasa Policy Review, 2011; Mulyantoet al., 2009).

As previously explained, agrarian injustice in Indonesia is caused by land concentration among the local-national elite and state-private corporations. At the national level, land is concentrated among State and private corporations. In the plantation sector, in 30 years (1968-1998), the extent of plantationsincreased from 4.96 million hectares to 14.67 million hectares (Wiradi, 2005). Palm oil plantations contribute to agrarian injustice in Indonesia (Arsyad, 2012; Magdoff 2014). Today, there are 11.5 million hectares of palm oil plantation, of which 52 per cent is owned by private corporations and 11.69 per cent by State corporations (Arsyad, 2012).

In the forestry sector, 35.8 million hectares of forests are owned by national and international conglomerates within 531 concessions areas. Indonesian farmers only manage to get 0.25 million hectare, meaning that only 0.19 per cent villagers have legal access to forests. In the mining sector, from 1998 to 2010, three million hectares of protected forests were converted to mining areas. PT Freeport itself has 2.9 million hectares of concession area in the forestry areas of Papua. Besides, more than 20 islands have been privatized by foreign institutions for tourism (Arsyad, 2012; Setiawan, 2008).

Land Ownership and Development

Development of Land Ownership System

In traditional society, land ownership isorganized by local communities based on customary laws, in order to pursue economic growth and development. However, in the modern State, ownership is based on State-led public policies. In Indonesia, the reason behind State control over land ownership is that the State can play a role to prevent “the tragedy of the commons” as underlined by Hardin (1968). Besides, only the State can play a rational redistributive function of the resources to all citizenship, as stated in Chapter 33 Paragraph 3 of the 1945Constitution of the Republic of Indonesia: “all land, water and space, including natural deposits contained therein as a gift of God Almighty, is a national treasure; and the right to control and authority is given to the State” (Sumarto and Diyanto, 2012). In some developing countries, however, State control over land ownership is often not fully put in practice, especially at the village level, which leads

to dualism in the land rights system. For example, in the early 1990s, most developing countries in Sub-Saharan Africa still practised dualism in the land rights system (Place & Peter, 1993). State control over land therefore does not effectively facilitate economic growth and national development and has brought countless negative effects such as land insecurity, unclear land ownership, and land tenure disputes (Myers and Hetz, 2004).

Recent research has concluded that unclear land ownership in developing countries has led to land insecurity that hinders development (Feder&Onchan, 1987; Place &Hazell, 1993; Maura, 2013; Valsechhi, 2014). Maura (2005: 197) argues that unclear land ownership becomes an "obstacle to economic development and generates multiple negative ramifications for poverty and overall human well-being". Moreover, developing countries in which traditional institutions still play pivotal rolest end to prevent their people from pursuing economic progress.

For example, in Mongolia, according to Myers and Hetz (2004: i) "[t]he absence of clear property rights is undermining investment, contributing to corruption, and undermining economic development". In Indonesia, at the village level, land is organized by traditional leaders who tend to oppose the economic progress of people (Orinbao, 1992). Ordinary people do not have full rights ownership of land within a clan, especially those from slave and migrant families, like in Flores (Muda, 1986;Pareira, 1988; Forth, 2001; Tule 2004). Ordinary famers from the lowest social stratification status cultivate their agricultural land only for subsistence, and are reluctant to plant cash crops with high economic value, due to the experience thatthe land of ordinary farmers who have planted cash crops tends to be grabbed by the traditional village elite (*mosalaki*), by manipulating the history of the land ownership using indigenous folklore and fake genealogy (Tule, 2004; Tule, 2006; Tolo, 2014). In Sub-Saharan Africa, most traditional land tenure systems do not give "full ownership right over land" to individuals, but to the community (Place & Hazell, 1993: 12). The land tenure system in developing countries mentioned above hinders economic growth and sustainable development.

In the 1980s, the inefficiency of land ownership based on State control and the debt crises (Borras,2007) led to privatization. Most developed countries, especially the USA, promote privatization by issuing land certification in most developing countries (Myers and Hetz, 2004). Along with the promotion by developed countries to encourage land privatization in developing countries, most recent research insists that land privatization through owning land certificates does facilitate development. Federand Onchan (1987: 311) argue that land with legal ownership documents in Thailand "affects both investment incentives and the availability of resources to finance investment", especially in a society where there are many formal lending institutions. Besides, land security too "...induces higher levels of land improvements". In Brazil, land certification programmes

have contributed to development, which boosts people's happiness (Maura, 2013). In Mexico, Valsechhi (2014:2) witnesses that with a land certificate in hand, "Mexican household members can now leave their land (and even rent it out) without fear of being expropriated or losing their inheritance, they may able to migrate to seek higher-income work in urban areas or the US". In Mongolia, according to Myers and Hetz (2004: i), land privatization contributes to"economic growth, good governance, and urban/rural development".

Conversely, some recent research doubts the promise of enhancing economic growth and sustainable development from land privatization in developing countries. With regard to Sub-Saharan Africa, with little exception, Place and Hazell (1993) critically question the worldwide ambition for land privatization because their findings reveal that it does not enhance local investment and productivity. In Mexico, Smith et al. (2009) witness that land ownership has brought many negative effects on development because the promise of land privatization to enhance land security that could push local investment and productivity is not occurring. On the contrary, land privatization has increased conflict over land title, deforestation, distinction of local institutions, and the threat to indigenous land rights. In Brazil, according to Maura (2013), land privatization does boost the happiness of the people, but has also led to the concentration of land among the rich. In Indonesia, land certification of customary lands has led to tenure disputes in Maluku (Adam, 2010). Besides, land privatization in Papua, as evaluated by Obidzinki et al. (2013: 95) in the programme called Merauke Integrated Food and Energy Estate (MIFEE), land privatization of 1.2 million hectares has not contributed to sustainable forest management and local development. In fact, it has enhanced "conflicts, displacement, or exploitation".

In the case of forest land ownership, land privatization in most developing countries has led to deforestation and impoverishment of the local people (Ostorm, 1990). In Indonesia, by issuing a law with the spirit of privatization, namely Law No. 1/1967 on *Penanaman Modal Asing* (foreign investment) and Law No. 11/1968 on *Penaman Modal Dalam Negeri* (domestic investment), 143 million hectares of forests became open to foreign and national investment,which led to massive deforestation and the impoverishment of the local people (Siahaan, 2007: 18). Forest concessions were given by an authoritarian government to investors without resistance from indigenous people (Awang, 2006: 20). Therefore, in 1989-2000, there were 547-600 units of forest concessions over 64 million hectares of forests, contributing to massive deforestation in 1985-2004 –that is, 1.7-3.8 million hectares yearly (Awang, 2005: 20-21;Sihaan, 2007). More currently, privatizing 11.5 million hectares of palm oil plantations has led to land grabs in Indonesia (Arsyad, 2012). Land grabs in Indonesia will be increasing in the future because, according to

Borrasand Franco (2011: 29), the expansion of palm oil plantations will triple by 2020 to 20 million hectares, and to 30 million hectares by 2025. In Indonesia, the privatization of forests has caused "land conflicts between famers and plantation owners …across Indonesia as local and multinational companies have been encouraged to seize and then deforest customary land… (Magdoff, 2013)".

Land privatization focuses more on economic growth, tends to neglect the sustainable management of lands and forests, and ignores economic equity in society. It is too "income-centred and growth-oriented" (Borras, 2007: 5). Therefore, it only contributes to development in the short-term period, but is a catastrophe in the long-term period (Norgaard and Horworth, 1991). Besides, in privatization, land is not seen as a mother, but as a commodity to be bought and sold (Akram-Lohdi, 2013).[8] Land privatization in developing countries therefore increases the Gini index of land ownership that brings more negative impact than positive promises on the development agenda.

Due to the failure of privatization, in the late 1980 ssome scholars proposed common pool resources management (CPRs) for land ownership. For example,Ostorm (1990) insists that it is much more economically effective and environmentally efficient if the common pool resources are organized by communal management. Ostorm (1990) gets this idea by synthesizing the notion of "collective action" from Olson (1965) and the concept of "tragedy of the commons" from Hardin (1968). Learning from Olson and Hardin, Ostorm (1990) proposes the management of the commons through communal management with a special social arrangement, such as clear borders of common land, congruity between rules and traditions, user participation in decision making, and an effective monitoring and penalty mechanism. Yonariza and Shivakoti (2008) tested Ostorm's ideas to evaluate forest management by a local institution called Nagari in West Sumatra, Indonesia, revealing that communal management of forest lands by "guarding" and "regulating" contribute to sustainable forest management and the welfare of the local people. By doing research in India, Bhutan, Nepal, Thailandand Vietnam, Agrawal and Ostorm (2008) confirm that communal management for forest lands by establishing "community based forestry" contributes more to forest sustainability and boosts local people welfare. The same confirmation also comes from Chhatre and Agrawal (2009) after research in 80 forest areas in ten countries in Africa, Latin America and Asia.

8 In the first three-quarters of the twentieth century, small-scale peasants around the world were witnessing the forces of modernity eviscerating their world, as rural elites used legal and illegal methods to forcibly evict peasants from their territory, fence it and enclose it for their own private use. In so doing, peasant land was transformed from being a mother into being a commodity to be bought and sold. This was passively and actively resisted by peasants, who called instead, in their hundreds of millions, for pro-poor redistributive land reform, by consent if possible, by force if necessary' (Akram-Lodhi 2013: 80).

However, even though CPR management contributes positively to sustainable resource use and people welfare, according to Agarwal (2001) CPR sometimes lacks community cohesion and equity. Coleman and Steed (2009) argue that CPR has limitations in the monitoring and penalty system. Li (2002) insists that CPR is not compatible with modern goals of economic development. Fuentes-Castro (2009) underlines that CPR tends not to maximize resource usage for development.

Agrarian Reform and Local Development

Both privatization and communal management of lands seems to neglect the social and agrarian structure in society. Therefore, the offered strategies fail to achieve sustainable development and poverty alleviation. The accent on land security without changing the Gini index of land ownership in society contributes to entrenched poverty even though the growth of economy is positive. This is because those who have large tracts of lands will progress economically, and vice versa. For example, in South Sulawesi, Indonesia, "…original settlers and their descendants have easier access to land than later arrivals" (Pomp (1995: 853). In addition, communal management in traditional society in developing countries tends to fall into "elite capture", like in India (Meher, 2009). In decentralized governance, elite capture becomes a serious threat to local development. Dutta (2009: 3) argues that "one common disadvantage of the decentralization process is the phenomenon of elite capture, especially in developing countries". In Indonesia, decentralization has been hijacked by the local elite (Hadiz, 2005) and "[c]oncepts like 'local wisdom', 'village autonomy' and 'customary values' are often used naively –in fact, such concepts could provide for highly patrimonial and authoritarian government structures" (Antlov 2003: 210). Therefore, land security without agrarian justice (land equality) cannot contribute to local development and poverty alleviation.

Agrarian justice occurs if only there is agrarian reform[9], since the main purpose of agrarian reform is to establish agrarian justice. To develop agricultural sectors, agrarian reform is a *sine qua non.* According to previous research (Feder & Onchan, 1987; Ip & Stahl, 1978; Barlowe, 1953; Ahmed, 1976; Place & Hazell, 1993), agrarian justice has a positive impact on economic development. However, agrarian justice, after agrarian reform, has to be supported by other developmental factors such as legal right over lands, availability of cheap credit institutions, access to advocating institutions, access to information and technology, access to education and skill centres, and access to

9 In modern history, the first biggest agrarian reform occurred in France in the 18th century, which expanded to West Europe, Central Europe and East Europe. After the Second World War, agrarian reform occurred in Asian countries such as Japan, Taiwan and South Korea (Barlowe, 1953; Wiradi, 2005). However, until the mid 20th century, the aim of agrarian reform was only for social justice – there was no purpose of economic development. In 1880, Bulgaria was the first country that initiated agrarian reform with economic considerations by establishing supporting programmes such as socialization and education, crediting, marketing, and technology (Wiradi, 2008).

other production means (Wiradi, 2005).

There are two kinds of agrarian reforms: agrarian reform by leverage, and agrarian reform by grace (Tolo, 2013a).[10] Agrarian reform by leverage is initiated by political will of the people, but agrarian reform by grace is initiated by political will of the government. In this paper, we will propose agrarian reform by leverage. In the context of Indonesia, agrarian reform by leverage is more suited to the objective condition of the country (Wiradi, 2009). Indonesians have experienced agrarian reform by grace during the Sukarno era (*Orde Lama*) in 1946-1965 (Soemardjan, 1962). However, when Suharto (*OrdeBaru*, 1966-1998) came to power, he stopped the agrarian reform agenda, and it was not included in the national development programme. Those who sued for agrarian reform were stamped as PKI[11] with the consequence of being jailed, tortured and killed (Lucas, 1992). However, since agrarian reform by grace does not have strong roots in the political will of the people, as agrarian reform by leverage does, even though the national leader changes the reform agenda still remains a national agenda because of the strong support from the people (Tolo, 2013a).

In order to pursue sustainable development, agrarian reform by leverage focuses not merely on asset reform, but also on access reform. Asset reform only focuses on fair land distribution through land reforms (Tolo, 2013a). However, having enough land for agricultural activities is not enough to get economic gain for farmers. By conducting research in 25 countries in Asia, Africa and Latin America, Ahmed (1976) concludes that productivity from the agrarian sector can be enhanced not only by agrarian justice but also by good policies and technological interventions. Therefore, access reform is needed in this case and is likely to provide famers with good production devices, good production models and good distribution of agricultural production (Tolo, 2013a). The production and distribution agenda therefore should be depoliticized, meaning that there should not be aco-optingof the national and foreign eliteby political powers (Wahono, 2004), as happened during the Green Revolution in Indonesia (Hardiyoko and Saryoto, 2004).

Village Industry, Cooperatives and Village Development

The enhancement of productivity due to agrarian justice can lead to economic development and industrialization (Ip & Stahl, 1978). Industrialization is paramount in the development of a country because of its effect on national development (Lane, 2013).

10 Borras (2007: 6) proposed and discussed market-led agrarian reform and state-led agrarian reform.

11 PKI is [PartaiKomunis Indonesia] (Communist Party of Indonesia) which proposed land reform in Indonesia and facilitated the government in the making of the UUPA (Basic Agrarian Law) No. 5/1960 for land reform. PKI also provoked the people through the BarisanTani Indonesia (Indonesia Farmers' Organization) to fight for land reform. However, when Suharto came to power, PKI was banned from the national polity and it is estimated that 800,000-3,000,000 PKI members were killed during this ban.

Therefore, many developing technocrats have thought that investment in the agricultural sector is not so profitable because of its low marginal rate of return compared to the industrial sector. The agricultural sector is assessed too slowly and tends to seem stagnant in the show of economic growth. However, developing the agricultural sector is in fact a good base for industrialization (Raharjdjo, 1991). The agricultural sector is able to contribute a significant surplus that can be invested in the industrial sector. It can also contribute to cheap food resources and good raw material for industry. Besides, it could boost the number of people in the middle class which can be good for industrial markets. In addition, developing the agricultural sector effectively and efficiently can prevent movement of labour from rural to urban areas to work in the industrial sector. With limited labour from the rural areas, industrial labour is likely to enjoy a better bargaining position for wages and working conditions (Tolo, 2013a). Therefore, "the success of the industrial sector … does depend on the development of agricultural sectors for the basis of economic development" (Raharjdjo, 1991: 4).

In Asian countries like Japan, South Korea and Taiwan, agrarian justice after agrarian reforms has led to economic development and industrialization (Wiradi, 2005; Borras, 2007; Solon & Saragih, 2013). What makes developed countries move forward economically is that they "integrate the agricultural and industrial sector" in their development agenda (Raharjdo, 1991: 18). By merging the two sectors, the government produces food and raw industrial material not only for domestic consumption, but also for export. In developed countries, products from the agricultural sector are processed by industry before being exported at a higher economic value to other countries. In addition, the industrial sector also produces material inputs for the agricultural sector, like devices, medicines and seeds.

For most famers in developing countries, it is difficult to get access to agricultural inputs such as devices, fertilizer and technology. Raharjdjo (1991: 25) insists that "agricultural development needs to be accompanied simultaneously by developing village industries to produce agricultural devices, fertilizer, and processing of agricultural production". Besides, village industries could alsoprevent economic surplus in the agrarian sector in villages from going to industrial activities in the city (Arsyad, 2012;Tolo, 2013a). This aims to balance the development in the urban and rural areas (Raharjdjo, 1991), for inequalities arising out of urban industrial development and village development can potentially create class polarization between urban capitalists and village farmers, which can be a source of severe crisis as may occur in the USA in future (Hadiz, 2013).

For ensuring economic democracy within village industrial activities, cooperative institutions should handle their development (Ilyas, 2012). As Lenin said, the weapon of the weak is an organization (Hill, 2009). Therefore, cooperatives function not only for

economic proposes, but also political goals, for social justice, especially agrarian justice. In Indonesia, there is a village cooperative, the so-called Koperasi Unit Desa (KUD), but it is entrenched with corruption and needs to be revitalized. Last but not the least, besides establishing cooperatives, developing the agricultural sector and village industry needs quality human resources from among the people in the village (Raharjdjo, 1991). Cooperatives canplay a pivotal role in enhancing this (Tolo, 2013a).

Methodology

This research was conducted from November 2013 to January 2014 in Flores and Seram Island. Geographically, these two Islands are located in the two poorest provinces in eastern Indonesia: Nusa Tenggara Timur (NTT) and Maluku province. Flores has a huge variety of cultures and traditions among its districts. Florenese people speak five different languages. However, in Seram, every district has more less the same culture and tradition as a result of the impact of the long colonization of the kingdom of Tidore from the 11th to the 19thcentury.

Flores is a small Island (14, 273 sq. km), situated in the south of the Pacific Ocean, consisting of 8 districts (*kabupaten*) under the NTT province administration. It is predominantly Catholic, and one of the poorest islands in Indonesia. According to the data from the Statistics Office (BPS) (2010), there are 1.8 million inhabitants in Flores, of whom 17 per cent (330,380) are poor. In 2008, the Human Development Index (HDI) there was 66.15, lower than national HDI 71.17. Flores was colonized from the 14th to the 20th century by the kingdoms of Majapahit, Goa and Ternate, the Bima Sultanate, and the Portuguese and Dutch (Tolo, 2014).

Seram is a small island located in Maluku province, and is categorized as a poor island although abundant in natural resources. Seram too experienced being colonized by the kingdoms of Majapahit and Ternate, and by the Portuguese and Dutch from the 11th to the 20th century. In Seram, there are three districts under the Maluku province administration. The number of Muslims and Christians is 50-50, and during 1998-2006, Seram experienced religious conflicts between the two.

The research in Flores was conducted between the end of November 2013 and February 2014. Research methodology is a mix of qualitative and quantitative methods, and there were in-depth interviews with and questionnaires filled in by farmers, traditional leaders, village leaders, religious leaders, the political elite and government officers in each study site.

More than 60 in-depth interviews were conducted during November 2013-January 2014, each lasting for one to two hours. In Flores, in-depth interviews were conducted

in the three districts of Nagekeo, Ngada and Manggarai. In Nagekeo, interviews were in the villages (*desa*) of Dhawe, Mulakoli, and Maukeli. In Ngada, the same activities were carried out in the villages of Seso, Wangka, and Ruto, and in Manggarai, in the villages of Compang Dalo, Narangand Robek. In Seram, the interviews covered all three districts of Maluku Tengah, Seram Bagian Barat and Seram BagianTimur.

Across the two islands, 640 questionnaires were distributed to a random selection from nine villages in Flores and nine sub-villages in Seram. At each site, we distributed 35-40 questionnaires. In Seram, this was done only in one district covering the three villages (*negeri*) of Luhu, Murnaten and Rumberu, consisting of nine study sites at the sub-village level. In Flores, it covered three villages in each of three districts; in Nagekeo, in the villages of Dhawe, Mulakoli, and Maukeli;in Ngada, in the villages of Seso, Wangka, and Ruto; and in Manggarai, in the villages of Compang Dalo, Narang and Robek.

Findings and Discussion

Colonization and the Change inthe Land Tenure System

Seram and Flores are fertile islands with abundant natural resources. Seram Island is mostly covered by tropical forests. During Dutch occupation, this was one of the foremost islands in Indonesia to produce cloves and other spices (Ellen, 2002). Geographically, Flores is just like Seram, fertile and covered by forests. The Japanese captain who took over Flores from the Dutch in the 1940s describes Flores as an island with an "abundance of fertile tropical forests, trees, wild fruits, mild wind and beautiful fountains" (Sato and Tennien, 1957, 1976: 15). However, though rich in natural resources, these two islands are categorized as poor islands in Indonesia. One of the causes of poverty is the long period of colonization by local kingdoms and Westerners.

Colonization of Seram and the Change in its Land Tenure System

Seram was under the kingdom of Tidorein the 11th century. During the 12th-14th centuries, Arab traders came there and spread Islam. In the 13th century, the kingdom of Majapahit was very influential in the archipelago, and Seram was part of it. However, Majapahit became weak in the late 14th century,[12] and Tidore took back Seram. During Tidore rule, there were several local kingdoms in Seram, such as Huamual and Sawai. The Portuguese came to Seram in the 16thcentury to trade and to spread Catholicism. In the 17th century, the Dutch came to Seram to trade and to spread Protestantism (Ellen, 2002).

12 Bernard HM Vlekke (1959), as cited by Daniel Dhakidae (2001), in the footnote no. 1 (page viii-ix) says that "Gadjah-Mada deaths in 1364 made the king despair… A few years later all the power in the state was once more given to a prime minister. The records for the later period of AyamWuruk's reign are scarce, and after his death in 1389 Majapahit already begins to fall back into obscurity".

Among these colonizers, the Dutch exerted the most influence over administration and the land tenure system in Seram. In the beginning, they came with violence. For example, according to the village secretary in Luhu, in 1625-1656, Luhu got help from the kingdom of Goa and fought the Dutch. However, Luhu lost in 1956 and the Dutch took over the Makasarese fortress (Benteng Makasar) and established their own fortress called Oven Beach. Ellen (2002) writes that in the late 17th century, the Nuaulu people too fought against the Dutch, but lost.

The kingdoms that lost to the Dutch were forced to move from the uplands to the coastal areas so they were more easily controllable. The Dutch also replaced some local kings who opposed their interests in Seram. For example, in the late 19th century, the Dutch forced the Nuaulu people to move to Sepa, one of the villages on the coast south of Seram (Elen, 2002). One of the *saniri*[13] members in Murnaten reveals that their village was established in the early 20th century forcibly by the Dutch, replacing the old village called Ratu Lesi in the uplands area. The head of the *dusun* in Liaela also says that their village was established due to the intervention of the Dutch in the 1940s.

During Dutch occupation, people were forced to plant cash crops like cloves, nutmeg, and other spice producing plants. It seems that in the 19th century, the Dutch had already made Maluku, including Seram, one of the centres of spice production in Indonesia for their international trade. Gordon (1975) writes that in the 19th century, Dutch boats transported spices from Maluku to Batavia, but the boats were disturbed by pirates in the Flores Sea.

The Dutch applied the strategy of *divide et impera* (divide and rule) to colonize Seram. For example, according to the village secretary in Luhu, when the Dutch conquered Luhu, they distributed lands of the Huamual kingdom of Luhu to other neighbouring kingdoms in Seram. In Murnaten and Rumberu village, some of the leading clans were upset by the Dutch who replaced the true kings with fake ones.[14] The local kingdoms and the elite within the kingdoms therefore fought each other and became weak, which benefited the Dutch who began to rule Seram.

In Seram, by grabbing land and replacing kings, the Dutch succeeded in changing the land tenure system to benefit their own economic interests. First, they set up forest borders and categorized a forest according to its function. Forests that were not cultivated by the people automatically belonged to the Dutch. Second, in the areas of Dutch occupation, famers had to plant cash crops needed by the Dutch for international

13 A *saniri* is a representative member of the village administration. Usually, *saniris* are selected from each sub-village (*dusun*) and are either from the leading clans or noble families.

14 In Murnaten and Rumberu village, those who were upset are still fighting to seize back their position, and are waiting for a local regulation that says that the head of the village has to be from the true leading family, not the ones the Dutch appointed.

trade. Third, people were forced to move to the coastal areas. Local kings with a strong authority over land were replaced by the Dutch. Some of them were killed – for example, King Soya of Murnaten was killed in Ambon. Therefore, tradition over lands was either distinct or weakly practice.

Colonization of Flores and Change in its Land Tenure System

In the 14th century, Flores was under the Majapahit kingdom. At that time, the name of Flores Island was Solot (Metzner, 1982). When Majapahit became weak in the late 14th century, Flores was ruled also by the two local kingdoms of Goa and Ternate from the 15th to 16th century. Tidore ruled the eastern part of Flores, and Goa ruled the central and western part, but in the 17thcentury the western part of Flores fell to the sultanate of Bima (Gordon, 1975; Erb, 2010).

The Portuguese came to Floresto trade and spread Catholicism in the 16thcentury, but only ruled Larantuka and Solor in the eastern part of Flores (Metzner, 2001). In 1646, with the Treaty of Solor, the Dutch came to Flores for trading. Flores formally fell into the hands of the Dutch in 1859 (Webb, 1968) when the "Portuguese sold Flores to the Dutch" (Prior, 2013: 216). According to Bekkum (1946, 1974), till the early 20thcentury, the Dutch only administered Flores from Bima. They began direct administration in Flores in 1908 by establishing an office in Ruteng-Flores (Gordon, 1975).

As with Seram, the Dutch were the only colonizers to have a huge influence over the land tenure system and administration in Flores. Again like in Seram, they applied *divide et impera* in Flores by establishing the kingdom system (*rajaschap*). If fact, before the Dutch came, Flores had no kingdom system like in Europe. It was organized on the *nua* system, characterized by a small unit of government consisting of 100-200 people. A *nua* is a "completely independent body" from other *nua*. However, in order to rule Flores more easily, the Dutch created a kingdom system by selecting a strong local leader in the district. Therefore, during the Dutch occupation, in 1909-1929, there were eight *oder afdeeling* led by a king –Manggarai, Ngada, Riung, Nagekeo, Ende, Lio, Sikka and Larantuka (Tule, 2004).

In Manggarai, when the Dutch first came to Flores, there were 38 *dalu* and approximately 150 landlords (Bekkum, 1946, 1976). In order to control the place better, the Dutch united Manggarai as one kingdom, and in 1924 appointed Kraeng Bagung from Pongkor to become the acting king. In 1930, the Dutch selected Alexander Baruk from Todo to become the first Manggarai king, and below him was his young nephew, Joseph Huwa (Gordon, 1975). The same strategy was applied in Nagekeo where the Dutch selected a king (*raja*) and several village leaders (*kepala mere* or *kepala gemeente*). Only if someone possessed at least ten hectares of land could he be selected to be a *kepala mere*. For

example, in 1917, the Dutch appointed Seme Rau, the direct descendant of Tuku Naru (the first dweller), as *kepala mere* in Worowatu (Tule, 2006).

The coming of the Dutch to Flores did increaseproductivity. "Agricultural improvement began and food productivity rose" (Gordon, 1975: 15). The Dutch also introduced wet-rice fields (*sawah*)[15] and coffee plantations. In the 1920s, the Dutch brought Robusta coffee to Manggarai. In 1918, they started wet-rice fields in Dampek and Waso with the help of Balinese prisoners. In 1935, wet-rice fields were established in Kenari (Mbura) and near Loloh by employing Manggaraian people. In 1937, the Dutch declared 3,000 hectares of Manggarain Flores "closed" for public activities (Prior, 2013). In 1938, several *dalu16* and landlords (land guardians) were sent to Bima to learn how to develop wet-rice fields, fish ponds and terrace systems. Not all landlords (*tu'ateno*) agreed to develop terrace systems in Manggarai because it was different from the traditional land tenure system, called *lodok*. Those landlords who did not agree to the terrace system for their agricultural lands were jailed by the Dutch till they fell in line. In 1942, a demonstration wet-rice field system was started in Lambaleda. With the introduction of *sawah*, people shifted from dry-rice to wet-rice fields and "[v]illagers began to accept new agricultural methods and adapted to a petty cash economy" (Gordon 1975: 15). As further consequence, some of the tradition and ritual over lands were distinct. For example, Gordon (1975: 131) writes that a "land, which consists mainly of *sawah*, does not require a communal decision to determine planting dates or division of labour".

To get sustainable control over Flores and its resources when Indonesia got Independence in 1945, the Dutch proposed a United State of Flores that aimed to reduce the influence of the national movement from Java. Gordon (1975: 68) explains that in late 1946, "the NICA (Netherlands Indies Civil Administration) and the *rajas* of the districts of Flores agreed to form a united kingdom of Flores to be known as the 'Flores Federatie'. The government of the 'federatie' was in the hands of a council of *rajas* (*Dewas Raja-Raja*) who were assisted by a People Representative Assembly (*Dewan Perwakilan Rakyat*)". However, this plan failed in the early 1950s when the new Indonesian government became stronger, and the Dutch failed to continue their colonization over Flores.

Land Ownership, Tradition and Development

The average ownership of land for each family in Seram and Flores is 2.6 hectares. Therefore, 90 per cent of the people admit to having access to agricultural land, grazing land and forest. However, the fact is that ownership of land is concentrated among the

15 In fact, in 1891, Meerburg found a wet-rice field in Reo. Twenty years later, Staple found wet-rice fields owned by the Bimanese in Reo, Pota and Labuan Bajo. Keperus (1941) found wet-rice in Flores started by the Bimanese with the help of the government.

16 *Dalu* is a traditional system of government in Manggarai. Under the *raja* (king) is *dalu*, and under the *dalu* is *gelarang*.

village elite and first dweller families. In Manggarai, according to Karang Ngamal, as quoted by Gordon (1975: 132), "each *dalu* had at least one *oka*, field, within his territory upon which animals graze". The *oka*, or grazing lands, can be hundreds of hectares. The families of most of our respondents (62 per cent) have been living in the villages for several centuries, and only 20 per cent in the village are of the third generation. The newcomers (20 per cent) mostly have small portions of land compared to those whose families have been there longer – except for those from slave families (*ho'o*), who have no land and work as cultivators and sharecroppers. In Flores, the sharecropper system applies 5:5 and 6:4 as share of the profit. In Seso village, the sharecropper system contributes to 40 per centof the harvest to the landowner. In Compang Dalo village, 50 per cent of the yields are given to the land owner.

In both islands, the village leaders –called *mosalaki* in Flores and *raja* in Seram – have a pivotal role in the land tenure system. It is their privilege to distribute and solve conflicts with regard to land. In Seram, to solve land disputes within the village, the *raja* is helped by a*s aniri* member, but solving conflicts among villages is the responsibility of the *lattupati*–an organization of a *raja*. In Flores, in line with the findings of Orinbao (1992) in Ende and Gordon (1975) in Manggarai,the *mosalaki* is the one who determines the day and date forplanting and harvesting in the village, and is himself the first to start. If the *mosalaki* has not planted and harvested, the others have to wait. If a villager breaks the rules, he or she is punished spiritually and culturally. Sometimes, the *mosalaki* can take away the offender's right over land.

Communal land is distributed to every individual in the village by the *mosalaki* and *raja*. Once this is done, the land is owned privately but it is not a permanent ownership because the *mosalaki* and *raja* still play a role in controlling the use of land. However, while most of the respondents (97per cent) in Seram consider the ownership permanent, only 55 per cent of respondents in Flores think it so. It is usually prohibited to sell land to others, especially outsiders. In 15 out of 18 villages, clan leaders forbid the villagers to sell. In only three villages in Manggarai district, there is permanent ownership of land after distribution by clan leaders (*tu'ateno*), and the owner is free to utilize and sell. Land transactions in Manggarai are therefore quite high. Since the 1970s, land in Manggarai has been concentrated in the hands of those who have capital, as noted by Gordon (1975: 145-146): "land for which titles have been issued can be bought and sold, and within the last decade a new class of wealthy entrepreneurs has emerged in Manggarai capable of buying land…[Bureaucrats] can buy jeeps, build houses and buy land. Usually they do all three. But land is often their first choice."

Both in Seram and Flores, landis only distributed to men. Out of 18 villages, only in Ruto land is given to women, but still highly controlled by men, especially by brothers.

Therefore, women usually do not have access to full ownership rights over land. They are expected to marry and get land from their husbands. Both in Flores and Seram, women are allowed to cultivate the family land if they do not get married. Once a woman gets married, she has to leave the land she cultivated when single.

Despite the domination ofthe *mosalaki* and *raja* and men, 90 per cent agree that the land tenure system in their village is based on "fair principles", and 80 per cent of respondents feel that agricultural land is enough for all villagers to achieve a "decent living". In fact, however, productivity is quite low with the current system. Based on our survey, annually, one hectare of land in Flores and Seram only produces an income generation of 13.6 million IRD (1170 USD). Besides, most of the land is under-utilized because of unclear ownership and domination by clan leaders andthe elite. According to the data, 72per cent of the respondents in Flores and 47 per cent respondents in Seramthink that most of their land is under-utilized.

However, 97per cent of the respondents in Seram and 57 per cent in Flores firmly believe that development of the village would be more easily achieved if there were to be a change in the land tenure system. Also, 77 per cent of respondents in Flores and 62 per centin Seraminsist that famers' productivity will increase with a change. One of the changes suggested is to make land ownership permanent, with no intervention from clan leaders who tend to create setbacks in agricultural development, and 98 per cent of the respondents in Seram and 60 per cent in Flores would like certification of their land. Our survey reveals that at present only 40 per cent of the respondents have land certification. According to data from the National Land Agency (BPN), it appears that the amount of agriculture land with certification is much lower than reported by the respondents. The main reason for wanting land certification in Seram and Flores is to avoid conflict (95 per cent). Very few respondents (4 per cent) think of it as a means to sell their land.This data is in line with the finding of Li (2004) in her research over land tenure system in Sulawesi. People in eastern Indonesia refuse to consider land as commodity that can be freely traded. As in Keo society, they look at it as a father and mother that have to be respected (Tule, 2004). In Manggarai, during the *Barong Wae* ceremony, forests are given respect and treated as a mother (Tolo, 2013b).

Both in Seram and Flores, even without certification, land borders are clear to everyone in the village and so they are not particular about the issuance of certificates. Moreover, land with certification is taxed by the government. Since the 1970s, the Indonesian government has been proposing land certification, but people in Flores do not seem keen to get it done. As reported by Gordon (1975: 145),"[l]and disputes in Manggarai are less often concerned with land titles than with other aspects of agriculture. Thus the Manggarai do not feel a great need to rush in to Ruteng and pay to have their land holding

measured and registered. A further reason which delays the progress of 'agraria' is that many villagers think registration will lead to more taxes". The secretary of the village of Luhu says that "every individual knows land borders and can sell the land without land certification; therefore, we do not need land certification". However, according to people in Seram and Flores, land borders become unclear when investors enter the villages.

In terms of enhancing development, people in the study sites are mostly sceptical about investment in mining and logging. This is because they have experienced being outsmarted by investors who have colluded with the local government. However, they seem to welcome investors for oil palm plantations. Especially in Seram, most people in Kobi Sadar, Waraloing, Sawai, Luhu and Rumberu have a positive expectation about oil palm plantations. For example, in Rumberu village, a head of *dusun* says,"We will allocate 10,000 hectares for Sitorus, an investor from Batak, with a contract for 25 years, with a profit sharing of 30:70 per cent, meaning 30per cent for the people. People would also work as labour in the plantation."

Village Politics, Land Ownership and Development

Land ownership in the villages in Seram and Flores is dominated and organized by local clan leaders (*mosalaki* and *raja*). Moreover, traditional institutions are not based on the *Pancasila*[17] democracy. This has led to elite capture, land concentration among certain elite, and the under-utilization of huge areas of land that causes poverty in the village.

Towards the end of the 1950s, the Indonesian government introduced a new kind of village called *desa*; the locals called it *desagayabaru* or 'new-style villages' (Tule, 2006: 213). In Flores, these villages led to the reduction of the administrative power of local traditional leaders because the new village leaders were not always selected from among village clan leaders. This has contributed to increasing conflict between the traditional village leaders and the new government village leaders over land and territory. On the other hand, in Seram, government village leaders are automatically chosen from the leading family in the clan. It does not create conflict over land, but still leads to elite capture and agrarian injustice.

In Indonesia, in fact, the village government plays a pivotal role in development. During the colonial era, self-rule was encouraged for village governments, "but making them the lowest administrative unit and allowing them to be taxed". During *Orde Baru*, with Law 5/1975, Suharto "wished to design a uniform structure and a clear hierarchy giving the central government power over local communities". The Central government had "full control of the countryside, supervising village government" (Antlov 2003: 194-

17 *Pancasila:* 1. Belief in the one supreme God 2. Just and civilized humanity 3. The unity of Indonesia 4. Democracy led by the wisdom of deliberations among representatives 5. Social justice for the whole of the people of Indonesia.

195). Therefore, people in the village were depoliticized and only became objects of development programmes. The head of the village became the hand of the higher government to control the village, and the army's Babinsa were present in the villages to make people obey.

After Suharto's fall, with Law No. 22/1999, later replaced by Law No. 32/2004, the village government became more independent even though the army's Babinsa are still present in most villages, with less power. Village governments are less depoliticized and contribute to development. Village governments are allowed to have village-owned enterprises, which was prohibited by the previous Law No. 5/1975. Besides, the latest Law No. 6/2014 on village government allows it to establish enterprises that work not for profit but for the welfare of the village people (Maschab, 2013). Moreover, annually, the national government plans to allocate to every village government in Indonesia at least one billion rupiahs as development funds.

However, according to our findings in Flores and in Seram, village governments seem to not function well as described by the laws. In Flores, village governments appear neglected in the development programme, subject to mostly unsustainable development projects of the higher government. For example, in 2008, the village government in Wangka was not involved by forestry department in their forestry programme, especially in drawing the forest borders. According to the forestry department, agricultural land is located within government forests which people have occupied for centuries. Those who worked in these lands were victimized by the police and the army. Finally, the people were involved in a physical conflict with government apparatus in 2008 and 2011. According to the head of the village, "The government did not involve us in the establishment of forest borders and, above all, the government did not respect our customary laws." Besides, the head of the village in Compang Dalo complained about the district agriculture department's unsustainable development programme for vegetables,which lasted only for one year.

In Seram, village governments are actively involved in the development programme only when investors enter the villages. This cooperation aims only to release the customary lands for mining, logging and oil palm plantation. As a village leader and clan leader, *araja* has privilege authority over land. Indecentralized Indonesia, a village representative member (*badan perwakilan desa*), called *saniri* in Seram,is only a 'rubber stamp' of the *raja*. It is the same in Flores. Village governments in Seram still become the object of development programmes of the higher government.

Both in Flores and Seram, we found that village leaders don't always develop their villages based on 'fair and democratic principles'. Elite capture often occurs in village governments. The village people are not involved in development programmes and

therefore tend to ignore them. In Seram, we found that village development funding is misused, and priority is given to the centre of the village (*dusunpusat*) where the village head lives. The sub-villages (*dusun*) seem less developed and are categorized as poor. For example, the *dusunpusat* in Luhu, Sawai, and Murnaten –except Rumberu village – are better developed and less poor compared to other sub-villages. This is because the usage of development funds from the government and investors are decided by the *raja* and *saniri* members who mostly live in the *dusunpusat*.

Conclusion & Recommendation

Based on the information from in-depth interviews and questionnaires filled in 18 study sites in Flores and Seram, we draw several conclusions.

First, land ownership based on customary laws (*adat laws*) in eastern Indonesia is mostly concentrated among the government, traditional leaders, village leaders and men. Village politics is dominated by traditional leaders and tend to hinder development programmes in the whole village. Elite capture is a common practice in the villages, in Flores and Seram. Therefore, development funding is hijacked by people with power for self-interest – for themselves and the benefit of close relatives. Our conclusion is in line with previous research on village government and land ownership. Antlove (2003) concludes that in decentralized Indonesia, the traditional and government elite in villages use public funding and resources to enrich themselves. Besides, Prior (2013: 230) says that "insistence on the traditional inalienability of *adat* land is seen to benefit only the leaders, who increasingly claim ownership rather than guardianship of what has now become a commodity". This has led to agrarian injustice that causes poverty in rural eastern Indonesia.

Second, village leaders play a pivotal role in the distribution of land and resources, which tends towards elite capture. The traditional elite who become village leaders are more prone to elite capture of development funding and customary lands. Therefore, development in Seram and Flores is hindered by tradition, which has led to uneven land distribution and insecurity of ownership. However, development can be achieved if we can reduce the negative impact of tradition and enhance its positive values. Investment in natural resources is a way to progress. However, investment without improving the land tenure system and its tradition, and without agrarian reform, will bring huge negative impact on development and to the people in Flores and Seram.

Third, the customary tenure system is more respected by local people than the national land tenure system. Therefore, people obey the village and clan leaders' decisions more than government regulations.

Fourth, colonization in eastern Indonesia has contributed to the change of land tenure systems which reduced the role and function of traditional institutions. With the interference of colonizers, land that was respected as mother and father became a commodity that could be bought and sold. The aim of commodification of land was to fulfill the colonizers' economic interests.

Fifth, the central government tends to consider village people as objects of development. Land is utilized for a national interest that neglects village governments. In decentralized Indonesia, the practice of objectifying village people still occurs even though there has been a democratic change in the legislation system. Therefore, conflicts over lands continue to occur in Flores between the government and the local people.

In order to achieve better development, based on the information from the fieldwork we recommend the following:

First, local people have to initiate agarian reform by leverage in eastern Indonesia. Only then will there be agrarian justice and poverty alleviation.The government should support peoples' initiatives for agrarian reform. Agrian reform by leverage will lead to agrarian justice not only between people, but also between genders.

Second, the government needs to respect more *adat*or traditional institutions and involve them in development programmes because these have power and influence over people's lives. However, the government should make sure that all traditional regulations that hinder development and are not in line with *Pancasila* democracy are improved and replaced by better ones. Also, the government needs to preserve the positive aspects of customary laws of land ownership, such as resisting commodification of land ownership by outsiders, especially investors.

Third, the government needs to increase land security not only by issuing collective certificates, but by defining clear roles and functions of traditional and village leaders with regard to land ownership, according to fair principles and *Pancasila* democracy. In eastern Indonesia, based on anthropological research, as an Austronesia nation, there is no concept of a landlord, but a land guardian. Therefore, it is not correct for the traditional elite in Flores and Seramto proclaim themselves as landlords possessing huge tracts of lands. With anthropological inputs, the government can produce rules and regulations that guarantee agrarian justice to all people. Besides, the government needs to put into practice Law No.5/1960 to limit land ownership based on the total population[18] in the area, and government regulation No. 56/1960 that regulates the maximum ownership of agricultural lands to only two hectares.

18 If in a society the population is 400 people in every square kilometre, they are only allowed to possess five hectare *sawah* and six hectares *ladang*. Conversely, if in a society the population is only 50 people in every square kilometre, they are allowed to own 15 hectares *sawah* and 20 hectares *ladang*.

Fifth, the government needs to establish village industries for people in villages. Law No. 6/2014 allows village governments to possess enterprises or industries for the benefit and welfare of the local people. Village-owned industries should be designed to produce things for people's basic needs as well as for agriculture, such as good seeds, fertilizer and farming equipments. Besides, village cooperatives (KUD) need to be revitalized in order to support these industries. Village-owned industry and cooperatives not only play a role in increasing economic development, but also in boosting the quality of human resources and political awareness. Good human resources and political awareness are paramount for people in villages to make the government, especially the village government, really work for people welfare.

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Political Ecology of Herders' Insurgency on Tiv Farmers in Benue State – Nigeria under Neoliberalism

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Abstract

This paper looks at herders' insurgency on Tiv farmers in Benue State from a socio-political-ecology perspective, anchored in theories of existentialism, environmental thesis, political ecology and neoliberalism. Armed insurgency on Tiv farmers by herders is precipitated by environmental, political, cultural and social stressors as well as a poor socio-ecological resilience framework that affects sustainable livelihood, and the insurgency is a battle for survival which has implications for food security in Benue State. The paper reveals that herders' insurgency on Tiv farmers in Benue State is caused by trespassing on farms, resource competition, climate change, and farmers' resistance to farm trespass and crop damage. It also shows that socio-demographic characteristics and food security indicators are affected by herders' insurgency. The conflicts will persist pending State action to mitigate desertification, deforestation and climate change via a socio-ecological resilience framework by succeessive Nigerian governments, as opposed to the neoliberal posture that society should be the outcome of processes rather than planning

Key words: Political Ecology; Herders' Insurgency; Tiv Farmers; Benue State, Nigeria; Existentialism; Environmental Thesis; Neoliberalism

Introduction

Political ecology according to Blaikie and Brookfield (1987) is juxtaposing the concerns of ecology and a broadly defined political economy to show that, the science of environment has both social and political underpinning rather than separating ecology issues from social and political realms. The justification for combining the concerns of ecology and political economy as averred by Forsyth (2003: 2) is to explain *the social and political conditions surrounding the causes, experiences and management of environmental problems*. The presence of weak governments and institutions, rapid population growth, widespread water stress, reliance on rain-fed agriculture, a large fraction of economic productivity occurring in climate sensitive sectors, and the climate change that has

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already occurred, combine to make African societies very vulnerable to climate change (IPCC, 2007; Niang, Nyong and Clark, 2007). However, model projections of the physical effects of climate change in Africa are highly uncertain, particularly at the national and sub-national spatial scales at which political processes operate.

Against this backdrop of great social vulnerability and physical climate uncertainty, research communities have begun to explore the possible security consequences of climate change, describing it as a stressor or a threat multiplier with the potential to contribute to conflict and State failure. Consequently, scholars have looked to historic data on rainfall variability, disasters, temperature change, refugee movements (all expected effects of climate change) to try to get traction on the causal connections between climate phenomena and security outcomes.

In Nigeria, the persistent loss of lives and property since the return of democracy in 1999 has caused many fingers to point to the critical state of growing inequality created by neoliberal democracy as the major culprit; and indeed, there seem to be structural links between neoliberal democracy, political processes and environmental change as crucial aspects in explaining resource-related farmer-herder conflicts (Amakom, 2014). However, research communities over time have focused on explaining the cause(s) of the conflict between herders and farmers, with less attention paid to the impact of these conflicts (insurgency/counter-insurgency) on the rural economies of states (Khalif and Oba, 2013), and in this case, the impact of the conflicts on either food or social security, especially given that this occurs in the rural areas where there is arable land suitable for farming and herding. It is pertinent to note here that the Tiv and Fulani, who have farming and herding as their source of livelihood respectively, are critical to Nigeria's food security, and a war between these two, if it lingers much longer, will undermine the nation's food security.

The herder-farmer conflict in Nigeria is a war: multifaceted, stimulated, driven and fuelled by environmental, political and cultural stressors (Hagher, 2013). Nigeria's experience is unique in two respects; most notably, the ambiguous prestige of pastoral culture particular to Fulani pastoralists as well as its large and comparatively wealthy population. Nigeria has a restricted inventory of pastoral peoples: the Fulani, the Kanuri-related groups, the Shuwa, the Yedina and the Uled Suleiman (Hagher, 2013). In Nigeria, conflict between farmers and herders has always been there except that, in recent times, it has assumed the dimension of a full-blown war between the Fulani and Tiv "cousins" (Hagher, 2013). This new trend calls for quiver-action because both the Tiv and Fulani are stakeholders in Nigeria's food security project.

This is premised on the creed that the Tiv are producers of food crops, cash crops, fruits, vegetables, poultry and livestock, which has earned them the status of 'food-

basket of the nation'. The Tiv tribe is found in Benue, Nasarawa, Plateau, Niger and Taraba States. The Fulanis, on the other hand, are the largest cattle herders in the country, which implies that most of the beef and fresh milk consumed in the country comes from them. Therefore, an ongoing war between these two is likely to undermine the nation's food security status (Hagher).

Farmer-herder conflicts in the Sahel are a common feature and have existed for centuries now (Breusers et al., 1998), premised on the human need for vital resources. Mechanisms of resource access are often very intricate in many parts of the world, and especially in dryland areas, where people have adjusted to unstable resource bases and uncertain resource access through centuries. Resource-related conflicts can hence be both a struggle to gain *access* to resources, or result from the use of them (Le Billon, 2001). The term 'farmer-herder conflict' has come to represent many different types of conflicts: interest conflicts, resource disputes, political action, evictions, killings and livestock theft, to mention a few (Hussein et al., 1999).

Single-factor explanations are therefore not sufficient for most such cases. How, then, can we define farmer-herder conflicts? Indeed, as Moritz (2006) asks: "Are only conflicts over natural resources 'herder-farmer' conflicts, or are all conflicts in which the parties identify themselves or are identified by others as such herder-farmer conflicts? Also, how do we know if conflicts are about natural resources, if they are motivated by 'a culture of competition' or articulate with other religious or political conflicts? Could we define herder-farmer conflicts other than by saying they involve herders and farmers?"

The most common way of defining farmer-herder conflicts, then, is as "low-level, small-scale conflicts between herders and farmers over access to grazing lands and campsites and crop damage" (Moritz, 2006). Such tensions are often linked to longstanding insecurity, drought and scarcity of natural resources, and portrayed as 'in-the-moment, instinctive scrambles' for resources, as the differences between farmers' and herders' livelihoods and ways of using the land are seemingly obvious causes for conflict. It is believed that tensions erupt easily under a state of constant competition (Turner, 2004). It is also believed that violent farmer-herder conflicts have increased during the last decades, due to "i) changing patterns of resource use and increasing competition for resources, and ii) the breakdown of 'traditional' mechanisms governing resource management and conflict resolution" (Hussein et al., 1999). However, important to note, the assumption that farmer-herder relations were in terms of 'symbiosis' before, "in an often unspecified epoch in the past", but have grown more conflictual the last decades, has been questioned by several researchers (Breusers et al., 1998, Hussein et al., 1999).

The cattle-based pastoralism of the Fulani has thus been the most significant focus

of herder/farmer conflict in Nigeria. For a long period, the Fulani were confined to the edge of the desert (Hagher). During the 20th century, Fulani herders began to migrate through and settle in whole zones that were previously inaccessible to pastoralists, bringing them into contact with unknown peoples, cultures and production systems. The consequences of this were a raft of untested interactions between all parties and considerable space for misunderstanding and conflict. However, if Fulani herders are unable to build up exchange relations with their host communities, particularly farmers, they can only survive either by settling, by flexible movement patterns that involve encountering new arable communities every year, or by intimidation of the farmers. All of these strategies occur in Nigeria, sometimes practised simultaneously by different Fulani herders' groups (Odoh, 2012).

The fact must be pointed out that the nomadic Fulani are conflicted in much of West Africa (Hagher). In Mali, Guinea, Senegal, Ghana and Niger, as in Nigeria, the story of clashes between Fulani herdsmen and crop farmers abound. In all cases, it starts with one or more Fulani herdsmen driving cattle into crop farms to graze. In order to protect their crops, farms and livelihood, the farmers attack the Fulani or attempt to chase them away. The Fulani retaliate by opening fire or violently defending their cows by killing or maiming the farmers. The conflict escalates as the Fulani migrate from that scene to yet another. In the last two years, the Fulani-Tiv skirmishes have manifested as a full-scale war, and can as well be likened to the 33 other armed conflicts taking place globally in the last two years. The combatants are armed with sophisticated assault weapons and are determined to wreak maximum havoc. The killing of men, women and children, and the destruction of farm crops and animals are a regular feature of this war (Hagher, 2013). In Ghana and Nigeria, the clashes between the Fulani and crop farmers have intensified as desertification, deforestation, and climate changes continue unchecked by successive governments.

Of the several factors that have been advanced towards the precipitation of these conflicts, the structural links between inequality, neoliberal democracy, political processes and environmental change are crucial aspects in explaining resource-related farmer-herder conflicts (Amakom, 2014). The situation is further exacerbated by a poor social-ecological resilience framework that recognises the critical importance of ecological considerations in herder-farmer conflicts. Moreover, these conflicts will persist so long as no significant attention is paid to the dynamics of how resource competition can be transformed to strengthen socio-ecological resilience and mitigate conflict in terms of policy provisions – more so because the Tiv and Fulani are critical to Nigeria's food security and, if it continues much longer, a war between these two will undermine the nation's food security.

Statement of the Problem

The problem here is that research communities over time have focused on explaining the cause(s) of the conflict between herders and farmers, with less attention paid to the impact of these conflicts on either food or social security. The Tiv and Fulani are critical to Nigeria's food security and a lingering war between these two will undermine the nation's food security.

Purpose of the Study

The general purpose of the study was to determine the impact of herders' insurgency on the food security of Tiv farmers in Benue State, Nigeria. Specifically, the study sought to:

i. Examine the cause(s) of conflict between nomadic herders and farmers
ii. Examine the impact of herders' insurgency on the socio-demographic characteristics of Tiv farming communities
iii. Examine the impact of herders' insurgency on food production, availability, affordability and accessibility

Analytical Framework: Political Ecology, Existentialism, Environmental Thesis And Neoliberalism

The theoretical framework is drawn from four theoretical assumptions comprising the environmental thesis, whose argument is that environmental problems are created by man and they affect human security, and that climate change breeds violent conflicts. This suggests that climate change is caused by human activities – industrialization and exploration as well as indiscriminate tree felling without replacement, which create adverse climate change evidenced in increased natural disasters, drought and desertification on the one hand, rising sea levels and freshwater scarcity on the other, and also the increase in resource scarcity (foliage and freshwater). All of this eventually leads to herders' migration and subsequent trespass, and herder-farmer conflict. This situation is worsened by the absence of a social-ecological resilience framework, as a result of the neoliberal philosophy of the Nigerian State that advocates a market-based economy where government involvement by way of regulating and planning is frowned upon. This makes it difficult for the government to attempt to mitigate the impact of adverse climate change and its attendant consequences (evidenced in the neoliberal model).

By the foregoing, it is now obvious that the postulation of the political ecology theory – that there are social and political conditions surrounding the causes, experiences and management of environmental problems – is factual. Therefore, the neoliberal approach

adopted by the Nigerian State and its inability to manage the environmental stressors with a targeted socio-ecological resilience framework (political ecology) results in herders' migration (quest for survival, i.e. existentialism). The theory of existentialism which comes into the scene at this point depicts the natural tendency of man towards freedom, self-determination and responsibility in a perceptibly unfriendly environment. This is so because the State has been unable to effectively mitigate climate change, or better still, put in place a socio-ecological resilience framework on the herders and their cattle to manage the impact of a climate change that now forces the herders to migrate with their cattle towards the south of Nigeria, which is just a temporary solution to this problem.

The implication of this is that there is fragility and vulnerability to clashes between herders and farmers due to increasing competition for available freshwater and arable grazing land, which is visible in either the driving of cattle or the straying of herds into farms where they eat or damage crops. At this stage, farmers attempt to chase the herders and cattle off the farms, followed by herders' revolt against farmers, leading to armed conflict or insurgency on farmers by the herders. Therefore it becomes clear that the quest for survival (existentialism) is what causes herders to launch an offensive on farmers, to subdue them so as to be able to survive with their cattle. Hence their survival is in their hands, especially in this age of neoliberalism.

The link between neoliberalism, the environmental thesis, theory of existentialism and political ecology is that with the adoption of the neoliberal approach by the Nigerian State, emphasis has been placed on deregulation and non-interference of the State in the economy and the burden of allocating resources placed on the markets. Markets, according to Rodrik (2011), "are not self-creating, self-regulating, self-stabilizing or self-legitimizing". The implication of this is that every well-functioning market economy blends State and market, laissez faire and intervention. The precise mix, he argues, depends on each nation's position preferences, its international position and its historical trajectory. This is because no country has figured out how to develop without placing substantial responsibilities on its public sector. Now, if States are indispensable to the operation of national markets, they are also the main obstacles to the establishment of global markets because their practices or preferences are the very source of transaction costs that globalization has to surmount.

By the foregoing, liberals believe that the form of society should be the outcome of processes. Liberals are generally hostile to any "interference with process and therefore reject any design or plan for society – religious, utopian, or ethical". Liberals feel that society and State should not have fixed goals, but that "process should determine outcome". Liberalism is therefore inherently hostile to competing non-liberal societies – which it sees

not simply as different, but as wrong. Nevertheless liberalism has compromised with one specific form of non-liberal ideology: nationalism, in the ethno-national form which underlies most present nation-states. Neoliberalism later extended this belief, claiming that all social life should be determined by the market. The neoliberal argument then suggests that the State does not need to mitigate environmental stressors via a socio-ecological resilience framework. Hence the livelihood of farmers and herders depends on the environment, and the market should determine what happens in the sector. Consequently, the State has abandoned its role of ensuring a level playing field for all, and this has given room to the recurrent herder-farmer conflict that has implications for food and social security of the nation.

During herders' insurgency against farmers, there are casualties as well as loss of lives of farmers, herders, women, children and the aged. There is also the destruction of farms, shelter and livestock, which results in the displacement of farmers who take to their heels for fear of being killed. This further leads to the loss of the farmers' source of livelihood, which is manifested in food and social insecurity, and the crippling of local economies through the temporary collapse of health, education, social and physical infrastructure, as well as markets.

Therefore, the theoretical framework has helped to show the link between political ecology theory, environmental thesis, existentialism and neoliberalism in the understanding of how human activities can lead to adverse climate change. The effects are shortage of freshwater, scarcity of arable grazing lands, and the lack of a feasible and viable socio-ecological resilience framework or policy aimed at mitigating adverse climate conditions, which results in herders' migration in search of arable grazing land and freshwater. All this is precipitated by competition for these resources among farmers, the driving or straying of herds into farms, subsequent damage to crops, and farmers' resistance matched by armed insurgency of herders. The consequence is loss of lives, property, farms and livestock, the displacement of farmers, crippling of the rural economy, loss of livelihood sources, and consequently, food and social insecurity.

The political ecology approach, according to Blaikie and Brookfield (1987: 17), "combines the concerns of ecology and a broadly defined political economy". The goal is to explain "the social and political conditions surrounding the causes, experiences, and management of environmental problems" (Forsyth, 2003: 2). Stott and Sullivan (2000: 2) also emphasize that "the 'science' of environment is socially and politically situated, rather than unambiguous or separable from the subjective location of human perception".

There are many areas of focus within the field of political ecology. These can be summarized in the following four issues of concern, according to Robbins (2004):

i. degradation and marginalization, which seeks to explain environmental change in a "larger political and economic context"
ii. environmental conflict, which seeks to explain such conflict and access in a larger struggle, including aspects of gender, class, race and identity
iii. conservation and control, which seeks to explain problems within conservation practice, and political and economic exclusion of environmental conservation
iv. environmental identity and social movement, which seeks to explain "social upheaval" linking "political and social struggles" to environmental issues

There are furthermore many different voices and contrasting approaches, but in general, according to Bryant and Bailey (1997: 28), most accounts and research within political ecology share a common premise; "environmental change is not a neutral process amenable to technical management. Rather, it has political sources". Studies of ecology with a political content emerged in the 1960s, when *cultural ecology* appeared as a field of influence in studies of human impact on the environment (Forsyth 2003: 4). This approach held that humans are part of a larger system and direct contributors to the development of the environment (Robbins 2004: 28, Sauer 1963). Several approaches, including cultural ecology, contributed to build political ecology as a reference in its early days, but it was during the last 20 to 30 years that it arose as an independent theoretical approach.

Political ecology stands basically as the opposite of *apolitical* ecology, which holds that the environment is natural and untouched by political or economic processes, and not affected by any power relations. In particular, apolitical ecologists claim to be neutral and non-political in their views on the environment. Apolitical ecology can loosely be defined as ecology without context, and it typically sees the environment as neutral and objective (Robbins 2004: 5). Nature is seen as distinct from society and thus ahistorical. Examples of typical apolitical ecological approaches are *eco-scarcity* and the *Tragedy of the Commons* thesis. These views regard the environment as separate from political and economic processes, and political ecology offers an alternative to and challenge to such views. Political ecology seeks to critically see the environment through a more contextual approach of political, historical and societal processes. It sees nature as power-laden, and it focuses on multi-level connections, structures and actors in the environment and among decision makers and hierarchies of power (Robbins, 2004; Bryant 2001: 167; Adger et al., 2001: 682).

Political ecology hence identifies broader systems rather than local, and sees history, power economics and politics as essential in explaining environmental processes, relations and management. According to Robbins (2004: 12), political ecology in sum i) describes "empirical, research-based explorations to explain linkages in the condition

and change of social/ environmental systems, with explicit consideration of relations of power", ii) seeks to find causes rather than symptoms of environmental and social problems, and iii) not only stresses how environmental systems are political in their essence, but also how political systems and economy influence the environment. Accordingly, political ecology attempts to do two things at the same time: "critically explaining what is wrong with dominant accounts of environmental change, while at the same time exploring alternatives, adaptations, and creative human action in the face of mismanagement and exploitation" (Robbins, 2004: 12).

Political ecology therefore offers a suitable framework for analysing environmental discourse and narratives, such as environmental security and the herders' insurgency crisis in Nigeria. Peet and Watts (1996) argue that such analysis is central in political ecology, and emphasizes the importance of using a socio-historical context in environmental research. Stott and Sullivan (2000: 2) also emphasize this, and say that political ecology is "concerned with tracing the genealogy of identifying power relationships supported by such narratives". Based on this, the political ecology approach is suitable for analysing farmer-herder conflicts. Indeed, as Bassett (1988: 455) argues: "A weakness of human ecological analysis of peasant-herder conflicts is their failure to address sufficiently the politics of land use."

The theory of existentialism was originally propounded by the Danish philosopher, Kierkegaard (1913–1955) to depict the natural tendency of man towards freedom, self determination and responsibility in a perceptibly unfriendly environment. Over the years, the theory has come to assume diverse cognate interpretations and applications based on scholarly extrapolations. In its simplest understanding, however, the theory of existentialism is based on the postulate that man is a unique and isolated individual in an indifferent or hostile universe, responsible for his own actions and free to choose his destiny (cf. 'existentialism' at http://www.google.ca). In its more contemporary understanding, the theory has been applied to explaining the objective attitude of man in an environment where his survival and subsistence are threatened. It is in this light that the study sees the herder-farmer crisis as a product of struggle for survival and self determination by the Fulani herdsmen and Tiv people in an environment that is perceptibly averse to their purposes.

The application of the existentialist theory to the present analysis may be problematic in view of its apparent conceptual and epistemological vagueness. Yet the theory, properly contextualized, would prove plausible in providing insights into the correlation between the perceived socio-political and ecological abuses of the Fulani herdsmen and the rising restiveness, criminality and offensive often launched on the farmers in their native communities. When considered against the propositions of political ecology,

the analytical utility of philosophical existentialism becomes clearer, particularly in the context of the proposed study. With reference to the theoretical positions considered above, what could be gleaned from the foregoing is that the herder-farmer crisis has been motivated by factors relating to the survival and existential conditions of the cattle Fulani herders and Tiv farmers.

Methods

Research Design

This study adopts a survey research design that is *ex post facto* in nature. The justification for the choice is that it provides a general framework for the collection of appropriate data that explores the impact of herders' insurgency on the food security of Tiv farmers in Benue State, Nigeria. This was feasible via the use of the interview method, through the administering of a structured questionnaire. The choice of this design is in line with the premise that a survey is an investigation about the characteristics of a given population by means of collecting data from a sample of that population, and estimating its characteristics through the systematic use of statistical methodology. It is believed that at the end of the study, any result obtained is generalizable or representative of the study population.

Area of Study

The area of study for this work is Benue State, Nigeria. The study focused on the Tiv ethnic farming communities that were affected by the Fulani herders' insurgency. The choice of this delineation is premised on the fact that it is not all of Benue State that has been affected but specifically the Local Government Areas (LGAs) in the Tiv nation that are border LGAs with the northern part of the country from where the Fulani migrate to Benue and it is convenient for the herders to invade one community after the other. The land here is adjudged to be fertile for both farming and herding activities.

Population of the Study

The study population is made up of the Tiv farming communities in the seven LGAs affected by this crisis in Benue State, namely Guma, Makurdi, Gwer-East, Gwer-West, Logo, Kwande and Katsina Ala. These affected LGAs have Tiv farmers who live in scattered settlement patterns with their farmsteads behind their homes, who are agrarian in nature, located in Benue State and affected by the herders' insurgency. Indeed, the elements in the population of the study include: farmers, children, women, livestock, farmlands, farms, food barns, houses, economic trees, water sources, schools, health facilities, places of worship, markets, recreational centres and all the social and physical

infrastructure in the affected communities that enhance the sources of livelihood of the Tiv farmers in the study area. The justification for this delineation of the study population is that the LGAs selected share similar ecological features, are farming communities, and the impact analysis of herders' insurgency of Tiv farmers on food and social security can only be valid if data is generated from these elements of the study population since it is directly affected by the conflict.

Sample and Sampling Technique

The study adopted a multi-stage sampling technique. The sample size for the study is 384 respondents. The choice for the Krejcie and Morgan (1970) sample formula is because of its precision in providing a sample size that can supply reliable answers to research questions investigated that are representative of the entire population and generalizable. The sample size is representative of the population of the study and is generalizable given the degree of freedom at the desired confidence level (3.841) and the population proportion (assumed to be .50 since this would provide the maximum sample size) as well as the degree of accuracy expressed as a proportion (.05).

Data Analysis

The data was analysed using inferential statistics of Multiple Regression and Pearson Product Moment Correlation statistical techniques. This was done using Statistical Package for Social Sciences (SPSS) version 20.0 with a cut-off set at $p = 0.05$ level of significance.

Results

Table 1 below shows the link between socio-demographic variables and the impact of insurgency on food production.

The result reveals that there is an association between impact of insurgency on food production and gender as a socio-demographic characteristic, and is statistically significant at $P>0.05$. The implication of this result is that gender is associated with the impact of the insurgency of farmers as it concerns food production. This means that the female gender, which falls into a vulnerable group of society, was worse-off in the experience of insurgency because women were victims of sexual and physical abuse, and could hardly run fast enough to escape from the insurgents who were out to kill every living creature, not sparing women, children, the physically challenged or the elderly. More so, a lot of women became widows as a result of the insurgency, some lost both children and husband, and this trauma has implications for food production and security.

On whether there is an association between the impact of insurgency on food production and the age of respondents, the result was statistically significant at P>0.05. The implication of this is that age is associated with the impact of insurgency on food production, and the age bracket most affected is less than 30 years, made up of children and youth who need to be taken care of and who constitute the workforce. This group lost their lives and parents to the insurgency making them orphans and greatly reducing the size of the workforce, which is of consequence to food security.

On whether there is an association between the impact of insurgency on food production and education, the result of regression was statistically significant at P>0.05. The implication of this result is that access to education was affected, as farming communities were displaced due to the insecurity created by the insurgency which also destroyed school facilities. Schools in farming communities were shut down, teachers were unwilling to go back and have now migrated to urban areas. This means that a fundamental human right has been impeded, and that meeting the MDGs target of universal basic education for all children by 2015, irrespective of their gender, is not a reality for Nigeria. This will have a psychological effect on the children who will not see education as a must-have but resign themselves to fate. At the time normalcy returns to the land, reorienting the children to fit into the school system will be difficult. Moreover, candidates for the O Level SSCE could not take their examination. On whether there is an association between the impact of insurgency on food production marital status and religious affiliation as socio-demographic characteristics, the regression proved statistically significant at P>0.05.

Table 1: Association between socio-demographic characteristics and the impact of insurgency on food production

	B	S.E.	Wald	Df	Sig.	Exp(B)	95% C.I.for EXP(B)
							Lower
Gender(1)	-1.060	.258	16.913	1	.000	.347	.209
Age (1)	-.893	.271	10.892	1	.001	.410	.241
Education(1)	1.552	.471	10.840	1	.001	4.719	1.874
Marital(1)	1.321	.270	23.949	1	.000	3.746	2.207
Religion(1)	.920	.346	7.065	1	.008	2.509	1.273
Constant	-.046	.448	.011	1	.918	.955	

Source: Fieldwork 2014

Table 2 below shows the association between the cause(s) of conflict and impact of insurgency on food production.

On whether there is an association between farm trespass and impact of insurgency on food production, the result was statistically significant at $P<0.05$. The implication of this result is that farm trespass is a cause of herders' insurgency and has impact on food production, be it in terms of quantity or quality of food produced. This is because trespass on farms by Fulani cattle damaged crops and even the harvested and stored farm produce on the farms. It is worthy of mention here that once this trespass had ignited the crisis, there was insecurity in the land and the affected communities were displaced and so farming activities were suspended.

On whether there is an association between climate change and the impact of insurgency on food production, the result was statistically significant at $P>0.05$. The livelihood of both farmers and herders is climate sensitive. Both are caught up in environmental stressors, and so responsible for a conflict brought about due to poor socio-ecological resilience that makes herders migrate and trespass on farms and causes destruction of crops.

On whether there is an association between competition for the scarce resources available (freshwater and foliage) and impact of insurgency on food production, the result was statistically significant at $P>0.05$. This means that when herders drive their cattle into surface waters that serve the communities as their only source of water for drinking, domestic use and irrigation, the water is muddied and contaminated with cow dung making it unusable. This is therefore a further cause of conflict between herders and farmers.

On whether there is an association between farmers' resistance to trespass and crop damage and the impact of insurgency on food production, the result was statistically significant at $P>0.05$. This means that the invasion on Tiv farmers was matured to actual conflict when farmers resisted the trespass and crop damage. Consequently, Fulani herders launched a full military offensive on the farmers, destroying lives and property as well as displacing them and putting on hold food production.

In summary, trespass, climate change, resource competition and farmers' resistance are the causes of herders' insurgency on Tiv farmers in Benue State.

Table 2: Association between socio-demographic characteristics and the impact of insurgency on food production

	Score	Df	Sig.
Trepass(1)	57.906	1	.000
Climate_change(1)	3.793	1	.051
Resource_compe(1)	29.048	1	.000
Farmers_Resistance(1)	35.677	1	.000
Overall Statistics	118.538	4	.000

Source: Fieldwork 2014

Table 3 shows the association between food security and the impact of insurgency on food production.

On whether the insurgency has affected food availability, the result proved statistically significant. The result implies that once food production has been affected in terms of quantity, it is difficult to have sufficient food available for the affected communities and for the larger Benue State which is acclaimed the 'food basket of the nation'.

On whether the insurgency has affected food affordability (prices), the result was statistically significant at P>0.05. Based on this, it is obvious that since food production was affected it had a spillover effect on availability and affected prices of food items significantly, thereby making it difficult for many to purchase food. This is because if food is not sufficiently produced or there is a sharp drop in the quantity produced, the amount of food in circulation will be insufficient to meet the dietary needs of the affected communities. There will be food shortage, with a severe impact on the whole of Benue State, and hence the total quantity of food produced will drop significantly.

On the impact of the insurgency on food access, the result proved statistically significant at P>0.05. This result points to the fact that due to the shortfall in the quantity of food produced and the increasing demand for food supply – and bearing in mind the first law of demand and supply, that the higher the price the lower the demand – the insurgency has affected food availability (quantity/quality) and affordability (prices). Food access is hampered principally because the right to food becomes a luxury, the intake of food for dietary needs becomes a rare opportunity, and hunger and malnutrition then set in.

On whether the insurgency has affected hunger and famine in the affected communities and its environs, the result proved statistically significant at P>0.05. By this result, hunger and famine are evident in the affected communities and, by implication, in the whole of Benue State – hence there is a link between food production, availability, affordability and usage. The insurgents destroyed and looted stored food, farm crops, as well as

economic trees and livestock, killed people and destroyed properties, and also displaced people making them refugees in their own land. Especially because this happens during the cropping season, it forced them to depend on food aid and subjected them to harsh economic and health realities.

On whether the insurgency brought malnutrition to the affected communities, the result was statistically significant at P>0.05. The implication is that due to impeded access to food caused by rising prices created by a shortfall in supply over demand – resultant from the reduction in the quantity of food produced and the subsequent problem of food availability, affordability and access – malnutrition became a consequence of that chain. Moreover, malnourished people can hardly be healthy enough to engage in the rigour of farming, which means that food insecurity will persist in the community until frantic efforts are made to ameliorate this situation, first through provision of food aid, and then guarding against further occurrence of the insurgency situation.

On whether the insurgency affected the ability to cope with farming stress, the result proved statistically significant at P>0.05. It indicates that due to the destruction of lives and property and the mass exodus from the communities during the insurgency, it has been difficult for normal farming activities to resume in the affected areas, and farmers have to start from scratch. This also implies that it will take a much longer time for farmers to gather momentum, pick the pieces and stabilize their source of livelihood so as to make meaning out of farming. Further, farmers have to first battle with hunger and emotional trauma before trying to settle down to farming again.

On whether the insurgency has increased the poverty cycle in the farming communities, the result was statistically significant at P>0.05. The implication is that the gap between the rural and urban areas has worsened, even though the urban centres are also affected because it is the rural areas that supply food to the urban. More so, starting life afresh out of naught for the affected peasant farming rural communities is devastating psychologically.

In summary, since farmers' life investments were destroyed they are not likely to produce in commercial quantities again until there is clear evidence that insurgency will no longer be a routine occurrence on their land and that their security is guaranteed. Over the years, farmers have put in enormous energy and time into farming, and have come out even more impoverished than ever due to the recurrent insurgency that destroys all they live for and leave them with no option but to start afresh. This is a serious disincentive for them to re-engage with farming.

Table 3: Association between food security and the impact of insurgency on food production

	Score	df	Sig.
Food_availability(1)	11.976	1	.001
Food_affordability(1)	37.817	1	.000
Food_access(1)	30.822	1	.000
Hunger_famine(1)	10.704	1	.001
Malnutrition(1)	73.690	1	.000
Coping_stress(1)	2.883	1	.090
Poverty(1)	11.346	1	.001
Overall Statistics	127.086	7	.000

Source: Fieldwork 2014

Conclusion

This paper looked at the political ecology of herders' insurgency on Tiv farmers from a socio-political-ecology perspective and concludes that armed insurgency on Tiv farmers is a battle for survival precipitated by environmental, political, cultural and social stressors as well as a poor socio-ecological resilience framework that affect sustainable livelihood and has implications for food security in Benue State. It reveals that herders' insurgency on Tiv farmers in Benue State is caused by trespass on farms, resource competition, climate change, and farmers' resistance to farm trespass and crop damage. It also shows that socio-demograhic characteristics and food security indicators are affected by the insurgency. The conflicts will persist pending State action to mitigate desertification, deforestation and climate change via a socio-ecological resilience framework by succeessive Nigerian governments, as opposed to the neoliberal posture that society should be the outcome of processes rather than planning. Therefore, in order to protect the livelihood of farmers and herders, Nigeria must borrow a leaf from other countries where ranching has put on hold conflicts between these groups.

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Political Exclusion, Violent Conflicts and Development in Africa: A cross country analysis

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Abstract

Using Burundi, the Democratic Republic of the Congo and Rwanda as case studies, this study engaged in the analysis of the relationship between political exclusion, ethnicity and violent conflict in Africa's Great Lakes region. The study adopted the Transmission Model of Conflict Analysis as an analytical framework. It relied predominantly on secondary data obtained from the Ibrahim Index of African Governance (IIAG) and Human Development Report. The study covered the period between 2000 and 2012. Findings showed that conflicts in the region were fuelled by ethnocentric tendencies. This has had negative impacts on political stability and democratic consolidation, culminating ultimately in the socio-economic underdevelopment in the region. Consequently, the paper recommended the institutionalization of a robust nation-building and political process that de-emphasizes ethnicity and promotes political and socio-economic justice.

Introduction

The Great Lakes region, made up of countries of the east and central regions of Africa, namely, Burundi, the Democratic Republic of the Congo (DRC), Kenya, Rwanda, Tanzania and Uganda has, since the 1960s, been mired in complex and overlapping violent ethno-political conflicts from which only Tanzania has largely escaped (Lunn, 2006:4). The scope, spread and intensity of the conflicts have escalated since the 1990s, especially in Burundi, the DRC and Rwanda. Burundi's crisis and ethnic clashes resumed after the October 1993 coup d'état that saw the overthrow of the Melchior Ndadaye-led government. Between 1996 and 2003, the DRC witnessed two successive and complex wars that wrecked havoc on the state. The tragic events within the region came to a climax with the Rwandan genocide of 1994 that saw the death of over 800,000 Tutsis and moderate Hutus.[2] Until date, ethnic rivalry and political conflicts are still festering in Burundi and the DRC.

Generally, scholars have attempted to explain the various causes of conflicts in

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2 UN, Rwanda: 'A Brief History of the Country', http://www.un.org/en/preventgenocide/rwanda/education/rwandagenocide.shtml

Africa, which in most cases result in political instability and state failure, as is the case in Somalia and South Sudan, amongst others. Kawabata (2006), Meredith (2005) and Bauart (1993) have located conflicts in the nature of Africa's post-colonial state. Others have argued that conflicts in Africa are rooted in domestic factors such as ethnicity, which coalesce to throw up favourable conditions for some and unfavourable conditions for others (Levitt, 2005; Mbaku and Paul, 1989). Yet, others have blamed it on global developments and the politics within international governance bodies and institutions (Alemazung, 2010; Edi, 2006). The central theses of the arguments by the afore-listed scholars is that the increasing escalation of conflicts in Africa has significantly threatened the institutionalization of a democratic formula capable of carrying African states out of their endemic cycle of conflicts that have persisted over the decades (Barret, 2004).

However, the conflicts in the Great Lakes region are said to be rooted in domestic and external factors that are political, socio-cultural and economic in nature. Specifically, three main factors – ethnicity, political exclusion, and the quest for the control of state power/resources – have been identified as key contributors to the conflicts across the region. According to Chege (2007), ethno-political variables remain the predominant causes of the conflicts and thus cannot be ruled out as the major causative factors. This is also the case with other African countries, where verifiable evidences point to the fact that political exclusion and socio-economic inequality have been at the root of violent conflicts. This is because exclusion and inequality threaten the identity and belongingness of those left out in the allocation of societal values. When these build up to frustration, the excluded resort to violence in an attempt to seek redress.

One feature of the conflicts in the Great Lakes region is the prevalence of armed militia groups, which play prominent role in the escalation and sustenance of the conflicts. In the Democratic Republic of the Congo, the Alliance des Forces Démocratique pour la Libération du Congo (AFDL) led by Laurent-Desire Kabila, championed the revolutionary movement that overthrew Mobutu Sese Seko's regime. While the Armée Patriotique Rwandaise (APR) held sway in Rwanada, the Conseil National pour la Défense de la Démocratie (CNDD), led by Leonard Nyangoma, was one of the leading armed groups in the Hutu rebellion in Burundi. In Uganda, two armed opposition movements, Tabliq and the West Nile Liberation Front (WNLF) have been prominent (Chiege, 2007). A common characteristic of these armed militia groups is that they are ethnocentric in nature, in orientation and in ideological inclination. In other words, they are ethnic creations. Consequently, they pursue ethnic courses and agenda that are driven by the quest for political and economic survival.

Over the years, these ethnic-based armed groups have had tremendous influence on the dynamics of violent conflicts within the region. This in turn has affected the pattern

of political and democratic development. For instance, the establishment of political structures, alliances, loyalty and patronage along ethnic lines are pointers to this assertion. Yet, a vast array of literature and scholarship on political exclusion, violent conflicts and democratic governance in Africa such as Beswick, (2011), Alemazung (2010), Bujra (2002) and Collins (1993), amongst others, have paid little or no attention to the nexus or linkages amongst exclusion or inequality, conflicts and the nature of development that subsists within the African state. Thus, this study engages in the analysis of the relationship amongst political exclusion, violent conflicts and development in Africa's Great Lakes region.

Specific Case Studies

In this study, Rwanda, Burundi and the Democratic Republic of the Congo are selected as specific case studies. These countries were selected because violent ethno-political conflicts and political instability have been most prevalent and pronounced here, especially within the period under focus. Background information of the selected states in the region is provided in Table 1.

Table 1: Background information on Burundi, the DRC and Rwanda

	Burundi	DRC	Rwanda
Surface area	27,830 km2	2,344,860 km2	26,340 km2
Population	8.382 million	65.965 million	10.624 million
Annual population growth rate (since 1990)	2.6 %	2.7 %	3.0 %
Life expectancy at birth: women/men	51.3/48.5 years	49.7/46.5 years	56.4/53.8 years
Adult illiteracy rate: women/men	39.1/27.4 %	45.1/20.5 %	33.2/25.0 %
GDP per capita	192.1 USD	199.3 USD	529.7 USD
Percentage of Population with less than 2 USD per day	93 %	NA*	82.4 %

Source: World Bank's 2013 World Development Indicators
**Figures not available*

Generally, the study examined the relationship between political exclusion and violent conflicts, and their impacts on the pattern of political development in Rwanda, Burundi and the DRC. Specifically, amongst other things, it:

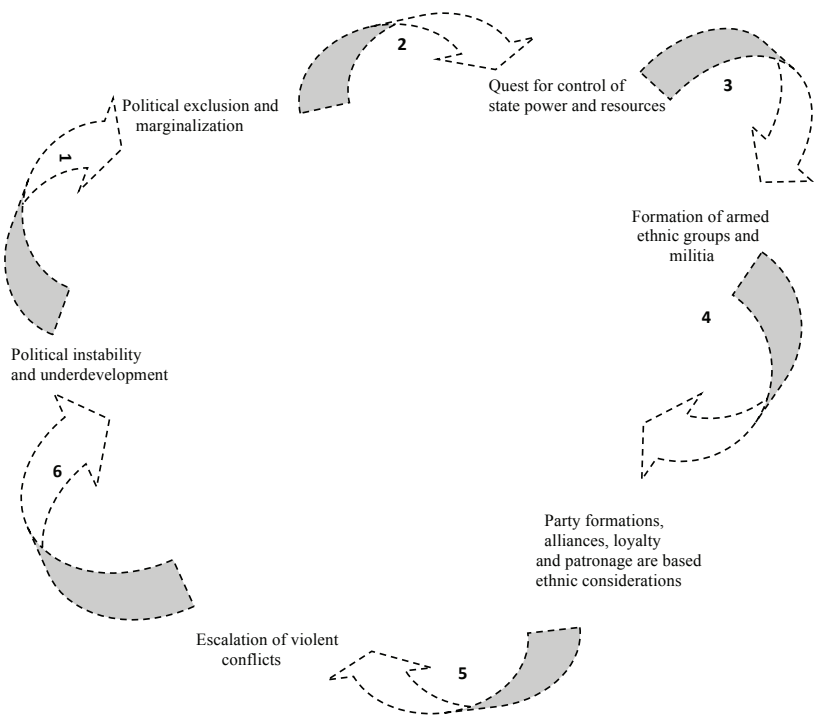
- examined the nature, causes and dimensions of political exclusion;
- examined the nature, causes and dimensions of violent conflicts;
- conducted dynamic comparative analysis of the interplay between the two variables and their impacts on patterns of political development in the selected states.

Analytical Framework

The study was anchored on the Transmission Model of Conflict Analysis. The model espouses the linkages among conflict-causing variables that combine in a dialectical sequential order. The central thesis of the model is that in an ethnic pluralistic society, as is the case in Burundi, the DRC and Rwanda, political dominance by one ethnic group results in the exclusion and marginalization of the others. The marginalized/ excluded ethnic groups seek survival through the quest for the control of state power and economic resources. In an intense political situation, the agitation for the control of state power and resources results in the formation of ethnic militia and armed groups to sustain the agitations by means of violence. This is because, "the preservation of ethnic hegemony is perceived as a condition for physical survival by the incumbents, with the elimination of rival claimants as the only means by which survival could be assured" (Lemarchand, 1997:15).

Over time, ethnic agitations influence the pattern of political development. Party formations and alliances, political loyalty, patronage and allocation of state resources bear the imprints of ethnic rather than national considerations and outlook. The consequence of this is further escalation of violent conflicts that in turn threaten political stability, human security, maximization of social welfare and socio-economic development (see Fig.1);

Fig.1: Schemata of Transmission Model of Conflict Analysis



Applied within the context of our study here, there is no denying the fact that the interplay of ethnic rivalry and the quest for the control of state power and resources play a crucial role in the prevalence and escalation of violent conflicts in the Great Lakes region. Neither can a full understanding of the escalation of the conflicts in the region be attained without factoring in the role played by ethnic overlords and their armed militia.

Causes, Nature and Dimensions of Violent Conflicts in the Great Lakes Region

There are three major ethnic nationalities in the Great Lakes region, namely, the Twa that are said to represent one per cent of the population in each country of the region, the Tutsi with 14 per cent, and the Hutu that make up about 80 to 85 per cent of the population. Since the early 1990s, this region has been convulsed by interlocking ethnic and inter-state conflicts and civil wars (Lunn, 2006:26).

First, conflicts in the region are rooted in ethnicity, political exclusion, territorial and socio-economic imperatives. According to the International Refugee Rights Initiative, one major source of conflicts in the region has been disputes over group and national membership: ethnic, racial and religious populations have been identified as illegitimate members of local communities and nations, and their exclusion has been used to legitimize individual persecution, ethnic violence, civil war and genocide. Targeted populations have been forcibly displaced from their homes, social networks and governmental protection, and have been forced to seek refuge within their own countries and across borders (IRRI, 2011). These conflicts, according to Matsanza (2013), are also associated with struggles over the distribution of political power and access to land, including the pillage of the immense natural resources in the region.

In a study, Nzongola-Ntalaja (2011) has also established a linkage between violent conflicts in the Great Lakes region and ethnic rivalry on the one hand, and colonialism on the other. According to him, of all the major geographical areas of Africa, the Great Lakes region has paid the highest price in both human lives and material destruction because of ethnic conflict. In addition to the genocide of 1994 in Rwanda, the region has witnessed several episodes of inter-ethnic massacres since 1959 (Nzongola-Ntalaja, 2011:61). He also attributed the protracted Hutu-Tutsi conflict that has been a recurrent decimal in the region in large part to the grafting of the colonial social ideology of racism and paternalism on the pre-colonial social system of both Rwanda and Burundi. In a related study, but with particular focus on the Rwandan genocide of 1994, Check (2011:2) has asserted that the genocide represents a high point of a diabolic pseudo-Fascist plan by the majority Hutu, to establish a mono-ethnic Hutu oligarchy at the expense of the

minority Tutsi. This, according to him, has been part of the Rwandan revolution that started in 1959.

Secondly, conflicts in the Great Lakes region are complex and interlinked. This is because conflict in one country may lead to a similar situation in other countries and can trigger a spiral effect and consequences in the entire region. The cause of this complex and interwoven nature of conflict can be explained by two major factors. First is the geographical proximity of the countries within the region. Second is the presence of the two most dominant ethnic nationalities, Hutus and Tutsis, in all the countries of the region. According to Matsanza (2013:1), the DRC, Rwanda, Burundi and Uganda all appear to be connected by geographical and historical factors, and the legacies of decades of conflict interspersed by episodes of peace. Thus, conflict in the region grows in part out of population movements across borders, an unresolved citizenship question, and an explosive mixture of internal, regional and international actors. Thus, the violent conflicts in the DRC, Rwanda and Burundi are all part of a series of complex and interlinked conflicts encompassing the region (Reyntjens, 2009:13).

Lunn (2006:10) has succinctly X-rayed this complex and interconnected nature of conflicts in the region and its impact on political stability there. According to him, consequent upon the Rwandan genocide, over one million Hutu refugees fled into Eastern Zaire (now the DRC). Amongst them were the remnants of the former Rwandan army and the extremist Hutu militia group, the Interahamwe. While this imposed a grave burden upon the administration and people, at first it did not appear to pose a major threat to the Mobutu regime itself. However, relations between Rwanda, its (then) close ally Uganda, and Zaire quickly deteriorated as Rwanda accused Zaire of displaying pro-Hutu sympathies and failing to prevent exiled Hutu groups from preparing to mount a counter-offensive against the new Tutsi-dominated government in Kigali. As preparations advanced within Zaire towards the holding of national elections during 1996, Rwandan troops crossed into the East and forcibly dismantled the Hutu refugee camps in North and South Kivu, pursuing those they claimed had been linked to armed groups within the camps. At the same time, with Rwandan and Ugandan support, Laurent-Désiré Kabila formed the Alliance of Democratic Forces for the Liberation of Congo with the aim of overthrowing Mobutu. The AFDL advanced across Zaire rapidly and seized Kinshasa in May 1997. Kabila declared himself President and changed the country's name to the Democratic Republic of Congo. Nevertheless, Rwanda and Uganda's alliance with Kabila was short-lived. Kabila sought to reduce the power of his Rwandan sponsors. By July 1998, Rwanda and Uganda had decided that Kabila must be removed. As a result, Rwanda and Uganda sent troops back across the border into the East and, working with Congolese allies, initiated new rebellions. The two countries also had the implicit support

of Burundi. Kabila was saved only by the speedy intervention of Angola, Zimbabwe and Namibia, which sent troops into the country to support his government. In the ensuing crisis, two main rebel groups emerged: the Congolese Assembly for Democracy (RCD) and the Movement for the Liberation of Congo (MLC). The MLC, led by Jean-Pierre Bemba, was initially formed as a proxy for Uganda but also had close ties with members of the old Mobutu regime. The RCD was Rwanda's surrogate, drawing support from the Kinyarwanda-speaking population of the East. The DRC Government had its own supporters in the Mai-Mai militia, which collaborated with former Interahamwe in fighting the rebel groups. By the end of 1998, Rwanda and Uganda had fallen out over their attitude to the DRC. The RCD began to split into factions, which aligned themselves with either Rwanda or Uganda.

Thirdly, ethnic conflict has been a source of socio-demographic destabilization and instability in the region. According to Mpangala (2004) and Oucho (1997), one of the most serious aspects of destabilization has been the problem of refugees and internally displaced persons (IDPs). Guy Aundu Matsanza has also provided a historical perspective on the movement of people across the borders of states in the region to illustrate the problems linked to the refugee crisis as a consequence of the conflict in the region. According to him, in 1962, Parmehutu, the party of the Hutu emancipation movement, assumed power in Rwanda after a pogrom against the Tutsi community that began in 1959. Some Tutsis fled to neighbouring countries, such as the DRC, Uganda, Tanzania and Burundi, while some were recruited into armed Lumumbist groups, such as the Simba (1963–64), who fought against the Congolese regime after Lumumba's murder. Later, some of the descendants of these refugees became part of the Congolese Tutsi community known as the Banyamulenge, which later became a factor in the crisis of Congolese citizenship. In the case of Uganda, some of the Tutsi refugees, including Fred Rwigema and Paul Kagame, joined the National Resistance Army (NRA) led by Yoweri Museveni. After the NRA overthrew Milton Obote's government in 1986, Major Kagame was appointed Assistant Director of the Ugandan military intelligence. This coincided with the early formation of the Rwandan Patriotic Front (FPR). With the help of the Ugandan army, the FPR wanted, among other things, to depose the Habyarimana regime in Rwanda. In Burundi, a Tutsi military junta led by Micombero, supported by the Tutsi party Union for National Progress (UPRONA), protected the Tutsi refugees. When Bagaza managed to overthrow Micombero in 1976, he also protected the Tutsi refugees. Even when Pierre Buyoya seized power from Bagaza in 1987, the policy was maintained. In 1993, the electoral defeat of Buyoya's party, UPRONA, by the Hutu-dominated Burundian Democratic Front (FRODEBU) led by Ndadaye, put an end to the Tutsi domination. But Ndadaye's murder in October 1993, only a few months after

his election, plunged Burundi into violence as Hutu armed groups protested the killing. The designation of Cyprien Ntaryamira to replace Ndadaye did not reduce the violence, especially after Ntaryamira's disappearance with the Rwandan president, Habyarimana, in the crash of their plane. Ntaryamira's successor, Sylvestre Ntibantuganya, was unable to restore peace. The Tutsi minority in the army seized power in another coup led by Major Buyoya in July 1996.

Not until the signing of the peace agreements of 2003 was power transferred to the Hutu majority, and Pierre Nkurunziza replaced former president Domitien Ndayizeye in 2005 (Matsanza, 2013:2-4).

Consequently, the region "as a whole continues to host more than a million refugees and ten million internally displaced persons" (IRRI, 2011). In addition to the economic burden of hosting refugees and IDPs, these groups have been by themselves a cause of instability as they have often been a source of misunderstandings between neighbouring countries. They have also been a cause of border skirmishes.

Finally, conflict in the region has also been a source of arms trafficking. It has created big markets for arms industries in developed countries. The sale and circulation of arms has grown considerably through governments, rebel groups and ethnic militia. Rebel groups cannot sustain civil wars without reliable sources of supply of arms of various types, and trafficking in arms has been a matter of great security concern in the region (Check, 2011:6-7; Elvis, 2002).

Interpretations of Stylized Facts and Implications for Political and Economic Development

This section provides a descriptive analysis of how political exclusion occasions violent conflicts and how this affects political and socio-economic variables in Burundi, DRC and Rwanda. The period covered is 2000 to 2012. The data used for the analysis was generated from the Ibrahim Index of African Governance (IIAG), Transparency International's Corruption Perception Index (CPI), United Nations Human Development Reports and other sources. The IIAG scores from 0-100, where 100 is the best and 0 is the worst. The indicators to be considered for political development were Political Participation, Human Rights and National Security, while the socio-economic development indicators were Infrastructure, Welfare, Education and Health (see Tables 2 and 3 for full details of performance by selected countries).

Table 2: Selected Socio-Economic and Political Indicators for Burundi, DRC and Rwanda: 2000-2012

	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Burundi													
Political Participation	10.0	10.0	10.0	10.0	10.0	40.8	55.3	59.7	48.6	57.5	46.9	44.7	44.7
Human Rights	35.8	36.0	39.2	41.6	41.7	47.4	46.0	43.8	35.2	40.8	31.0	40.7	40.5
National Security	28.3	28.3	28.3	28.3	37.9	41.3	42.5	59.4	49.4	68.7	64.6	64.8	63.2
Infrastructure	12.2	12.2	12.2	12.2	12.2	12.2	12.2	13.5	15.9	15.9	15.1	18.6	16.8
Welfare	39.3	39.4	39.4	39.2	39.0	38.9	42.5	47.4	47.1	46.7	48.0	48.7	51.9
Education	28.5	29.9	31.1	32.1	32.8	34.3	34.3	35.5	35.5	36.0	38.3	40.5	39.0
Health	39.3	47.6	48.1	48.5	49.1	44.8	44.8	45.6	45.0	48.3	49.9	52.4	52.4
DRC													
Political Participation	6.0	6.0	6.0	6.0	6.0	6.0	30.4	38.2	29.3	41.8	43.3	37.7	37.7
Human Rights	18.6	20.8	28.2	21.2	28.2	29.2	25.6	28.9	23.7	21.9	24.2	20.9	20.9
National Security	32.0	31.9	37.0	35.6	37.6	43.5	41.7	33.5	35.5	41.8	48.4	53.6	33.8
Infrastructure	00.0	00.0	0.1	0.1	0.2	0.2	0.3	11.6	11.7	0.6	0.7	0.8	1.0
Welfare	29.9	30.0	30.1	29.1	28.1	28.3	29.8	30.0	30.1	30.2	30.9	30.9	31.6
Education	38.5	38.5	38.2	38.2	38.2	38.2	38.2	44.4	39.5	41.0	41.2	41.1	41.1
Health	34.5	40.4	43.3	36.2	39.4	41.3	42.6	44.3	43.3	45.7	45.4	47.8	47.8
Rwanda													
Political Participation	12.4	12.4	12.4	27.4	27.4	27.4	28.5	28.9	17.1	16.0	15.7	14.6	16.0
Human Rights	42.8	32.3	26.4	26.3	28.6	28.5	30.1	26.8	30.5	27.6	26.7	28.2	27.5
National Security	46.7	44.4	54.8	63.2	64.2	61.6	62.3	75.8	76.5	58.5	53.4	54.0	54.0
Infrastructure	27.6	27.6	27.6	27.7	27.7	27.7	27.8	27.9	23.9	24.4	27.5	29.1	30.5
Welfare	52.4	52.5	52.7	54.2	55.8	56.5	57.3	55.3	61.4	64.8	65.3	66.4	68.9
Education	43.9	44.8	44.3	45.9	45.7	44.9	45.0	43.6	45.6	49.8	51.1	53.8	54.4
Health	43.0	52.6	56.9	63.3	64.4	58.3	70.0	72.4	75.0	79.0	80.2	80.2	80.2

Source: IIAG (2013)

Table 3: Selected Political and Socio-Economic Indicators for Burundi, DRC & Rwanda: 2000-2012 Averages

A	Burundi	Averages (2000-2012)
	Political Participation	34.5
	Human Rights	40.0
	National Security	46.5
	Infrastructure	14.0
	Welfare	44.0
	Education	29.3
	Health	47.4
B	**DRC**	**Averages (2000-2012)**
	Political Participation	22.5
	Human Rights	22.0
	National Security	39.0
	Infrastructure	2.1
	Welfare	30.0
	Education	40.0
	Health	42.7
C	**Rwanda**	**Averages (2000-2012)**
	Political Participation	19.7
	Human Rights	29.4
	National Security	59.2
	Infrastructure	27.5
	Welfare	58.7
	Education	47.1
	Health	67.4

Source: Author's Computations with data from IIAG (2013)

Implications for Political Development

Political Participation

One of the implications of political exclusion in the selected states is the resort to ethnic agitations. This, in turn, has influenced the pattern of political development; party formations and alliances, political loyalty, patronage and allocation of states resources bear the imprints of ethnic rather than national considerations.

The 2006 and 2011 presidential elections in DRC clearly demonstrate this point. In 2006, the result of the election showed that the three most successful candidates were Joseph Kabila, 44.8 per cent; Jean-Pierre Bemba, 20 per cent; and Antoine Gizenga, 13 per cent.

Kabila, who stood as an independent at the head of the Alliance for a Presidential Majority (AMP), performed strongly in the East, where his support was high amongst the non-Tutsi majority there. Bemba, who stood as the candidate of the Rally of Congolese Nationalists (RENACO), won most of the votes in the Lingala-speaking West of the country.

In Kinshasa, Bemba won 50 per cent of the votes, and Kabila 20 per cent, because opponents of Kabila alleged that he was of Rwandan ancestry. On the other hand, Antoine Gizenga of the Union for Development and Social Process (UDPS) had his support from Kasais and Katanga (Lunn, 2006).

The same scenario of ethnic patronage played out again in the 2011 presidential elections. The four most successful candidates – Joseph Kabila (Independent), Etienne Tshisekedi (UDPS), Vital Kamerhe (UNC), and Leon Kengo wa Dondo (UFC), all drew support from their ethnic and regional bases (see Table 4).

Table 4: Results of the 2011 Presidential Elections in DRC for Selected Candidates

Province	Registered Voters	Number of Votes	Joseph Kabila	Etienne Tshisekedi	Vital Kamerhe	Leon Kengo
Kinshasha	3,287,745	1,868,549	544,529	1,162,183	67,288	13,023
Bas-Congo	1,502,939	883,185	168,000	626,482	13,404	4,490
Bandundu	3,553,322	2,012,832	1,419,619	378,182	32,251	26,119
Equateur	3,960,643	2,015,754	238,169	654,425	73,311	772,202
Orientale	3,886,524	2,223,460	1,279,912	282,184	155,232	58,311
Nord-Kivu	3,003,246	1,913,685	712,317	389,350	423,376	8,632
Sud-Kivu	2,022,960	1,402,710	599,825	132,826	558,564	3,804
Maniema	874,809	525,044	433,482	14,548	36,308	1,063
Katanga	4,627,302	3,224,483	2,823,234	221,922	34,297	4,514
Kasai-Or	2,643,905	1,432,345	366,380	976,145	5,337	3,392
Kasai-Occ	2,661,245	1,412,044	295,477	1,026,528	4,004	2,812
Total	**32,024,640**	**18,914,091**	**8,880,944**	**5,864,775**	**1,403,372**	**898,362**
Percent			**48.95%**	**32.33%**	**7.74%**	**4.95%**

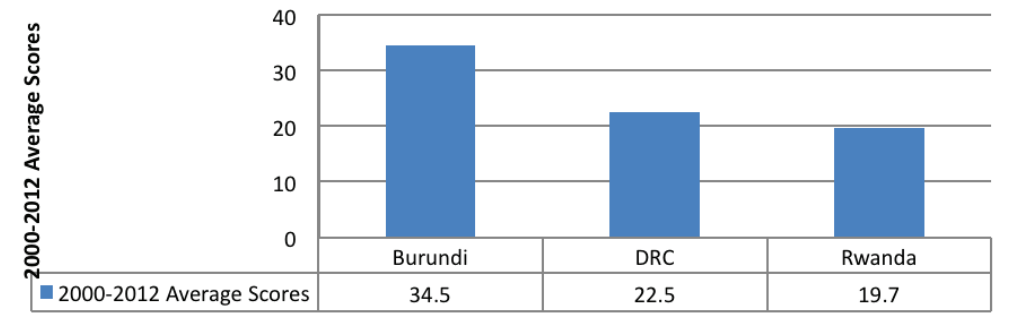
Source: The Carter Center, 2011. p.59

In Burundi, the Union for National Progress (UPRONA – Union pour le Progres National) and the Movement for the Rehabilitation of the Citizen (MRC – Mouvement pour la Réhabilitation du Citoyen) are predominantly Tutsi parties. On the other hand, the National Council for the Defence of Democracy (CNDD), the National Council for the Defence of Democracy – Forces for the Defence of Democracy (CNDD-FDD) and the Front for the Democracy of Burundi (FRODEBU) are predominantly Hutu parties (ICG, 2005).

In Rwanda, party formations, alliances and political patronage were also determined by ethnic rather than national considerations. The Rwandese Alliance for National Unity (RANU) was formed in 1979 by Tutsi refugee intelligentsia in Uganda to discuss a possible return to Rwanda (Mamdani, 2002). Also, the Rwandan Patriotic Front (RPF) was formed in 1989 by Tutsi refugee Diaspora in Uganda.

Above all, the access to relevant information on governance to citizens, and their freedom to participate in the political process, are highly limited by political exclusionism. The consequences of this have been a high degree of political instability and a protracted low political participation by the electorates (see Fig.2).

Fig.2: Average Scores for Burundi, DRC & Rwanda in Political Participation

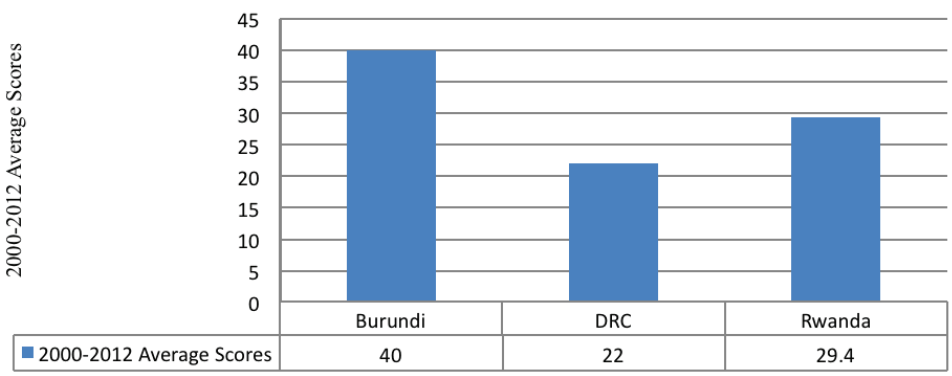


Source: Compiled with data from IIAG (2013)

Human Rights

In Burundi, the DRC and Rwanda, state mechanisms and legal frameworks aimed at encouraging human, political and workers' rights, remain largely underdeveloped while statistics indicate a high tendency by the governments to curtail civil liberties (see Fig.3);

Fig.3: Average Scores for Burundi, DRC & Rwanda in Human Rights



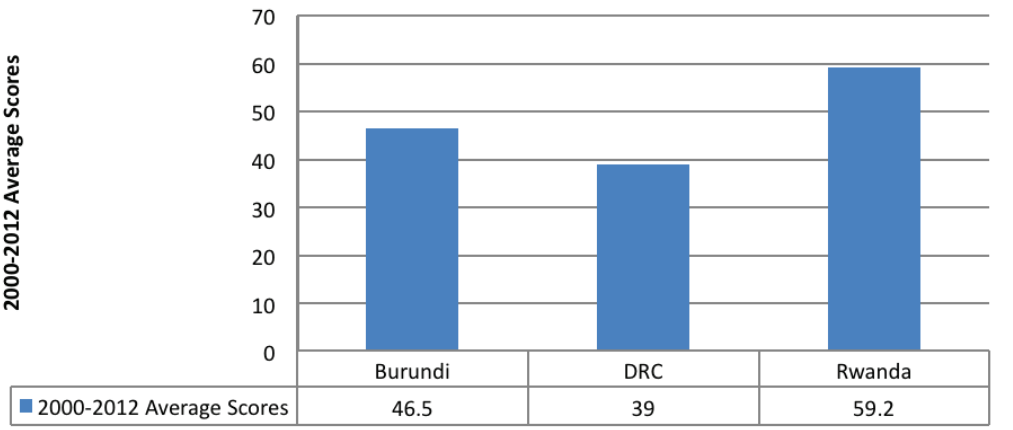
Source: Compiled with data from IIAG (2013)

National Security

This is measured using two main variables: the level of criminality/violent crime, and whether the government is involvement in armed conflicts. Available statistics show that conflict in the Great Lakes region has also been a source of arms trafficking. It has created big markets for arms industries in developed countries. The sale and circulation of arms has grown considerably through governments, rebel groups and ethnic militia. This has constituted a source of great security concern in the region (Elvis, 2002).

Consequently, there is high level of criminality and violent crime, which impedes personal safety, and the low performance by the selected countries (especially Burundi and the DRC) in National Security indicates high involvement of the government in armed conflicts (see Fig.4).

Fig.4: Average scores for Burundi, DRC & Rwanda in National Security



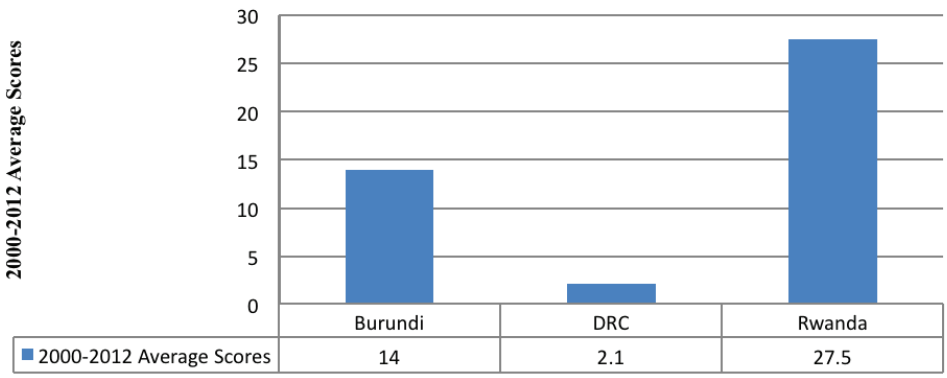
Source: Compiled with data from IIAG (2013)

Implications for Socio-Economic Development

Infrastructure

Given the high degree of political instability in the region, there are deficiencies in physical infrastructure that disrupt business activities and cause loss of income to the country. Thus, the abysmal performance in Infrastructure by the selected countries, as shown in Fig.5.

Fig.5: Avergare Scores for Burundi, DRC & Rwanda in Infrastructure



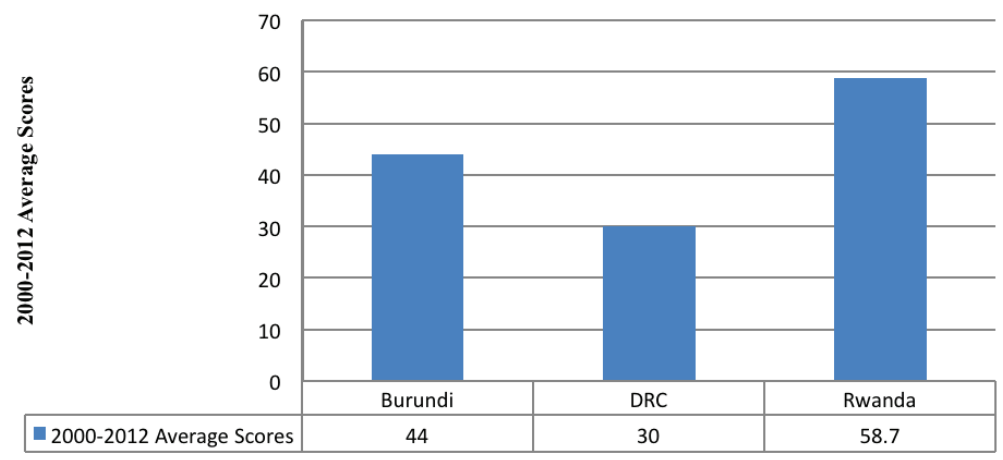
Source: Compiled with data from IIAG (2013)

Given the absence of enabling infrastructure, there is a low rate of economic growth. In 2013, World Development Indicators showed that the GDP per capita of the selected countries stood at US$192.1 for Burundi, US$199.3 for DRC and US$529.7 for Rwanda.

Welfare

With an average score of 44.0 points for Burundi, 30.0 points for the DRC and 58.7 points for Rwanda, performance in Welfare fell below average, except for Rwanda (see Fig.6). This is because a significant proportion of the population is isolated due to a high level of poverty and income inequality, while the states have put no mechanisms in place to ensure equality of access to safety nets that compensate for poverty and natural disasters.

Fig.6: Average Scores for Burundi, DRC & Rwanda in Welfare



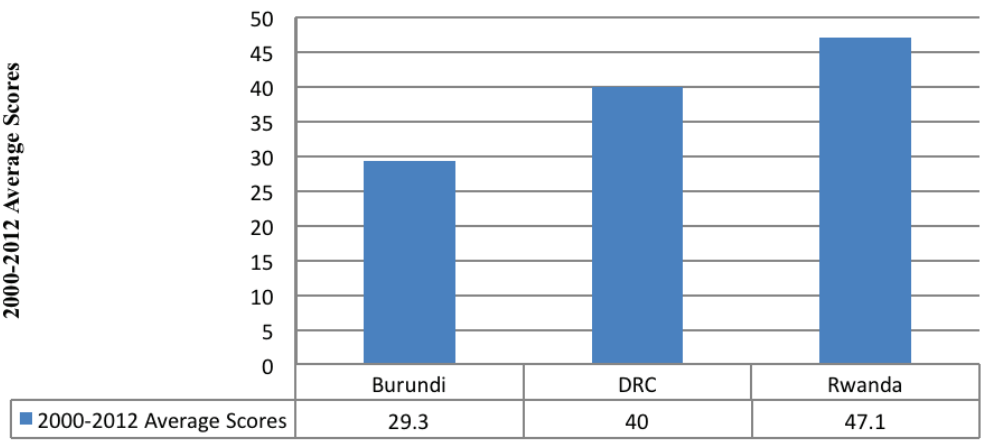
Source: Compiled with data from IIAG (2013)

This is in tandem with 2013 World Development Indicators Report, which showed that the percentage of population with less than US$ 2 per day is 93 per cent in Burundi and 82.4 per cent in Rwanda.

Education

Performance in Education is also poor because the states have not instituted an enabling framework to promote equal access for men and women to education, training and public resources (see Fig.7).

Fig.7: Average Scores for Burundi, DRC & Rwanda in Education



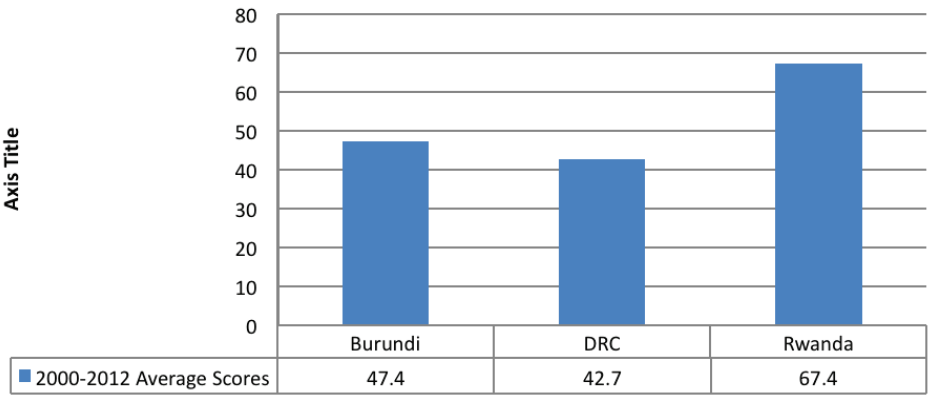
Source: Compiled with data from IIAG (2013)

The 2013 World Development Indicators Report supports the data above. According to the report, adult illiteracy rate for men and women in Burundi was 39.1/27.4 per cent, 45.1/20.5 per cent for DRC, and 33.2/25.0 per cent for Rwanda

Health

Apart from Rwanda with an average score of 67.4 points, the rest scored below the average point (see Fig.8). Burundi and DRC's poor performances in Health are due to the inability of the states to put mechanisms in place that ensure availability of and access to quality health services.

Fig.8: Average Scores for Burundi, DRC & Rwanda in Health



Source: Compiled with data from IIAG (2013)

Overall, if the IIAG figures for socio-economic development are compared with those from the Human Development Report, it is observed that there is no significant difference between the two. This is because data from the Human Development Report indicates that between 2000 and 2010, Rwanda, Burundi and the DRC – the epicentres of violent conflicts in the Great Lakes region – have maintained a consistent low rating in the Human Development Index as shown in Table 5.

Table 5: Human Development Index for Burundi, DRC & Rwanda: 2000-2010

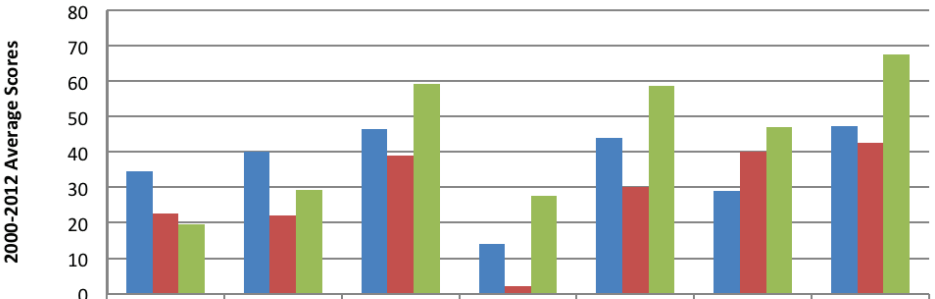
Country	Human Development Index							
	2000		2005		2009		2010	
	Score	Rank	Score	Rank	Score	Rank	Score	Rank
Burundi	0.245	170/174	0.285	169/177	0.312	174/182	0.317	166/169
DRC	0.224	152/174	0.260	167/177	0.277	176/182	0.282	168/169
Rwanda	0.313	164/174	0.376	159/177	0.419	167/182	0.425	152/169

Source: Human Development Reports of Selected Years

Comparative Analysis

A comparative analysis of the three countries sampled reveals that Rwanda ranks better than the other two in virtually all the selected development indicators, except in political participation and human rights, where it fell below Burundi. On the other hand, the DRC ranks the lowest (see Fig.9).

Fig.9: Comparison of Selected Indicators for Burundi, DRC & Rwanda: 2000-2012 Average Scores



	Political Participation	Human Rights	National Security	Infrastructure	Welfare	Education	Health
Burundi	34.5	40	46.5	14	44	29	47.4
DRC	22.5	22	39	2.1	30	40	42.7
Rwanda	19.7	29.4	59.2	27.5	58.7	47.1	67.4

Source: Compiled with data from IIAG (2013)

Ideally, this is not expected, given that the 1994 genocide had created a high level of human insecurity and socio-economic dislocation in Rwanda. However, Rwanda's better ranking in the selected indicators is because after the genocide, efforts in the country were geared towards nation-building and constitutional development process that de-emphasized ethnic imperatives. Post-genocide policy formulations engineered and institutionalized a Rwandan citizenry devoid of regional and ethnic stereotypes. Political parties with a regional or ethnic support base are not allowed to operate, and all political parties are obliged to belong to the political party forum. In this forum, the general political future of the country and policies pertaining to the reconciliation drive in the country are debated. Secondly, the post-genocide Constitution of 19 July 2003 forbids any recourse to ethnicity in the discharge of private and state services. Specifically, it provides in Article 11 that:

> *Discrimination of whatever kind based on, inter alia, ethnic origin, tribe, clan, colour, sex, region, social origin, religion or faith, opinion, economic status, culture, language, social status, physical or mental disability or any other form of discrimination is prohibited and punishable by law.*

This may well explain why two decades after the genocide, Rwanda has become a beacon of hope, development and prosperity in the Great Lakes region (Check, 2011). Unfortunately, this is not the case with Burundi and the DRC, where violent ethno-political conflicts occasioned by exclusionism are still festering.

Conclusion and Policy Recommendations

From the foregoing analysis, the assumption of the transmission model of conflict analysis that political exclusion engenders ethnic rivalry, which in turn results in political instability that reproduces itself in socio-economic underdevelopment, is validated. Thus, the whole scenario, as portrayed above, translates into an endemic cycle of evil that begets evil.

Arising from the Rwandan experience, it is recommended that individual countries in the region, the East African Community (EAC) and the East African Legislative Assembly should put measures in place to ensure the institutionalization of a robust nation building, political and constitutional development processes that de-emphasize ethnic imperatives and promote economic and social justice. This will ameliorate the recurrence of political exclusion that results in violent ethno-political conflicts with its negative consequences.

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The Promise of Prosperity Through Urban Revitalization in the Philippines and Indonesia under a Devolved and Neoliberal Regime

Bryan Joseph Ortiz[1]

Abstract

Problems like high unemployment still exist in cities that are considered models of good governance, such as Marikina and Surakarta. To account for the persistence of such problems, this paper probes the patchwork result of (local) state formation and uncovers the interplay between agents and institutions in creating and implementing "transformative" projects at the local level under a neoliberal regime. Results derived from the use of a combination of Kim, Snyder and Nas's works as guides and Comparative Historical Analysis as the methodology indicate that residents' access to social services and infrastructure in the two cities were enhanced by state-led projects. Such enhanced access was enabled by the mayors' visions and the ties created between the local state and key social forces. However, continuous shifts towards liberalization and the nature of the mayors' relationships with other state elite and social forces hinder the sustainability of the projects.

Introduction

The rise of capitalism convinced some social scientists to assume the convergence of polities on a certain path. In the era of globalization, when the survival of nation-states seems to depend on integration with international trade, the path leads to the creation of a liberal market economy where all will gain by seeking comparative advantage in the global division of labour in order to be competitive. But the promise of material prosperity remains unfulfilled to a large segment of the world's population. What accounts for the presence of uneven development? In attending to concerns about social inequality, it is important to address the question of solving the collective action problem of structural transformation. With modernizing in mind, the quest for structural transformation from agrarian-based economies into industrial-based ones became the grand goal of those who wanted to catch up with the leading or dominant powers. Although industrialization engenders contradictory outcomes like class divisions, several political economists of

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19th and early 20th century continental Europe saw that the task of harnessing everyone's potential rests on an entity that will guard universal welfare – the state (List, 1841; von Stein, 1964; Schmoller, 1895). Its transformative capacity was proven in the modern world, as attested by the creation of "democratic capitalism" in the form of welfare states in Europe (Streeck and Yamamura, 2001). The successful experience in state-building extends to the East Asian region wherein several countries attained the status of Newly-Industrialized Countries (NICs). The phenomenon of rapid economic growth based on nurturing productive sectors of the economy, like manufacturing, led scholars to term those countries as "developmental states" (Amsden, 1989; Evans, 1995; Johnson, 1982; Studwell, 2013; Wade,1990).

Others were not so lucky. As several Third world states successfully escaped from peripheral status in the global division of labour, pressures for greater economic integration through globalization were intensified. The emerging discourse of neoliberal ideology championed the cause of state retreat, as neoliberals argue that the efficiency in the allocation of resources should be left to the dictates of market forces. Globalization became their hope for further economic prosperity. Even then, the transition towards greater integration with the global market requires guidance from the state, with sufficient institutional capacity (Evans,1997:62-87; for arguments in favour of the state's transformative capacity even in the neoliberal era using the concept of governed interdependence, see Weiss,1998). Unfortunately, the expectations do not cohere with the realities, especially in many Third World countries. In those places, many citizens often depend on societal forces for interventions that are supposed to be filled by the state – a circumstance reflecting the inability of Third World states to assert authority in undertaking social control (Migdal, 1988 and 1994).

Still, it is far-fetched to conclude that the project of state-building failed, as the outcomes of transformative projects are mixed, with countries like the Philippines and Indonesia as exemplars (for the Philippine case, see Abinales and Amoroso, 2005). While the two countries had various regime types in place for much of the 20th century, both had a history of state-mediated economic transformation that failed to be on a par with the accomplishments of the Northeast Asian states, and all have competitive electoral democratic institutions. Local government units (LGUs) in those countries have significant powers in rule-making, as the idea of devolving power to the local level became popular. Devolution was done with the expectation that grassroots-level of participation in governance would enable the state to be more responsive to its citizens' concerns. With the ascendance of the neoliberal ideology in the post-authoritarian era, discourses on "transparency", "good and participatory governance", "social safety nets", and the like became popular. But such expectations were not fulfilled as local strong men (re)

emerged to dominate local politics, mostly acting in a predatory manner. Their style of governing is often described by scholars as exemplars of "bossism", "clientelism", "money politics" and "neo-patrimonial rule", among others (Anderson,1998; Hadiz, 2010; McCoy,1994; Sidel,1997). Nonetheless, there are exceptions. Due to the seeming rarity of the so-called reform-oriented leaders at the local level, a study of such exceptions is a worthwhile endeavour.

As part of the scholarly attempt to make sense of economic change, state formation and other emerging forms of social configurations, this paper tackles the project of urban revitalization in Indonesia and the Philippines, particularly as pursued by the cities of Surakarta and Marikina. In both cities, the heads of local governments did not behave in a predatory manner, as many of their counterparts did in in other parts of their respective countries. Instead, they initiated and implemented policies that attended to concerns associated with rapid urbanization, as they believed that their intervention served the interest of all. Examples include Surakarta's relocation of street vendors and Marikina's efficient waste management. Marikina and Surakarta's urban revitalization projects are similar to those pursued in other Third World cities, such as Bogota's Transmilenio Bus Rapid Transit and Mexico City's revitalization of open spaces like parks and plazas, as these cities seek to redefine urban living with recent emphasis on environment protection (Ebrard, 2014). However, problems typically encountered by other cities, such as high unemployment and huge gaps between the rich and the poor, still lurk beneath these cities that are renowned as "models" of "sustainable development". Projects of urban revitalization can be dismissed as a policy promoting gentrification that dispossesses the poor, an undertaking that serves the interest of finance capital and exacerbates social inequality. True enough, but in the case of Marikina and Surakarta, there are instances when the local state intervened in favour of the urban poor to the detriment of the upper class. There were efforts to balance the interest of capital and the subordinate classes. Such action can be interpreted as a reassertion of the state's reassertion of its developmental goal, albeit in quite an inclusive arrangement. What is interesting here is whether a 21st century developmental state, as argued by Evans (2008), can be formed.

Brazil's recent experience in reducing poverty and social inequality provided Evans and Heller (2012) with convincing proof of the possibility of constructing a 21st century developmental state through "democratic deepening". However, the stagnant growth generated by Brazil as well as the neighbouring country of Argentina in the last few years raises some doubts about the sustainability of the country's development. For someone who adheres to a critical perspective, like Ebenau and Liberatore (2013), there are limits to the new developmental model pursued by these countries. The model, called neodevelopmentalism, is characterized by a commitment to the reinvigoration

of industrial policies, adherence to fiscal discipline and provision of social services – a proposition championed by Bresser-Pereira (2012). The gains of the two Latin American countries did not provide a decisive escape from a dependent position in capitalist development. This is due to the persistence of a large share of extractivist activities in generating economic growth and the fundamental class contradictions that maintain the exclusionary character of state capitalism. These situations present ecological dangers and the difficulty of balancing the interest between (domestic) capital and the working class. The problem with Ebenau and Liberatore's (2013) analysis lies in the lack of analysis of the mode of expression of class interest in the two countries. While they are critical to neodevelopmentalism's "idealized" notion of the state, other factors that affect the degree of "stateness", such as the fragmented nature in the organization of social groups and the persistence of clientelism, were not noticed. The exploration of those factors is important especially in investigating other Third World countries, like the Philippines and Indonesia, which have a less spectacular record of industrialization.

This paper will, however, not dwell on modern capitalism's (ultimate) future. Whatever the case, the researcher hopes that this paper will help uncover some clues that will lead to a greater understanding of the interplay of the dynamics of state formation, human agency, and economic changes over time. An account of the resilience of modern capitalism, especially in the Third World, cannot be sufficient if there is no elucidation of the presence of "pockets of efficiency" or "islands of state strength" in countries that are generally considered weak.

Research Questions

In accounting for the persistence of the urban problems mentioned above, this paper will probe the patchwork result of a long period of state formation and uncover the interplay between agents, existing institutional framework, and the ascendance of neoliberal ideology in generating the contours of socio-economic transformation in so-called weak states, at the local level. In line with these plans, the following questions must be answered:

1. What are the preconditions that allow the formation of an institutional framework suitable for a transformative project to take place?
2. How do the cognition, normative values, belief systems, preferences, and ideological or programmatic commitments of the actors involved affect the trajectory of institutional change?
3. In what ways do an (existing) state structure as well as the relative strengths and weaknesses of state actors and major social groups shape or constrain programmatic commitments in carrying out transformative projects?

Theoretical Framework and Methodology

In exploring answers to research questions, this paper attempts to provide a theoretical formulation that combines the exposition of state structure and ties with social forces that are prevalent in developmental state literatures, the polities' political history, and the role of agents in shaping specific outcomes of a phenomenon under investigation.

As noted in the Introduction, the state's efficacy in carrying out societal transformation has already been documented in developmental state (DS) literatures, the most famous of these including the works of Chalmers Johnson (1982), Alice Amsden (1989), Robert Wade (1990), Peter Evans (1995) and Atul Kohli (2004) (even if the last prefers to term DS as "cohesive capitalist states"). They stressed the importance of creating industrial policies, strong and autonomous bureaucratic machineries, and ties with peak organizations. Clearly, the rise of the DS defies the logic espoused by neoclassical economics. However, in explaining the emergence of such states, DS scholars did not account for the crucial importance of political history in the successful economic performance of these states, despite the recognition of economic development as an explicitly political project. Moreover, DS literatures did not adequately include the one in charge – the person at the apex of the state. Such a critique of DS literatures is championed by Byung-Kook Kim (2011) in *The Park Chung-hee Era*. While he is able to elaborate on the complexities involved in forging Korea's industrialization, he overstates his criticisms of DS literatures. He tends to magnify the role of President Park Chung-hee in fostering Korea's rapid industrial growth at the expense of adequate exposition of Korea's historical antecedents of state-building which enabled Park and his clique to dominate in the first place. When he criticizes DS scholars on their supposed adoption of Weber's idea about bureaucratic rationality, which leads to overemphasis on the bureaucracy's possession of technocratic ethos, he forgets to incorporate Weber's maxim to people who wanted to have a hand "on the wheel of history". Park's political career, which ended with his assassination, could be assessed in relation to Max Weber's elucidation of qualities that a politician must possess: sense of passion, responsibility, and judgment (Weber, 1978). Besides, DS scholars did not view the emergence East Asian NICs in a static fashion. What is missing in Byung-Kook Kim's work is explication of the interplay between the historical legacy of state-formation and personality in Korea's industrial development.

To diminish the shortcomings of DS literatures and Byung-Kook Kim's work, this paper adopts Richard Snyder's (2004) proposition on the possibility of subversion of neoliberal projects at the sub-national level. Snyder's work is useful because the timeframe for his study of different pathways in the reorganization of the coffee industry in Mexican states under a devolved governing arrangement is focused on the years when the

neoliberal ideology was in its ascendancy. His argument illustrates the impossibility of social, economic and political homogenization hoped for by neoclassical theorists. In this paper, however, Snyder's proposition is used with a twist. First, there is a difference in the geographical focus of the (comparative) research. This paper focuses on case studies at the city and cross-national levels, while Snyder's is at the provincial and within one country level. Second, while accepting his argument about the corporatist project's viability within a participatory regulatory framework, this paper demonstrates that a "transformative" project that ignores elements of a neoliberal agenda can also be accomplished, at least for the time being. Third, as this paper concentrates on cities, a little more prominent place is given to local chief executives (mayors) due to their more proactive role in setting the pace for the kind of urbanization in their localities – a role that can be described as "directors of urban change" (Nas, 2005). Their choices during a critical juncture made a difference to the nature of the projects for urban revitalization. At the same time, the manner of conducting political contestations and the kind of linkages forged with key social forces shaped the directions of such projects.

With the above theoretical framework as a guide, this paper answers the research questions with the following arguments:

1. Local state elite crafted an array of policies that are state-led or mediated in contrast to neoliberal prescriptions.
2. Their policies are informed by a developmental vision rooted in the nationalist sentiment and prior private entrepreneurial experience of their localities, legacies of state formation, and vulnerability pressures generated by the devolution of power.
3. Engagements with key social forces in urban revitalization projects do not necessarily have to be participatory in orientation.
4. The choices of the local state elite with regard to their relationship with the central state actors/central state-level politicians bring consequences to the nature of their linkages with key social forces (and vice versa).
5. The inability of local state elite to forge long-lasting ties with key members of social forces condemns them to act within the confines of a traditional way of engaging in politics, which threatens the sustainability of projects.

In validating the propositions mentioned above, this paper utilizes comparative historical analysis (CHA) as the methodology. CHA, as one of the basic foundations of the social sciences, has been proven to be a powerful tool in the construction and refinement of theories (Rueschemeyer and Mahoney, 2003). Marikina and Surakarta are chosen for comparison due to similar commitments by the local state elite, particularly Mayors Bayani Fernando (BF) and Joko Widodo, to urban revitalization through state

intervention within the framework of a devolved and neoliberal regime in the 1990s and 2000s. However, as the local state elite of the two cities undertook various tactical choices with respect to their ties with key (local) social forces and national-level state elite/politicians, and as informed by their visions, backgrounds as private entrepreneur and past experiences of state formation, their political careers underwent different paths. This affected the resilience of the urban revitalization project and its impact on those who were supposed to gain. In Marikina, the local state leaders' alliances with the national state elite and ties with social forces were shaped by the historical trajectory of Philippine's state formation, which is in general based on patronage and the resilience of local politics. The relationship with key members of the social forces was defined by the relative endurance of Marikina's social movements and the presence of local enterprises nurtured by the ISI. Surakarta's experience was influenced by the legacy of a long period of Suharto's authoritarian rule. Although there was a commitment to "democratization" through the devolution of power, this policy was taken advantage of by the Indonesian state elite and members of the social forces linked with the authoritarian regime to reassert themselves in the local arena. The situation prompted Jokowi to interact in a pronouncedly informal manner, particularly with the masses, for the execution of the city's urban revitalization projects.

Results

Marikina and Surakarta's "improvements" with respect to several policy concerns could give the impression that they catered to the sensibilities of the middle and upper class, or were simply a gentrification. But Marikina and Surakarta are more than that. Both cities once had a dynamic industrial base comprising significantly of lifestyle products (footwear for the former and batik for the latter), which their local governments sought to rescue from the intensive pressures of trade liberalization. The state elite are still committed to industrialization and they believe that urban revitalization projects will help in (re)attaining it. While efforts to industrialize could produce inconclusive results, urban revitalization projects significantly alter other aspects of urban life which gain popularity (or notoriety) among the state elite. The sequence in the discussion of research results is as follows: 1. Description of the cities' urban revitalization projects 2. Historical antecedents of the cities 3. Reassertion of (local) state power 4. Mayors and their ties with social forces and national-level state elite.

Urban Revitalization Projects

Marikina

From 1992 until 2010, the local government presided over, at minimal cost, the swift construction and paving of over 700 km of roads and footpaths, in-city resettlement and housing with basic amenities such as water, electricity and sanitation services for 17,974 families who lived on the riverbank and in other illegal settlements, efficient waste collection (99 per cent), five-minute emergency response time, subsidized healthcare; etc. (Adamos III, 2006; City of Marikina, 1999; Mariano, 1999; Marikina Facts and Figures, 2010; Marikina City Annual Report, various years). Concurrently, its annual income increased from 70,000,000 pesos in 1992 to 1,625,422,638 pesos in 2009 (Fernando and Maliwat, 2009; Magno, 2011).

The well-known projects include housing/resettlement and waste segregation. Some of the resettlement sites were private property owned by a real estate company that was asked to sell the land at a price lower than its initial demand (Singh, 1993). Resettled residents, in turn, were obliged to pay for the land but in instalments and on a long term basis. Each resettled family occupies a 24 square metre lot and can acquired it through community mortgage. Funds for land acquisition were derived from the government's National Home Mortgage Financing Corporation (Lorenzo, 2007). The local government put in basic necessities and infrastructure while residents constructed their houses (Mariano, 1999). The cost of this housing scheme was much lower compared to schemes offered by other local governments, NGOs and international aid agencies (Ortiz, 2011). In another project, schoolchildren were encouraged to collect recyclable material and bring it to school on a designated day each week. The recyclable material was received by the Waste Management Office and the students, in turn, were given corresponding points on their Eco-Savers Passbook. Earned points could be bartered for grocery items and school supplies (Fernando and Maliwat, 2009: 41). Like the housing and resettlement scheme, the waste segregation project is cost-effective because it relies on stakeholders' cooperation.

Those projects earned Marikina its reputation for "good governance", which is partly derived from its distinction as a Hall of Fame Awardee of the Galing Pook Foundation, a body sponsored by the government, academia, private and foreign aid agencies that reward "innovative" projects and practices (Galing Pook website) of local governments. In this case, the local government used this reputation to draw outsiders in for organized excursions. Holiday festivals were also held to attract tourists (Fernando and Maliwat, 2009).To promote the city's shoe industry, the Shoe Museum was built which houses Imelda Marcos's 2,000 pairs of shoes (many of which were Marikina-made) and displays

the largest pair of shoes as per the Guinness Book of World Records, the Philippine Footwear Design Competition was inaugurated, and the Shoemakers' Festival was observed (ibid., 89; Allen, 2005). Still, the shoe industry's fate remains uncertain as it encounter stiff competition due to trade liberalization (Allen, 2005).

Surakarta

The Surakarta city government, between 2005 and 2012, relocated 4,000 people who lived in 1,000 houses that lie on the city's riverbanks, renovated 3,750 houses, moved hundreds of street vendors to covered public markets, reduced the processing of permits to six days, facilitated healthcare for the uninsured by issuing the so-called gold and silver cards to 13,000 and 195,000 people respectively, and revived the city's tourism (Majeed, 2012). Unlike Marikina, the Surakarta government does not have the power to raise taxes without the central government's permission. As 70 per cent of Surakarta's budget is derived from the central government, the local government leans on efficiency in the execution of projects (ibid.).

The relocation of street vendors was one of the most popular projects. Its success stemmed from the ability of the city government to convince vendors to move away from streets and footpaths and occupy instead the covered public markets built by the government. The vision of thoroughfares cleared of street vendors' stalls and other obstructions to pedestrian and vehicular flow is not something recent in Indonesia, as it dates back to Suharto's dictatorship when Jakarta removed things that symbolized "poverty and backwardness" from its streets in the 1970s (Henley, 2014). In Surakarta, the high unemployment caused by the 1997 Asian Financial Crisis had increased the number of people in the informal sector (Majeed, 2012). Conventional solutions like forced removal were tried but failed as the city government encountered strong resistance from street vendors. So the city mayor resorted to informal dialogue. After 54 rounds of negotiations, street vendors were persuaded to relocate after the city government agreed to provide them with vending equipment and training sessions for business promotion (ibid.; Pratikno and Lay, 2011). Relocated vendors paid standardized fees under transparent regulations to avoid bribery. The relocation was done with fanfare. The vendors and the city government organized a festive procession that signalled amicable settlement. To increase profitability, 13 covered public markets and vending areas were constructed or renovated between 2006 and 2011. It was forbidden for 'traditional' covered public markets to be converted into modern shopping malls or retail stores. Modern shopping malls were also banned within 500 metres of 'traditional' markets (Majeed, 2012). The city government's efforts to assist the informal sector, however, produced mixed results. Although there was a reported increase of as much as 200

per cent in vendors' revenue, scepticism was expressed about the supposed overall success of the relocation. Some vendors went out of business while others even went back to the streets albeit in a different location (ibid.; Obermayr, 2012). The problem partly stemmed from the inaccessibility of some of covered public markets to potential customers (Majeed, 2012).

Historical Antecedents

Marikina

Marikina was closely linked with the other part of Metro Manila even before its incorporation into the latter in the 1970s. The historical evolution of the metropolis is defined by the primacy of private interest and the weakness of the Philippine state (van den Muijzenberg and van Naerssen, 2005; Camba, 2011). Today's Metro Manila was a cluster of landed estates (*hacienda*) owned by rich and powerful clans. The fate of the *haciendas* varied, depending on its owners' responses to Manila's demographic expansion after World War II. Some passively collected rent, while others took on a proactive role to convert the estates into commercial, retail and upscale residential complexes (van den Muijzenberg and van Naerssen, 2005: 133-137). At the same time, the state attempted to create a new capital city outside Manila which was envisioned during Manuel Quezon's presidency (1935-1944) in response to Manila's burgeoning population. However, the plan failed to a large extent not only due to the War but also the inability to steer the trend to suburbanization in the post-War years. A combination of the preference of the elite to move outside Manila, the preoccupation of the government and the Americans with the city's reconstruction, the real estate boom generated by American private interest, the Manila city government's taxation policy, the presence of Filipino-owned landed estates outside Manila, and the government's preference for private sector driven urban development contributed to a "suburbanization process" that predominantly catered to the needs of the wealthy and the upper middle class (Camba, 2011).

The unplanned expansion of urban areas to Manila's outskirts reveals the state's lack of administrative and political apparatus in asserting its power – a condition that persisted until the Martial Law era (1972-86) of Ferdinand and Imelda Marcos (van den Muijzenberg and van Naerssen, 2005). Governor Imelda unleashed a series of projects that fell under an integrated plan for the newly-established metropolitan area, from healthcare to transportation. Her vision was to create a "City of Man" where residents could live with dignity and pride with Filipino culture. However, the overall outcome was the construction of edifices as a showcase to the international community at the expense

of the urban poor (pp. 137-139). The end of conjugal dictatorship in 1986 ushered in a fragmented vision for the metropolis which was, again, driven by private interest (ibid.).

In view of the discussion about the trajectory of Metro Manila's urbanization in the preceding paragraphs, where does Marikina figure? Like many cities in today's Metro Manila, Marikina was once an agricultural landed estate owned by a rich clan in the first half of the 20th century. Concurrently, the municipality had a shoe industry that began in 1887, an economic activity that remains the city's main source of livelihood to this day. Tenancy was a major issue confronted by the town, together with the defence of trade union interests (Isidro, 1991). Several peasant organizations were formed with the goal of land redistribution by the Tuason clan, the estate owners. The surge of peasant organizations coincided with the rise of agrarian unrest in other parts of Luzon Island during the 1920s and 30s. Even if President Manuel Quezon promised "social justice", there were limits to the state's ability to actualize it, as the proposal to break up landed estates met with firm opposition and he was beholden to the interest of the landlords (Abinales and Amoroso, 2005: 154). Thus, the Marikina peasants relied on their organizing ability. Their success in doing so varied. Some acquired the land, others gained a larger share of the harvest, while the rest either lost interest or did not participate for fear of antagonizing the Tuasons (Isidro, 1991). Overall, the Marikina tenants' struggle for land was a success, considering the fate of peasants in other parts of the Philippines whose demands were met with repression. According to Paz (n.d.), the Tuasons agreed to sell 104 hectares to tenants for 300,000 pesos. Among those who received land was Gil Fernando, Bayani Fernando's father. Gil would later become the town's councillor and mayor. It is noteworthy that local political families led the struggle for the defence of trade union interest and peasant organizations (ibid.; Isidro, 1991). Wenceslao de la Paz's election as mayor in the 1930s was attributed to his role in the peasants' purchase of the estate (Paz, n.d.).

Still, electoral contestations are focused on the electorate's loyalties to personalities or families rather than ideology or programmatic commitments – a feature that marked Marikina's politics in the succeeding decades. As Isidro (1991: 147) had observed, "voters generally look at the merits of their political leaders and not necessarily those of their platforms". Unlike in other Philippine localities, none of Marikina's key politicians had built a durable and undisputable hold on power for themselves or their families. Gil Fernando, for instance, did not hold the mayoral seat for consecutive terms. The only mayor who occupied the mayoralty post for a long time was Osmundo de Guzman, Gil Fernando's successor (Paz, n.d.). But then, de Guzman's mayoralty coincided with Marikina's incorporation into Metropolitan Manila in 1975 when Governor Imelda had overwhelming powers.

Marikina's urbanization occurred long before it became part of Metro Manila. In 1957, its industrialization commenced when the Philippine state favoured an ISI mode of development. Together with the long established shoe industry, the town became the site of factories that produced textile, fertilizer, paper, food, cigarettes, etc. Migrants lured by the proliferation of factories caused a population increase from 21,000 in 1955 to 112,598 in 1970 (*The Urbanization of Marikina*, n.d.:7). Concurrently, agricultural lands were converted into housing enclaves for the middle class and government employees. As Marikina became more crowded, tensions between residents increased. Incidents of petty quarrels, thefts, hold-ups, homicide and rape were blamed on migrants (ibid.: 10-11). By the 1980s and early 90s, the town had a reputation as a crime-infested place and a haven for urban insurgency (Culibao, 2004: 32; ILO, 2010).

Surakarta

Indonesia had a more enduring period of state centralization than the Philippines. Sukarno's Guided Democracy and Suharto's New Order had limited the chances of the local elite to build an autonomous power base (Hadiz, 2010). Suharto gained paramount status as President by concentrating state power in his hands. His regime's stability depended on the skilful manipulation of inter-elite rivalry and the containment of social forces. The corporatist governing arrangement became clear with the creation of state-sponsored functional constituencies (Case, 2002). Suharto's patronage guaranteed their loyalty. Social quiescence was partly secured by economic performance and accommodation to the nationalist, ethnic and religious sensibilities of social forces. If everything else failed, the regime resorted to repression. Nonetheless, it gave itself a semblance of legitimacy by organizing rigged parliamentary elections consistently won by Suharto's Golkar Party (ibid.).

Vulnerability to external shocks due to dependence on the shifting fortunes of oil production in the 1970s, the liberal entry of foreign capital, and the inability to change its landholding pattern like in the Philippines had made Indonesia's economic performance not at par with East Asian NICs (Studwell, 2013). The 1997 Asian Economic Crisis and excessive patrimonial plunder brought the Suharto regime to an abrupt end. Overconcentration of power gave way to empowerment of local governments, with the hope of preserving Indonesia's territorial integrity and promoting grassroots level of governance. On the surface, the holding of genuine competitive elections, including the electorate's direct election of President and local government heads, indicates sustained progress towards democratic consolidation. But Suharto's political machinery remained intact, even though disunity of the elite helped in making competitive contest for power a regular feature of post-Suharto era politics. The New Order nurtured elite

had demonstrated their resilience by reasserting power under different settings (Hadiz, 2010). They found local politics to be a lucrative arena for exercising predatory power that was relatively free from central state control (ibid.). In the absence of Suharto, power holders turned to political parties and control of local government as some of the sources of patronage. Traditionally, Indonesian political parties were formed based on cleavages between traditionalists, secularists, Islamicists, and 'communists'. The New Order regime brutally eliminated the last category. Elections in the post-Suharto era tend to reflect such cleavages, with the addition of the divide between "reformists" and status quo advocates. However, the identification of political parties with those cleavages have gradually receded over the course of the post-Suharto era (Ufen, 2008). Rather than serving as venues for the articulation of ideological and programmatic commitments, political parties are used as vehicles for building tactical alliances among the elite. Since electoral struggles are precipitated by what Hadiz calls "competing coalitions of predatory interest," those who want to give a voice to other social interests like labour are marginalized (Hadiz, 2010). This situation happens even in the presence of vibrant civil society organizations (CSOs).

In Surakarta, there were attempts by the local government to elicit the CSOs in development planning to subvert the opposition of the local parliament to the then Mayor Slamet Suryanto's "populist" policies. During Suryanto's incumbency, smooth ties between the mayor and the local parliament were a vital necessity as the latter had the power to elect and depose the former. However, this was not the case even if Suryanto and the majority of the local parliament members belonged to President Megawati's secularist PDI-P (Indonesian Democratic Party of Struggle). Suryanto and his group had to coalesce with local parliamentarians who represented the military and the police (Pratikno and Lay, 2011). His lack of administrative skills forced him to rely on the skills of the Local Development Planning Body. In this context, the Body's inclusion of CSOs is a challenge to the legitimacy of the local parliament. Still, the capacity to bring and implement a transformative agenda is limited, as the existence of CSOs does not rest on ideological foundations though it purports to represent the vulnerable sectors of society, such as small retailers. Rather, its existence was bolstered by the intervention of foreign aid agencies such as Ford Foundation and UNDP. Moreover, Suryanto's efficacy to govern was questioned by allegations of corruption (ibid.). Overall, the transition to a new political arrangement did not go smoothly in Surakarta just like in other local entities, as the city had to grapple with the emerging threat of terrorism and persistent massive unemployment that forced some to engage in informal employment such as street vending. The magnitude of unemployment is reflected by the fact that 38.3 per cent of Surakarta's working population belonged to the informal sector in 2002. By

2005, Surakarta's poverty rate had reached 16 per cent (Majeed, 2012). This gave the city the impression of being chaotic and hopeless.

Reassertion of (Local) State Power

Urban revitalization projects demonstrate the state's assertion of its power to (re)gain control of urban space. In Marikina and Surakarta, there was no instance of state retreat under Bayani Fernando and Joko Widodo's mayoral rules. The two cities utilized the bureaucratic machinery in creating and enforcing such projects though, in doing so, they adopted different tactics. In Marikina, the local state did not hesitate to use force against those who resisted, an act that, for critics, borders on ruthlessness, as with clearing sidewalks of street vendors (Santos, n.d.). Acts of deviance, like littering, were met with strict punishment. Surakarta, in contrast, resorted to persuasion for accepting the local government's projects. This, however, did not mean the prevalence of participatory governance as understood by its advocates because the efficiency and reliability remained paramount concerns of the local government.

The efficacy of the bureaucratic machinery in project delivery in the two cities rested on a series of policies that enhanced coordination and efficiency, such as the retention and professionalization of local government personnel, the introduction of planning process, the designation of a lead agency or department in the creation and execution of specific projects, and performance evaluation (City of Marikina, 1999; Majeed, 2012). In Marikina, these policies translated into the city mayor's propensity to consider the department heads as "members of his inner circle or team" due to their technical expertise or experience (Adamos III, 2006: 79, 88; Tordecilla, 1997: 17). They were mostly those involved in planning the city's development, with almost no participation from NGOs (Tumbaga, 1997:86). For instance, the mayor relied on technical experts from various departments of the local government such as the City Engineering Office, Marikina Settlements Office (MSO), Waste Management Office, etc. for the rehabilitation of the Marikina River and the demolition of settlements on its banks (Tordecilla, 1997: 17). If there was any participation from the NGOs, it was confined to non-vital aspects of the river rehabilitation project, such as the construction of certain landmarks like the Chinese pagoda (Adamos, 2006: 60, 86). Complaints against the local government's policies and projects were coursed to the relevant departments for resolution instead of immediate visitation to the mayor (City of Marikina, 1999). The local government was competent enough to directly supervise the construction of the required infrastructure. Instead of relying on private contractors, through its engineering department the local government had repair and maintenance facilities, "its own batching plant, steel fabrication, pre-casting and its electrical and traffic divisions" (Fernando, 2001: 3). These facilities were

housed in a 2.2 hectare site called Public Services Center, which was bought from a bank at a price of 13.5 million pesos (ibid.). The presence of the local state was felt not only in the building of physical structures and in the enforcement of regulations with an "iron fist" but also in taxation, by raising the rate as high as 200 per cent (Lopez, 2007:8). It helps considerably when the one in charge of all these regulations and projects – the mayor – is an engineer himself, who prefers a "hands-on" style of management (City of Marikina, 1999).

In Surakarta, the bureaucracy was mandated to speed up the required working processes to deliver its functions, from the issuance of licenses to the delivery of social services. Like Marikina, complaints were handled through bureaucracy by setting up a help-desk as a 'One Stop Service'. Personnel involved in bribery were dismissed. The bureaucracy had an important role in planning but it was the mayor who made major decisions. He crafted the overall vision, while the deputy mayor administered civil servants in project execution (Majeed, 2012). To monitor the status of projects, the mayor often visited the offices and project sites unannounced – an act known as *blusukan,* which made him popular among those frustrated with the bureaucracy (Dewi and Anitorang, 2009).

Mayors and Their Ties with Social Forces and National-level State Elites

Marikina and Surakarta's urban revitalization projects derived significantly from BF and Jokowi's vision for their cities and the nation as a whole. They may not have been articulate but had a set of beliefs and programmatic commitments to which they sincerely adhered. Those beliefs and commitments were informed by their upbringing, professional experience, and interactions with other members of the state elite and social forces. Their ability to deliver projects hinged on their choice of action and position in an array of social forces and state actors/elite engaged in contestations within a given institutional structure. Concerns expressed by social groups from the grassroots were heard only if they were organized or accredited by the local state. Interventions for urban revitalization not only changed the physical look of Marikina and Surakarta but also brought a positive impact on their residents, especially with regard to the provision of basic social services. Nonetheless, problems such as unemployment were not drastically reduced despite these accomplishments and interventions, including efforts to promote local industry. Trade liberalization is not the only thing to be blamed. An account of BF and Jokowi's ties with other state actors under the decentralized and patronage oriented regime must be factored in to clarify the uncertainty that surrounds the sustainability of urban revitalization projects.

BF and Jokowi have similar personal and career trajectories when it comes to the following: (fond) memories of the river from their childhood years, inclination to engage in a production-oriented entrepreneurship, the occupation of the mayoralty post when more than 40 years old and at a time when the powers of local government heads had been newly strengthened, and a belief in the necessity of adopting a developmental agenda as a solution to their city's (and country's) predicament (Dewi, 2013; Tordecilla, 1997). Their similarities also extend to other apparently trivial matters. When they became mayors, the heads of state in their respective countries, Fidel Ramos and Susilo Bambang Yudhoyono (SBY), were former military officers who had been given ministerial posts on security matters by female heads of state of the previous government. Upon taking over the presidency, Ramos and SBY embarked with a reformist image. BF and Jokowi's similarities parted in the choice of their patron at the national state level. BF was a Ramos ally, while Jokowi preferred to be affiliated with PDI-P, the political party of SBY's nemesis, Megawati, who was already out of power when Jokowi took office. Jokowi remained with the PDI-P even if it meant being with the opposition, which lessened chances of gaining access to patronage (Dewi and Aritonang, 2014; *The Jakarta Post*, 2013). In contrast, BF supported whoever was in the presidency. This choice affected their bid to reach higher political office. The two also differed in the tactics used in the execution of urban revitalization projects. BF pushed through his projects with force that bordered on ruthlessness, from his critics' perspective, though he was open to dialogue. On the other hand, Jokowi was more patient as he engaged in a series of negotiations to convince those who were about to be affected by his projects. Nevertheless, both BF and Jokowi were known for their "hands-on" style in project management.

If Jokowi is known as an admirer of heavy metal music, BF is deeply immersed in real metals, as the company that he established, BF Metals, has been engaged in steel fabrication for industrial and commercial purposes since 1968 (Beech, 2014; *Construction Management Magazine*, 1995; BF Metals website). BF's entry into the steel fabrication business was facilitated by the vocational and professional training he received at the Marikina School of Arts and Trades and in Philippines' premier engineering and technical school, Mapua Institute of Technology (MIT) (Bayani Fernando, Subok Na, n.d.). After he became a mechanical engineer in MIT, he worked in a company that produced agricultural machinery. Afterwards, he obtained a loan worth 6,000 pesos to start his own business. Within a few decades, he expanded his company's clientele not only in the Philippines but in foreign companies from several countries which needed its expertise in the construction of industrial plants, power plant structures, transmission towers, bridges, skyscrapers, etc. (*Construction Management Magazine*, 1995; BF Metals website). But

BF's entrepreneurial success did not simply arise from self-initiative. He learnt the art and technique of management in 1971 by attending the Manager's Course for Small Scale Industries offered by the University of the Philippines, the country's premier state university (Myrnaco, 2012).

Jokowi's initiation into private entrepreneurial practice was, as with BF, not entirely self-made. He started his career as an employee of his uncle's furniture workshop. In 1989, he obtained a loan of 15 million rupiah to start a business but failed in the early 90s (Mas'udi, 2014). To start again, he obtained a loan of 500 million rupiah from the State Gas Enterprise, a state-owned enterprise that assisted small and medium businesses. He then became successful, especially during the 1997 Asian Financial Crisis when the rupiah's devaluation against the US dollar produced huge profits to his furniture-exporting business. By 2002, he was successful enough to become director of the Surakarta chapter of ASMINDO, an organization of furniture producers. His entrepreneurial success was also noticed by a retired general, who later obtained a 49 per cent share in Jokowi's company (ibid.). He was backed by ASMINDO when he decided to contest the mayoral seat, where his opponents were also businessmen.

BF and Jokowi's Visions

BF's electoral victory in 1992 was his second attempt to enter local politics after he lost a mayoralty bid in 1988 (Tordecilla, 1997: 16). His defeat suggested that the electorates' memory of his father's mayoralty was not sufficient in securing Marikina's top local government post. In his election campaign, he disseminated his vision for Marikina in his Program of Government pamphlet. Those interventions had to be done to realize the vision for Marikina to be an "industry-friendly, happy, working-class community" (Program of Government, n.d.). This vision was created with the goal of industrialization in mind. BF asserted that a place could only be described as developed if "the dejected places are sorted out and the citizens have established jobs due to opportunities given by the **industries impressed by the environs' order and beauty and the citizens' way of thinking**" (researcher's emphasis) (p. 3). Industrialization could be exerted by means of "PHYSICAL RECONSTRUCTION and SOCIAL REORIENTATION (capitalized in the original) with this program of government as a guide and **the force of a disciplined bureaucracy and citizenry as implementor**" (researcher's emphasis) (p. 6). Clearly, BF thought of creating a strong state that had a developmental goal bolstered by a corporatist structure of interest representation. Contrary to the dominant discourse disseminated by "good governance", advocating that the lack of "transparency" and "accountability" were some of the root causes of the Philippines' ills, BF believed that "productivity" was the thing that ought to be solved. Poverty, for him, was caused by the inability to build a

productive capacity generated by a combination of skill and ingenuity (Fabros,2008:22; Bayani Fernando Subok Na, n.d.). Partly, the implication of such a belief was the creation of an argument about the necessity to elect an engineer with extensive managerial skills, since the main concern was to get the task done. BF's can-do spirit, derived from pride in his professional experience as an engineer, is a factor that may explain his preference to work almost exclusively with bureaucrats who had technical expertise when it came to crafting the city's developmental plans. He insisted that his projects were for the good of all, therefore all must obey the regulations. Deviance was to be frowned upon because "individualism has no place in a progressive community" (Disiplina sa Bangketa, n.d., Fabros, 2008: 25).

Jokowi shared BF's desire for order, as illustrated by the priority given to the removal of street vendors from footpaths and major thoroughfares. He did not derive his popularity from making memorable speeches. Rather, it came from his ability to enact administrative reforms as efficiently as possible in an environment where dysfunctional bureaucracy appeared to be the norm. It appeared that what he looked for was an ideal middle class community, where material success came from the presence of fairness and order (Henley, 2014). This, together with his insistence on transparency in the release of Surakarta's finances, could be interpreted as adherence to the neoliberal project of good governance. Such cannot be the case as, like BF, he wanted the state to take a more prominent role in industrialization. For instance, he sought the revival of the indigenous motor vehicle industry by sponsoring the Esemka national car project built by Surakarta's students (*The Jakarta Post*, 2013). Moreover, the local government procured the locally produced 'Railbus' as a commuter train for the city (Ayuningtyas, 2014). The construction of 'traditional' markets was an attempt to promote locally made goods.

BF and Jokowi's visions were lofty enough. But as Padilla (2008:464) notes, "Social order is not a given. It is a goal to be achieved." The way these visions were carried out produced unintended outcomes as revealed in the following sections.

Marikina

There were a number of organizations that attended to civic concerns and promoted sectoral interests long before BF's election in 1992, ranging from peasant associations, trade unions and civic groups, to business associations (Isidro, 1991). The proliferation and resilience of social movements during the 20th century had made it difficult for BF and the city government to ignore their demands. Upon BF's occupation of the mayoral office, he had to work or contend with persons who had an experience of participation in social movements. His strongest critic, Congressman Romeo Candazo, was an anti-Marcos and labour rights activist (Salaverria, 2013). Nevertheless, BF overcame Candazo's

opposition by collaborating with others. In executing housing and resettlement projects, for instance, BF appointed Harry Singh as MSO head because, as BF reminded him, "Squatting, demolitions and resettlement, and the attendant negotiations are all explosive issues…Your experience when you were active in the protest movement could be put to good use as you understand the critical issues in the program" (Mariano, 1999:9). It appears that the historical ties of social movements with the municipality/city's influential families, as well as their roots in local industrialization, had given them the leeway to engage in the city government's projects, unlike in other localities where peasants and labour unions were brutally crushed (Sidel, 1997). They were strong enough to be heard but not enough to be at the core of the decision making process, as their participation in the city's projects was confined to implementation. Industrial manufacturers were the only 'NGO' involved in creating the city's development plan (Salvador, 1997: 31). Even so, their participation too was minimal. This does not mean the absence of linkages of the local state with social forces. BF's Program of Government envisaged people's involvement in civic affairs but they could only do so by joining associations assisted, recognized and strengthened by the government (Program of Government, n.d.:24). In the housing and resettlement project, the Community Relations Office and the MSO organized community associations for the urban poor. Their efforts paid off as 158 community associations were created by 1999 and it jumped to 251 before 2005 (City of Marikina, 1999:21,23; Mariano, 1999:16; Marikina City 2005 Annual Report:5).

The drastic decline of Marikina's manufacturing sector, however, was not arrested. Unemployment in 2005 reached 17 per cent (Lorenzo, 2007). This could be attributed to trade liberalization's impact on the shoe industry. The value of Philippines' footwear exports declined from US$ 120,993,000 in 1992 to US$ 36,233,000 in 2003 (Scott, 2005: 83). The difficulties of the shoe industry were aggravated by rampant smuggling tolerated by the national government's Bureau of Customs, even while the local government lobbied for the industry's protection. A "watchdog" (note the terminology!) was hired by the local government to deter smuggling but failed to do so (ibid.; Lorenzo, 2007). Despite the drastic decline of the manufacturing sector, the city's population grew from 211,613 in 1980 to 357,231 in the mid-90s (Tordecilla, 1997:14). Such problems, together with Marikina's reputation as crime-infested place, generated survival pressures on all. In response to and in line with BF's Program of Government, a memorandum of agreement (MOA) was signed between the Alliance of Trade Unions of Marikina, the local government and industry in September 1995, to promote industrial and social growth, maintain industrial peace and increase government income (International Labour Organisation, 2010). The Workers Affairs Office, staffed with labour organizers, evaluated and monitored the implementation of the MOA. To enhance the working skills of residents,

the local government, in partnership with the private sector and national government, provided free skills training for 16 courses through its Center for Excellence (CENTEX) office. The skills training scheme reduced labour recruitment costs for firms. Available job vacancies shifted from manufacturing to service-oriented business process outsourcing and animation, a trend that compelled the local government to expand its list of courses (ibid.:75-78). The trend, together with the precarious employment conditions of some graduates and the growing population, probably prompted the local government to increase investment in formal education. As the new generation of workers who entered a more service-oriented labour market are averse to joining trade unions, the tripartite coalition that BF had built is in danger of decline. This and the fact that some projects of the local government require assistance from the national government, explain why BF and his wife as successor had to depend on allegiance to the president whoever he or she was, a move that will be discussed in the succeeding paragraphs. BF and the local government also had to take on the consequences of a decentralized metropolitan governance structure and his alliance with other state elite in a patronage-driven regime.

BF's 1992 electoral victory was due to President Fidel Ramos's backing through his affiliation with Ramos's Lakas-NUCD Party and his choice of Del de Guzman as his vice mayoral candidate. Del was from a family that defeated BF's father in the 1960 mayoral elections (Paz, n.d.). Despite intense opposition from Congressman Candazo, BF's hold on power as mayor was sustained for a full three terms, for nine years from 1992 up to 2001. He then positioned his wife, Marides Fernando, as the mayoral candidate for the 2001 electoral contest against Candazo (Alquitran, 2001).The problem was the Fernandos' non-affiliation with the new government of President Gloria Macapagal Arroyo, who came to power in January 2001, after a street protest against and withdrawal of military support to President Joseph Estrada because of allegations of corruption and supposed involvement in illegal gambling. The poor who formed Estrada's support base, made a failed counter protest in favour of Estrada's return to the presidency, a move in time for the senatorial and local government elections. Candazo was with Arroyo's Lakas NUCD Party-People Power Coalition while Marides won under the banner of her local political party, Kabayani (Alquitran, 2001). In the following year, the Fernandos switched their allegiance to President Arroyo. The latter, ostensibly with a wish to extend Marikina's accomplishments to all of Metro Manila, invited BF to be Chairman of the Metro Manila Development Authority (MMDA), to which he was appointed in 2002 (Fabros, 2008: 26).

Upon BF's appointment to this post by President Gloria Macapagal-Arroyo, he cleared the metropolis of street vendors, implemented schemes to reduce traffic congestion, flood, and garbage, and built medium-rise dwellings for transient workers (van den Muijzenberg and van Naerssen, 2005; Fernando, 2007:10-19). His chairmanship indicated MMDA's

growing role in governing the metropolis, a circumstance overwhelmingly disliked by some Metro Manila mayors. He found himself confronted by intense opposition from some Metro Manila politicians and resistance from the informal sector (Fabros, 2008). In the showdown for control of the metropolis, he could only rely on his loyalty to Arroyo, as some mayors allied with the president were also against him. Allegations of Arroyo's corrupt practices and electoral fraud were met with growing outrage. Despite calls for her ouster, BF remained with the president until a few months before the end of her term in 2010, when other politicians had already abandoned her. He hoped that his loyalty would bring his nomination as her presidential candidate (Fabros, 2008). BF only broke away from Arroyo's party after it chose another politician as its presidential nominee. By that time, some of his former allies had already joined the presidential campaign of an anti-Arroyo senator. BF's presidential ambition was relegated to a vice presidential bid after he teamed up with another senator who also wanted to become president. This situation was exploited by other Marikina politicians who distanced themselves from Arroyo and gained leverage at BF's expense (Llanto, 2010). BF's chief contender was an anti-Arroyo Makati City mayor who fiercely opposed his projects. In his last electoral bid, he met destructive defeat.

Surakarta

When Suryanto challenged Jokowi in an electoral contest, a law had already been passed which mandated the direct election of the local government head. Suryanto lost due to the city's deteriorating economic situation as well as allegations of corruption. PDI-P politicians had already deserted him, as they accepted Jokowi's decision to be affiliated with their political party. His decision was critical, for the headman of the political party, FX Hadi Rudyatmo (Rudy), had extensive ties with grassroots organizations (Majeed, 2012; Pratikno and Lay, 2011). Rudy assisted Jokowi in engaging with media and organizational management. Rudy quit his mayoral candidacy due to the potential liability of being a Catholic in a Muslim-majority constituency. He preferred to become Jokowi's deputy mayor instead (*The Jakarta Post*, 2013). Under Jokowi, CSOs took part in a dialogue between the local government and affected groups regarding the former's revitalization projects. Jokowi had proved that symbiotic ties between the local state and social groups were possible. But, like in Marikina, the involvement of social groups is set within the institutional parameters created by the local state. A good example would be the housing renovation in so-called slum neighbourhoods, where a working group of seven or eight persons enlisted by residents to the Department of Community, Women and Children Empowerment and Family Planning, assessed the settlements that have to be reconstructed or renovated. The group then submitted recommendations to the

district and city committees – composed of NGOs and local government officials – for verification before sending it to the department for approval. Houses were renovated by the people themselves under the group's guidance (Majeed, 2012; Obermayr, 2012). Jokowi often conducts unannounced visits or *blusukan* to inspect not only the progress of the local government's projects but also to hear the remarks of Surakarta residents. This action indicates that the probability of implementing the local government's projects depends significantly on personal encounters. The same was true when Jokowi conducted negotiations with street vendors and slum dwellers about their relocation.

Despite the initiatives taken by Jokowi and the city administration to revitalize Surakarta, the *Jakarta Post* newspaper notes that 13.3 per cent of the city's 400,000 residents are still poor – a figure higher than the national average poverty rate of 11 per cent. Open unemployment is at 9 per cent, and slums still exist (*The Jakarta Post*, 2014). Despite the proliferation of CSOs or NGOs, there were no strong labour-oriented political parties. As mentioned earlier, since Indonesian political parties became an alliance of power holders with predatory interest, it is not surprising that even Joko Widodo himself, especially as he occupied a higher office, was forced to coalesce with other power holders with links to the New Order or questionable human rights record, despite winning over those from the grassroots (*The Jakarta Post*, 2013).

Conclusion

Marikina and Surakarta's experience in implementing urban revitalization projects demonstrated the local state's capability of asserting itself under BF and Jokowi's leadership, even in the neoliberal era. Their upbringing, including their professional and political experience, inclined them to endorse projects that had developmental goals, reminiscent to some extent of East Asian countries' experience of state-mediated capitalism. The difference between the two cities and the classic case of East Asian DS is the emphasis of the former on "quality of life" issues, compared to the obsession with industrial production by the latter. Overall, however, urban revitalization projects did not necessarily bring a decisively transformative result in the two cities. Though the local states are capable of providing basic urban infrastructure and amenities, the citizens of both cities still have to grapple with high unemployment and poverty. BF and Jokowi had a vision of balancing the interest between capital and the subordinate classes. However, a tripartite coalition inspired by state-mediated capitalism of the mid 20th century is difficult to create or sustain in the face of manufacturing sector decline and persistence of patronage-based politics. This situation demonstrates the shortcomings of a vision that is not sensitive to historical particularities. Inability to address poverty

and unemployment concerns does not automatically imply the exhaustion of the state's capacity to intervene. Rather, it is a matter of forming an institutional configuration that will forge new sets of shared goals.

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Vulnerability and Social Sense Production: An analysis of the social representations of gender in the Ecuadorian press over the last ten years, within the context of sumak kawsay (good living) defence

Meysis Carmenati[1]

Abstract

This paper can be described as a preliminary work leading to a larger research, which analyses the social production and reproduction of sense regarding historically excluded groups, specifically women, and gender violence conditions within the context of Ecuador in the last years. Despite new legislations, the principles of sumak kawsay and the National Plan of Good Living (2013) adopted in the South American country still reproduce discriminatory representations, that belong to an exclusive and traditionalist discourse hegemony; it naturalizes discrimination and violence, while simplifying the dimensions of the problem. This shows the need of a diagnosis of the use, by the press, of standardized arguments that reproduce the exclusion.

Keywords: gender, violence, sumak kawsay, press, violation of rights.

Introduction

On 25 May 2014, the digital version of *El Universo*, one of the most important newspapers in Ecuador, carried the following headline: 'Women's aggressors are normal and conscious people' (*El Universo*, 2014). This press release referred to an interview on feminicide with Amanda Fiallos Escalada, psychiatrist at the Abel Gilbert Pontón Hospital.

However, starting from the headline, the wording causedan effect contrary to the one intended. The first paragraph – that has the greatest communication power, known as 'lead'by journalists – literally said: "Men who commit feminicide are completely normal people, conscious of their actions; however, they are unable to control their impulses." Further on, according to the press release, the psychologist advised women "not no argue with their partners when they have fits of anger".

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Its purpose was to assert the need to pass judgement on guilty people, not attenuate them by stating that they were mentally ill. Instead, due to ideological reasons or the journalist's incompetence, it naturalized gender violence by suggesting that it was a normal action and that women are, in part, guilty since they should avoid angering men.

It is not even remotely an unusual case. In a research on information about gender and violence in two Ecuadorian newspapers with the largest circulation (*El Universo* and *El Comercio*), carried out between 2008 and 2010, it was concluded that all of the 171 cases identified in 150 news items appeared in yellow journalism articles, and none on the front page. The author stated that the issue was addressed as a domestic matter that lacked public and political relevance. The news focused on sexist and stereotyped content, and only 0.6 per cent of them included statistical data while the rest privileged information "without a greater context and analysis"(Pontón, 2010).

The conclusions refer to a context in which unequal gender relations are reproduced, and the press is only one way through which these are expressed. Between November and December 2011, three institutions – the Ministry of Internal Affairs, the Commission for the Transition towards the Women's and Gender Equality Council, and the National Institute of Statistics and Census – carried out the National Survey of Family Relationships and Gender Violence. Data showed that six out of ten Ecuadorian women have suffered some kind of violence at some point in their lives (Palacios, 2014). Encouraged by their wish to unravel the role of the mass media in this issue, in 2013 a team from the Media Observatory on the Lookout for Women's Rights, analysed how ten Ecuadorian newspapers treated gender. Their results confirmed that they continue to report death and other extreme situations without providing an analysis of the context for the systematic violence in the region (Diego & Diego, 2014). This pattern had already been identified by the observatory in their earliest researches (Diego, 2011).

These are only a few examples. After tracking the available information, it can be argued that, with some exceptions, the news coverage of gender violence has not presented substantial changes. It continues to be dominated by a reductionist and stereotypical style that is loaded with prejudices.

In the press, social representations of violence against women portray a naturalized and simplified picture of the problem. There are no elements that contribute to a reflection on the historical and social conditions of these facts, which appear to be isolated and domestic in essence. The individualization of cases prevents us from conceiving this kind of violence as a structural problem that responds to a system of exclusion and historical declassment. In such a system, the relations of the hierarchy and power of men versus women are reproduced within the collective imagination, and have legitimized a system of inequality that is essentially illegitimate.

Regulations and their application in Ecuador

Of course, identifying the violation of women's rights in the press is not even remotely limited to Ecuador. I could mention a similar research, conducted between 1999 and 2001 by the Department of Journalism and Audiovisual Communication at the University Pompeu Fabra in Spain, on the representation of violence against women in the Spanish press (*El Pais* and *El Mundo*),among the countless examples, by Claudia Vallejo Rubinstein.

In line with previous studies, the author concludes that:

> "The role of the media regarding the social representations of gender violence goes beyond the fact of reporting what happens; it is jointly responsible for and co-constructor – along with other structures of socialization, such as family or school – of socially prevailing views on the problem..." (Vallejo, 2005).

However, Ecuador has become the spotlight in recent years, thanks to the adoption of a set of laws with direct impact on the development of action programmes and public policy. After decades of invisibility and confrontation, gender equality became the arena of legislative changes.

According to a summary by Paulina Palacios, lawyer for the Sub-Directorate of Gender of the Judiciary Council, in addition to the defence explicit in the Constitution of the Republic of 2008 (Arts.11;70[2]), the secondary legislation of the Ecuadorian State has a Law Against Violence to Women and the Family (1995), the National Plan for the Eradication of Gender Violence Against Women, Children and Adolescents (2007), the Organic Code of Health (2007) the National Plan to Fight Trafficking (2004), among others.

For Palacios, the restructuring of the judicial function determines the creation of specialized justice spaces, along with regulations of the autonomous governments, which regulate mechanisms guaranteeing rights, such as equality ordinances for people of different sexes, generic in three of the most important regions (Cuenca, Quito and the province of Guayas). Likewise, the lawyer emphasizes the creation, on 15 July 2013, during the Plenary Meeting of the Judiciary Council, of judicial units for violence against women and the family. By September that year, 28 of those units started to operate in

2 "Nobody can be discriminated neither by ethnic reasons, birthplace, age, sex, gender identity, cultural identity, marital status, language, religion, ideology, political affiliation, background criminal record, socio-economic status, migration status, sexual orientation, health condition, HIV carrier status, physical difference, nor for any individual or social difference, permanent or temporal, that try to diminish the acknowledgment or use of individual rights" (Art. 11, num. 2). "The State will design and apply rules to reach equality between women and men; this through specialized mechanisms according to the law, it will incorporate gender focus in different plan and programmes; it will also give specialized support for its obligatory application in the public service" (Art.70).

18 provinces. During the first semester itself, an index of over 33 percent was recorded in the resolution of cases, compared to the average of 13 in the corresponding period in previous years (Palacios, 2014).

In the last decade, Ecuador also included the protagonist of the academic-institutional debate, the concept of *sumak kawsay*, or 'good living', whose proposals acquired official recognition through the National Plan for Good Living (PNBV), adopted on 24 June 2013. The latter can be defined as a programme to radicalize democracy. And the truth is that, at least in principle, the so-called Socialism of Good Living dramatically compromises the traditional liberal structure and political core of Modernity. So it seems important to analyse the relationship between the new postulates of *sumak kawsay* and those shared social representations that violate women's rights and those of other historically excluded groups. Faced with these new procedural principles set out in PNBV, and as a constant violation of their approaches, such discriminatory representations circulate and become legitimate on a daily basis, through the press.

The concept of *sumak kawsay*

Since its appearance, *sumak kawsay* became the breeding ground for a group of unpublished conceptualizations about the role of the subjects, the relationship with nature and the diversity. This made it possible to rescue the debate on otherness, from a unique perspective so far. Just the idea of recognition of harmonious relations between humans and nature involves a re-conceptualization of neoliberal economic forms against the imminent sustainability of life (Ramírez, 2012).

According to de Sousa, this concept includes aspects, such as indigenous justice, that go beyond the scope of culture and mainly become "a matter of political economy". This author states that: "The future of indigenous justice depends on whether the rudder moves in the direction of dependent capitalism (*neoextractivista*) or in the direction of *sumak kawsay*..." (Sousa Santos, 2012: 50).

Although its appearance responds to social and historical circumstances that have, too quickly, turned the concept in a kind of saving ark against the deluge, it is also true that it opened a dispute about the redefinition of identities within the public space. The new and resulting points of view can have an influence on the meeting of demands in the areas of law and justice, social equality in opportunities and access, differential treatment of what is national and plurinational, andon other forms of relationships and political communication.

You must understand that *sumak kawsay* postulates, "in theory", the interaction of identities towards the quality of a decent life, the cultural production of an emancipated

social sense, the recognition of freedom starting with the criticism of its formal character, and the rupture with the forms of existence of unequal and exclusive relationships. It is no coincidence that it quickly positioned itself at the forefront of the recognition of the diversity and sovereignty of indigenous peoples, and of the empowerment movement against gender discrimination.

In Ecuador, these symbolic references are nucleated around the reform of the State, and founded the universe of proposals, sometimes coherent and at other times openly contradictory; a civilizational alternative that still faces the challenge of its making. However, the demand for political participation, the proposed change of the productive matrix to the expanded *reproduction* of life and not merely the capital, the relationship between social diversity and economic diversity, the latter linked to the recognition and the emergence of new plural subjects, aim towards a radical decolonization that opens the debate on sovereignty and self-determination of marginalized social groups. Broadly speaking, these are the tenets of the National Plan of Good Living, as they have been set forth. But the reality surpasses the text in complexity and contradiction.

Some of the questions that the process of transformation of this South American country has formulated are: What might be the impact of a political-legislative programme when compelled to transcend the regulatory framework and express itself through the change of common sense, towards a good sense placed in the redefinition and revaluation of identities? To what extent can these processes be considered a political project, that is, an organized strategy product, of a common will? Does the existence of a position of confrontation against the hegemonic sense, delimiting access to opportunities within a social value system, ensure empowerment from a new sense? Does the fact that collective subjectivities obtain empowerment processes, perhaps, found an awareness of emancipation?

Despite these efforts – the implementation of public policies and the strengthening of the legislative framework – gender violence continues to produce a large number of victims every year. Specifically, its manifestation through the reproduction of discriminatory stereotypes in the media has shown no relevant changes. Concepts like *sumak kawsay* can do even less if we consider that its substantive existence implies the practical-critical transformation of how humans relate to each other and with nature.

Also, in the press of a country that has raised the diversity and plurinationality flag, it is quite unusual to find references in the media about the relationship between the violation of the rights of women and their belonging to a specific class, race or nationality, their age or disabilities, their status or not as migrants, and their educational level, occupation or profession. These circumstances disappear before the weight of hegemonic social representations, and prevent the analysis of structural violence from exceeding the

common use of standardized arguments and violent stereotypes – or from turning to the invisibility of the disaggregated approach, perhaps the most common resource of mediatic discourse.

In contrast, in the research on the movements for the rights of women and gender there is an increasing interest in addressing this problem from an intersectional perspective. As Marta Cabezas explains, this "has allowed a more complex theorization of the relationships between women with different positions in the class and ethno-racial hierarchies, as well as those of feminism with subordinate women" (Cabezas, 2012).

Despite these efforts, mass media appears to remain in the prehistory of any critical approach to social research; with valuable exceptions, mostly located within alternative publications.

It is concluded that the violation of the rights of women and other historically excluded groups in the press is not simply a matter of professional or media ethics. The observatories, as required pressure authorities, are spaces for reporting incurred violations, once these have arisen. Therefore, it is urgent to move from the protest to the analysis of the conditions of possibility and the existence of mass media industries that, worldwide, constantly commit acts of discrimination. The question does address the abuse of power, but the reproduction of discriminatory representations that exist beyond the means of and naturalize within social relationships, in an exclusive system that legitimizes the historical inequality.

Critical analysis of press discourse

One of the disciplines that has more consistently denounced the abuse of power has been the Critical Discourse Analysis (CDA). Its purpose is not reduced to the study of discursive practices of manipulation. Unlike ordinary "scientistic objectivism" the CDA expects to contribute in an effective manner to the resistance against inequality and discrimination (van Dijk, 2003; Fairclough, 2008).

Included in his fundamental thesis is the definition of discourse as social practice, as well as the understanding of media violence from the analysis of the context of news – the relationship between reporters and editorial policy, between the latter and the interests of the media, the tensions of the interaction between media and the public, and the complex exchange of language and communication from political, cultural and historical dimensions (van Dijk, 1999).

The most interesting concept for us about this perspective are the *social representations*. Even though the CDA identifies a vast number of structures that allow that allow the control of public discourse, this is only possible because of the relation

between the subjective individual representations and the shared social representations. The latter are considered, most of the time, either presuppositions or beliefs regarded as "genuine" (Baker & Wodak, 2011; van Dijk, 2005).

Among these, we find stereotypes and common social prejudices like xenophobia, racism, chauvinism or other types of discrimination. For Wodak, these are identified with the *topoi,* that is, "a number of standardized arguments used to legitimize the allegations" (Colorado, 2010). Van Dijk prefers to link them with the properties of mental models which control the production and reception of discourse that keeps an organic relationship with the social structure (van Dijk, 2003).

It is a complex relationship between discourse and representation, or between representation and reality, which is the same thing. This view contradicts the idea of a "given" reality and proposes a reflection on how different representations exhibit them as natural instead of showing what they really are, that is, a social product of the current historical and social context. Such representations make legitimate, ideas such as "what a woman is and must be", "her role in society", and the so-called "proper" behaviour within society. Behind women stereotypes lies the legitimization of unequal roles and unequal opportunities given to them in societies.

Only the naturalization of violence allows discriminatory discourse to reoccur in mass media, without any significant reaction. This strengthens the idea already suggested, that there is a clear connection between cultural factors and domination structures. The studies to determine how structural violence is legitimized and reproduced through shared social representation was the focus of the Italian philosopher Antonio Gramsci, who defined it as the *common sense* concept.

In the *Prison Notebooks* he describes the phenomenon of power from the initial idea of *hegemony,* which sees the social environment as a field being affected by tense and lax relationships in which a system of rules and values is produced; here, a manifestation of power is also produced (Carmenati, 2013). In that sense, the *Notebooks* addresses implicit cultural aspects of domination that flow with the communication channels, and which underlie different lifestyles and people relationships.

> "School as a positive educational function and courts as an educational way of negative repression are the most important state activities in this sense. Indeed, many other initiatives and activities that pretend to be private tend to pursue the same goal; they belong to the hegemonic political and cultural system…"(Gramsci, 1993: p.174).

The Gramscianism concept of *hegemony* deals with a kind of structural domination that lies on a daily basis. Even if we are not to blame, we are responsible for this. The schools teachers, marketing designers and even mothers play a very important role

when reproducing these hegemonic and discriminative representations about gender. Of course, mass media has no less a responsibility in this. This leads us to question gender violence as an issue, about how social "sense" is created and produced. For that reason, to the Italian communist, to deconstruct the present ideas implies a deep transformation that goes beyond so-called *common sense.* This idea gives an important role to the analysis of the usual glossary commonly used in discriminatory discourse.

Conclusion

This brief article possesses a central premise: the multilateral transformation process –by which a traditional and derogatory view is fractured, and a "citizen's self-esteem" is shaped – has to be closely linked to collective action and to the organization schemes of a resistance that favours access to equality and is against discrimination based on class, ethnicity, gender, sexual orientation and race, among others. It is true that, in recent years, the world has paid special attention to the changes that have taken place in certain countries in South America. Besides, the development of the Socialism of the XXI Century in Venezuela (1999), the communitarian socialism and the policies of *Suma Qamana* in the Plurinational State of Bolivia (2005), and the policies of *Sumak Kawsay* or Good Living of the Citizen's Revolution in Ecuador (2007) have gained attention. At the dawn of this new century, these processes burst into the scene as a way to elaborate transformation principles and decolonize societies from different postures and perspectives. Articulation spaces were created; institutional platforms that remained isolated or reproduced the disappearance of class distinctions and restricted access practices have been reactivated. Basically, policies were developed from the estrangement and rejection to move towards neoliberalism, while civilization change had to respond to a history marked by dependency.

It is essential to point out that, at a certain time, such processes began to be lead by left or progressive governments, which, at least at the beginning, vouched for a more participatory system by making changes through public policies aimed at a more inclusive vision of society and democracy. While being aware of the problem posed by permanence–present in every transformation process – these governments opted for turning "new practices" into institutions when drafting new constitutions. In that way, the construction of plurinational states and societies in South America was marked by reforms in the judicial, labour and educational systems, in the creation of new impact laws and policies. This is what Boaventura de Sousa has called "transforming constitutionalism"(2012).

Likewise, it is worth mentioning that civilization change processes that have taken

place in Ecuador during the last decade are still being fought over. A lot of their results have not been collected yet, and others are being implemented or revised. The Ecuadorian case is hard, multiple, and has not revealed all its motivations yet. Still, its uniqueness has caused a recent interest in the forms of existence of its democratizing policies, especially those related to the conception of the Good Living. Indeed, Ecuador rewrote its constitution to legitimize the claim of legal relations to the shared management of social rights of all historically excluded groups.

However, although it is a fact that democratic policies in recent years in these countries have gained the support of a large part of the population, we cannot forget that for maintaining all transformation, an impact on social sense production is required in the production of subjectivities and of social representations in public spaces.

First of all, the need to agree with the coherence of transformation demands a critical look at its own condition, in such a way that the greatest challenge lies in the permanence of the implemented sociopolitical proposals. This is even more so if the dependence is on a programme identified by a movement or party of power, and not on a project of society, which is able to transcend formal policy structure and to re-launch itself from significant ideological keys that impact the public space in the production of inter-subjectivity. Such a question alludes to a major issue, directly related to the struggle of political hegemonies that sets the criteria of significance and value in the public arena.

Hence, a model of post-neoliberal society and radical democracy necessarily has to reflect on the conditions of the possibility of historically excluded groups, and on how to shape a society capable of overcoming the apparent nomination of the modern concept of equality.

Taking into account the above, one should conduct an analysis of the relations of production and reproduction of social consciousness on the historically excluded groups that, despite the new laws and paradigmatic principles of *sumak kawsay* and of the National Plan of Good Living, continue to reproduce discriminatory social representations of a discursive hegemony, whose existence implies the need for a deeper radicalization of the public policies implemented in South America. Such an analysis must be capable of converting these policies into an organic and political process of practical and critical transformation.

In the analysis of the relationship between the social production of meaning and reproduction of a historical system of the naturalization of violence, discrimination and social exclusion, a first step could be taken through the development of a vulnerability diagnosis of hegemonic social representations of women in the press, where the consolidation of stereotypes, superficiality, triviality and contextualization of gender violence predominate on a daily basis. This deforms and quietly undermines the

effectiveness of any proposal for radical democracy and equal rights and opportunities.

From now on, every word matters.

The deconstruction of domination begins with the acknowledgement of the hegemonic sense that naturalizes it.

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Neoliberal Extractive Resource Governance Frameworks and Interregional Economic Inequality in the Global South: Strengthening regional competitiveness through local content policies

Chilenye Nwapi[1]

Abstract

This paper examines how, within a neoliberal extractive resource governance framework, countries in the global South can forge their own development path successfully. The paper proceeds from the standpoint that the meaning of neoliberalism is not cast in stone and that it is possible within a neoliberal framework for countries in the global South to formulate new policies that are capable of lifting them out of poverty and inequality. The paper focuses on how the global South may use the local content policy in extractive resource governance to strengthen regional competitiveness and address interregional inequalities. It argues that a local content policy designed to give deliberate consideration to the regions where the resource extraction takes place, accompanied by an income redistribution policy administered by the central government, has a great potential to engender regional competitiveness and consequently address interregional inequalities within countries in the global South.

Introduction

Discussions of neoliberalism are dominated by those at the extreme poles of the political and economic spectrum. One extreme – championed by the World Bank and other international financial institutions – sees neoliberalism as the silver bullet for eradicating poverty and inequality among and within nations. Occupants of this extreme prescribe reforms aimed at eliminating government intervention in economic activity and at liberalizing the global economy by providing legal and institutional frameworks that are investor-friendly (Saadatmand & Choquette, 2012). The other extreme – promoted vigorously by scholars in the global South – sees neoliberalism as the brain behind poverty in the global South and the widening inequality between the global South and the global North (Campbell, 2012; Szablowski, 2010). This extreme seeks the immediate

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dethronement of neoliberal structures as the starting point of economic reforms that can boost the economic development of the global South.

Experiences of the last decades have proved the first group to be wrong, as large sections of global populations, particularly within the global South, remain poor and marginalized while the gains of economic globalization are seized by a few (Hopkins, 2009). This failure of neoliberal promises has strengthened the case for the dethronement of neoliberalism, resulting, however, in a rendition of neoliberalism as immutable. As Bristow (2010:142) has observed, "[t]here are good grounds for asserting that the apparent immutability of neoliberalism has been somewhat overstated." To be clear, neoliberalism has established certain key assumptions about the global political economy – most fundamentally, about the role of the state in economic activity. But its meaning is not cast in stone. Like other ideological constructs, it is subject to continuous reconfiguration to accommodate new policies. Indeed, it has not been pursued uniformly across countries. As Birch and Mykhnenko (2009) have pointed out, traditional neoliberal policies such as privatization, deregulation and trade liberalization have been pursued in different ways, to varying degrees, and for different reasons across countries, particularly within Europe. I believe that within a neoliberal resource governance framework, there is significant space for countries in the global South to forge their own development path with assurance. As Bristow (2010:143) has argued, "[w]hilst the probability that neoliberalism itself will be toppled may … be unlikely, the scope for transformation and change should not be entirely ruled out."

This paper focuses on how the global South may use the local content policy in extractive resource governance to strengthen regional competitiveness and address interregional inequalities in the global South. It argues that a local content policy designed to give deliberate consideration to the regions where the resource extraction takes place, accompanied by an income redistribution policy administered by the central government, has a great potential to engender regional competitiveness and consequently address interregional inequalities within countries in the global South.

Section 2 of this paper analyses the concept of neoliberal extractive resource governance. Section 3 is a brief review of the literature on the link between FDI and interregional economic inequality. Section 4 discusses the link between competitiveness and inequality, addressing the question, can competitiveness reduce interregional inequality? Section 5 discusses local content policies as a viable mechanism for the promotion of regional competitiveness, and consequently for the reduction in interregional inequality in the global South. Section 6 summarizes the conclusions of this paper.

What is Neoliberal Extractive Resource Governance?

Neoliberalism can be defined as "a distinctive political-economic philosophy that took meaningful shape for the first time during the 1970s, dedicated to the extension of the market (and market-like) forms of governance, rule and control across – tendentially, at least – all spheres of social life" (Peck &Tickell, 2007:28). It favours ideas such as privatization, deregulation, decentralization and competitiveness (Bistrow, 2010). It calls for legal and regulatory reforms to establish a favourable environment for foreign investments in the extractive sector, and calls for a reorganization of the internal working mechanisms of the State to promote market efficiency and the establishment of resource governance frameworks that promote easy flow of FDI (Shaikh, 2005). This is expected to have several positive effects, including increased productivity, technology transfers, the introduction of new processes and know-how in the domestic market (Alfaro et al., 2004).

In a 1992 technical report on African mining, the World Bank stated that "[t]he most important move" for African States was "to create a suitable environment for private investments" (World Bank, 1992:53). The Bank stated unequivocally that African governments had a choice either to "continue 'business as usual'" and "stagnate" mineral production, or to "take the initiative to accelerate growth". The latter required "[a] clearly articulated mining sector policy that emphasizes the role of the private sector as owner and operator and of government as regulator and promoter" (World Bank, 1992:53).It also required "[e]arly privatization of public mining assets" (World Bank, 1992:53). The Bank regarded this as "the most effective signal to international mining companies that governments intend to follow a private-sector strategy" (World Bank, 1992:53).

> According to Szablowski (2010:34),
>
> "the new agenda advocated comprehensive privatization of state companies, an end to restrictions on foreign ownership and the repatriation of profits, lowering rates of taxation and royalties, restructuring labour laws to permit greater flexibility, and the termination of performance requirements such as those mandating local sourcing or local hiring. In addition, mining legislation had to be rationalized, administrative processes simplified, technical services to the industry (such as modernization of the mining cadastre) improved and "subjective" elements of bureaucratic discretion removed from the permitting and approvals processes."

These externally driven changes entail a redefinition of the role of the State in socio-economic development and have resulted in a weakening of State sovereignty, State

autonomy and authority, and the capacity of States to take charge of and influence their own development (Campbell, 2012). In response, States have adopted strategies to reconcile the pressures under which these reforms have put them. At times, the strategies have involved "a formal award of rights to the investor accompanied by an informal delegation of local regulatory responsibilities", resulting in transnational mining companies assuming "state-like responsibilities" (Szablowski 2010:27). This abdication of responsibility by States has blurred the line of responsibility of States and mining companies towards mining communities, with significant consequences for mining companies (Campbell, 2012). Szablowski (2010:45) summarized the consequences as follows:

> "[M]ining enterprises operating in the Global South are not able to respond to their critics, either locally or transnationally, with the simple assertion that their responsibilities begin and end with compliance with a host state's legal requirements. It may be that in a globalizing era, for many audiences, states appear too weak or too complicit to offer a convincing check on the actions of corporate giants. Or perhaps, curiously, the retreat of the state from the mediation of socio-economic relations has left private enterprise increasingly subject to social claims."

These consequences have created a "legitimacy" problem for extractive companies and the imperative to obtain the "social licence to operate" (Campbell, 2012: 40, 41). Thus neoliberal extractive resource governance has become both a danger to economic growth in countries in the global South and a threat to the operations of transnational corporate actors.

FDI and Interregional Economic Inequality

The history of economic development shows that mineral development has contributed significantly to the development of local communities and regions around the world (Eggert, 2001). The positive impact of FDI on economic growth is due to the capacity of FDI to create jobs for local populations with a consequent increase in per capita income through higher wages. Domestic firms also experience higher productivity as a result of technology transfer and knowledge spillover brought about by FDI (Teekasap, 2013). But mineral development has also contributed to the under-development of many local communities and regions, particularly in the global South. Bond (2006) has argued that neoliberal-induced macroeconomic policies have aided the preservation of uneven development in Africa, where wealth accumulation and poverty live side by side. The Niger Delta region of Nigeria readily comes to mind, a region characterized by socio-

economic and environmental degradation occasioned by oil and gas development, despite huge revenues the Nigerian government derives from the resources. There has been continuing conflict in Nigeria over the negative socio-environmental impacts of oil extraction and the distribution of the resource wealth between the resource bearing region and the federal government (Nwapi, 2010). Among the factors identified as responsible for this is "the historical failure of governance at all levels" (UNDP, 2006:17).

Consequently, assessing a country's economic development based solely on national economic statistics may be grossly misleading. According to economic development theory, intra-country disparities in political and economic institutions among the different parts of a country can be almost as wide-ranging as inter-country disparities (Libman, 2011). The disparities are a result of a myriad of factors, including: the deposit of mineral resources in different parts of the country (Libman, 2011), the distribution of FDI to the different parts of the country (Lessmann, 2013), the interplay of subnational institutions and resources (Libman, 2011), and the subnational impact of national institutions (Michalopoulos and Papaioannou, 2014). Rodríguez-Pose (2012) identifies the accessibility of foreign markets by the different regions of a country as another factor influencing the impact of FDI on regional inequality. He posits that this factor is conditioned by "the degree of coincidence between the existing regional income distribution and the distribution of relative access to foreign market", arguing that countries are more likely to experience a reduction in regional inequality where the increased foreign market accessibility is in poorer regions (Rodríguez-Pose, 2012:120). Lessmann (2013) finds that while FDI has had a positive impact on China's growth performance, it has been a cause for regional inequality in China. This, according to Lessmann, is because FDI inflow in China is concentrated geographically in the eastern provinces. This geographical concentration is mainly because of preferential policies the Chinese government adopted in favour of the eastern provinces, which gradually opened the provinces to foreign investors (Lessmann, 2013). Thus, while FDI has the capacity to make positive contributions to a country's economic development, its capacity to create within-country inequality is well acknowledged. The critical question is therefore how to maximize FDI while minimizing its impacts on regional inequality. It is argued below that one way of addressing this question is through policies that foster regional competitiveness.

Regional Competitiveness and Interregional Inequality

What is Regional/Subnational Competitiveness?

Competitiveness is regarded as "the cornerstone of economic life" because of its potential to foster "efficiency" (Bartling, 2009:1). The idea itself originates from the comparative

advantage theory of British political economist David Ricardo. According to Ricardo, a country produces (or should focus on the production of) those goods and services in which it has a comparative advantage over other countries. Competitiveness is therefore defined as "the degree to which, under open market conditions, a country can produce goods and services that meet the test of foreign competition while simultaneously maintaining and expanding domestic real income" (OECD, 1992:237). In the *Global Competitiveness Report (GCI) 2014–2015*, the World Economic Forum (WEF) (2014:4) sees competitiveness as "the set of institutions, policies, and factors that determine the level of productivity of a country." This view aligns with Krugman's belief that what has been termed "competitiveness" is better regarded as "productivity", for, unlike firms, countries are not in competition with one another (Krugman, 1994). Productivity itself sets the tone for economic prosperity and determines the rate of return on investments in an economy (WEF, 2014).

The definitions of competitiveness cited above are, however, relevant at the macro-economic level, i.e., in terms of national competition. The concept of competitiveness has however been scaled down to the micro-economic, regional level. Regional competitiveness is defined as "the capability of a region to attract and keep firms with stable or increasing markets in an activity, while maintaining stable or increasing standards of living for those who participate in it" (Storper, 1997:264). Similarly, in a report to the European Commission Directorate-General Regional Policy, regional competitiveness is defined as "[a] regional economy's ability to optimise its indigenous assets in order to compete and prosper in national and global markets and to adapt to change in these markets" (Martin, 2012:3). These definitions focus on firm productivity as well as regional economic development generally, "region" being understood as "a scale between the national state and the local" (Bristow, 2010:6). In this sense, regional could be regarded as synonymous with subnational.

Tan and Amri (2013) divide subnational competitiveness into four major bands: macro-economic, micro-economic, institutional setting, and quality of life and infrastructure development. The macro-economic band encompasses the economic viability of the region, its openness to trade and services, and its attractiveness to foreign investors. The micro-economic band speaks to the performance of the firms and the challenges they face and encompasses the "Financial Deepening and Business Efficiency" of the environment, "Labour Market Flexibility" and "Productivity Performance" (Tan and Amri, 2013:2). Institutional setting covers such issues as government policies and fiscal sustainability, governance, leadership, and rule of law. Quality of life and infrastructure development comprehends both physical and technological infrastructure and general "standard of living, education and social stability" (Tan and Amri, 2013:2).The

competitiveness of a region is thus to be looked for not only in the competitiveness of the firms operating within the region, but also in the broader assets and socio-economic and institutional features of the particular region.

It must be pointed out, however, that regional competitiveness does not mean regions competing with one another as such. Rather, it is "the promotion of local economic development in competition with other territories" (Cheshire and Gordon, 1998:321). It is the actions that firms and other economic agents within a region undertake to boost the standard of living of their territory. It is thus the economic agents that actually carry out the competition (Poot, 2000). The regions as such are not in competition with one another, for the development of one region does not come at the expense of another's development (Nazara, Sonis and Hewings, 2000). Thus, Krugman (1994), a staunch critic of the notion of national competitiveness, affirms that whereas a firm's success is frequently at the expense of another firm when competing for market share, the success of one country or region fosters rather than extinguishes opportunities for other countries or regions to succeed. As Thissen et al. (2013:50) have stated, "[a] region is competitive when it has the conditions to enable it to raise the standard of living of its inhabitants." The role of the national government in the competition is therefore to create a favourable condition for the economic agents within its regions to compete favourably with agents in other regions and countries (Nazara, Sonis and Hewings, 2000). By extension, this also imposes duties on regional governments to create favourable conditions for the economic agents within their territory to compete favourably with agents in other regions and countries. This requires "promoting the territory as a competitive place to do business and [this] may be more directed at improving the environment for existing local businesses and fostering new firm formation, than in trying to attract inward investment"(Cheshire and Gordon, 1998:322).

In *GCI 2014–2015*, the WEF identifies 12 pillars of competitiveness, among which are (1) institutions, (2) higher education and training, (3) technological readiness, and (4) technological innovation. By institutions are meant "the legal and administrative framework within which individuals, firms, and governments interact to generate wealth" (WEF, 2014:4). Higher education and training refers to the availability of a well-educated workforce with the capacity to perform complex tasks and adapt readily to the evolving needs of the environment and the production system (WEF, 2014). Technological readiness is "the agility with which an economy adopts existing technologies to enhance the productivity of its industries" (WEF, 2014:7–8). And technological innovation is concerned with a country's ability to develop cutting-edge ideas, products and processes to avoid stagnation in their development. This requires, among other things, investments in research and development as well as the establishment of educational and research and training institutions (WEF, 2014). Although these pillars are analysed in the context

of competitiveness at the national level, they are also relevant to competitiveness at the regional/subnational level.

The importance of regional competitiveness has been recognized by the European Commission (2008:viii), which remarks that "strengthening regional competitiveness throughout the Union and helping people fulfil their capabilities will boost the growth potential of the EU economy as a whole to the common benefit of all". But there is also significant critical literature highlighting the shortcomings of competitiveness. Krugman's (1994) derision of competitiveness as a "dangerous obsession" is well known. Krugman (1997:237) believes that regions develop and prosper as a result of particular path-dependent processes and cites California's Silicon Valley as owing its existence to "small and historical accidents that, occurring at the right time, set in motion a cumulative process of self-reinforcing growth". Unwin (2006) re-echoes Krugman's sentiments when he asserts that the competitiveness obsession conceals larger factors impacting on the economic performance of regions. Kitson, Martin and Tyler (2004:997) call it "misleading" and "dangerous" to think that "regions and cities compete over market shares, as if they are in some sort of global race in which there are only 'winners' and 'losers'". These critical perspectives, however, do not dismiss the value of competitiveness. As Bristow (2010:122) has noted, there is need to broaden our perspectives beyond competitiveness to avoid "foreclosing wider analysis and understanding" about regional development, as this would hinder the emergence of more comprehensive regional development programmes and constrain policy interventions.

Can Regional Competitiveness Reduce Interregional Inequality?

A recent study by the Asia Competitiveness Institute on subnational competitiveness in Indonesia shows that subnational competitiveness has contributed favourably to Indonesia's economic performance (Tan and Amri, 2013b). The study suggests that to boost the competitiveness of the less competitive Indonesian provinces, the Indonesian central government may assign Special Economic Zone or Investment Focused Area status to such provinces to help facilitate investments in such provinces to enhance their economic performance. Following Richardson's (1973) competitive-generative theory of regional growth, Nazara, Sonis and Hewings (2000) view subnational growth as "a generative process" and national growth as "an aggregate" of subnational growth. Since regions are not competing with one another, they argue, and since the economic growth of one region contributes positively to national growth, national policies should focus on maximizing the growth in a particular region, as this will be tantamount to maximizing national growth. This relationship between regional growth and national growth is as a result of the sectoral relationships between and among regions, which produces regional

interdependence (Sonis and Hewings, 2000).

In a study of within-country economic inequality in eight developed countries and eight developing countries, Shankar (2003) finds that unitary States are more unequal than federal States and that this owes much to the decentralization of economic power in federal States, as it puts them in a better position to equalize economic differences among the federating regions. Shankar (2003) notes other factors that induce federal States to adopt equalization policies: (1) the fact that increasing regional inequality poses a greater political risk in federal States than in unitary States, and may lead to separatist calls by certain regions; (2) since national political parties have to contend for votes in the federating regions, they may be constrained to follow policies that ensure equal development of the regions; and (3) relatively autonomous regional governments accountable to the local electorate have greater incentives to adopt local development policies, compared to national governments that are more remote from the local people. He adds that "competition among regional governments may also lead to greater regional equality" (Shankar, 2003:1439).

Rodríguez-Pose and Ezcurra (2009) have studied the implications of recent trends towards transfer of authority to subnational governments on regional inequality in 26 developed and less developed countries, and across countries with diverse histories. They find that decentralization tends to exacerbate regional inequality in less developed countries while it may have no impact or may even contribute towards reduction in regional inequality in developed countries. The fact that developed countries generally have less regional inequality is an important factor. Other factors responsible for the impact of decentralization on regional inequality include disparities in "institutional capacities and socio-economic endowments among regions" (Rodríguez-Pose and Ezcurra, 2009:9). Thus, in poor regions, due to the loss of economies of scale, decentralization may not result in a more efficient distribution of public goods. Weak and corrupt institutions and lower technological endowments that often characterize less developed countries, hamper the capacity of the regions in such countries to attract foreign investment and to innovate (Rodríguez-Pose and Ezcurra, 2009:9).This also constrains their competitiveness. This study is relevant to the present paper because one of the rationales for decentralization is to attain greater regional efficiency and competitiveness (Rodríguez-Pose and Sandall, 2008). Rodríguez-Pose and Ezcurra (2009) thus emphasize the capacity of decentralization to mobilize resources and engender competition among subnational governments. They note that, in this sense, decentralization may catalyse "economic convergence" among the different regions of a country. For through the series of incentives it generates for regional competition, it may contribute to the equalization of regional standards of living. These incentives would

be especially stronger in democratic systems and there may be no difference between developed and less developed countries (Ezcurra and Pascual, 2008). Rodríguez-Pose and Ezcurra (2009) warn, however, that this equalization may be hard to achieve in the absence of some income redistribution policy by the central government.

Bristow (2010:122) has pointed to "[t]he persistence of regional inequalities" even in those countries that can be said to have pursued regional competitiveness vigorously, such as the European Union and the UK. Citing Birch and Mykhnenko (2009), he remarks that competitiveness may be reinforcing and reproducing regional and inter-country inequality. There is, however, some evidence suggesting that the problem is not competitiveness per se, but its implementation (Bristow, 2010; Rodríguez-Pose, 1999). Acknowledging the existence of "regional winners and losers from the competitiveness game", Bristow (2010:124) makes the redistribution argument by suggesting that it may be that "insufficient policy attention is being paid to providing targeted support to weaker regions or to focusing on cohesion and the reduction in regional inequalities".

In sum, regional competitiveness can foster or reduce regional inequality, depending on the existence of other factors. Its capacity to reduce regional inequality, however, would require some form of income redistribution policy by the central government to boost the competitiveness of weaker regions.

Local Content Policies as a Mechanism for Promoting Regional Competitiveness

The Africa Competitiveness Report 2013 emphasizes that Africa is lagging significantly behind in "technological readiness" (WEF et al., 2013:8). The report also shows that Africa's "talent pool" is "underperforming significantly" (WEF et al., 2013:9). It emphasizes Africa's youth unemployment level and the large number of people expected to enter the labour market in the foreseeable future. Short-term measures would require the development of labour-absorbing sectors to accommodate the teeming new entrants into the labour market, while long-term measures would require investments in education and skills training, particularly in the acquisition of modern technological knowhow. These views are confirmed in the *CGI 2014–2015* which shows that in the ranking on higher education and training, eight of the lowest ten countries are in Africa – Angola (144), Chad (143), Burundi (142), Mauritania (141), Guinea (140), Yemen (139), Mozambique (138), Sierra Leone (137), Burkina Faso (136), and Myanmar (135). In technological readiness, Africa is home to seven of the ten lowest ranked countries – Myanmar (144), Chad (143), Burundi (142), Timor-Leste (141), Angola (140), Guinea (139), Sierra Leone (138), Lesotho (137), Yemen (136), and Malawi (135) (WEF, 2014). African performance on

innovation is also roughly the same picture, with five of the ten lowest ranked countries.

The picture is not very different for other regions in the global South, although it is less gloomy for these other regions. In Asia, for instance, the competitiveness landscape is mixed, owing to the fact that the region hosts some of the most competitive countries in the world, including three countries in the top ten in the overall CGI ranking – Singapore (2nd), Hong Kong SAR (6th) and Japan 7th) – as well as some of the most dynamic and rapidly improving countries, competitiveness-wise, such as Indonesia and the Philippines (WEF, 2014). But many Asian countries fare poorly on higher education and training – Myanmar (135), Pakistan (127), Bangladesh (125), and Cambodia (123), in technological readiness – Myanmar (144), Timor-Leste (141), Yemen (136), Nepal (128), and Bangladesh (126), and in innovation, where three of the ten lowest ranked countries are Asian (WEF, 2014). In Latin America, according to the WEF, building the economic resilience of the region will depend on the region's capacity to strengthen the fundamentals of its economy by boosting its competitiveness (WEF, 2014).While no Latin American country ranks in the lowest ten in higher education and training and in technological readiness, and only one country in innovation (Venezuela (137), the WEF (2014:32) identifies "[a] lack of sufficient investments in growth-enhancing areas" as the major factor slowing down the economic progress of the region. The growth-enhancing areas include infrastructure, skills development and innovation.

From the foregoing, it follows that for countries in the global South to enhance their competitiveness, their economic policies must place higher education and training, technological acquisition and innovation on the front burner. Governments must not only remove obstacles that hamper the growth of local firms, they must also initiate mechanisms that would enhance their growth in technological knowhow to compete both locally and internationally. There is also need for large multinational firms operating within Southern territories to engage proactively in technology transfer through the training of the local workforce.

Especially within the extractive resource sector, local content policies, defined as the requirement that "a given percentage of domestic value added or domestic components be embodied in a specified final product" (Grossman, 1981:583), presents a viable tool towards the realization of these. It is a type of policy intervention known as "productive development policies" (PDPs) whose essence is to "strengthen the productive structure of a particular national economy" (Melo & Andrés Rodríguez-Clare, 2006:5). The ultimate goal of PDPs is "to raise growth and improve the competitiveness of the overall economy while maintaining a rising trend in living standards" (Melo & Andrés Rodríguez-Clare, 2006:5). Local content policies are designed to increase local participation in FDI by directing the utilization of indigenous companies in goods and services procurement,

the employment of locals, and the use of local raw materials by investors. They are undertaken to reduce inequalities faced by domestic firms in relation to foreign firms, to increase the participation of the national industry in specific sectors of economic activity, to improve national technological development, to create job opportunities so as to lower poverty, to support economic diversification and reduce over-dependence on one sector by enhancing the value-creating capacity of a particular sector, and to enable domestic firms to compete regionally and internationally (Tordo et al., 2013). The requirements are either implanted in contractual agreements between governments and firms or embedded in binding legislation.

In practice, local content policies require firms, particularly multinational firms operating within a country's territory, to give "first consideration" or "deliberate preference" to the country's nationals in matters of employment and training and in the procurement of goods and services (United Republic of Tanzania, 2014; Government of Nigeria, 2010). It is believed that this has the potential to strengthen the capacity of extractive resources to contribute positively to local economic development while at the same time reducing its capacity to produce negative externalities. Esteves and Ivanova (2013) have argued that local economies will develop more vigorously if the non-extractive sectors are encouraged to grow and the extractive companies are encouraged to focus their local content energies on strengthening local businesses.

However, the idea of "local" in prevailing local content policies has been understood as referring to the nationals of the country, regardless of which part of the country the nationals come from. There is no requirement for consideration of the nationals who come from the region where the extractive activities take place and who are the people bearing the brunt of the negative impacts of such activities. While such an approach can enhance the competitiveness of a country in relation to other countries, a "localist" approach that gives deliberate preference to the region where the extractive activities take place can perform that function equally well and help the country to address a myriad other problems associated with extractive resource development, as well as engender a sense of competition among the regions or subnational components of the country. Given that revenues from extractive resources are managed by national governments (in most jurisdictions), a localist approach that gives deliberate preference to *local* populations around the extractive region can provide a mechanism to meet the demands of subnational stakeholders, such as communities. This will, in turn, enable firms to obtain the badly needed social license to operate. Community dissatisfaction as a result of seeing lucrative jobs being passed to "outsiders" can provoke conflicts. Local content policies can thus serve as a mechanism for reducing natural resource conflicts. They can promote competition and facilitate local economic development because they

can incentivize local governments as well as local residents to protect the industries operating on their territory and help to guard company facilities. A local community-oriented approach to local content policies would give local governments and residents a greater motivation to do so because they stand to benefit most from the growth of the companies operating on their territory. The death of the companies would have detrimental consequences on their host communities' socio-economic wellbeing. Every region of a country would therefore be compelled to create a favourable operational environment for the companies operating in its area so as to ensure their sustenance. The result would be interregional competition. It is not, however, for each region to design its own local policy; rather the local content policy is to be designed at the national level while the regions compete to ensure that firms operating within its territory are retained.

To be sure, such interregional competition would have the potential to foster interregional inequality since natural resources are not distributed evenly throughout a country. Interregional inequality has negative consequences for a country, including contributing to the causes of conflicts (Buhaug et al., 2012; Deiwiks, Cederman and Gleditsch, 2012). However, the national government can intervene through the creation of equalization or redistribution programmes to assist regions that are less endowed. Such programmes are prevalent in many countries, such as Canada, Germany and the United States. Other measures include tax holidays in favour of disadvantaged regions, subsidies for specific industries, and public investments in public goods (Lessmann, 2013). Besides, giving deliberate presence to the local populations where the extractive activities take place does not mean precluding other nationals from consideration. Instead, it may be implemented through the creation of a quota system that allocates certain percentages to the local populations.

Conclusion

While neoliberalism has fostered interregional economic inequality in the global South, there is significant space for those countries to forge their own development path with assurance, without waiting for the dethronement of neoliberalism. The main thesis of this paper is that local content policy in extractive resource governance provides these countries a viable tool to strengthen regional competitiveness and address interregional inequalities. The paper argues that a local content policy designed to give deliberate consideration to the regions where the extractive activities take place, accompanied by an income redistribution policy administered by the central government, has great potential to engender regional competitiveness and consequently address interregional inequalities within countries in the global South.

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