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CHANGING Global Realities and THE FUTURE of Asian Peoples

(PROCEEDINGS of THE
1993 ARENA Workshop,
Manila, Philippines)



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For further inquiries, please write to:

ARENA

Flat B1, 2/F, Great George Bldg.,
27 Paterson St., Causeway Bay, Hong Kong
or

P.O. Box 31407

Causeway Bay Post Office, Hong Kong

E-mail: arena@hk.net

TABLE OF CONTENTS

6 **Chaos in the New World Order**
Mushakoji Kinhide

44 **Ethnicity**
Kumar David

60 **Reunification**
Lau Kin chi

78 **Popular Movements in Thailand**
Surasavadee Hunpayon

Subworkshops

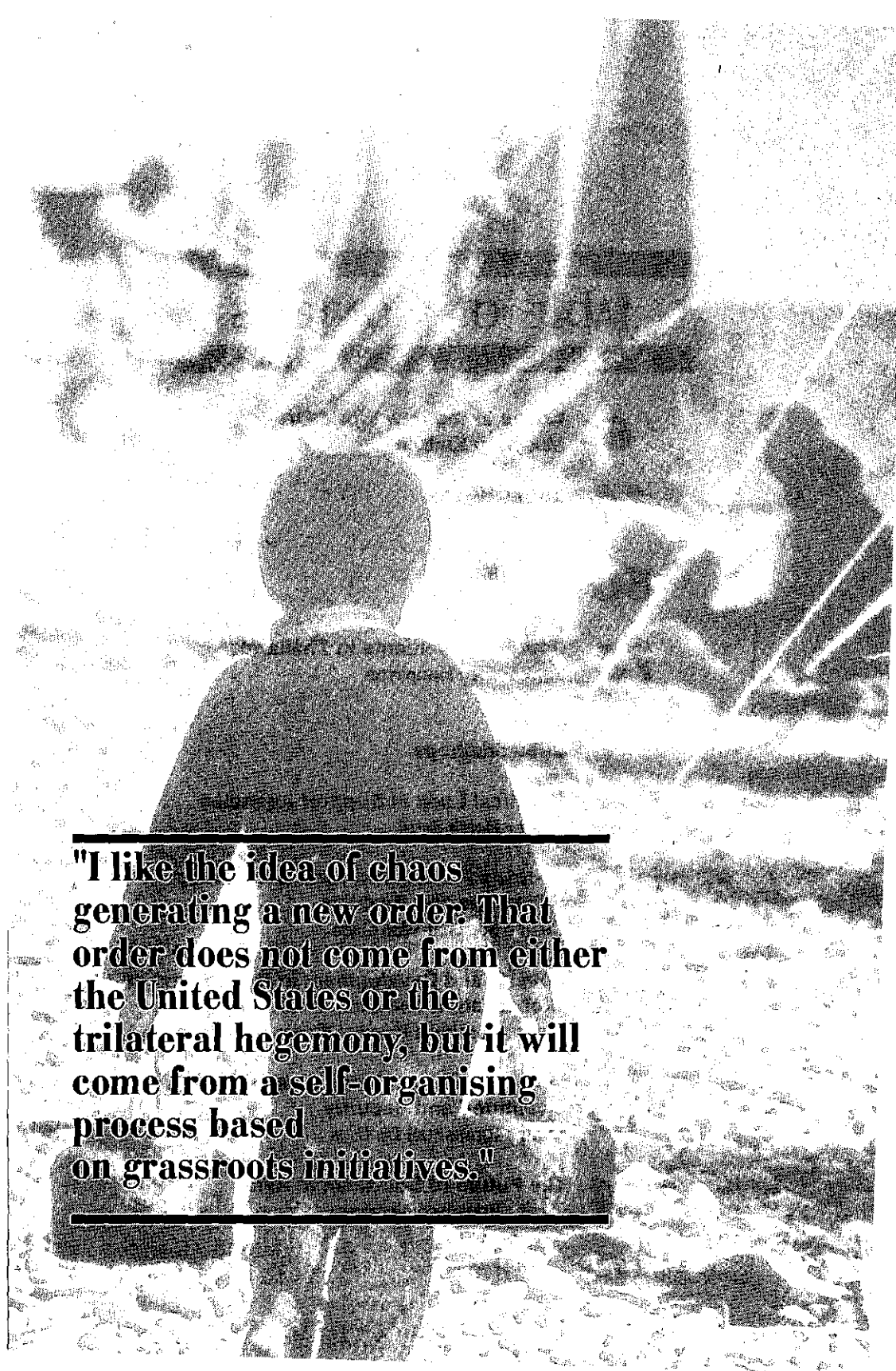
96 **A Critical Look at Support Agencies**
Chair : Harsh Sethi

108 **People's Participation and Democracy**
– Illusions and Realities
Chair : Surichai Wun'Gaeo

122 **Poverty and Development in the Context of**
Globalization and Structural Adjustment
Chair : Rosalinda Pineda-Ofreneo

140 **Impact of Market Economies on People's**
Livelihood and Security
Chair : Emmanuel De Dios

154 **The Future of Socialism in Asia**
Chair : Francisco Nemenzo



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CHAOS IN THE NEW WORLD ORDER

Dr. Mushakoji Kinhide

It's a great honour and pleasure to be invited to give the keynote address in this ARENA workshop on "Changing Global Realities and the Future of Asian Peoples." It is a great pleasure for me for two reasons. I was in close contact with ARENA when I was working in the United Nations University and now I am coming back and meeting many of my old friends and also many new friends. But I also recently visited Hong Kong -- the headquarters of ARENA -- with a group of Japanese scholar-activists who were trying to set up an Asia Pacific Human Rights Information Centre in Osaka. And so I met with the Secretariat and the Secretary General in Hong Kong only recently.

The second reason I am happy is that I am again here on the campus of the University of the Philippines with whom (as the Chairman just mentioned) I was also in very close touch while I was working in UNU but then again with an NGO -- the International Movement Against Discrimination. We had our Council meeting and then met with the indigenous peoples of the Philippines on this campus. I was staying then at the ISMED Hostel. And so it's just a year since I visited not only Manila but this very part of the Diliman campus of the University of the Philippines.

I have come back, but not like Gen. MacArthur. I've come back as a Japanese intellectual aware of all the bad deeds we had done in the past. And so I am also very much involved in straightening the great breach of human rights vis a vis the "comfort women" and other victims of aggression.

I like the idea of chaos generating a new order. That order does not come from either the United States or the trilateral hegemony, but it will come from a self-organising process based on grassroots initiatives.

But I am also aware of the fact that Japan is continuing to create problems around the region, so my talk will be motivated by this awareness. But coming here I also realise that with my very good intentions, I am very much Japanese because I am going to present to you a picture of the changing global realities and their impact on the future of Asian peoples in a perspective which is explaining the difficulties and problems created by my own country. But I also realise that Japan is not the only source of problems experienced by the Asian peoples.

I was discussing with my colleague Prof. Kadirgamar from Sri Lanka and realised that I was not touching enough on the problems in South Asia. So with this I would like to mention that my talk is not going to be a keynote talk. I am only going to present a series of remarks which are meant to be starting points for discussion and I am very much looking forward to getting all my points criticised by the commentators as well as through the comments from the floor. Anyway, my philosophy is that nobody has the truth and the truth comes from dialogue and serious interaction among peoples of different ideas and concerns.

Having said that, I would like to come to the post-Cold War situation and the shifting global realities. I would like to make two points about the new realities as they emerge now. One is that I am not sure which school of thought you belong to but certainly nobody would say that there still exists a bi-polar world. There can be a new bi-polar world with the North and the South but it is still emerging. Now the idea of the first school of thought is that which maintains that there is only one pole, that is a mono-pole unipolar system with the United States as the hegemon. I am not going too deeply into the reasoning for lack of time.

The second school of thought says that the America is now declining and that there are two other co-hegemons -- Europe and Japan. So you have a kind of tri-polar co-hegemony. And my question is if there is such a trilateral co-hegemony. My point is that it is a co-hegemony with clay teeth -- the teeth are not really strong enough to be really hegemonic in either the good or bad sense.

The third school of thought, to which I tend to belong, comes up. I like the idea of chaos generating a new order. That order does not come from either the United States or the trilateral hegemony, but it will come from a self-organising process based on grassroots initiatives. And that is coming from the chaos thanks to the hegemons. The hegemons are going to play a very positive role in helping the chaos to become more chaotic. But of course the other side of the coin is that those victims of the chaotic situation will be in the South and among the minorities in the North. And so the chaos is helping historically but it is also very bad for the people. The question is how to deal with that aspect.

So this is about the world. I would probably say that it is a monopolistic world, it is also a tripolar world, but it is an especially chaotic world. In the chaotic world we have to identify who is doing what and for what purpose. How things are developing as a consequence of the interaction of the different actors -- state and non-state.

Now the second point is related to this lack of certainty of the situation. We are not certain who the hegemon really is. We are not certain who is doing what for or against the hegemon. We are in a very confusing situation. One of the characteristics of this unclear and uncertain world is that the same key values are used by both the hegemons and the popular movements. The popular movements are for democracy and Mr. Clinton is strongly for democracy himself. The popular movements are for development and the industrialised countries are for development. The popular movements are for "Green Power" which is for ecology but the big powers are also for ecology. Everybody is for peace and everybody is for every good thing.

The problem is that there is this ambiguity of language. In the old times, in the good old times of the Cold War, we were sure that if you were on the side of the socialist bloc, the bad guys were the imperialists. If you were on the side of the so-called "free countries," the bad guys were all communists. So it was very clear. Now you don't know who is who and this is not only affecting the different communist parties in different parts of the world but it is also affecting the popular movements. Because we now have to stand on our feet and decide what is real ecology, what is real development, what is real peace, and what is real human rights.

If I may just mention one example about this difference of opinion. I think that we are all for sustainable development. But we are for sustainable

Changing Global Realities and the Future of Asian Peoples

development of the local communities and that development should be a development chosen by the people themselves. Now the usual use of the term sustainable development is to sustain industrial development on the global level as it is now organised by the existing international division of labour where the North is benefiting from all the kinds of accumulation of goods, services, and technology. So to sustain that kind of development is I don't think the idea of anybody in this room or any people's movement around the world. And so there is "sustainable development" and "sustainable development." We have to be careful about not falling into the trap of accepting another kind of sustainable development. Or rather we should propose another kind of sustainable development through another kind of discourse about development. And this is where the idea of subordinate discourse proposed by Alex Magno is very important.

So the idea is that given the changing global realities we are not only in an uncertain world but we are in a world where we have to always critically assess our words and the words of others. So this is about the changing global realities. In this context I would like to focus on the idea of a new world order. This was a concept which was proposed by George Bush and now it is getting less and less used by those who probably realise that they are not going to be so easily successful in building this new world order. But still they have that in mind. And the new world order, according to the co-hegemony US, Europe, and Japan, is a new world order of a certain kind.

I will now try to give you a caricature of everything and then we can correct the rough picture I am giving you. I would like to start from this approach which I feel is very important in the sense that all the key values and concepts which were used in fact have two meanings when it is used by the hegemony and when they are used by people's movements. I'm simplifying things but there are at least two opposed meanings. So we have to look at this new world order also in terms of the two meanings it has. It can have meanings different from the one proposed by Bush. And then we will probably come back to the new international economic order and the new international economic order of the 1970s. But then there will be all sorts of discussions about whether it will be state-based, led by industrializing states as it was proposed in the UN in the early 1970s or whether it is a genuinely new world order where you will not only have states involved but also peoples. It will respect also indigenous peoples and other ethnic identities. And so the discussion about the new world order will have to be developed hopefully within the framework of ARENA. This discussion is very important to begin with.

But in my case I prefer the idea that we are in a new world chaos. And there I join with the idea of Johan Galtung who mentions that the idea that peace is order is a Christian Western monotheist concept which is wrong. Galtung considers himself to be a Buddhist. I am myself Christian but he is probably more Christian than myself. According to him, Buddhism has the authentic vision about peace because it considers peace to be chaos. That is probably true. It is true in the sense that when you have order, you need someone with strong power, a strong king, or a U.N., or a hegemon to enforce order from the top. So by definition an order is not peaceful because it does not allow people to live in the way they want to live. And so if you want to have peace you must have chaos. You have to eliminate all kinds of centralizing powers and this is where the idea of a new international world chaos comes in. I am more familiar with and prefer this idea of a new world order. But I am not going to impose this idea on you because you probably would prefer order to chaos.

But the point I am making is based on the fact that I would like to support that we look at the world in terms of trends and counter-trends. And here I am just taking these concepts from a team of researchers in this UNU project which was looking at "peace and global transformation" from the point of view of trends and counter-trends. The idea I would like to mention is that you have centralizing trends and then you have decentralizing counter-trends. And what we are supposed to study -- the changing global realities and their impact on the future of Asian peoples -- should be based on our discussion and analysis of the trends and counter-trends.

I would like to identify and mention two aspects of the trends. One aspect is the domination by the North of the South and this is related to the problem of the hegemon whether it is just the U.S. or a product of a co-hegemony there is not much difference. Anyway it is the North which is imposing its order on the "disordered" South. So that is the basic structural problem of the world. It is probably very useful to use the "world systems approach" with centre and periphery in terms of studying the interaction between the trends and the counter-trends.

And the counter-trends are the trends which are coming from the South to the North, from the periphery to the centre, in the centre also. The centralising forces are coming from the centre and infiltrating into all parts of the world from top down. I'm simplifying the reality but this is the point I would like to make. The realist school of thought is looking at the world from the point of view of the hegemon because the latter is going to decide everything. My point is that to be more realistic than the realists we have to

Changing Global Realities and the Future of Asian Peoples

take note of the fact that the hegemons have a basic problem in terms of their perception of the world. They are looking at the world in a very rational and ordered way. It can understand what is well-ordered but not what is not well-ordered. And so it can only understand part of the world.

This basic weakness of the North, to my mind, comes from its very strength. Its basic strength is that it is developing a very strong ideology based on the rule of the technocrats. There is a new upsurge of technocracy after the end of the Cold War and this is what I call liberal technocracy. I call them liberal not because they are truly liberal but because they hold the ideology of a free market. They also use liberal discourse in terms of peace, development, human rights, ecology, and everything. They have a very politically correct discourse. And it is also correct in the eyes of the movements. But the meaning is completely different as I have mentioned. The liberal technocrats are not for racism and apartheid, they are for ending these. But they are not necessarily for equality and equity. So there is a very important ambiguity in the position of the technocrats. The liberal technocrats have the possibility of building an alliance of technocrats of the state, technocrats of the multinationals. They are also in the United Nations. In the universities you have good technocratic professors. I try not to be one of them but still in my discipline, there is this desire to change into technocrats. Probably there are also technocrats among the NAOS. I don't know about the popular movements but this is a question I would like you to discuss.

Technocrats cause problems and also experience their own difficulties. The liberal technocratic ideology is based on five beliefs. The first is rationality -- social progress is ruled by means and rationality. You have to find good means to achieve a good goal. You don't discuss whether the goal is good or bad. What is important is to find the best means to arrive at the goal. Therefore even if you create more problems to the environment, if your goal is productivity and you maximise productivity, it is alright. If your goal is the good of the majority then even if you create problems for the minority, that's not a problem but just a collateral impact on a minor part of the population. You have this kind of rationality which is very inhuman.

The second belief is that through the "means and rationality model" decision-makers are able to find rational solutions to any problem whether natural and social. This leads to a very narrow-minded perception of the world. The problem-solving ideology is very strong. I experienced this at the UN University where the charter says that the UNU must study and

attempt to solve the pressing global problems of humankind for survival, development, and welfare. But I don't think the UNU is able to solve the problems of humankind. I don't think anyone can solve these problems because by solving one problem, you create another. What you can do is to cope with the problem, to fight with those who are causing the problem and not just solve the problem. But if you work with a means and rational model, then you are assuming that you can solve all the problems. And if the problems are to be solved, and if there are correct solutions, then the problem is who knows best. This is where the technocrats are, in a sense, the patriarchs. They lead the people and know what is best for the people because they have the technological means to arrive at the optimal solution for the problems and the authority being backed by the hegemons.

Thirdly, these centralising forces are using technocratic management to solve problems. And this is why I prefer the term "governance" to technocratic management. Management is managers solving problems. At least "governance" means there is a power relationship among actors and there is some process which is needed to reach at an agreement among different social forces. This is what the technocrats don't understand. So they say that democracy is in trouble. They talk about governability of democracy which really means that if you trust the people they will not find the optimal solution and that people will not necessarily listen to the technocrats. And the technocrats are very sad that the solution they know best is not understood by the people and therefore democracy is in trouble. But I think it is technocracy which is in trouble. And this is where it is important to develop the counter-trend.

Fourthly, there is a kind of social chauvinism in the technocratic ideology. That is to say they are liberal technocrats. They are not the technocrats of the socialist countries who are also for progress but are not really as interested in free market competition. And now the idea is there is a "survival of the fittest" situation and the North-South gap is just a consequence of this Darwinistic process. So techno-economic growth is defined as national development. The idea is that in the world of today, it is the states who are modernising, industrialising, and developing and it is just a kind of

My point is that to be more realistic than the realists we have to take note of the fact that the hegemons have a basic problem in terms of their perception of the world.

Changing Global Realities and the Future of Asian Peoples

competition between states. So you don't look at the people, you look at the states and you ask just how to increase the per capita GNP.

And if you are looking only at the state, then it becomes a matter of majority survival. This is the fifth belief of the liberal technocrats. They are very well-intentioned, they want to be democratic and everything, they want to be for the people but they want to be for the majority of the people who adopt their ideology and who are willing to solve the problem according to the dominant paradigm they propose. But all the minorities who cannot accept this majority trend towards industrialisation, prosperity, etc. are just left out. And others are also left out -- those who are to be used for the process of state development. These would include the migrant workers. The technocrats are only interested in using migrant workers, labelling them as illegal entry people so you can give them cheap wages.

The third problem of the liberal technocracy school is what I would like to call "development nationalism." I should probably call it "development statism" because the units are not really national-based but state-based. But the problem is with the technocratic paradigm, you look at everything from the point of view of indicators, economic indicators. In terms of integration of the nation, in terms of how to increase the productivity of various sectors of the national economy, in terms of how to fight hegemonic rule from the outside.

A very important part of this development statism is that it has a weak point. It is open to transnationalism. This is the fourth component. It is statist, but sometimes it is more nationalistic. But very often in order to compete with others, you open up your markets and agree to be part of the international or regional division of labour. That is to say many of the technocrats who have adopted development statism sometimes want to have a closed market, but that is very rare. There is a kind of alliance between the state-level technocrats and the multinational technocrats and also with the regional and international organisation technocrats. They have in common the belief in the development of the state, the region, and the world economy at large. This is the objective of the new world order which is aimed at creating a good international division of labour where free competition among states will lead each state, in due course, to industrialization. The problem is when a country is going to become an industrialised country and leave the ranks of developing countries. So you have this kind of vision of the world which is very linear. This is the basic pattern which I find also in East Asia, Southeast Asia, and South Asia.

We now come to the problem of what I call the model of development in the region. I am probably too much East Asian and not taking into account the development in South Asia. But if you apply the model of world systems, you can get a picture of the Asian region in terms of the centre. The centre is composed of Japan, Australia, and New Zealand composing the industrialised parts of the region. Then you have the semi-periphery which is composed of the newly-industrialising economies (NICs) plus the oil-producing states in West Asia. I must confess that I don't know where to put the oil-producing states in this picture because I am too Japan-centred. But I am interested in the fact that if you look at it in terms of the semi-periphery being the NIEs, then even the ASEAN countries have to be classified as NIEs and the non-NIEs with the periphery.

The question is whether the so-called "geese flight" model applies to the region. The story goes that you have geese flying in the sky and they follow a hierarchical model of the more developed geese flying first and the less developed ones following. So you have a goose Japan, a goose South Korea, and geese Taiwan, HK, and Singapore. Then you have other geese -- Thailand and others -- who are following the flight. The optimistic technocratic myth is that sometime in the early part of the twenty-first century, if humankind survives, all the countries in Asia will have graduated from underdevelopment and will have joined the industrialized nations. So that is the myth of the technocratic vision of the new world order as it should develop in the future. It would take some time. There will be some poor people who would be sacrificed for this process. There will be some wars and some other calamities. But all that is not so important because you have abundant rationality and you don't bother about the minority who are to be stunted by this process.

Now my question about this model is based on two grounds. One ground is very clear. I don't like the model and I don't think you like it. On moral grounds, we don't like to look at things just in terms of economic development. This is especially true of the Japanese model, or rather the JapaNIEs model. It is proposed that development and environment be linked. Here I introduce the concept of impoverishment. The fact is that everybody is made poor by the concentration of surplus in one part of the world system and this is impoverishing their peoples not only in the South but also in the North. Peoples are not the only ones being impoverished but also nature because in both the North and the South the process is exploiting nature and producing more garbage than nature can accept.

Changing Global Realities and the Future of Asian Peoples

So the problem of the "geese flight model" is that the geese are probably flying but during the flight many bad things are happening and I don't know which goose will succeed in entering into the latter part of the twenty-first century.

There are however some good trends, or good aspects of the bad trends, in this technocratic North. At least the technocrats are not Nazis nor Japanese militarists. They have a discourse which insists on peace, human rights, and democracy. So we can use that aspect of the discourse in terms of developing the cause of the peoples. And I believe that in certain events, the American presence may have played a positive role at least in terms of pushing Marcos out of the Philippines. Why they played that role is another matter. But we have to look at the fact that the hegemons used this universalistic discourse because they are pushed by the popular movements in and out of their country. They are forced to be for ecology and Clinton plays that role because there is a strong popular movement for ecology in the United States. So there is a kind of interaction between the decentralising forces and the centralising forces.

On the decentralising forces side I would also mention that not all of them are positive ones. You have for example the attempt to become regional hegemons as a course which is decentralising. And there Japan is playing this role of building its own sphere of influence while being part of the co-hegemony. In that sense Japan is breaking the run of the hegemons and so there is a kind of ambivalent position of Japan. But even if Japan is playing a decentralising role I don't think that this is a positive role because it is a hegemonic role in the region. The same thing is true with Saddam Hussein who is playing a positive role in questioning the rule of the hegemons by trying to build his own hegemony in the region. So you have the two aspects there. I would also like to ask our Indian colleagues here to analyse the role of India in South Asia in terms of regional hegemonic competition. I think there are also such problems there.

Now another source of decentralisation are the various religious fundamentalisms which are posing major threats to the technocratic paradigm which is, in a sense, a kind of variant of Christianity, although I don't think it is very Christian. There is a Christian missionary spirit against Islam for example which is similar to the Crusades. And so the fundamentalists, as Samuel Huntington has mentioned, are posing a threat to the centralising forces of hegemony. But they are also creating problems among themselves. So there are always these ambiguities to be taken into consideration.

Since I am speaking too long, I will abridge my talk and mention in passing that I wanted to go from "development statism" to "development racism." I am also proposing to study "development sexism." I believe that racism and sexism are taking a new shape in terms of this state development ideology. In my country Japan, you have both development racism and development sexism in terms of the trafficking of women and also the treatment of foreign workers. But the point I would like to make is that all these -- statism, racism, and sexism -- are interrelated because it is part of the same regional structure. There is a growing interdependence between the industrialised and the industrialising parts of Asia. By consuming certain goods, take for example wood in Japan, we are contributing to deforestation in Sarawak.

There is also a similarity in the situation in South Africa and the situation of the workers coming to Japan. In South Africa you have apartheid in terms of creating the homelands, the Bantustan where the families of the workers are living. Their standards of living are kept low so they have the incentive to go to Johannesburg and other big cities. There is also an incentive for foreign workers to go to Japan -- Tokyo and Osaka and it is on this kind of unequal treatment that the whole vision of exploitation is based in terms of the workers in Japan. So, in this sense, Japan is just continuing internationally what South Africa is now trying to stop in its national borders. In terms of overcoming apartheid, it is probably easier in South Africa than in this part of the world. There is a structural linkage between the human rights of the different peoples in Asia. This goes all the way to South Asia where there are many workers from Bangladesh and other South Asian countries in Japan. So you have this kind of overall systemic problem to study.

To conclude, let me propose several tasks. The first task is to build a people's reality, that is, to study reality from the people's eyes. This includes also the study of the dominant discourse and the study of how to go beyond the dominant discourse and to give to its different meanings a more authentic meaning. An important point: people's realism should also be culturally unbiased. It should be critical of the overly Western-centred model of research and look at our own traditions, not as the fundamentalists tried to do, but to have a discriminatory approach so that we can see what is to be brought up and what kind of patriarchal traditions we have to go beyond.

The second task, is to study alternatives to technocratic impoverishment. This is where we need to look at how to develop horizontal exchange. There are some experiments like alternative trade but how can

Changing Global Realities and the Future of Asian Peoples

we have something going more into the power structure and change the vertical division of labour into a more horizontal one. Next we have to delegitimize the technocratic paradigm. So we have to be concerned about developing endogenous human rights. It is very important to say that human rights are universal but they have to have endogenous roots and not be imposed from the top. This is where we need to look at our traditions in terms of justice, equality, and other major aspects of our traditions.

I'm sorry to have spoken too long. So I would like to end my chaotic, but not very keynote, address and hope to get criticism about the points I made. Thank you very much.

Dr. Francisco Nemenzo

Well after that long and very provocative paper, I'm sure all of you are looking forward to an intellectually chaotic dialogue with Professor Mushakoji. The repressed anarchist in me is fascinated by this idea that a new world will be born out of chaos. But before we plunge into chaos and to give you enough time to compose your thoughts rationally, we will have a ten-minute coffee break.

Dr. Mohamad Nasir Hashim, Universiti Kebangsaan Malaysia

I'm a simple nutritionist working at the medical faculty trying to understand what is happening to our society, making some sense out of it, and hoping that I will be a better person in the process. And I've listened to the talk by the Professor and it is interesting to know about the hegemony. At the same time also, we find that they also have used or abused the universal values on human rights, democracy, etc. I am quite concerned that some countries have turned around and denied the universalism of human rights. It is just a reaction, in a sense. We have to look at the abuse of the universal values. I think that needs to be clarified because I did attend the human rights conference in Vienna. Basically, there are countries who think that my democracy is different from yours, my human rights is different from yours. Just because the West has used it so I shouldn't use it. The point is that this value is being abused.

The other thing is the word "chaos". I hope it is not just because they have order therefore we have disorder. This is my reaction. There is some order and chaos in our lives and we make certain adjustments. What I'm saying is that we should not go to extremes. Just because the other side says something we have to react to that. Therefore, we have to find in ourselves a compromise.

Another thing mentioned, is about trying to look into ourselves. The Professor would use endogenous development and other technologies reflecting that we have to do it ourselves. So we are looking for own endogenous roots and culture. But then we also have to understand that culture is so dynamic; it changes each time. And lots of times, various countries have been under years of subjugation, exploitation, and indoctrination. The issue is that culture is not something created in a vacuum. It is the product of certain relationships. The task is to find out what these relationships are and what makes us different or how certain values develop in the process of time. That is something we have to look into. Such that when we think of looking into alternatives, we should also spare some time to find out what means are used. To question how they arrive at that means so that we can understand the future.

I'd also like to urge that we look into the technologies used by the liberal technocrats. I don't accept the idea that just because they use it, we cannot use it. The important thing is the context and how we define it. Because a lot of these values and technologies have been abused by these technocrats.

The other aspect I would like to discuss is to bring the problem into the realm of humankind. Because we know that most of the underdeveloped countries are trying to develop and industrialize. It's such a high and far dream. It took America about 200 years to develop and they expect us to get through it in 22 years. And we are also trying to emulate the NICs or Japan, with rapid industrialisation that is export-oriented. This is being done at the expense of the people as has been mentioned by the Professor. As such what we're seeing is misery and exploitation of the people.

Maybe we have to go back in time in the process of trying to achieve the NIC target for some countries which is the year 2000 for the Philippines, for Malaysia it's 2020. What we are saying is we should come back to society, we should come back to the values that we are talking about. We should come back to the relationship we have been involved with in our society, in a system that is exploitative, hoping to find some answers and from there maybe we could find the alternatives rather than looking for alternatives without inquiring into the existing system.

We see there is a certain reaction within society which is the microcosm of what's happening at the higher level and I'd like to bring it down to the country level. Because we are talking about the activist, the hegemony, the

My concern is that we should look into the whole relationship within our society and be able to transform ourselves. It cannot be done immediately unless we understand what is happening within our societies.

workers, the developing countries that are being exploited, technology and trade. And we see exploitation working where profit is being equated with development. Therefore, the capitalists are the partners of development, not the workers. And among the workers, there are women, children, foreign migrants who are being exploited in the search for greater profits. And of course the government is legitimizing various means through laws and concessions to make it possible. In the search for industrialisation, a lot of our people are sacrificed. We sacrifice values, we sacrifice the potential of people too. And in the process of this exploitation we see poverty, wages being controlled, unions getting corrupt, and the use of raids to break up workers. In the process we also find that

in the desire to survive in society, they do not have enough money, they become squatters who are the migrants and there we have problems.

In Malaysia I am also the Chairman of the Urban Pioneers Service Group. We refuse to call them squatters because they have stayed long enough in the area to be called pioneers. We have won cases in the Supreme Court. We get into trouble with the police, the politicians, against the gangsters, etc. I guess that is part of life. Sometimes we see that there are certain pressures that are affecting the people. Sometimes we see or hear about child abuse or wife beating but when we look at the newspapers, it's always connected to the economy in one way or another. They are so frustrated at the workplace, they cannot find another job because of lack of skills so that they vent their anger at somebody, either through alcohol and drugs if not at their families. Families even fight each other and go to court. And so there is this momentum and we do not know that they are interlinked to many other factors. And we in the NGOs tend to focus on certain things and we hope then we could see the bigger picture. The case is so even when we talk about the problem of the workers in terms of safety at the workplace where there is a lot of pollution. But pollution is also in the forests which is affecting indigenous peoples because of logging. It is not that the indigenous are anti-development but that they have the right to the land, because of what we call customary land rights. Unfortunately, the politicians

have the timber licenses. So we have problems about the environment, about workers, indigenous peoples and women's issues. Somehow they are interrelated. I do not wish to be very mechanical about this but somehow we must bear in mind that even in Malaysia when we talk about uniting society, we talk about development plans, it is basically economic and is related to the cultural, social and other aspects of things.

As such I feel that what's happening in the world we take at the macro level but it continues at the micro level. We have to give a human dimension to it so we can feel that we are dealing with human beings. And so in a sense we have to be more concerned. The problem about centralising and decentralising, order and disorder, and many other kinds of relationships, is that they are there still. It is up to us to be able to make use of it effectively with the information that we have, to be able to analyse the situation concretely. If not we will be going into the extremes, or we may just be reacting. Even with chaos, then order, then it goes back to chaos, it goes back to order. But at least we must be able to understand these relationships to be able to push us further.

My concern is that we should look into the whole relationship within our society and be able to transform ourselves. It cannot be done immediately unless we understand what is happening within our societies. Without knowing what kind of policies the government is following. The word corruption sometimes means nothing; that it is only bad if they get caught. There is no moral effect to it. But then value did not create this attitude; it is the product of the social relationships within society. Thank you.

Dr. Clarence Dias, International Centre for Law and Development:

Dr. Mushakoji, you make our task very difficult because you have outlined such a rich and broad panorama. Perhaps we might not be able to react as dynamically as you suggest; perhaps telegraphically, and almost cryptically. And inevitably, I would have to confine myself to reacting only to two aspects even if I would like to very much to react to other points. But I also want to confine my reactions within the context of an ARENA meeting. Maybe this is a hangover from two-days of Council meeting. But then as you were suggesting, trying to have our reactions leading to something that can be useful in terms of an ARENA follow-up.

From that point of view, I have five sets of comments I would like to make. The first one has to do with the difficulties in really understanding the new world order and present global realities. It's true that the most dramatic

Changing Global Realities and the Future of Asian Peoples

and obvious development in recent times has been the whole shift in polarisation and whether we are in a unipolar or tripolar world. There is a significant shift but I think it is important to recognise the fact that this shift occurred while other important globalization processes have already been taking place and had already progressed almost to a point of no return except through alternative paradigms of mass movements. It is also important to understand that these trends have been taking place in the context of the long deep, continuing and unprecedented recession in the global economy. And with its prescription of profits at any cost, it is adding a new dynamic to all the other problems that we encounter here.

One of the ongoing trends which preceded the shift from a bipolar to a unipolar and tripolar world is that for a long time, the international institutions and so-called international norms, really Northern norms masquerading as international norms in the areas of international finance, trade, etc. have been attempting to ensure that there would be a Northern normative framework, a Northern agenda, a Northern-led and Northern-directed plan of action of resource plunder, of offshore operations, and of insulation from accountability. And when to this we add the polarisation by regional centralising agencies and bipolar centralisation/decentralisation dynamic, the picture becomes more complicated.

Understanding the realities is so complex that I wish now to break things down to concrete examples by sharing with you three vignettes drawn from a single newspaper issue in July 1993 on the same day I was supposed to be talking about the new world order in Sri Lanka. There are three stories and each of them are very brief news items. One was on the week of the Arab crisis and it featured that France had spent US\$50 billion to preserve the French franc in one single week. Germany spent 25 million pounds in a single day to attain the same objective. At the same time, the same story goes, France had 3.1 million unemployed which is 6 percent of the workforce. Its staggering to try to understand what that kind of expenditure might have done with respect to the human problem of unemployment even in an industrialised country.

The second story has to do with the emergence of 1920s-Al Capone-Mafia style gangs in Moscow. It announced a programme of cooperation between the Ministry of Interior of Russia and the FBI of the United States to join forces in battling these gangs because of the possible harmful effect these gangs would have on the United States.

The third vignette is that in an era of smart technology, smart weapons, etc. we just noted that there was a third attempt in a month to launch a U.S. space shuttle. It had to be aborted because of a failure in the fuel line. I mentioned this last because you referred to technology and its possible positive effects for allowing an option of decentralisation in the movements. That may have been true in the early phases of the bio-revolution with the role of the medium capital firms. But very quickly that has changed with the medium capital firms being swallowed up by the large multinationals. And I think this is typified by communications technology which allows MTV to permeate the villages of India and this is dangerous with or without Michael Jackson.

The second point I wish to make is to guard against either extreme pessimism of the demands of the current situation or false optimism on the contradictions and potentials for exploiting chaos. Yes, the giants have feet of clay but they remain giants. They remain giants to be coped with. Chaos is welcome to clarify one's confusions and not only of one's convictions. But then who bears the consequences of chaos? And the ability to shift the imposition of burdens, risks, and harms to offshore operations on Third World peoples, resources, and lands has been a trend that has been increasing. We talk about a world without borders and yet borders are drawn in the form of lines on the deserts of Saudi Arabia. The different borders come and go depending upon exigencies. Instability and contradictory trends are fine but instability means, okay, you can improvise but instead of the rule of law, improvisation degenerates into nothing more than a glorified rule of the rulers. Yes there are opportunities but we should not overemphasise that. And yes there are difficulties but we should not be too pessimistic.

But the area of the paper I would really have liked to spend time commenting on is on the move from development to some of its consequences -- from development to nationalism, development to racism, and the legacy that this has brought to the countries of South Asia and Asia, the legacies of bloody secessionist struggles. You talk about the development of racism and the legacy of discrimination, disenfranchisement, and dehumanisation. But I think it is also important that we not lose sight of the basic aspect of development, namely developmentalism, which has also left in the countries of Asia this enormous toll.

Let me now respond to what you describe as the least liberal voices of liberal technocratic rule in Asia -- the newly industrialising economies

Changing Global Realities and the Future of Asian Peoples

approach, the accelerated industrialisation strategy of the NICs. Achieving this requires opening up the economy but closing down all types of political resistance. Nevertheless, we see Calabarzon in the Philippines, the Eastern and Southern Seabed Project in Thailand, Vietnam, and Cambodia, and of course Bhopal. I think we need to look at what kind of research agenda to cull it from. You may look more carefully at some of the images of the strategy and some of the problems. I think it would be from a post-Bhopal perspective given the continuing phenomenon of national elites who choose this as a first-choice development strategy and a national majority of a modernising middle class inebriated by the promises and benefits of this strategy. That is a given continuing reality.

I would like to share with you one more human vignette. And if you can bring your minds back close to nine years ago, on the night of December 3rd when forty tons of gas erupted from the Union Carbide pesticide plant in Bhopal killing close to 2,000 people in a 24-hour period. A young man by the name of Khailash Banwar found himself awakening to a lorry buried under some fifteen to twenty bodies being taken to an open area where the bodies were to be cremated. He was not yet dead so he struggled out of the lorry and managed to come out and ultimately ended up in a hospital. For the next six years, with the best of medical attention, nothing could be done to even alleviate his pain and suffering. After numerous political leaders, including two prime ministers came and made all sorts of promises, the state is still unable to do anything for the victim. After six years, he found his pain unbearable and he immolated himself -- an enduring testimony to the negative effects that we encounter with this accelerated industrialisation strategy.

And from this, in terms of research and action agenda, let us look at the approaches pursued in India. I think this might be relevant to future ARENA thinking in this area. The first approach I think has been to try to make industrialisation safer, cleaner, and more sustainable. The second has been attempts to try to secure greater equity for the victims. But this approach implicitly, at least, really concedes the perpetuation of victims and concedes the notion of disposable people in the development process. The third approach has been to develop participatory management models of the industrialisation process with community-right-to-know, community-right-to-expect, and community-right-to-intervene kind of approaches.

But I think the fourth approach might be the approach more relevant to the severity of the problems in this area. The approach has been to go back not just to industrialisation and the industrialisation process but

industrialisation using up what kinds of resources, what kinds of products in relation to what kinds of consumption and what kinds of lifestyles. Drawing from that you produce a value framework which today is spreading all over Asia that development is really all about having more than was traditionally thought. I think what you rightly identify as the least liberal version of the liberal technocratic group in Asia having exemplified the large amount of problems at this level.

Let me close by going back to the challenge you posed for social scientists, a three-fold challenge: first, to develop a mass based understanding of the problems however confusing that might be. Second, to really clear the ground of ambivalent values. And third, to attempt to provide a counter arena where the different values abused by the elites in their own arenas regain authenticity; in other words recovering key concepts and values that have been coopted.

And in this section I would just like to leave you with a list of both the coopted and the recaptured version of some key values: sustainable development which degenerated into sustained development. I think there should be a re-emphasis on social sustainability and not just economic sustainability. But we need to ask ourselves that if we accept the concept of sustainability, what does this mean in the context of non-renewable resources which by definition are non-sustainable. And this brings us back to the question of consumption, lifestyle, and the values they produce. Secondly, good governance, which as is presently practised by the World Bank and other policy bodies appears to be little more than equitable distribution of the kickbacks and corruptions among South and North alike. Transparency, accountability, and no double standards are all actors involved in good governance.

Then we have democracy degenerating into bi-party elections internationally supervised whereby a powerful country exercises influence in installing the government of its choice for the people in that country. What we need here is to recapture the emphasis on participative democracy. Human rights, once again. Double standards double speak; the overemphasis on civil and political rights at the expense of economic, social, and cultural rights. We need to recapture human rights, to take back that most precious of all rights -- the right to be human. And finally, conditionalities which are the mechanisms through which each of these values are imposed. I'd like to make a plea, like good cholesterol and bad cholesterol, for perhaps good conditionalities - people's conditionalities drawn from international

Changing Global Realities and the Future of Asian Peoples

human rights standards and shared with institutions and values from indigenous cultures on the basis of which they can exercise that most valuable of all right, the right to say "no."

Let me end with a few lines which are from a children's book of verses which goes something like this: "If you're a bird, be the early bird and capture the worm for the breakfast plate. If you're a worm, sleep late." That is the prescribed alternative in the last decade for dealing with these problems. Variants of these other alternatives such as empowering worms to turn around and to be able to devour the birds. Yet other alternatives involve trying to convert birds into vegetarianism. I think the challenge that lies ahead for all of us is to develop an alternative so that the worms of the world and the birds of the world can play their roles in a just and equitable society. Thank you.

Dr. Theresa Carino, Philippines-China Development Resource Centre

I am now overwhelmed not only by the paper of Dr. Mushakoji but also by the previous discussant who has put it in such eloquent terms. I am glad that Dr. Nemenzo has said that chaos is acceptable so if my thoughts and words are incoherent and chaotic, please don't blame him for being my teacher.

Because the paper is so comprehensive and substantive, I'd just like to pick out a few points. For one, I think at this point while we keep talking of global realities we are in fact groping for a way of understanding them, now that the neat categories of the Cold War have been demolished. But at the same time, I'm just curious if we have really put the Cold War behind us. As we look at the emerging power configurations particularly within the Asian region, we have the emergence of China which many have prophesied to be the next superpower. So I'm wondering in his own evaluation or analysis on this point, where Dr. Mushakoji would locate China. As an emerging hegemon? Or can we look at it as an alternative model? Perhaps at many points it was not. But at the same time I think the emergence of an economically developed China would pose a challenge to the West, and here, perhaps, what we see emerging is a new Cold War. Because you mentioned North-North, South-South, and North-South conflicts but the Cold War was an East-West conflict. And perhaps we have now a re-emergence of an East-West conflict where you have old wine being poured into new bottles.

The reason I say this is because in the past Western policy was really directed at the containment of China. And now that China is moving away from communism, it is still the target of Western policies. Before, they didn't like the Chinese because they were Communist and they were going to spread communism throughout the world or at least in Asia. Now they don't like the Chinese because they are capitalist. So my question is: what do you want the Chinese to be? So this is one aspect and I think this is quite central given the size and influence of China in Asia.

I think Samuel Huntington has also talked about the "clash of civilisations" and the role of religion and culture is now defining the parameters of conflict in the broad sense. Related to that, many of the key values that have been mentioned in the past we would have sort of distanced ourselves from and regarded them simply as liberal-democratic values. And yet now they seemed to have become central values. And I'm wondering if we are now saying that the liberal democratic framework is a good reference point. My problem with it is that it is so broad and it claims universality -- human rights, democracy, freedom, development. Perhaps that needs a lot of examination to see where the universality comes in and where we have to look also at the specificities especially within the Asian context.

In the past, one point of critical reference was class struggle. Nobody mentions class anymore. Where have we relocated class struggle? If we find that it is no longer useful, what is then the critical point of reference? Is it "people?" Are we saying that something is alright, we support it because it is the people's movement? But then again, how do we define people? Given the fact that the people at every level are no longer immune to the effects of mass media and therefore when we talk to the people, when we ask them about their hopes and aspirations, they may simply be telling us

I think Samuel Huntington has also talked about the "clash of civilisations" and the role of religion and culture is now defining the parameters of conflict in the broad sense. Related to that, many of the key values that have been mentioned in the past we would have sort of distanced ourselves from and regarded them simply as liberal-democratic values.

Changing Global Realities and the Future of Asian Peoples

what the media has been telling them. So how do you make the distinction? How do we determine what is authentically belonging to the people? This is the question I'd like to raise here.

Then thirdly, in the process of redefining the key issues and problems that we have to face in belonging to groups that support the people's movement, a major task for us also is how to identify the new arenas of political struggle and to look at new forms of struggle. We have been so accustomed to looking at struggle in terms of mass demonstrations and also in terms of armed struggle. We are a bit confounded these days about how to address the problem of how do you have new forms of struggle that are effective. I'm sorry if I might sound like a pragmatist or a technocrat but I think we need to address the issue of effectiveness. We struggle not for the sake of struggling. We struggle to win. So it's fine to define issues and problems but in the process, we really need to identify where are the new arenas and forms of struggle.

My fourth comment is that when we look at the people's movement or what we now include in the people's movement, it's so broad. We have the women's movement, the environmental movement, indigenous peoples and so on. While broadening the categories of peoples' struggle is a good thing because it includes everybody and gives everybody a voice, part of the problem also is that it has helped to diffuse the struggles. In other words, I'm fearful that the tendency is also for each sector to go on its own. And my question here is where is the unifying force? We were unified in the past perhaps by an ideology that was very clear-cut and very comfortable because you could answer things in terms of a reference point. But now you have very broad struggles every kind, every category. Where is the unifying point? How do we unify the struggle so that it is not diffused? And here again of course I am concerned about the effectiveness because the more types of struggle you have, the easier it is for the power centres to manage them.

I raise this point because working with an NGO, I am faced with a number of dilemmas. For instance, Dr. Mushakoji has stated that we shouldn't trust the technocrats. But one of the main sources of power today of course is information and technology. And if we don't trust the technocrats and we reject becoming technocrats how do we then have access to information, science, and technology? In other words for those of us who are working with NAOS, how do we maintain the balance, maintaining one foot in the academe or in the establishment so you can still have access to information and technology but at the same time having your other foot outside where

you can serve the people. Sometimes it is very difficult to maintain that balance.

And last but not least we have to assess the role of media. I think that is very important because media popularises information, it also popularises values. And if we really want to appropriate the key values and invest them with authenticity, we have to address the question of how do we get the message across to the people. Or at least allow the media to articulate the authentic voices of the people. Thank you.

Dr. Nemenzo

You see all the interesting Singaporeans live outside Singapore. But before we plunge into the chaos, let us give our guest speaker a few minutes to briefly respond to the reactions.

Dr. Mushakoji

Thank you very much. I will try to be brief. First, in a dialectical way I will say that most points I agree with and I learned very much from the comments. Now I would like to focus on certain issues. First, about the universality of human rights and how to deal with the cultural traditions and also how to deal with the difference among peoples movements and how to bridge the gap between the different movements. We have believed at some point that the class which represents universality was in the past the bourgeoisie during the French Revolution and now it is the time for the proletariat as a class to be the only class which universally understands the reality, the historical reality.

And now I would like to modify a little bit this class analysis and here I am basing my remarks on a story I would like to tell you happened during the Vienna human rights conference. We had a discussion and there was a remark which I found very important about human rights and universality. It was a remark by a representative of the so-called gypsy movement in Europe who mentioned that he understood very well and was very much interested in the Buraku Liberation Movement in Japan and in spite of the different cultural situations and social conditions, it was possible to understand across cultures and history and everything. If you are discriminated in Europe, you can understand the hardships of being discriminated in Japan. From the point of view of the discriminated, there is a possibility to build universal concepts not only in a technocratic universal intellectual way but also in terms of the heart and of the mind and of the perception. I think that this is really the new kind of universality we should aim at.

I have a feeling that there is a process of involution in science and technology. By leaving science and technology free to develop, then... they are making it possible, at least in the long run, to have smaller units for information processing. So technology is actually permitting decentralisation but economics is stopping the process.

There was a beautiful statement by the NAOS in Vienna mentioning that they are for universality and they refuse the pretext of rejection of human rights based on cultural differences saying that it is a Western concept. The statement mentioned that the concept and idea of human rights should be deepened by the contribution of different civilisations. The Western civilisation has made its own contribution and it was very important and based on a very long fight and it was a legal definition of human rights. It's very important to be legal but there are other traditions -- Islam, Buddhism, Hinduism, Taoism, Confucianism, and so on, and they have their own ways of looking at human rights. I think it is very important to deepen the concept of human rights.

My second point is about information, science, and technology. I have not proposed it because it is an idea which may seem crazy. But there has been work in Indonesia by Geertz talking about "agricultural involution." This is based on the idea that you have more and more sophisticated agricultural activity focused on a certain part of Indonesia and this is accompanied by a concentration of technology, of people, and a combination of rice and sugar culture. Everything is coming together and it is leaving unexploited other parts of the land. There is a concentration of effort in one part of Indonesia and this is not an evolution but involution.

I have a feeling that there is a process of involution in science and technology. By leaving science and technology free to develop, then, information technology including all the computers, they are making it possible, at least in the long run, to have smaller units for information processing. So technology is actually permitting decentralisation but economics is stopping the process. And so it is gigantism which is overcome in terms of technology development. Now you don't have to become a

dinosaur to be successful in technology but you have to be a dinosaur in terms of the transnational economy. And so there is something which we have to study in terms of how to use technology and have an evolution rather than an involution of technology. This means that technology will change the social structure and that's the basic idea of Marx which I still think is very important.

The last point is about China. I have written another paper where I am proposing that the geese flight Confucian model is a Japanese interpretation of Chinese culture which is much more dialectical than just Confucianism. There is Taoism and there is always a kind of Yin-Yang situation with Confucianism. The overseas Chinese community is able to combine Confucianism and Taoism and to live with different cultures because it has the flexibility of Taoism and also the rigorous approach of Confucianism. The Japanese Confucians are just borrowing Confucianism for development statism so we are forcing everybody to make exercises and to sing, not the national anthem, but the company anthem. And this is very Confucian and completely un-Taoistic. And this is why my prediction is that maybe it will take sometime before the Chinese as a nation, not China as a state, including all the overseas Chinese, overcome the Japanese model. Because the Chinese culture is able to also have an ecological content with its Taoist aspect and it is completely out of the Japanese tradition.

OPEN FORUM

Dr. Sixto K. Roxas, Green Forum Philippines

First of all I want to take this opportunity to thank Dr. Mushakoji and all our commentators for a very stimulating discussion of a very profound subject. I think that chaos is probably desirable if it is a precondition for changing reality but very definitely it is a bad thing for our thinking. Our thinking should not be chaotic and certainly our commentators and Dr. Mushakoji looked at chaos in a very orderly fashion. I did want to make three points with respect to the view of the changing reality.

One of the most important key realities with which we all have to contend is the idea of a full planet. I think the geo-political implications of a full planet should receive much more attention than it is receiving because it is going to be the driving force in the polarisation of nations. And if we are looking for new bases for conflicts, I think that will really be the basis for conflicts. It is really the idea of a humanity which is already using the full limits of the planet. This is particularly so when we are starting with the

The answer becomes the search for an alternative unit of organisation because I think it was pointed out by our friend from Malaysia that in the end you will have to look at the micro unit; that decisions are made in millions of micro units on a day-to-day basis. And those decisions determine the global patterns.

situation that only an 18 percent minority of the world is enjoying 80 percent of the its capacity to sustain life and absorb waste. And that this 18 percent is not going to give up its lifestyle because it is a lifestyle that is not democratizable. There you already have the basis for conflict.

It is very interesting when you are looking for methods. Dr. Carino spoke of this. At one time, this 18 percent retained hold over the 80 percent capacity of the earth by sending out gunboats and colonising. But after the Second World War, that was no longer the fashion and the new method is international trade. International trade is the way by which the 18 percent minority continues to retain its hold over 80 percent of the carrying capacity. And it is a very pernicious form because this

18 percent includes minorities in Third World countries who are seduced to adopt a way of life that cannot be democratised within their own society. Therefore, the condition for their enjoying this style of life is to deliver the carrying capacity of their respective nations to this world system, to this Wallersteinian periphery and centre that Dr. Mushakoji speaks of. That's one of things that I thought it would be interesting to get Dr. Mushakoji's comments on.

If that is the case, then we can expect that as the awareness of this limitation in the planetary capacity becomes more generally widespread, then the conflict will be exacerbated and people are going to struggle. Now what is the answer? The answer becomes the search for an alternative unit of organisation because I think it was pointed out by our friend from Malaysia that in the end you will have to look at the micro unit; that decisions are made in millions of micro units on a day-to-day basis. And those decisions determine the global patterns. So we have to come to terms with the way decisions are made in those micro units and this has to do with selecting the appropriate unit of organisation, unit of decision making, and the basis on which those decisions are made.

The next question I'd like to put is: what is the thinking around the table on the appropriate unit of organisation and decision-making. Because when you look at the ruling paradigm, the principal problem is that the primary unit which since the 19th century has been forced upon the earth and on the basis of which humanity has been reorganised, is really the enterprise. That has been the unit. Community has gone by the byway. The nation-state is nothing but a large enterprise and that is why statist development is very much an enterprise paradigm of development. What is happening now in Eastern Europe is that ethnicity is coming back with a vengeance and is reasserting itself and looking for communal bonds, warm communal bonds. That's where the earth is. So the new unit must include this communal bonding. So that then is the second point. What then is the appropriate unit? Is the community going to come back? Is the nation-state going to disappear?

Finally, on the question of technocracy. I appreciate the concept of a liberal technocracy. But that is not to say that we don't need a technocracy because when we look at the three basic criteria for performance -- productivity cannot be thrown out the window. Equity certainly has to come back because with the downfall of the socialist economy, it seems as if equity is no longer fashionable but it has to come back with a vengeance. And third, ecological integrity has to be respected. And if we apply those three, then we need a technocracy that is going to be an advocate of all three operating at the very level of the micro unit. That means developing a management strategy that applies a particular community-based paradigm and an accounting that respects community benefits.

Dr. Nemenzo

Mr. Roxas is the answer to Prof. Mushakoji's question as to whether there are technocrats in Philippine NAOS. In fact there are, but of a different type. They bring in their managerial skills. And among the Philippine NAOS, there is a kind of "survival of the fittest". Those that survive I suppose are those who address the question of effectiveness. And that is where the technocrats come in.

Prof. Mushakoji

Thank you very much. This is a very basic question. I would like to use this 18 percent-80 percent conflict as a basis to go back to the idea I was proposing that it is a global involution of the process of industrialisation where technology may provide the basis for a redistribution of goods, services, and information. But the economic structure is concentrating

Changing Global Realities and the Future of Asian Peoples

everything into the 18 percent and this is the core of the problem. Now the question is complicated by the fact that there is a North-South conflict but in the South, as you mentioned, there is a North of the South which is very close to the North. But in the North also, there is a growing South and so the whole conflict is going to become more and more chaotic. In that sense, it is not a bad consequence I am sure. But as a conflict, I like the fact that it is becoming more complex because the decentralising forces may become stronger.

But this is where the problem lies, as you mentioned, the role of the state in the technocratic process. And I have the feeling, please correct me if I am wrong, but in Sri Lanka and in other places like Bosnia-Herzegovina, the problem is caused by the fact that you have to seize state power to be sure that your ethnic community, your people, can be guaranteed development access to the goods of industrial development. Because there is a kind of built-in situation where in the European model, each individual is a citizen and constitutes a homogeneous civil society. In the various places, including Europe, now you don't have a homogeneous civil society; it's a salad bowl with good and bad aspects. And so the problem is how to build a new world which is not dependent on the top 18 percent but on the bottom communities, the basic communities in all the countries.

I have two ideas which are both probably unrealistic. One is to go back to the pre-modern Western world where you don't have this strict logic of the territorial state. For example in my part of the world, Okinawa was both China and Japan and had its own autonomy. In my country we are discussing to whom the four countries in the North belong. Personally I think they belong to the island people and neither to the Japanese nor the Russians. But why not have a tripartite agreement between the island people, the Japanese, and the Russians so that it is collectively run by the people themselves with some agreements among the states.

The second is to go back to the idea which was experimented on in Yugoslavia. People say that it was a shamble and this is why these things are happening now. My point is that it is just the other way around. I think it was a miracle that the people who are now fighting such wars could be unified by the idea that you have participatory self-management organised from the factory level so that the factory workers choose their technocrats and train the technocrats from their midst. And the factories are the bases of production and consumption ideally speaking. They are part of the community and this is where you have a federal system. But it's a little too

Western and it does not allow for overlaps of jurisdiction. And that's probably what was lacking in their model. But I would like to propose that we have alternative models compared to the state-based individualistic citizens constituting a civil society that is identical to the state. Thank you very much.

Dr. Arief Budiman, Universitas Kristen Satya Wacana, Indonesia

I would like to pose one question to Dr. Mushakoji. There is one debate in Indonesia about Huntington's article on the "clash of civilisations" that attracts a lot of Muslims especially. Basically they read it in different ways. They say that the Western people are blaming the Muslims, of scapegoating the Muslims as the source of everything, of the chaotic world. I would like to respond especially to what you said about world chaos. I think the world is chaotic now because of lack of unifying principles after the Cold War. But I think many people cannot live with this chaotic situation. Freedom is a basically a border, and escape from freedom is a phenomena of many people refuse except maybe the intellectuals who love chaos.

But then out of this chaotic principle I think it's getting worse. We are looking for any kind of unifying principle. Now we know that we have a lot of critics against Huntington's article on the "clash of civilisations." But I find out that the critics are mostly too rational. Of course there are a lot of pluralities in Islam; there are a lot of pluralities in Western ideas; there are lot of pluralities in Confucianism even. But I think in the chaotic situation, psychologically people are looking for something that they can use as a struggle. I have a lot of criticism against Huntington, academically, but as a reality that is emerging, it may be the main conflict in the future. Not because I don't see the shortcomings of the concept but this is an academic exercise. As a matter of fact it is emerging because with the collapse of the North-South conflict because many people in the South subscribe themselves to the North's concept of development. So they are basically part with the crisis of modernism -- they lack a kind of ideology.

Now the conflict is articulated with this religious sentiment of Moslems. There is a strong movement in the world to unify the Muslim forces wherever they are -- to identify themselves as being exploited by the industrial countries. I don't see this conflict as purely religious; it is more a question of an economic base whatever the base is. But the articulation is going to be there. Now my question is: since ideology is not necessarily regional, it is about structure, I see the North and South conflict now being transformed into a new ideology, like the Muslim versus Western culture as Huntington

Changing Global Realities and the Future of Asian Peoples

stated. Do you see that this will be the main conflict in the future; it is now but I don't know whether it will stay for a long time.

I would like to ask also whether Confucianism can also become a unifying principle especially when China becomes capitalist and Japan is now reacting to the world order as basically the junior partner of Western civilisation, because Japan has no partner in Asia. But if China becomes a strong country in the world, is it possible that Japan and China get together under a unifying principle of Confucianism?

Dr. Fred Chiu, Hong Kong Baptist University

I am an anthropologist from Hong Kong. I don't know how to introduce myself because Hong Kong is a non-place in terms of the geographic, political whatever. And anthropology is a non-discipline especially for technocrats. If identity can be written on genes I call myself a biological Chinese. But by no means am I an ethnic Chinese and of course I am definitely not politically or culturally Chinese.

So why I am saying this? It is just to begin with chaotic existence to express a chaotic feeling. In addition to that, I really feel uncomfortable hearing people comment on China because there are too many kind words which we in Hong Kong, especially myself, don't feel. So the problem is not that China becomes a superpower. That has absolutely nothing to do with Confucianism, Taoism, or whatever. Because it has really nothing to do with the practice on the ground. China is more than three or four. Some Chinese think Singapore is Chinese. Now the good thing that is happening is that China is in a very funny kind of cartoonistic slow disintegration. That may be the biggest contribution of the Chinese to humankind for the next century.

They tried to build a kind of Chinese descent, Chinese blood symbolised by, to follow the Japanese, the Chinese economically-existent co-prosperity areas. That is actually what is happening. So the so-called capitalism of China is actually an illusion, a dream of the statist bureaucrats. And the essence of this is that they want to turn themselves into the sub-imperialists. Because they submit to the very logic of imperialism and they coexist with the big hegemony, they want to be the second hegemon. So in this sense I follow with some biological Chinese inside and especially outside of the political constellation of the Chinese mainland. For instance in Hong Kong and Taiwan, we have a very different feeling about unification. We are terrified by this term. Even if we use this term "unified movement," it makes me feel very uncomfortable. Why do we want to unify? And actually the

new strategy being developed not to unify, but precisely, to disperse. With the kind of complicated constant negotiation between movements trying to articulate not the old-time coalition. They try to peripheralise the opposition and make yourself move all the time. And they constantly watch your identity and position-taking.

The second thing is that we cannot conceive of something like a deep media or deep state because that is a construct. That hegemonized concept of the world which is actually promulgated by the powers-that-be. If you reunify, you don't really struggle, you don't care because to you even if there is deep media, there are thousands, millions of ways to get around it.

The last thing is about struggle. Talking about the unit of struggle, we are not only thinking of running exile strategy, we also advocate just like the environmentalists. People say nation-state, actually it's state-nation because nations are created by state. The biggest problem is that all the similar organisations in the world after alignment is that the organisation don't die. That's the problem. So we advocate the kind of organisation which is biodegradable. If we really commit to biodegradable social movements, the problem will be very different. Thank you.

Dr. Kumar David, Hong Kong Polytechnic University

I've been in Hong Kong for ten years but before that, I used to live in Sri Lanka. I'd like to comment on only one aspect of the discussion today. Chaos has been taking a lot of flack today; everybody around here has been taking pot shots at chaos so let me take a shot at chaos as well. I see the notion of chaos, the notion of disorder, the notion of futility, the way in which it is posed or has expressed here as an indication of exhaustion, defeat, and stepping back. The lady from Singapore said, "I used to have a reference point. I do not have a reference point anymore. It's gone." It looks like the Soviet Union, in its collapse, did more harm than all of Stalin's purges.

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Changing Global Realities and the Future of Asian Peoples

The issue is that in the past when we did have a reference point it was clear, a people's universal ideology. Call it socialism or whatever you like. It had internationalist connotations to it. It was an orderly concept of whatever form, image or "order." In fact, Marx often used the word "rational" identifying it as being more rational than all the social orders which preceded it. So it had all those connotations and concepts for it. That was the reference point from which many people started off (even if they did not actually call themselves socialists or Marxists), nevertheless they had that comfortable reference point. It was out there and they could lean on it even if they did not actually want to say that they were part of it.

It appears that the discussion today is starting off from the premise that all that is finished. Therefore, we need chaos, therefore we need to grope for something else. It appears to have been taken for granted here that it is finished. That's why I say that the collapse of the Soviet Union

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seems to have done more harm than all of Stalin's purges. The people here are now saying, "Let's look for something else." Prof. Mushakoji himself attempted to speak about alternatives. But I'm sure everyone here will admit that was still an unsure effort, a searching. Because you yourself appear to be reacting to this collapse as though that ideology or that world view is gone.

If you want to fight what you call hegemony, what used to be called capitalism and imperialism and all that (those words are no longer fashionable, it appears) if you want to fight that kind of hegemony, you can only fight it on the basis of a totally constructed, theoretically complete world view. And going with a concept like chaos is telling workers and

peasants in the Third World that that is what the future is all about. And that's not hard work. It doesn't mean anything to them. So the lady asks: "How do we distinguish between bad chaos and a good chaos or bad and good mass movements?" Only if you have an ideological perspective, only if you have a world view, our world view. And in reference to that, we can see if it is good or bad. But if you lack that, then it will be just another mass movement.

So you will have to come back in the end to a Third World view. And if you carry with it a lot of the concepts that went to build the ideology and theory of socialism in the past, it is not dead, it is just in recess.

Dr. Mary Racelis, Ford Foundation (Philippines): All of us are fascinated by your macro view of the world and how it is operating. You mentioned that the popular movements are where the new paradigms are to emerge out of. My question is: "How does that happen in the real order of things?" In reflecting on it, especially in this country, of what I know of popular movements now, how do people get their perspectives into the more mainstream discourse if they are not themselves the mainstream often unrecognized, but also the larger elite mainstream. One of course is by action, by the kinds of pressures that they put to all kinds of mobilisations of their own. Another is through NAOS who are very active in trying to make the transitions to provide them with information that the technocrats who are in NAOS do have access to and use for people's benefits to incorporate it into people's thinking and production. That's another approach. Third, is academics who I guess are most of the types of people who are here, who usually have some kind of contact with NAOS or people's groups and who try to write in the sense for that or at least reflect those views as valid and attack prevailing paradigms. Maybe there are others but those are the three that strike me.

Since ARENA is largely a social science group with NGO heads by and large, I wonder if maybe you and the group here might provide some guidance on how some of these linkages between the NAOS and academics may be brought more to the disposal of people's organisations so that they are leading the thrust, so that their paradigms are in fact coming into the mainstream which we as technocrats do really have much more influence upon. And there are also the unheard voices of women and youth that somehow have to get factored in. We still tend to look at the adult and largely male population when we speak to the outsiders.

Changing Global Realities and the Future of Asian Peoples

We know very well that women and the youth are actually involved in many of the activities which create the paradigms. Those researchers and NAOS who work in urban areas are very conscious that the real mobilisers are in fact the women because of the situation of the urban poor, the urban pioneers (I like that term) as the ones who are in the communities who care the most about mobilising those who have some stability. So I am looking especially at academics whose number as represented here are very few. It also struck me that the university system of academic department is really contradictory to the attempt to link up with people's organisation and even NAOS who are way out there. The very structure of how knowledge is organised in universities is counteracting a real attempt, with some exceptions, to bringing out the peoples paradigms. That, I hope you can address. Thank you.

Dr. Nemenzo

I just cannot resist saying maybe that if there are too many academics in the NAOS, that might also destroy the NAOS.

Dr. Mushakoji

I must mention that I don't have the answers. I just have comments to make on the comments. One, about Huntington and East-West formulation of North-South Cold War. I would also come back to Dr. Carino's point about the East-West dimension with China on the one hand. I have the feeling that there is now, (as I have already mentioned) the Crusades taking place against Islam. Instead of Communists, now the bad word is the Islamic fundamentalists. And it is also a part of fundamentalism to seek and find out the role of women in Islam which is basically egalitarian. There is this possibility to be fundamentalist in going beyond the feudalistic institutions which were built in the Moslem world which is not necessarily Islam itself but just part of the historical manifestation of the message of Islam.

The motives are completely areligious and acivilisational but there is a kind of scapegoat exercise where Islam is made the target. I am not a believer but I still believe and hope that in Islam there is going to emerge, or maybe it is already existing, popular movements within the "Umah," the community of believers, which will go beyond modernism versus fundamentalism. I have a great respect for the Secretary General of the United Nations but he is a modernist and he is not Islamic. He is from the Moslem world but he is himself a Christian. But he is basing his hope on the modernists, which is probably the 18 percent minority referred to earlier.

The Moslem states will counteract this Western Crusade, that is their right, and there is going to be a cultural Cold War. But I hope that the popular movement inside the "Ummah" and outside of it can have a dialogue. The Prophet himself mentioned that to get wisdom you even have to go to China. There is therefore this opening in the original message to have this kind of dialogue. I have the feeling that while the states develop this kind of Crusade, the popular movements in and out of Islam will have to have a dialogue on the basis of the enrichment of the basic right. The concept of equality, which is the basis of Islam, has much to contribute to enrich the

I strongly believe that human rights is a universal concern. But if you accept the existence of nation-states then I am also for the five principles of peaceful coexistence (*Pancasila*) which includes non-intervention. I agree that you cannot claim non-intervention in human rights. But still I can see and sympathize with the Chinese government when it rejects pressure from the United States. Because non-intervention is very important for international democracy between states.

concept of human rights. It is very silly to say that the Islamic states are against human rights. That's probably true but it doesn't mean that Islam has to be criticised for that.

Huntington is in a sense, in a very clever way, combining Confucianism and Islam because these are the two opponents for Western hegemons. And this is where I would like to mention a point that probably you will disagree with. I strongly believe that human rights is a universal concern. But if you accept the existence of nation-states then I am also for the five principles of peaceful coexistence (*Pancasila*) which includes non-intervention. I agree that you cannot claim non-intervention in human rights. But still I can see and sympathize with the Chinese government when it rejects pressure from the United States. Because non-intervention is very important for international democracy between states. The position of China

Changing Global Realities and the Future of Asian Peoples

is not just to hide the Tiananmen problems which was a massacre. They are trying to hide it I know, but their reaction to the American pressure is not only that. It is also a rightful anger at being taught a lesson for the West. I think we have to be both for international and domestic democracy. The problem is that there is a fundamental contradiction between non-intervention and human rights. We have to live with this contradiction and we have to develop a dialogue between those who are for international democracy and for those who fight for people's democracy.

Now to the point of how to develop an organic chaos. My concept of chaos is probably rather different from the comments disclosed since it comes from the Chinese thinker Chuang Tzu. He wrote about King Chaos who had no eyes, no ears, no nose, and no mouth. But he played a positive role in bringing peace between the North and South kingdoms. And this is where chaos is the basis of confidence building. The Western mind wants to have clear-cut decisions about who owns what and this is creating all these conflicts. King Chaos mediated between the Northern and Southern kingdoms. So the two other kings decided to reward King Chaos by giving him eyes, ears, nose, and mouth. The story goes that the day after that, King Chaos died. He died because chaos is true chaos only if you don't have the eyes and the ears, and the rationality of people who believe that they see and understand. I think this is a basic wisdom that comes from China. So I hope that in the East-West conflict, China will be able to surpass the West in becoming Taoist. But the best Taoist I know in recent years was Chairman Mao. So I don't know who will succeed him in a different interpretation of Taoism.

The point I am making is that there is a cultural civilisational problem which we have to be aware of and here I come to the issue of the reference point. I am completely with you about the need to build a new world view which is a new socialism. My point is that socialism is not only in a stage where it is not proceeding. My argument is that at last socialism has its chance because it is detached from a centrally-planned technocracy which was not really socialist. They started to be socialist but then they turned into technocratic states. Now socialism can be authentic. I am interested in Proudhon who was a dangerous reactionary thinker according to Marx. So maybe here you won't agree with me. But I still believe that you can have a socialism which accepts pluralism and is not centrally organised. If the people's movement can come together it is on the basis of deepening each one's position.

When he was Rector of UNU, Mr. Soedjatmoko developed a project to look at the image of desirable futures of different religions. In developing this programme, he told me something which I cannot forget and goes into this world view problem. He said that are too many ecumenical attempts saying that all religions are the same and that they all aim at peace and everything. That was not so interesting for the UNU to study. But what is important is to


study how different one religion is from another, what kind of different message each religion has to give to humankind. Its only once you have deepened your well and found some common underground water current between the different wells that you can talk about a common world view. The idea is that not only the religious movements but also the secular popular movements should dig deep wells and then try to see how they can come together. We are at a point where we don't have a reference point but each one of us has developed our own reference points. Then we need a dialogue on the basis of confidence, we need to trust each other and to see that we are aiming at the same goal.

Maybe it's very idealistic but Gandhi-ji's "satyagraha" approach also involved the British technocrats of the colonial days. Gandhi-ji tried to convince them of the harm that they were receiving from this colonial rule, the fact that they were part of this colonial bureaucracy. I think that this is exactly the same kind of approach we need. I was harsh about technocrats and their ideology. But there are many good technocrats. What is important is try to dig deep into human nature and get human understanding rather than to have some shallow common front. If we do that, we can build a new civil society. Western civil society was based on individuals and individualism. We need more individualists, especially in Japan. We have to be more individualistic. But still the organic communities are very important. What we need is to build a civil society where different communities can keep their own traditions but have some confidence in talking to each other and believing that they can dig deep and find some common underground waters. If you can do that, then I feel that there is a new world view, a new socialism evolving.

I hope that the universities will provide the intellectual leadership, or at least followership, in linking these different tendencies. But so far the universities are too compartmentalized to operate in this way. I have experienced that in working with the UNU we were unable to cooperate within. It was much easier to cooperate or to get the support of the CAP (Consumers' Association of Penang) and of the faculty of the Science University of Malaysia (USM) who were also in the CAP team. So it was much easier for them also to cooperate with the UNU inside CAP than inside USM because the university is too rigid and too narrow. So I hope that if our universities will become like CAP in a sense and become much more open and be able to communicate with the movements and the people.

Dr. Nemenzo

I think the last point by Dr. Mushakoji, not about the universities but about digging deep should be of interest of the Philippine left who are busy quarrelling with each other. That is, instead of trying to find a common denominator in order to maintain an artificial shallow and fragile unity, they might go deep into those differences, try to achieve a deeper understanding of these differences and on this basis perhaps we can achieve a higher and a more stable unity.

A grainy, high-contrast black and white photograph. In the foreground, the dark silhouette of a person's head and shoulders is visible, facing away from the camera. The background is a bright, textured surface, possibly a wall or a large window, with some indistinct shapes and patterns. The overall image has a gritty, artistic quality.

"...there are a variety of simplistic and reductionist approaches to ethnicity... there was this theory that ethnic conflict is nothing but class conflict... There was that kind of reductionism of ethnicity, of class taking away its whole foundation."

ETHNIC CONFLICT: RETHINKING THE FUNDAMENTALS

Kumar David

Let me first tell you what this paper is about and what it is not about. The original thought that was suggested by ARENA was changed in the course of actually developing the paper and the suggestions I made have been incorporated. The paper, and my discussion, is all about the fundamental way in which we look at ethnic conflict. So this paper is not about activists. It's not about intervention. It's not about how to mediate or get involved. It's not about any particular ethnic conflict. It is not a study of different social formations and the consolidation of resulting ideas. The keywords around which I'm developing my idea of ethnicity are class and state. The main argument that I will propose is that ethnicity, fundamentally, is not a category located in the domain of consciousness but rather it's a very material category. I'll also talk about pluralism, and how we are going to react to the question of multiple subdivision of the world. Then I'll talk a little bit more about ethnic crisis, the term itself, the nature of the regime in which it is developing. I will wrap up by saying a few words about a kind of world view or vision without which I believe we can get nowhere.

The preliminary remarks that I wish to make are: First a clarification that in the context of this discussion and in post-World War II conflicts, the word "ethnic" is an umbrella term which is related to several religious, racial, linguistic and all these different types of conflicts. How is this generic

Changing Global Realities and the Future of Asian Peoples

use of the term justified? How can we use one word to discuss what may apparently be very different contexts, very different types of conflicts? The generic usage, to my mind, is justified by the fact that two conflicts may have much more much more commonality with each other depending on the particular social issues, the particular social formations and the concrete modern questions that they deal with, rather than whether they are religious or racial or something else. Somebody used the term "old wine in new bottles" referring to something else. Today, when we talk about ethnic conflict we are looking at new wine in the old bottles of ethnicity, the bottle in which we put Sinhalese and Tamils or Muslim and Hindu. The real issues, however, are issues of the modern world which have to do with the state, the economy, with privileges, and with a number of very modern social mobility issues which highlight what is common between them rather than the differences among them. At the fundamental level, I will argue that there are no philosophical or religious undercurrents in modern ethnic conflict. It is the modern social context of it that carries greater weight.

The second comment that I would like to make is that there are a variety of simplistic and reductionist approaches to ethnicity. To my mind, particularly in the left movement although we probably don't do it anymore, there was this theory that ethnic conflict is nothing but class conflict. After the revolution comes, the ethnic conflict will disappear. There was that kind of reductionism of ethnicity, of class taking away its whole foundation. There have been cruder versions of that way of thinking. For example, in the trade union movement, ethnic conflict was just capitalists misleading the workers. It's not as simple as that and that is not what this is about. Bad politicians and good peoples, that's another very common simplification. Because of this framework, which we often hear in liberal circles, you come across ordinary people whose ideas have a fundamental flaw. The flaw is that they do not recognize the fact that racism and ethnic ideologies have deep roots among the people themselves. The simple way in which many people try to explain away racial and ethnic conflict is misleading. These are the explanations that you come across very frequently, for example, to explain relations between India and Pakistan. But taken by themselves or taken as a fundamental understanding of ethnicity, they are reductions.

The third comment that I would like to make is that in understanding real social conflicts, we will always find that class, state, and ethnicity are intertwined. But that's obvious enough. But in any given social formation, at any given time during any given particular crisis, I think of these as the 3 sides/axes. One of the sides is activated, then it is the predominant axis.

I'll use a term state-nation-class. Today, we can see that this is crucial to understanding what is going on in Sri Lanka or Bosnia. South Africa is also a very interesting example where ethnicity and class play, and continues to play, a key role in what is happening in that country.

Having made those preliminary remarks and used up most of my time, I'll move on to the second point and that is my argument that ethnicity, as a modern political category, is not something that only resides in the consciousness. It's much more material. What do I mean by this? Categories are specific lines of discourse. And the discourse here is endemic socialism and political conflict. That is the term of the discourse in relation to which we define our category. In that sense, superficially, ethnicity may appear to be about ethnic identity. It may appear to be about custom, culture, religion, or color. It may appear to be a non-materialist category. The term, however, is much more fundamental. In reality, identity or ethnicity is rooted in real material terms, in material organizations of social formations. The notion of the territory or the boundary as they relate to social formations is very important. If we go back to Marxist terminology relating to historical materialism, Marx talked about class, modes of production, relations of production and such matters. All of these categories he defined existed within a boundary, within a social formation. And today, if we want to inject the category of ethnicity in the traditional socialist-Marxist kind of thinking, we have to begin to understand the importance of the concept of territory or the boundary. It is here in this boundary that we begin to understand the new material forces which are at work. It is this real material factors which in turn create consciousness of identity, of separateness of "us and them," of security, of a sense of being different. This consciousness may have material roots but it long outlives those materialist foundations after they change and move into a new world. Nevertheless, it carries the baggage of old ideas for many many generations. To take it a little further, let's look at South Africa and the developmental consciousness there. Before modern times, you had in the southern tip of Africa two distinct social formations. They had distinct modes of production. This differentiation resulted in the establishment of a territory. There lies the material basis or the concept of separate development. They consolidated this by building a world consciousness based on historical ideas. Today that is dead. Now there is another world. Now we have not two separate social formations but a single, dominant, capitalist mode of production. So you have changing circumstances, changing material set ups which give way to new perceptions of what identity is, who is white, who is black. And new problems arise. But the baggage of the older consciousness continues to play an important role. What are the uses of these categorizations? Categories are otherwise

Let's ask about the goodness of pluralism, the celebration of pluralism as a universal value... Everybody goes along without thinking through the whole concept of the right of ethnic identities to self-determination... While all this division is very real, so also it's true that economically and culturally, and in matters of ecology and the environment, the world is becoming one.

useless, there's no purpose in them. We have to understand questions like why some ethnicities are activated but not others? Why the Sinhalese against the Tamils and not the Christians against the Buddhists in Sri Lanka? Why do certain, specific ethnic conflicts become active conflicts and others do not? After all, if we consider the range of ethnic variations that exist in the world, they are more than the actual active conflicts. Why? We find the answer if we trace back the material circumstances. Ethnicities are not things that are always active. They come into being and they go away. There are new concepts of identity that constantly remind us that ethnicity is never static. They come and they pass away. They are very puzzling to read. It also helps us form an appreciation of the different kinds of skills that are involved in its analysis.

Let's ask about the goodness of pluralism, the celebration of pluralism as a universal value. There is a lot of song and dance about pluralism, democracy, and decentralization. Why? Everybody goes along without thinking through the whole concept of the right of ethnic identities to self-determination. Let's talk more concretely on this. While all this division is very real, so also it's true that economically and culturally, and in matters of ecology and the environment, the world is becoming one. We live in one world and the reality is that it is slowly integrating. Economically, we live in one world whether we like it or not. Naturally, our world is becoming one as much as there are separate ethnic identities. Cultural pluralism has its limitations. Science, environment, technology. It's very difficult to ignore their integrating effect. Do we have an agreement on the world view then? I'm sure that this will generate a lot of discussion later on so I'm not going to anticipate the discussion. Those who agree with me put your hands up. Do you agree that the greater integration, the greater coming-togetherness and the elimination of national and ethnic divides is good? I prefer to use that as

our reference point. If you have no vision, you have no goal and no reference point. But it's another thing to go with us to the realm of ideas, and quite another to live in the real world and address real issues. How do we handle concrete conditions? How do we handle concrete reality? We can't just live with a vision alone. What are we saying here?. I believe that that is a reasonable position to begin with even if one has to retreat from that position from time to time and in specific instances. When we come to specific examples, we have to temper that broad thinking with the specificities of the situation.

I'll go to the next 1 or 2 ideas very quickly. We have to understand specific social situations and the generation of ethnicity as an across-the-board thing in Eastern Europe, the Soviet Union, Canada, and across the world. It's not just a Third World phenomena. But in relation to the Third World in particular, what we have is a weak ruling class. And the ruling class is weak because its economic foundation is weak. And frequently we are left with unholy alliances. These weak ruling classes, in order to hold on to state power, find it necessary to enter into certain kinds of alliances with section of the military because of the prominent role of the latter. In entering into alliances, one fundamental thing is the consciousness of that sector. Therefore you find in all of these situations that there is a general absence of consciousness.

The turmoil arising from ethnic conflict has now been with us for several decades and much has been attempted, and written about, as a "solution" to the problem. To the extent that all of these answers are neither new nor radical, and for this reason it is convenient to refer to them as conventional solutions. To this category belong "solutions" like the forcible incorporation or elimination of recalcitrant ethnicities, separatism, federalism, regionalism, ethno-coalition politics, and foreign interference by other countries or various agencies such as the UN, EEC, IMF, human rights and peace movements.

The first assertion that I believe is possible, is that, unlike in previous centuries a forcible or military solution is impossible in the present period. The reasons lie in both the changed nature and balance of world politics as well as in world technological changes and the near universal accessibility of this technology, albeit at a price.

The second important feature is to understand the complex, and in a sense peculiar, ways in which constitutional re-arrangements and enhanced democratisation can effect ethnic instabilities. Thus, for example, the

Changing Global Realities and the Future of Asian Peoples

transition from a repressive regime under which ethnic tension lay invisible, to a more democratic one which sets about attempting to restore greater autonomy, may lead not to a period of compromise and harmony, but rather to a period in which various extremist tendencies gain ground, narrow chauvinist ideas triumph and ethnic clashes in society multiply. The root cause here is to do with the fundamental limitedness of ethnic consciousness itself, which question will be discussed a little later in this section.

Much has been said about democracy and autonomy being the cornerstones of a solution to ethnic conflict. Great faith has been placed on this approach by democratic peoples movements within affected countries and by international human rights and peace agencies. Undoubtedly, these assertions as a set of core ideas are valuable, the point, however, is that their limitedness as a complete programme, has not been sufficiently drawn out and discussed. The limitedness arises from two sources, the first is the limitedness of the ethnic consciousness from which democratic and devolutionist solutions, if applied in isolation, cannot separate themselves. The second is that economic devolution, to the extent that it is included in an ethnic "settlement," leads not to a solution but only to a subsequent conflict "at the boundary," and to the extent that it is not included, makes purely political devolution a mere farce. There is no way out, therefore, along the purely liberal-democratic road. The failures of such efforts in the last few decades illustrate this since there is not a single convincing example of success.

There is a fundamental contradiction, therefore, between ethnicity as the embodiment of the identity of a separate consciousness (arising from and carrying the stamp of an isolated mode of production), and the reality of modern nation states and, indeed, the modern world, where the integration of the mode of production is far advanced, and material intercourse is universalised between different peoples and inextricably intertwined between nations.

It has to be recognised that ethnic consciousness, in the final analysis, is a remembrance of things past, and as mankind grows it will, in the words of St Paul, "put aside childish things." Surely, there will be a universalisation of our heritage instead of an eternal particularisation of it? The sense of identity and security that particularity provides, and which indeed is so important at times today, must nevertheless be seen as an ephemeral phase in the longer journey that mankind has undertaken. When men circumnavigate the sun and settle on Mars will they still carry their ethnic

identities with them? Perhaps, and this gives rise to the need for some remarks regarding ethnic ideology of a more base kind.

I am using the term ethnic ideology as differentiated from ethnic consciousness to denote the base elements, racism, intolerance, prejudice and chauvinism which are a part of the ethno-political scene. Such ideologies are still deep and divisive all over the world, they are not confined to small numbers of less enlightened individuals or to extremist organisations.

The ever so comforting assertion that, say, racism or communalism, does not run deep in the ordinary people who are but innocents misled by guileful politicians, is nothing but a naive oversimplification. Divisive ethnic consciousness, chauvinism, racism and religious intolerance, as the case may be, are ubiquitous ideologies that run deep among the people in various ethnic groups, at least for protracted periods. Ethnic ideology has a deep grip on mass audiences for reasons that have already been discussed and false prophets and opportunist politicians may be more a result than a cause.

If, for example, Sinhala chauvinism is a fact, it is then also a deep reality of the consciousness of the corresponding people. To move forward then the long fight against false ideology is a major task that cannot be avoided. This is a sustained struggle and will not be accomplished in a few brief years and for long periods the task will fall on a few who have the vision and the courage to bear it. A whole epoch of disappointment and defeat will precede tangible achievements in the larger social arena. The reason why progress will be slow and difficult is because ethnic ideology has old and deep roots which have been reinforced by modern social and political conflict and economic crisis. The defeat of ethnic ideology, a sine qua non for ending ethnic conflict, will necessarily be a protracted process. The great mistake, however, is to fail to realise that a new rational and more civilised world cannot be born unless the ideological and philosophical struggle to free men's minds from the limitations of ethnicity is undertaken and an adequate commitment made. Many well meaning organisations are not able to fully grasp this nettle. The thesis developed in this paper has argued that ethnic conflict as a modern political phenomenon is not confined to backward societies in which the state is still in the process of formation and consolidation, and that it will persist for a further period of human civilisation. The events of the last few years and more importantly their underlying causes - sustained ethnic oppression and conflict, based, in part, on the persistence of ethnic consciousness in civil society - which have

Changing Global Realities and the Future of Asian Peoples

festered for many decades prior to the explosive manifestation, and which manifestations are in any case only signposts of the ebb and flow of more fundamental trends, have amply justified this thesis.

The activation, the catalysation, of some ethnicity somersaulting it from a latent state into the sphere of real and intense political activity, can only be understood on the basis of a concrete, historical materialist, examination. It cannot be understood from an idealist analysis, that is it cannot be understood in terms of a thesis primarily based on the "philosophy", language, ethnic traits, ancient history, some supposed natural characteristic or consciousness, and so on, of a particular race, religion or people. This too has been borne out by recent events, which have furthermore dramatically justified the assertion that whether a problem is religious in one location, linguistic in a second, and racial in a third, is far less important than the specific socio-economic dynamics that actually drives the events forward. Theoretically, this has justified the introduction and use of the generic category "ethnic" as a valid concept in the construction of modern political theory.

The paper has also discussed the dichotomous nature of modern ethno-politics - being at one and the same time, an expression of a peoples desire for liberation and a recrudescence of enmity and xenophobia. The concepts of overdetermination time dis-synchrony were found to be useful in thinking through the uneven and dynamic nature of the complex interactions between the different elements (economy, class, state, ethnicity) of a social formation. The paper has argued against certain reductionist approaches and has sought to debunk naivete of underestimating the depth of ethnic prejudice in the populace at large. A dialectical approach which attempts to reconcile what is feasible at a given time with commitment to a long term vision has been advocated.

Dr. Temario Rivera

Thank you for that very provocative presentation, Kumar. I'm sure you have generated enough chaos to last for the next few days. So we will have 2 reactions. First by Fred and then by Rama. We're giving them 10 minutes each.

Fred Chiu

Kumar is always fascinating. In the process of reading his paper I go with him with all the ups and downs. I disagree with almost everything he

said. But finally we seem to agree on what he said in the last page. Because he is an engineer, I should try to give a pseudo-scientific presentation. Basically, there are 3 pairs of things. You have state, class, and people. The relation is 3-dimensional. Thanks to Kumar for not being too comprehensive. Otherwise, I will have nothing to say. So here is something that is an inversion. The inversion here is significant and meaningful. When Kumar talked about the state-ethnic relationship, I actually thought to look at it as ethnic-state. These two things are significantly different. The second thing is I think there's a kind of terminology we have to share. Sometimes you talk about what to me sounds like ethnicity. Sometimes it is not. Sometimes it's nationality. I would talk about it next time when I have 30 minutes and Kumar has 10 minutes.

Now comes the concrete. I'm just trying to follow this paper very closely and try to make some comments along the way. If it sounds chaotic, blame him not me, I'm just following his paper. From the beginning I thought that ethnicity as a category didn't sound right. If I were to write a paper I would categorize ethnicity as a mode of categorization. The difference is that ethnicity is something that is constantly being made and re-made in the way of negotiating identity. So to me it can hardly be referred to as a "thing."

Finally, I agree with you when you come to your conclusion. Over-determination and, which in a passionate term is what we call, mediation. How do we mediate? I think you are talking about the economy, ways of life, and modes of production. I think in our discipline in anthropology, we think ethnicity is the nostalgic or primordial mode of production. That is because its non-existence creates the need to identify yourself, for you to create a cultural identity which you call ethnicity. So it is not because of it. It is because of the lack of it. We all have differing conceptualizations of things. For instance, the French word for a river. We don't have an equivalent word in English because they refer to a river as a body of water that goes out to sea. But other people talk about river or creek according to its size. So that's a way to conceptualize or put it in a different way. So it is a process of recreation and this recreation that can take a number of different forms. I think categorization is wrong because categorization is basically an ideological apparatus which intends to neutralize a concept or process. To put it as a "thing." Literature from 1983 by Benedict Anderson and all the other people ride on national identity. I think one thing is very important. Nationality and collective identity is precisely owing to a kind of anachronistic exercise. Basically, it is a recreation and an atavism. Atavism is if you don't

Changing Global Realities and the Future of Asian Peoples

follow your father but go back to your grandfather. And that's very much what's happening in the construction of national or nation-state identity. You have a question, a state for each ethnicity. That's the problem of an ethnic state. Then the problem I'm concerned with is not ethnic or state ethnic nationality but the direction which it takes.

Nation state is actually state nation because a nation is created by the state machine. This thing comes about because of the whole colonial legacy. For instance, the French people during the revolution only 50% of the Parisians spoke French. Not until 100 years later, until the end of the 19th century, did the French people begin to speak French. But when the French people come to the colony, just like the British come to the East, as the colonial army do the looting. They may have been Irish or Scottish. But they came together as representatives of the United Kingdom or the Queen. Unfortunately, the colonized bit into this ideology.

I jump a little bit because I don't have time. The problem is sub-imperialism rather than imperialism. We are not only blaming the people. They've been abused. We blame the victim but actually, we are praising the persecutor. And as an anthropologist, I'm much more transcendental. However, I think we should remember all the historical things today. The failure of Pax Sovieta. That is precisely what is happening in Yugoslavia. They are held together only precisely because there are state machines. They temporarily used the paper to wrap-up the flame. For 30 years it only made the situation worse. For example Somalia, Americans say that the cause of the conflicts are warlords or clans. They also say that the problem now is to build the Somalian nation. What is nation-building? That means to pick up somebody to be the regional or national hegemon. So the can state be "non-capitalist?" I think it is very difficult because in most cases, the state machine is used for management purposes. I think that something like nationality eventually moves upward to become a state ideology. Then it becomes very serious. The Chinese take out the biggest possible area when they lay claim to history. Different people in different historical periods expand differences. First it was the Moguls, and then the Mongolians conquering the West to become part of Mongolia. After that, Mongolia becomes China. So it is a kind of an inversion, you can do a lot of things like this. Here the part becomes the whole. The past becomes now. The possible future will be overwritten by a number of versions of history.

One final question. I really question whether the process that we are talking about is unavoidable. Then I want to put it in a tricky way. If it is, why

bother to talk about it? If it is not, then that proves that the world is more as I look at it than Kumar looks at it. Because in this small room, it seems Kumar and I talk very different languages. If something unavoidable is so powerful, why is the world still so chaotic now?

P. Ramasamy

I really admit that I share quite a few things with Kumar. I think Kumar's paper on ethnic conflict is very fundamental. I think he has basically identified the problematique that is evident. I heard someone describing ethnicity as something like trying rediscover your ancestors. Or ethnicity as a manipulation by the elites. But I think Kumar has summed up all these things. And I think that is very reassuring because he looks at ethnicity as a consistent feature of more than the nation state. There was an argument earlier that primordial sentiments were the givens. But I think it's a modern phenomenon and I think this seems to be quite implicit in Kumar's analysis. Of course, ethnicity is not really explained in terms of existing terms but rather in terms of the linkage between the material, the mode of production, and the realm of consciousness. Of course he has tackled questions like why there are ethnicities in some instances and why there are no ethnicities in others. I think this seems to involve the material basis of the explanation. I don't think this is really a very comprehensive analysis but it's much more open in terms of putting a relative autonomy on both ethnicity and its linkage to the material existence, and that transformation in one may not necessarily beget transformation in the other. Of course, there are arguments for integration and disintegration. And it also involves conceptual problems. I'm not very sure because this seems to involve the spiritual examples. This seems to be *ex post facto* in terms of explaining the whole concept of exceptionalism that is trying to draw a line on what is allowable and what is not, what is progressive and what is not. So my question is, in terms of practice, where do you draw the line? When can you allow for ethnic consciousness in the context of democracy?

I quite agree with Kumar in terms of rejecting all these so-called conventional solutions to the problem of ethnicity or ethnic ideology because it's well taken that there must be a struggle to free man's mind. I think there are more contradictions in terms of allowing ethnic consciousness at one level, while at the same time trying to deal with ethnicity as a problematic concept from a more universal plane. I think that's very clear.

But again, the other problem I find is the discussion on what is allowable and what is not. You can allow ethnic consciousness but only those that are

Changing Global Realities and the Future of Asian Peoples

not very well articulated or conceptualized. For example, you say that ethnic consciousness is fine because it is an expression in the context of a democratic system. Then you go on to say we must reject ethnicity. How can you do that? It's a question I think Kumar has to deal with .

How you deal with ethnic strife? We are confronted with particular conflict situations in Malaysia, Indonesia, Thailand, and India, there are many ethnic and communal problems. And an awful effect is that people are just getting on this bandwagon of explaining this centrifugal tendency and not trying to deal with it from a concerned person's point of view. I think you can find that this plethora of literature is tremendous. They are all trying to understand and capture all sorts of theories on the topic of ethnicity and implicit within these is a resignation that it is something that is going to be there whether you like it or not. I think from the context of ARENA, that we are simply interested in analysing. I think analysis is very potent but we would move beyond that in terms of trying to deal with these problems from a much more concrete perspective. I think Kumar's paper provides a basis, a beginning, for the discussion of such an alternative in terms of getting much more theoretical and conceptual reflections on how the whole question of ethnicity is articulated in its varied dimensions. The other thing which I find enlightening is the global context. Although it is implicit, I feel it should be much more explicit in terms of understanding the question of either ethnicity or nationalism, and in terms of trying to derive a dialogue in the context of the search for alternatives.

These are basically my points with regard to Kumar's very stimulating theoretical framework and I think it gives us some sort of a basis upon which to discuss the question of ethnicity. Its a two-dimensional basis. One is the question of the need to understand whether this complex process had worked, while at the same time trying to come up with something that is in the interest of ARENA or similar organizations. This I want to stress.

Dr. David

Fred gave us a wholly different point of view so there's no point in arguing about it. But let me put it in my own words. I'll say that ethnicity is the new wine in an old bottle. It's part of a newsituation, a new world, with new processes and manifestations. Fred is basically saying that instead of new wine in old bottles, it is old wine in new bottles. That's the fundamental difference. A new world consciousness and participants who are fighting these new battles with old weapons.

A quick remark on nation-state: state-nation argument. Fred is saying that the concept should be that of a state-nation because the state is the prerequisite for a nation to be formed. But that's only half the story. The other half is that this state forms a nation, and then the nation, and ethnicity, breaks down that state. You break down the Sri Lankan state if you have a Sinhalese state and a Tamil state. You have state-nation-state process. I do not think there's a lot to be gained from dwelling on the concepts of ethnic identities and material bases in a modern world that is in constant flux.

On the question of exceptionalism. What's the basis for such? How do you decide which is an exception and which is not. The answer to what may or may not be accepted can only come from concrete discussions about specific cases. The question about that the global context is another. One talks about ethnic reactions to oppression, the ethnic people's fight against the oppressions of the state. These should all be considered but more on the basis of the specificities of each.

Dr. Rivera

Thank you Kumar. Can we now entertain comments or questions from the audience. You can direct any of your questions or comments to any of our panelists.

Silan Kadirgamar (Sri Lanka)

I think there is a fundamental problem here. We are people in these similar groups. People who have overcome our identity problems, trying to sit together and discuss questions of identity. It's extremely difficult to discuss this in a group which speaks only one language. With the Tamils and Sinhalese in Sri Lanka. The identity is very strong. The linguistic identity is very strong. I was just reflecting on my own identity, I think that identity is not permanent, it changes. I remember when I was 8 years old in Malaysia during the Second World War when we went to school, a Japanese officer came to count the number of students. He asked the Chinese to stand up, the Chinese stood up. Then he said Malays, there were hardly any Malays. Then he asked the Indians to stand up. And so each of us who were Sinhalese just sat down. Then he looked at us and asked why we were not standing up. We said that we were Sinhalese. He said that there were only Indians. At that age, we had a very strong identity of being Sinhalese, not just non-Tamils. And then we had the big Eelam struggle in Sri Lanka and the identity was no longer Sinhalese. It was Tamil. In my case, I'm now living abroad, I have a South Asian identity. South Asian first, maybe Sinhalese second, I

Changing Global Realities and the Future of Asian Peoples

don't know, I never related to being Sri Lankan. With reference to Germany. There was no Germany before 1860, there were 350 separate states. If 350 states could become 1 state, why can't it be the other way around? The whole question of the disintegration of the state is possible. It is possible but not in the way it is now. We are going to have degrees of autonomy and that will be the final solution. But the question is what is the degree of autonomy, what is the nature of the state?

One thing I still can't get straight with what you are trying to say. Can the key concept of identity which you continuously refer to sort of slide down the side? I guess the foundation of your argument is that ethnicity and ethnic identity are basically a material things. Then it comes to the question what do you mean by material. You seem to have a very idealist notion of identity and consciousness. It is a problem you seem to try to resolve. You're trying to work out on the theoretical level. It's very unclear to me what you mean by identity in materialist terms.

Dr. David

I think that when we approach the question of ethnic struggle in practical politics it involves the practical issue that ethnicity comes into being when the people conceive of themselves as a unit. That's the reality of it. There's no point telling a group of people who have conceived themselves as an ethnic group, conceived of themselves an identity and of putting forward a political position. There's no point theorizing to them and telling them, for example, you don't have the material foundation so you are not an ethnicity. It's practical knowledge. I believe that the recognition of an identity, or the recognition of ethnicity must begin from the reality of the social market. That is one domain. The domain of understanding. Now the relationship between the understanding and the domain of equality is not always very simple. So on the one hand, they tell you yes I consider you an ethnicity. But to my mind I also want to understand why you are one. And that's the domain of theory. So one begins to understand the reasons why these things are emerging and what the real meaning in a social formation is because it has come from both practical and theoretical knowledge.

Mushakoji Kinhide

I am very much interested in your analysis. Maybe this is a wrong question but I would like to know what is your analysis of the end society you want to aim at. Because if there are material bases to ethnicity, at the end of the day, you can abolish classes so you can also abolish ethnic differences. Does it mean

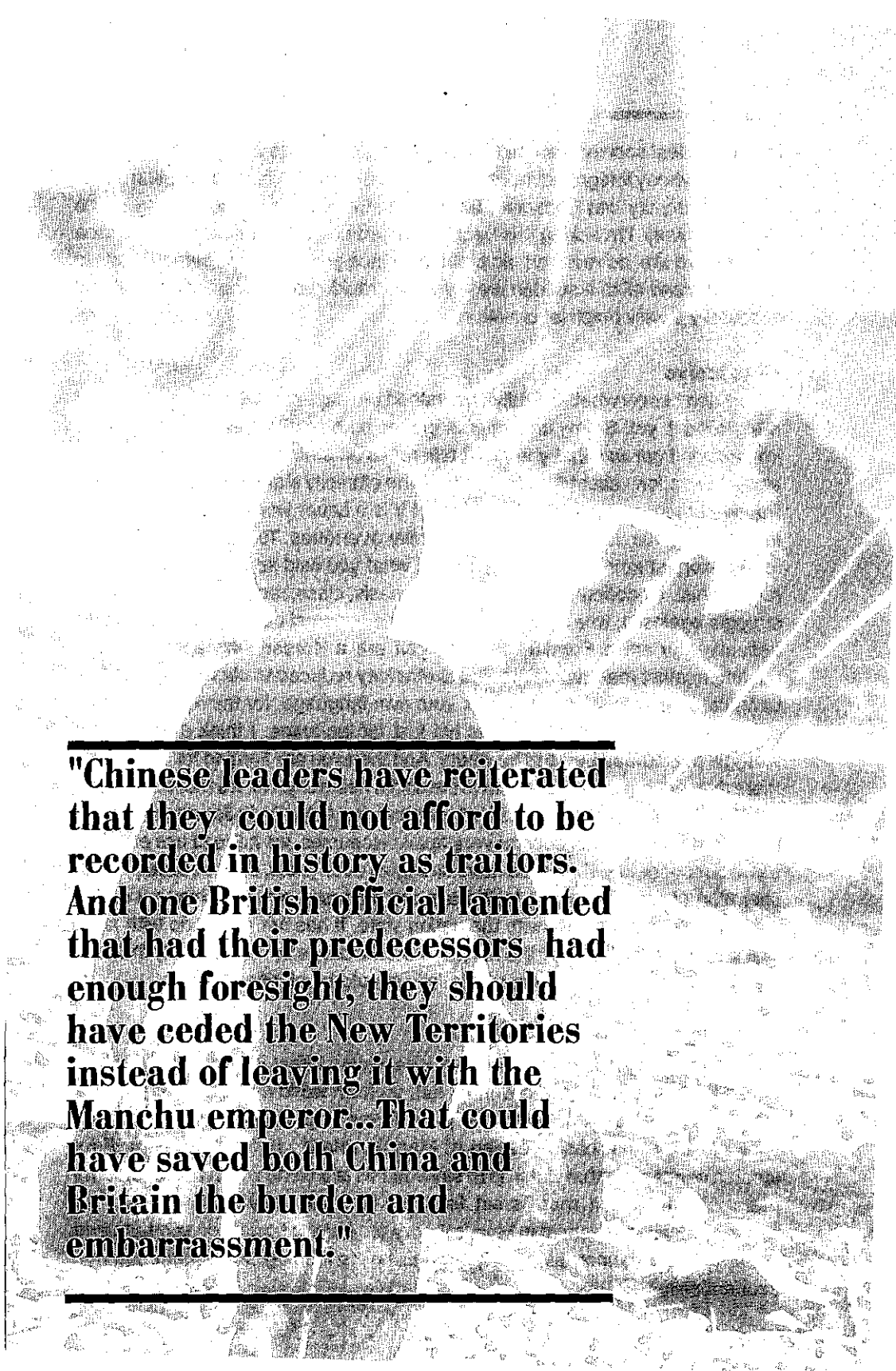
that in an ideal society you don't have differing ethnicities as a goal but you just have everybody integrated into a common humankind. This is a question about how well identity can transcend time or whether identity is something which has to go away. I'm asking this because in certain socialist countries, the idea is that there are no more ethnic problems since you have overcome the class distinction and all of a sudden they are backtracking on their positions. So this is actually a very practical question.

Muto Ichiyo

I don't know whether I fully understood the paper or not because I haven't really read it yet. So my understanding may be biased or very partial. But the impression I got was that you didn't talk much on ethnicity as such. You talked about the nation, about the state-nation, the ethnicity state, ethnicity class, etc. But what then is ethnicity? You said that it is a cover word for conflicts which involve religious, racial, linguistic, or similar overtones. To me, it doesn't seem to be a story of ethnicity as such. To me, what you said seems to be a little bit reductionist. Of course, there are material basis, class, race, etc. But when you struggle against it, when you are discriminated against because you are black, because you are a Buraku, because you are a Korean in Japan, you are fighting against material bases. But is ethnicity reduced to class struggle? No. Language matters, you struggle for your own language, for the revival of your own language. And of course it is not just for language. I think ethnicity is a struggle of a human being to be whole. And then you are fighting for something more than advancement or a shift in the social hierarchy. No. It's more a struggle for dignity. Only then can you talk about ethnicity. Actually, in Japanese there is no word for ethnicity. Except for very open discourses, we have to use ethnicity using our phonetics. But we do have struggles over years, over decades for the liberation of the Buraku. It's legitimate and it doesn't aim to achieve a nation state. It has nothing to do with the nation state. It has nothing to do with race. Still we are struggling. And it is not just material bases but their dignity that is at stake. So I think the meaning of ethnicity should be clarified.

Dr. David

What is my millennial view of an ideal world. What is the ideology which one is thinking about. Is that world a flat, uniform world of material well-being alone or will there be cultural and other forms of plurality within that world? Now I take up that basic position of Marx in relation to the millennium. Four utopian concepts is that which is to say that this is a world which has overcome material want when man is set for what we call universal freedom. If materialistically conceived in Marx's theory, we have a society of shortage and poverty which cannot, simply by organizing its ideological domain, survive economically.



"Chinese leaders have reiterated that they could not afford to be recorded in history as traitors. And one British official lamented that had their predecessors had enough foresight, they should have ceded the New Territories instead of leaving it with the Manchu emperor... That could have saved both China and Britain the burden and embarrassment."

REUNIFICATION

Lau Kin Chi

This morning, the keyword was chaos. Somehow this has a liberating effect so we can use that as an excuse for being chaotic in the presentation. This discussion is on East Asia but I don't think I'm in a position to comment on the experiences of Korea, Japan, and Taiwan. When I was given this topic, I was asked to talk about the reunification of Hong Kong with mainland China and related issues. Hong Kong will be reunified with mainland China after 150 years of British colonial rule and Macao will follow in 2 years. We also notice that Taiwan's reunification is not yet on the agenda. And what is happening is the former Soviet Union and Eastern Europe is beginning to cause concern for movements for independence and self-determination in the national minority in China. So there are movements and aspirations for more self-determination for example in Mongolia and Tibet. So we are in that context when we are talk about the reunification of Hong Kong with China. So what is the nature of this reunification of Hong Kong with China? It is by no means a glorious achievement by socialist China to absorb capitalist Hong Kong. It is not a demonstration of the superiority of socialism. The people of Hong Kong, are not all that joyful with the national pride that they will no longer be under British rule. They do not really see this as a victory over British imperialism. If we look at the 1997 question, it is not a result of Chinese initiative to regain sovereignty over Hong Kong. It is also not a voluntary move on Britain's part to relinquish colonial rule. It is simply because the lease of the major portion of Hong Kong will be expiring in 1997. The most convenient way to alleviate a crisis is to extend the lease and continue with

the status quo. But then to do this would be too dishonorable from a nationalistic standpoint. Chinese leaders have reiterated that they could not afford to be recorded in history as traitors. And one British official lamented that had their predecessors had enough foresight, they should have ceded the New Territories instead of leaving it with the Manchu emperor or they should have leased it for 999 instead of 99 years. That could have saved both China and Britain the burden and embarrassment. But then after some years of Sino-British discussions, a solution apparently acceptable to all parties concerned was arrived at. And there was the "one country, two systems" formula. Deng Xiaoping even proposed this to Taiwan and Korea and saying that Korea could also follow this system of invention. So for us the question is what does this formula mean and what are its implications on the people of Hong Kong, China, and Asia. The picture is very different, depending on whether you stress the "one country" or the "two systems" concept. If you stress the "one country," concept, does it mean that it will be same rule but with the same bureaucracy? Or does it mean a common national goal to become a superpower? If you stress the "two systems," concept, then could it mean that there would be more tolerance from the democratic rulers in China such that Hong Kong people will still maintain some sort of liberty? Or does it mean that one will practice socialism while the other, capitalism? Or does it connote that different lifestyles can be maintained so everyone can live according to his needs? Different people can give their own meaning to this formula of "one country, two systems." But then if we are going to look at this formula in the light of the Dengist reforms of the past 15 years, then I'm risking an oversimplification. I would characterize this reform as tight control over the political freedoms yet loosening of the reins for the rapid development of capitalist privatization and disintegration of state property. The economic transition to capitalism in China is implemented by means of keeping the political hegemony of those vested interests. And so it indeed has Chinese characteristics. The regime, on one hand, tries to clamp down on the articulation of dissent and the struggle for political rights and freedom. And this clamping down on the political rights of the people serves to uphold the power of the bureaucracy in the face of possible opposition from the people in terms of economics. There has always been a close relationship between the repression of political rights and the rights of the people to voice out their economic aspirations. The Great Leap Forward in 1958 was a very good example. Before the Great Leap Forward was launched, there was the anti-rightist campaign to clamp down on all dissent resulting in the repression of the people's voice. But on the other hand, in the name of reform, rationalization, and modernization, state property was now broken up and appropriated by private

hands through many means. Corruption, graft, privatization, the closing down of factories and their sale at cheap prices, the sale of land and property, etc. I will not go into the details of how this scramble for public property formerly owned by the state is now conducted. But maybe I'll just give one example. In the coastal city and over the past 5 years, they sold land by open bidding with an average price of about US\$350 per square meter. The government announced later that in fact 20 times the size of the land had been sold by mutual agreement to foreign investors. Some of these land were sold at a prices as low as US\$1 per square meter. This is the way a lot of property was appropriated and this process is continuing with very profound consequences. With this setup, a small minority of capitalist cum bureaucrats, and not the masses, reap the gains.

According to one of the official papers, the deputy minister of labor wrote that China now had the combined abuses of both the capitalist market and socialist planning. Adopting the two systems in fact resulted in them getting the evils of the two systems combined. So there are two systems in fact in the light of China's reform, it is not something static, they radically undergo transformations and check each other in certain ways. So if we look at the Hong Kong issue and its significance then it could be analysed in the context of the failures in China. Politically, Hong Kong will remain radically more liberal in terms of resistance to democratic control over their way of living. The regime will pretend to contain Hong Kong and exert its potential influence on other parts of the mainland. At the same time, we are not seeing a process where we have Chinese capital buying up influential newspapers and magazines in Hong Kong. On the other hand, Britain is trying its last efforts to inject some democratic elements into Hong Kong's political structure and social scheme before it retreats. We seem to be fostering some sort of parliamentarism different from different parties emerging and voicing their platforms. Britain is also rapidly developing tertiary education. It is offering life-long appointment to justices of the Court of Final Appeal.

Economically, we see Hong Kong represented as the model of development for the rest of China. At the same time, it serves as the instrument for Western powers to open up China and integrate it into the world capitalist system and get it to play the game as defined by the five powers. Hong Kong is also the gate through which resources can be looted out of China. Even after the 1989 massacre, there was never any worry that Hong Kong will turn socialist. But reform policy is irreversible. If we look at the changing realities in China in the light of global developments,

Before countries can evolve an alternative vision, they need, first of all to confront the ideological hegemony in China today, including that propounded by the state and by the mainstream opposition intellectuals.

we see that on one hand the Soviet Union and Eastern Europe. The fall has paved the way for a rescue on capitalism. But at the same time, these roads have encountered a lot of opposition from the people, especially from the workers and women. But then China is seen, in general, as the last stronghold of communism. The turn to capitalism is in some way much more radical than the process now occurring in Russia or Poland in terms of the rapid disintegration of state property, etc. I think we must be careful in defining the specific mode of capitalism that China is walking towards especially in the current world order of crisis and chaos or world capitalism itself.

For the people, the reform policy in the past 15 years has meant some loosening of the bureaucracies and political control. But then the pace in which control has been challenged is not as quick and as ready as the economic breakdown of the socialist property. Without shedding off bureaucratic control and arbitrary political intervention by the state, the people are faced with the anarchic effects of the market and Third World-type capitalist exploitation. A new form of enslavement is developing.

Before countries can evolve an alternative vision, they need, first of all to confront the ideological hegemony in China today, including that propounded by the state and by the mainstream opposition intellectuals. There will be three kinds of effects. The US effect, the USSR effect, and the Hong Kong effect. The US effect, on the part of the regime in China is trying to justify its existence and rule over China by emphasizing the threat of imperialism. One reason for clamping down on the 1989 democracy movement is that it will create chaos, so the rulers are trying to restore order and clamping down on any sort of democratic movement or activities granted as working in favor of US imperialism. Among leftist groups, I mean the pro-China groups in Hong Kong and pro-China intellectuals in Hong Kong, one justification for continuing to support the existing regime in China is that it is the only force that can counter US imperialism. This is one of the

analogies. For example, after China failed to get the right to host the year 2000 Olympics, the Deputy Prime Minister said that China will get strong and will no longer be bullied by the imperialists. So they interpreted the change to host the Olympics as one of the tricks of US imperialism to prevent China from becoming a recognized strong power. If we look at the other side, that is if we look at the mainstream opposition through the democratic movement in China, then the US is vied as the stronghold of liberty and freedom. But then if we look at both records, they have one thing in common that is, they do not doubt that the road of capitalism to a free market is going to be the salvation for China.

The USSR is interpreted as a failure socialism and has thereby justified the Chinese move toward capitalism. At the same time, the USSR experience is interpreted as justifying the retention of the power of the communist party such that it prevents the kind of chaos that is now present in Russia and also the disintegration of the Soviet Union.

As for the Hong Kong effect, Hong Kong has been portrayed as the key to success and it is an irony that China always refers to Hong Kong, as well as the example of the dragons and tigers of Asia, as developing capitalism by totalitarian control over the people. A new sort of authoritarianism was actually promoted just before the 1989 movement. 1989 is now seen as the people's movement for democracy, their articulation of their aspirations for more democratic rights. But then just 1-2 months before that, the mainstream ideology among intellectuals in China was to follow a new authoritarianism as its road to development. They quote Hong Kong and Singapore as examples. At the same time, when we look at these ideological hegemonies we must recognize that they are not fully hegemonic, that they themselves are wrought with contradictions and conflicts. There are in fact resistance and liberating possibilities in these. So for example, when we talk of capitalism, it is not one entity because there are all these different kinds of capitalist modes and when we talk about China going towards capitalism, we will also have to look at the reforms it is taking and how it is conducted or implemented. I feel that we need to somehow develop a new collectivism based on the autonomy of the individuals and the communities. This needs to be fostered to counter the variant forms of atomization and disempowerment. Before 1979 China was forced into collectivization under bureaucratic control. After that, it has been individualization under the iron laws of market competition. But I see that it is in the negation of the very corrupt and rotten realities of China today in the combined rule of democracy and capitalism and in the

Changing Global Realities and the Future of Asian Peoples

impoverishment of the majority of the people in this reunion with world capitalism. As well as in all sorts of violence inflicted on women, that women have to go home and be good wives and mothers, on peasants who become landless, and on workers who can now be easily sacked by management. It is in all these realities that the people's old version of socialism can arise, their need to organize themselves and defend their livelihood. One cannot simply brainwash the people that capitalism is an evil and that socialism is something desirable. In China, capitalism had been ideologically bombarded by the Communist party and now with the party itself discredited, all that it formerly opposed seems to have some sort of value.

In China, capitalist developments are now termed the preliminary stage of socialist-building. Deng Xiaoping, the henchman in guiding China towards capitalism, is at the same time the most adamant opponent of bourgeois liberalization and corruption in his own interpretations. The terminology of capitalism and socialism are indeed chaotic. Somehow we need a new language to articulate the people's new experiences and perspectives. In China, the experience is quite rich because while we see from the mass media about all these successes or problems of reform from the macro view and also from the side of foreign investors.

There have been reports of people's resistance against the reform. In 1989, the political movement for democracy had the background of the people's distrust for the party and also the people's opposition against what they call the bureaucrats' form of capitalism. In 1993, we didn't have the June 4th but we had the June 5th. That is the very well-known peasant riot in Szechuan where over 10,000 peasants rioted to voice their opposition against the many tariffs levied on them. We have been hearing a lot of small scale peasant riots. On the other hand there have been some concrete experiences of peasants trying to form cooperatives to deal with the worsening poverty in the countryside. In the Special Economic Zones, the workers find themselves helpless and unprotected against industrial accidents. There are also demands for regulation to protect workers. So I would say that the people's perspectives are bound to be based on local experiences. And they'll be heterogenous, they'll be real.

To come back to the question of reunification. Hong Kong and the reunification question has been exploited by both British and Chinese vested interests to further their own privileges or to contend for more advantages. But it could also be explored by the people of Hong Kong, China, and Asia to foster more links and exchanges. The two systems setup has been a

barrier to the forging of links even between Hong Kong and the mainland. After 1989, there has been sympathy for what is going on in China but little action. On a broad grassroots level, the Chinese workers in the mainland are usually seen as rivals for jobs because the factories in Hong Kong are moving north to the Special Economic Zones. The employers are importing cheap labor from China to work in Hong Kong. And all the major trade union federations in Hong Kong, whether they are leftist, rightist, or so-called independent unions, have promoted a slogan against the import of labor while dispersing the suspicion that Hong Kong workers have anything against Chinese workers. And somehow tacitly blaming the Chinese workers for competing for jobs. With regard to the question of reunification, we will have to give it a different meaning. First, in the context of the exchange of experiences among Asian peoples. It is also important that the actual experiences of social action and community organizing get across to different sectors. For us, maybe the reunification of China into the world system should be seen as a partial removal of barriers among the peoples. And maybe we will be the ones to give the terms our own spirit of unity in the sense of coming together based on our pluralistic and heterogeneous experiences.

REACTORS

Mohiuddin Ahmad

The countdown for the so-called reunification of Hong Kong with China has started. It has been accepted probably by all that by 1997 its fate will be decided concretely. But though you call it reunification, I like to put in other terms. It's going to actually be the restoration of Beijing's control over Hong Kong. As I heard, Hong Kong is being handed over from the British foster father to the natural mother. If we see this exodus of 50,000 professionals from Hong Kong and the panic and uncertainty of the people in Hong Kong, we see reunification in a different context. Whether this is going to be a peaceful reunification and how much popular support will be behind it cannot be ascertained now. If we see this reunification as a project, then I am very much in doubt whether this is going to be a sustainable project because there is trend toward reunification but also a parallel process of disintegration. China is not single ethnic entity and there exists ethnic violence between the different ethnic groups. If we consider all these, particularly China's taking control of Tibet in 1961, I think it's really difficult to say what will happen in the future. It's was very difficult to foresee the collapse of Soviet Union as a state, now it is being increasingly realized that questions of ethnicities which appear to have been resolved, were not actually resolved. The question of ethnicity will continue to exist in China. I

don't know how this Chinese leadership is going to resolve that problem. So on the one hand, there is a move for reunification with Hong Kong, on the other is the latent contradiction between these ethnic groups. If we look at the whole thing as a project, the sustainability of this project will depend on how Taiwan is going to assess it. If Hong Kong is successfully integrated with mainland China, then this may have great bearing on the future integration of Taiwan. When this decision of reunification was taken up, I don't think there was any popular discontent in Hong Kong against this move. I may be wrong but there has been mass exodus of professionals and what I hear from some figures, 80% of the academics are ready to leave the country anytime. This means that reunification has been legitimized from the people's point of view.

Any forcible assimilation has dangers that may surface anytime. One positive thing is that if the declared policy of the British-Chinese leadership is to continue with the "one state, two systems" and Hong Kong continues to be a window both for the Chinese and for the rest of the world, then this arrangement may work. This arrangement is also dependent on how successful the integration of the two economies will be. The Chinese economy is transforming rapidly and it is not viewed by analysts as being a form of socialism. In the future, I think that there is a possibility that China will be one state, one economy.

We hear about the human rights violations in China, especially the Tiananmen Square incident in 1989 that created an uproar around the world. This is a major concern for many people in Hong Kong. There is a probability that such an incident may happen again. Whether this will happen or not really depends on how the Chinese leadership understands the world situation, the stage of development of their economy, the stage of development of the people. But I think that leaders in China are in some way trying to accommodate themselves in the process of accepting what is going to be inevitable, particularly after the collapse of the Soviet Union. Thank you.

Arief Budiman

I think I'm sitting on the wrong chair because first of all, I'm not a specialist on China and I come from Southeast Asia. I think there must somebody from East Asia here because I think the impact of reunification will especially affect the East Asian countries.

I have 2 points. The first point. It is more like a personal question maybe that I'm concerned about this development in China. First, I think as a socialist, I always hope that China would evolve some kind of new bridge to socialism after the failure of the Soviet state and the Eastern European states. I have been hoping, and getting less and less optimistic, about that especially after listening to Kin Chi. Again, that is another blow for me. That my optimism seems not to be justified by what is evolving in China. A socialist project in China, well, a socialist project in general, is always the project of a Mandarin in the sense that they are creating a new world against the stream.

Unlike capitalist projects which are basically more pragmatic, a socialist project is a romantic project. So it is a difficult project. Now, in China it seems that it is clear that there are many projects owned by many people, many groups of people. So the first question is whose project is China now? Within China itself, it seems that with the evolution of the market economy that even the state bureaucrats of China and the emerging bourgeoisie are interested in having a kind of creeping capitalism because they get benefits from that. As was stated by Kin Chi, she said that China got the disadvantages from both systems. From planned socialism they got the authoritarian state, the power of the state to regulate. On the other side, they got capitalism from the market side with which the public sector economy is being given to friends or to many small groups of the new bourgeoisie. So it seems that it is going to be the project of the elite of China now. It also seems that the people are benefitting. I heard they, at least some of them, are quite happy with the opening up of China where the Hong Kong people can come and shop there.

Any forcible assimilation has dangers that may surface anytime. One positive thing is that if the declared policy of the British-Chinese leadership is to continue with the "one state, two systems" and Hong Kong continues to be a window both for the Chinese and for the rest of the world, then this arrangement may work.

Talking about reunification, we cannot talk separately of what kind of model will emerge in China. If China succeeds in becoming capitalist, I think the Taiwanese bourgeoisie will be happy. It may be a situation where they can develop together as strong nations. That's why, I'm not only talking

Changing Global Realities and the Future of Asian Peoples

about Confucianism but also imagining that in the future if Japan can work with China as the resource-base country and Japan with the technology. It will be a superpower for sure. This is a distinct possibility especially if Japan is cornered and insulted by the western countries. At one point, if China evolves a capitalist society, they may unify based on the articulation of ethnicity that we just discussed previously. It's not necessary that they become a single state, of course. But the solidarity will be there. Japan, China, Korea maybe. Just to counter the West if the West becomes unified with the common market and one Europe. But at one point if the West can strengthen their solidarity and become one society of states, then it is very possible that this China, Japan, Korea and some of the Southeast Asian Chinese can join in this conglomeration. We can see that the so-called white people in Europe and America, are working together quite closely now. They're facing the rest of the world with a kind of unification. So again, this kind of ethnicity or racial "bonding" will make sense.

Secondly, when China becomes strong I think this will affect Southeast Asia. I think this will especially affect Indonesia and Malaysia where the Chinese are economically strong. Right now, I think there are many investments. Many Chinese Indonesians are investing in China and in Europe. They were being suspected of being a kind of ethnic or racial solidarity. Maybe its also the case in Thailand, I'm not very sure. But in Indonesia, Chinese businessmen are investing. So when China becomes strong, it will be very easy for China to attract a lot of money coming from the Southeast Asia. Okay, I think that's my point. Thank you.

Alex Magno

Thank you Arief. We should be happy to know that while you're losing some of your optimism, you've not lost your enthusiasm for building utopias.

Lau Kin Chi

Just a few quick responses. One of the first questions is whether the two systems can complement each other and then integrate into one system. I think we will basically have to see whether we think the two systems are indeed complementary. Or whether they, in fact, rival each other. If we see China successfully integrating into one economy, that is the capitalist economy, then that would mean from another perspective, that there would be little or no opposition from the people when they see that the sweat and blood for all these years for socialist accumulation are being privatized and the people are left with nothing. So I think I would see that this process would be a very tough one especially for the peasants, the workers, and the women. It's not going to be something that we would aspire for.

The second question is with reference to who are happy with the opening of China. In fact, people from Hong Kong benefit because, in the '80s when there was an economic recession, Hong Kong still prospered because of its China trade and got a lot of resources from China. The coastal regions, they benefit. And also the elites, the people who formerly had power and are now using their power to get all this property and money into their own hands. They are happy. I would say, however, that the majority are not. That is why we had the 1989 incident, that's why we had the peasant riots this year.

On the question of China going capitalist, I think that this is something directed and managed from above. This is mainly a policy from the party leaders. I see that the optimism for socialists and for socialism lies in the fact that China now has experience in the kind of socialism imposed from above, managed by state bureaucracy that has proved to be a failure. Now the people are experiencing capitalism. They are not going to have a happy experience from this and it is only from this rejection of the current kind of capitalism that socialist aspirations and will arise. I feel that that is where socialists can find the hope.

The last question is about Japan working with China to counter the West. This kind of paradigm resembles the cold war rhetoric of East versus West. And I don't see why there is a need to particularly counter the West. We talked about Japan working with China to counter the West, but then it is subsumed under the same world capitalism. It would basically be a conflict among states which may not necessarily be beneficial to the people of the West or to the people of China and Japan.

Mr. Magno

Perhaps to guide the discussion in the forum I think there are two points that need elaboration. One is on whether reunification is the appropriate epistemology for this process that is going on between China and Hong Kong. And the other point would be the regional implications of this process and to further extend this point on China and Japan, I think the more imminent repercussions of not only of the coming together of China and Hong Kong but the 4 Chinas, to include Taiwan and Singapore. The implications of this on racial, ethnic relations in Southeast Asia. Also its implications on the nature of capital flows, investments, capital-trade relations, and the like. Maybe we can start with the open forum.

Simon Chau (Hong Kong)

A few remarks to complement to what Kin Chi has said. This is my second visit to Manila. The next I'm here maybe I will be a refugee. Five

I see China as a mess. Money is everything, all the officials are corrupt, universities are running business institutions, everybody's going for business. That is the dominant ideology. We used to talk about Hong Kong that way. I can't really see the future in an optimistic way.

years from now, I will be buying a boat for my family. And Kin Chi, you don't have a second passport, do you? I'll reserve a place for you on that boat. In Hong Kong we are housing something like 60,000 Vietnamese refugees. It's very difficult and the Filipino government should be warned that it would be very difficult to house another 60,000 from Hong Kong. This is the nearest place we can go with by boat. I don't think we'll be going to Vietnam as a way of getting back at them.

I have already published about 60 books, with 3 1/2 more years to go before we have to shut-up, I plan to publish plenty more. I'm now desperately writing something like 2,000 words a day, half a million a year, in 10 different columns in newspapers and magazines

because the people are not looking forward to imprisonment, to loss of freedom of speech, travel, religion in counting down to an imprisonment like this. I look forward to 3 or 4 more years of comparative freedom under colonial rule. 5 years from now, we will have no freedom. I'm painting a picture that could be one of the worst scenarios. But you know, sometimes nightmares come true. So I formally request the ARENA council to consider holding the first congress in the 21st century here in Manila, so that I can apply from the refugee camp.

Silan Kadirgamar (Sri Lanka)

Let me start by saying that this is a very sensitive issue. I don't want to be misunderstood. I think we should have a very strong discussion on the future of China. I'm sure that you will remember that at the Osaka human rights seminar, they took a very strong pro-China position. We said that we did not want to see the break-up of China a la Soviet Union. Let us not forget that in today's world, 500 years of European imperialism is still not over. It has heightened. I think that the tactic of the Western powers, including the United States, is to weaken China, and to break-up the Soviet Union just to show the world that they are working democratic processes. Look at the violations of human rights against Asian and African migrants in Europe,

the United States, Canada, and Australia. Racism is re-emerging.. We are at a point in history when the colonized peoples are re-emerging, becoming stronger especially in East and Southeast Asia. We must preserve human rights, but at the same time I think we must have a global view of the situation. The Gulf War, was a defining moment in contemporary history. The Western powers armed Iran and Iraq, helped them to fight each other, and finally destroyed the latter. This is happening in many parts of the world. I think it is the strategy of the Western powers to see India divided. The Balkanisation of India, in the context of these so-called ethnic conflicts, is taking place in our region. In India and Sri Lanka, we have gone through atrocities that you imagine cannot happen to you. I think we must have a global view that there is a reassertion of the independence and rights of this region against Western and American imperialism.

Muto Ichiyo (Japan)

Whether I am an optimist or a pessimist, I can't tell because it depends on one's understanding of chaos. I see the danger of that chaos taking place in China. We are talking about the reunification issue which can't be isolated from the immediate future of China. I see China as a mess. Money is everything, all the officials are corrupt, universities are running businessinstitutions, everybody's going for business. That is the dominant ideology. We used to talk about Hong Kong that way. I can't really see the future in an optimistic way. Chinese socialism can't be brought back. It's inconceivable because there is no longer a socialist state with the fact that the communist party is in power. However, I think that our being here on an intellectual capacity is a critical step in preparing for the future. This is the area where you can clearly separate democracy from market forces because those who participated in the Tiananmen demonstration and fled to America,. began to praise America democracy. Of course they were getting money. It's a very naive approach. When we know that in Southeast Asia, a free reign to market mechanisms is disastrous to the economy. In China, however, there are no ideological trends saying that democracy is one thing and the free market is something else. ARENA can probably provide the small spark, perhaps to the see Chinese Tsarist movement not for revolution, but for labor rights, human rights, women's rights, children's rights and all those abuses. That could give order to the disorder that is likely to come.

Mr. Magno

In a sense, for Southeast Asia, the more imminent problem might be chaos rather than reunification. Reunification in spite of Simon's fears is

Changing Global Realities and the Future of Asian Peoples

still 4 years away. That's a comfortable time. But Deng Xiaoping may die tomorrow and that is the most important spark. Anyway, Mushakoji-sensei.

Kinhide Mushakoji

I very much agree with Muto on his analysis. But I have additional questions. First, it was already mentioned that the Korean situation of "two systems, one state," is this going to be the change that will take place in Korea. And then again there are outside forces playing with North Korea especially by using IAEA. Another question which is completely unrelated and may be a kind of capitalist design, but there are still several national economic zones around China. There is the two-coast zone composed of Taiwan and the mainland, which is already organized *de facto*. I think this where Hong Kong is now playing a role. The question is how is it going to develop in the future? Then we have the Yellow Sea Zone and also the Eastern Sea Zone which involves Russia, China, North and South Korea, and Japan. If you go to Singapore, you also have different, smaller zones which are relating to certain sub-regions of China and with other regions of Japan and Korea. My question is whether it is possible to think of China not as a state but in terms of smaller units included in certain zones.

It's also true that some parts of mainland China there exists a growing gap between the developing coastal zones and the inland provinces. My question is it possible for inland provinces to develop a kind of collective self-reliance of the South within China?

Samuel Lee (South Korea)

In relation to China, we have some funny stories. We know that China is trying to learn the process of industrialization and capitalist development which has been followed by the NICs. What we are hearing is that in China there is now a translation of the biography of Gen. Park Chung Hee, that's the Korean general-president whom we have fought against for so long. Because he is now much praised in China, his biography is used as a textbook in training Party officials. That means Deng Xiaoping's government is trying to learn the Korean model as far as far as economic development is concerned and maybe that includes the political dictatorship and the authoritarian rule. So we are very worried about this. So that's one thing which we are observing from Korean peninsula.

We are also very curious to know what kind of system is now prevailing in China, what kind of ideological paradigm it could be identified with. It looks like they're going into rapid development the capitalistic way, but still

there is state and community ownership is a very big portion of the country. Socialism is still ideological way of indoctrinating people. I just came from Harvard University where there has recently been a big discussion about China. The comments from the outsiders was that if China would like to go into real capitalistic development, they have to change not only their economic system but also their educational system. One of the bases for rapid economic development in countries like in Taiwan, Singapore, and Korea was the introduction of the high-skilled and technical education and technical development. Now there are lots of investment from many countries, even from countries like Japan. But in

China, the skill level is still very low. And that is dependent on the educational system which is run by the socialist model. When the university professors are getting less than the tourist guide, you cannot expect the development of high skills. That is another tradition they have to change in order to get on the road to rapid industrialization.

...regarding what has been said about the wishful thinking of future East Asian community life. Its a dream that can't be shared between the East Asian countries, including Korea. We wish to have a kind of future in the context of a new Asian community based on peaceful co-existence, and common inter-related developments. To that goal, there are still so many obstacles which we have to overcome.

My last point is regarding what has been said about the wishful thinking of future East Asian community life. Its a dream that can't be shared between the East Asian countries, including Korea. We wish to have a kind of future in the context of a new Asian community based on peaceful co-existence, and common inter-related developments. To that goal, there are still so many obstacles which we have to overcome. I think that unless the Korean problem is solved and both North and South Korea are reunified, it cannot be realized. There are other problems with regards to the economy, international ties (especially with the US), and even nuclear weapons. These questions should be solved in a proper way.

So as to the question raised, what will be done in the future model of Korean reunification. Is it the "one nation, two system," setup? I very much

Changing Global Realities and the Future of Asian Peoples

doubt whether it will function in Korea. But still it is a possibility. It's a propaganda on both sides that we will unite but with two kinds of economic systems. Would it be possible in the form of a confederation? The resolution of the Korean question will have a decisive influence on China and the Asian common market. However, this solution is as of the moment questionable, at least in the very short term.

Mr. Magno

It can happen very quickly like in Germany. I think that's the closer model. Okay, shall we have a wrap-up discussion from Kin Chi?

Lau Kin Chi

I'll try to be brief. One comment on Simon Chau's fear that in 1997 freedoms in Hong Kong might be reduced to zero. To answer that question we have to look at the situation of the popular movement in Hong Kong itself. But I don't really think that freedoms will go to zero.

The second question is about imperialism. Yes, I agree that it will be in the interest of imperialism and also it will be their intention to try to divide China, break-up other powers, and discredit socialism. But the fact that socialism is already discredited in the Soviet Union, as it will be in China, has more to do with the domestic corruption and terrorism of communist party rule. It is this rule that strikes the hardest blow on the people's aspirations for socialism. But by just blaming it on imperialism, we might be in danger of indirectly supporting the State's rhetoric of the people needing the communist party to keep them free from the domination of imperialists. So the people will have to come up with their own version of autonomy to be against both imperialism and any sort of totalitarian rule, be they domestic or foreign.

The third question is whether we are optimistic or pessimistic. Sometimes that might be more the dilemma of the intellectuals. For the people, they have their hardship everyday and they have to survive. It is often in these concrete experiences of struggles in daily life that we can find the spirit of the people. The 1989 student democracy movement in China was basically among the intellectuals in China, the mainstream is for the model for capitalism for free market. It is an uncritical and romantic view of capitalism, of the West, of human rights. But then I doubt whether this is the case with the general people, because they will be the ones directly affected by all these problems when China turns towards capitalism.

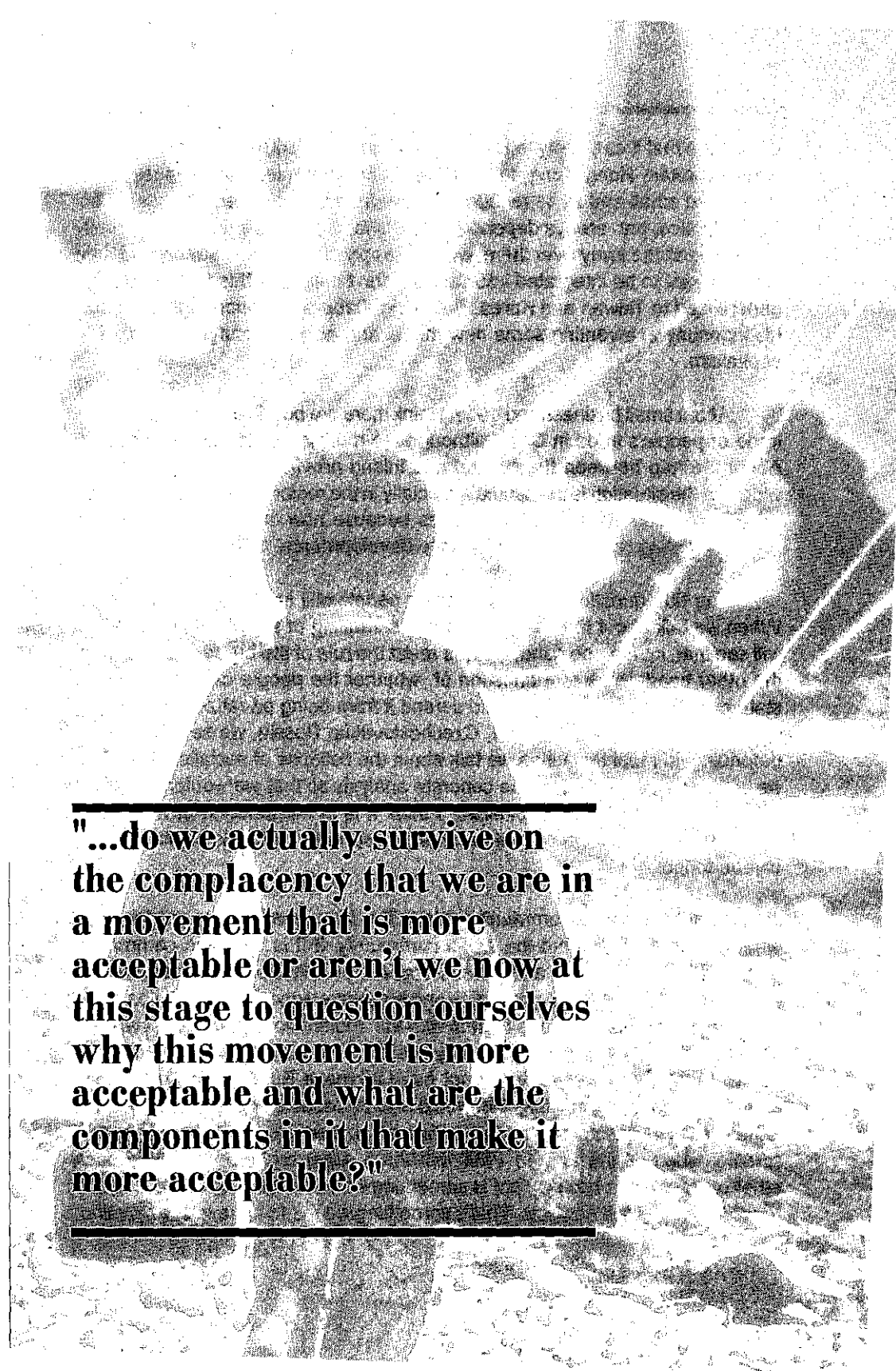
The fourth question is about whether this formula of "one country, two systems" can be applied to Korea. I don't even think it can apply to Taiwan. And

the reason that it can apply to Hong Kong is because Britain does not have the power to retain Hong Kong, to continue its colonial rule, and because Hong Kong is so small and all its resources, even its drinking water, its vegetables, food supplies, are always dependent on China. So China said we don't really have to send the army over there, we can simply cut the water supply and then you will want to be integrated into China. I don't think that this formula can be generalized to Taiwan and Korea. But Deng Xiaoping mentioned this to show his ingenuity in inventing some new model and also for justifying his road to capitalism.

About small business and trade, I think there are possibilities for alternative trade or people's trade in China although the multinationals will be dominant. About the gap between the coastal and inland provinces, the gap is indeed wide and the situation is worsening especially in the regions where the minorities are. This is also evident in the hillsides because now the government is not really allocating resources to help these developments.

The fifth question is about whether people still know what socialism is. When we talk about the collapse or the discrediting of socialism in China, we will see that, on the one hand, people resist the rule of the bureaucracy. But on the other hand, there is a question of whether the people can identify with state property and how they would defend it from being privatized. That is still something uncertain. In Poland, Czechoslovakia, Russia, we see the people defending it. I feel that when we talk about the collapse of socialism in China, we will also have to go into the concrete analysis so that we wouldn't say that the people identify with capitalism. I think it is in the defence of this public property that some form of confrontation or opposition with this capitalist trend can be found.

About the Asian community, this is the last question, I'm not too sure what has been said about the Asian community. If it is an Asian community based on people's rights and democracy, then it will mean that there would have been a lot of people's struggles and they were successful struggles. With this struggle would first have to deal with the multinationals and the Western powers. If we could have a community based on people's interests, then I don't see why, by that time we would not have all these European communities, Latin American communities, that would also be based on people's aspirations. Otherwise, if we just talk about the communities then we might come up with a situation such as the one in 1984 with the 3 super regions dominating each other by totalitarian power. That is something when we have to talk about with regard to East-West conflicts. That's something we might have to bear in mind.



**"...do we actually survive on
the complacency that we are in
a movement that is more
acceptable or aren't we now at
this stage to question ourselves
why this movement is more
acceptable and what are the
components in it that make it
more acceptable?"**

POPULAR MOVEMENTS IN THAILAND

Surasavadee Hunpayon

Before I start my presentation, I would like to explain something. I knew only a little about ARENA and I found out about its programs just a week before I left Bangkok and I had only 2-3 days for my paper. My paper is based on my experience and is not a study. So I'll try to clear out that when I mention NGO in my paper, I refer to the small NGO which consists of only about 25-30 persons. This organization was set up around 1980. Its concerned with human rights, democracy and the underprivileged, natural resources and the environment and also with new alternative development. So the NGO here is not a very big NGO. I refer only to the NGO initiated by the Thai people themselves.

I think we should know about the background and nature of the popular movement in Thailand first. The popular movement in Thailand originated from the students movement 20 years ago. When we talk about it, one must elaborate how student movements have developed over the years. They evolved in the martial law period of Marshall Kittikachorn. The movement was not clearly organized until the National Student Center of Thailand (NSCT) was set up in 1969. In 1972-1973, NSCT was headed by the present director of Thammasat University, although he graduated from Chulalongkorn. This was a time when the students were building up to answer several public issues. At least 4 massive public campaigns were initiated at that time. The first one was the Anti-Japanese Products Campaign in November 1972. The students submitted a letter to the head of the government asking to minimize the trade deficit with Japan. The

Changing Global Realities and the Future of Asian Peoples

second one, the demonstration against allowing administrative power to interfere with the justice system. The protest was carried out on the night of December 19, 1972. The government had to agree with the protesters. The third one, the campaign against foreign business groups. And the fourth one, the demonstration against the suspension of the nine students charged with publishing an "illegal" book. These 4 major campaigns made the NSCT widely known and acceptable among the people. NSCT was considered a kind of political influence group which was then powerful enough to counter-balance the government.

The movement against Announcement No. 17 was a political move initiated by the students and supported by all sorts of people who have been under political, economic and social tension under the military regime. The call for democracy was an important issue that got full support from various sectors and eventually turned the student movement into a mass movement. October 14th was the most important democratic moment in the history of modern Thailand. Two months after the October incident, workers in both private and state enterprise organized more than 200 labor unions.

Socialism was the prevailing alternative, more focused on political ideology than practice, as the students and peoples movements were undetermined by the authoritarian and conservative rulers. Thai society was divided into left wing and right wing. The students and peoples movement was labeled as leftist. So the government attacked the movement with black propaganda through different channels of mass media. This was a severe blow to the student movement which lost its significant role in the society and was severely suppressed in the incident of October 6, 1976. More than 3,000 students were arrested in this major suppression. After October 6 1976, the student and the peoples movement were completely suppressed and could not survive their activities in the cities. They had to go underground by disappearing into the forests and some joined the People's Liberation Army which belonged to the Communist Party of Thailand (CPT). After 10 years, almost all who joined the CPT including students, intellectuals, journalists and politicians, workers and farmers withdrew from the party.

Ten years after 6 October 1976, the students began to organize under a new organization set up for the students federation of Thailand. In this period, this new set up consisted of former university intellectuals and those who withdrew from the CPT. This group established an organization to campaign for social development in various forms such as rural and

urban community development, human rights and democracy, public health, social welfare for the underprivileged groups such as women, children, workers, and slum-dwellers. Since 1980, the number of non-governmental organizations has been increasing.

The popular movement in Thailand, at present, is associated with the NGO movement. The significance of NGOs in Thai society is explained by the following reasons. First, the NGO movement has roots in indigenous Thai society. It was established by Thai people although most of them rely on external sources. Second, the NGO movement also carried out activities for the underprivileged and those disadvantaged by state policies. NGOs act for the benefit of the people without seeking profit. Thirdly, the NGO movement searches for social realities and raises issues concerning peoples and social justice. NGOs also stimulate ideological thinking. Fourthly, NGO activities also gain more support from mass media and the general public. This is clearly seen in the case of the campaign for democracy, human rights, environmental protection, and the advocacy for underprivileged groups. A fifth characteristic is that the Thai NGO movement is very well-recognized by the mass media and government official at different levels. NGOs often request to have their say on government policy that might have an impact on the public at large. Sixth, a certain sector of the Thai NGO movement has received appropriations from individuals in the government and the private sector which has resulted in the extension of the movement. Although NGOs have not yet been able to counter-balance the system of the bureaucracy and business cum politics, they have established a negotiation power which has some impact on certain issues. Seventh, at present the role of NGOs are more and more understood. Many groups of people now decide to choose NGOs to help solve their problems instead of government agencies. This is true especially in the case of people facing the impacts of policy implementation, exploitation by officials, or being taken advantage of by businessmen and capitalists. The eighth, NGOs can be seen as popular movements because they increasingly receive people's support and participation. NGOs have also formed their own networking like the NGO coordinating body which tackles different problems. Examples for this are the Coordinating Committee on Human Rights consisting of around 10 NGOs and the Coordinating Committee for Primary Health Care of Thai NGOs. It consists of around 20 NGOs. There is also the Coordinating Committee on Rural Development, or NGO-CORD, which consist around 50 small NGOs. The last one is the NGO Coordinating Committee on Slums.

Changing Global Realities and the Future of Asian Peoples

If we look closely into the overall NGO process, the movement consist of the following aspects. The first one is the popular movement in the struggle for the rights to democracy, politics, and governance. The second one, the popular movement in the struggle for human rights and the protection of the underprivileged groups such as women, children, youth, workers, disabled, prisoners and others. Another movement is the popular movement for the struggle for protection of the people's benefit, the rights to get health services and consumer protection. And the 4th one, the popular movement in the struggle for the right to local natural resources and environmental management and conservation. The last one is the popular movement in the struggle for new alternative development and for the freedom from being imposed upon by state-lead development.

I mentioned earlier that the Thai NGO movement has been growing in number and quality. This has naturally strengthened peoples movements also. People are capable of mobilizing themselves and negotiating with government on certain issues. The classic example was the fight against the Forest Land Resettlement Scheme which affected a large number of rural household in the Northeast. NGOs helped in the movement for democracy, self-governance , and resource and environmental protection.

The development of the people's movement is due to seven important factors.

1.) The extension of middle class in Thailand. There are more and more people who have higher education, finished a course and with a university degree. This group of people are well-informed, analytical, and not easily dominated by the state as their parents' generation. The quality of being well-informed makes them sympathetic to the people's struggle. They are instrumental in the people's movement in terms of their ideas, manpower, and economic support.

2.) The NGO movements consists of intellectuals who have had experience in fighting against the state. Most of them have gone through political violence, mainly the October 6, 1976 and the May 1991 incident. Many lessons have been learned and are being used efficiently in the current struggle against the unfairness and misdeeds of the state and its officials. The lessons learned from the past experience also enable them to initiate diverse strategies in the struggle.

3.) Unlike what took place on October 14, 1973 which resulted in a major crackdown of the student movement in October 6, 1976, the NGO movement does not subscribe to the leftist ideology, and therefore, they are acceptable to the Thai public. They are in the same wavelength with the NGOs in their thinking and propositions, and they are ready to participate in the activities. By not being too much leftist, NGOs and peoples movement do not have the weakness of being undermined by the government and conservative mass media.

4.) The centralization has been self-destructive for it was anti-democratic, and the people became conscious of it. The campaign for democracy and political freedom initiated by NGOs is therefore supported by a large number of people. The NGO and the peoples movement have constantly become more powerful.

5.) The Thai development strategy and administration have not been able to solve the people's fundamental problem. On the contrary, it has created diverse effects causing vulnerability among the poor and disadvantaged. This situation has conditioned the people to join the NGO movement in order to solve their own problems. They have confidence in the alternatives proposed by the NGOs.

6.) Advanced technology in mass communication enhances access to information. Information blockage and distortion by the state is no longer possible. The state control over mass media cannot prevent the people from learning about the truth which is an important factor in encouraging the people to join the NGO movement especially during critical times.

7.) The Thai NGOs and the people's movement gains support from the international NGO networking especially within the Asia Pacific region. This was the product of the people's forum in 1992. The international support can help NGOs in Thailand to become strong and more effective and the government cannot suppress the NGO or the peoples movement any more.

Cha Cala

Thank you for the discussion. I think the themes that were touched by Surasavadee's discussion also touched familiar issues and concerns of the Philippine social and political movement especially the discussion on NGOs and the direction the NGO community is taking. There was also the issue on the relationship between the NGOs and the Left -- the ideologically defined

section of the popular movement. These are very familiar themes in the Philippines. But before we go deeper into that, maybe we can ask our two other discussants to give their 10-minute commentaries.

REACTORS

Urvashi Butalia

I want to basically focus on three points that struck me out of Surasavadee's paper. One of them are the similarities across the region in movements which have arisen inside universities and which placed the university as an arena of struggle which it used to be and but which is now becoming less of the sort. Why is this happening? The second point that I want to make is on the major discussion on NGOs to which I will come back to later because that is actually the key question that arises out of the paper. And the third is that when she speaks of NGOs being popular and reflecting the interests of and becoming more acceptable to the people. This is something that many of us who have grown out of so-called left movements might actually react to as something that is not necessary but is something

that is also recognized. There is a need to find new ways of struggle which speaks to a wider range of people and perhaps the NGO forum or NGO platform is one of them.

You also say that the movement is not leftist and therefore more acceptable... this underlines the same kind of question, do we actually survive on the complacency that we are in a movement that is more acceptable or aren't we now at this stage to question ourselves why this movement is more acceptable and what are the components in it that make it more acceptable?

As I said, the key point that arises out of the paper she has read is on NGOs and I'm interested to see that the history that she traces focuses on the transformation of the student movement. Turning the once very political, a very Left movement into the NGO movement, thereby, actually shifting the arena to a much wider, more dispersed kind of spectrum. I would here ask about the nature of this transformation and the process by which the shift is made. I would also ask that in this context, can we actually say that NGOs represent the popular movement? Do they actually represent something popular? Are they close to the interests of the people? We know, for

example, that NGOs in many countries, are actually representing or reaching less than 20% of the poorest of the poor. I think it's time that we ask ourselves this question -- why is it, from the points that she raises in her paper, that NGOs in Thailand and in many other countries are more acceptable to the bureaucracy, to the government, to generally more people around. Is it because of what they are saying? Is it because of how they are saying it? I think the question that really needs to be raised in this context is about funding. None of us talks about funding. When we were in the student movements or when we were in street-level protests, it didn't seem to be necessary to our existence. Now we cannot survive without it. What does this say about the nature of the movement and how has it changed? Have we become more institutionalized? Or have the kind of issues we have taken before now changed? What will happen? Why does the state let us exist on funding that it knows is coming from outside? What will happen to this funding once it is removed? That is another question that I think needs to be raised.

You also say that the movement is not leftist and therefore more acceptable. Again, I think this underlines the same kind of question, do we actually survive on the complacency that we are in a movement that is more acceptable or aren't we now at this stage to question ourselves why this movement is more acceptable and what are the components in it that make it more acceptable? Are those the components with which we want to build a future for ourselves? I'm also interested in the fact that student movements suffered heavy repression from the state. We have seen this all over. NGO movements seldom experience the same. Student movements by their very nature are, in a sense, time bombs. Students move out of the university, we know that those movements rely on leadership of 1 or 2 or 3 persons. If those persons have gone up, the movement collapses. But NGO movements are careers. They are there for life. And yet they don't suffer the same kind of state repression. I think that's another question that we need to ask ourselves. But are we remaining a popular movement, are we creating a new elite ?

And finally, another question that arises is what is the nature of women's groups and women's movements in Thailand? In the whole campaign against prostitution, sex trafficking, and so on, these are issues that have been taken up. As I understand it, they have experienced a lot of repression from the state. So what does that tell us about the nature of women vis-a-vis NGOs and the differences between them.

Changing Global Realities and the Future of Asian Peoples

I would like to leave you with the thought that the question that we really need to ask ourselves is where are the people who were in the student movements in the 60s and 70s, what has happened to them? Some are in ARENA you know; some are in the government, some like Bill Clinton are in the government. What does that actually say about us? What is actually happening to us? Is this a good or a bad move? Do we see it as a possibility or do we see it as a sacrificing of our principles?

Cha Cala

I just want to say that old activists never die, they just organize NGOs. We get the reaction from Muto.

Muto Ichiyo

One thing, I am eager to know is the nature of the struggle for democratization in May last year. I happened to be there not knowing that the clash would occur soon. The size and the spirit of the crowd was very impressive. It was democracy in action and it was such a comfort to see that. I think that is the first time since 1976. But what is the nature of this mobilization? It was a peaceful mobilization that was not intended for any kind of clash until the military intervened. The Japanese media version is that this is the cause of the miraculous growth of the Thai economy. The growth produced intellectuals, and the middle class who are satisfied materially but now they are luxurious enough to ask for democracy. That is the official version. Whether that interpretation is correct or not is another question.

During the mobilizations, I went to the south and met farmer leaders. I went to several villages which were all fighting against the imposition from above and also the salination of rivers. Again, the crude kind of capitalism like what's happening in China. Rich people come and grab the land and come and salinate the rivers. They spill salty water into the reservoir. Those people fight. They're farmers, they're not NGOs. NGOs are there, but basically they are farmers. In one village, I met a young farmer-leader who himself composed a song about democracy. It's called "New Democracy." Certainly it has nothing to do with Chairman Mao's early socialist scheme. He was travelling with 2 singers -- a woman and a man. They were touring about along the rivers talking about new democracy. I asked what new democracy is? He said that democracy is a blindfold and the people who are elected have nothing to do with us. So we need a different type of democracy. But the song was more interesting; it's a long song, 3 hours. It's basically a story of the events that occurred in the village. I don't think this

is a product of economic growth. This is proof that this is very different from middle class democracy if there is such a thing. We were told that during the weeks of mobilization that the plaza was filled by 50,000 cars every night. I wonder if there are two democracies which sort of resonated with one another. But one can't be reduced to another. Whether that is the present phase of the movement or not. Commentators are very irresponsible analyzers.

Now to the second point. I think the great confusion of the Communist Party of Thailand was that they produced so many NGOs. Many of my personal friends are there. My question is what is their thinking about Thai society, about social change? What kind of thinking is brewing as a result of the experience, and as a result of the new experiences of farmers' cooperatives, integrated farming projects proliferating which were formerly organized by farmers. What, if not a theory or ideology, then is the philosophy behind this? After people came back from the jungles I remember that they were talking theoretically for some years about the nature of Thai society whether it is feudal, semi-feudal, semi-capitalist, etc, etc. Then suddenly these people got tired and they themselves ended that discussion. Then people went to the villages and made NGOs. But what is the new thing? For instance, for some time some my friends were talking about non-party political formations as a model. Then they tossed it around. I really want to know because certain things are relevant, not only in Thailand, but also in Japan. In the Philippines, I know you have that kind of discussion. That's very important.

The third question is about NGOs, but Urvashi said almost everything. Particularly, I want to know how far the present form of people's movement is designed. For instance, you used to have the Peasant Federation of Thailand between '73 and '76. Then most of the founders were assassinated. I think out of 80, only several survived. That is a form of organization that involves NGOs more than anything. If you have a large national organizations they can be easily repressed. But if you have small organizations of people, with NGOs somehow planted in it and having areas with different projects in villages, then it's good for safety's sake. But is it merely for the sake of safety or is it a design for a new organization?

Cha Cala

So I think our commentators raised several provocative issues. But before we throw it to the floor, maybe we could have some quick reactions from Surasavadee.

Changing Global Realities and the Future of Asian Peoples

Surasavadee Hunpayon

Somebody asked me if the NGOs can be the leader of the peoples movement and how we can be sure that they can lead the peoples movement in the right way. I think the Thai NGOs now have some limitations. Most of the NGO workers come from the academe and it is possible that they are not quite adept on certain issues. Especially on the issues which are not old problems. So we're not sure even though the Thai NGOs are recognized and accepted. We have connections with the religious groups in Europe or America. Thailand was not occupied by any western country, so we are not known by the European people. So the connections with the Christian or Protestant church is not so much. When I said that Thailand was not occupied by the Western countries, I mean that the relationship between the Thai and European people is not much. So some issues that NGOs try to raise cannot get support from the Europeans.

Another limitation is that we do not have an information center. We have a very limited number of English publications to tell the world what's happening in Thailand. This is different from the Philippines or other Southeast Asian countries. Another is that the grassroots or local people have already set up their organization. Some are ready to solve their problems. Some sub-district council are ready to establish their own organizations which are not controlled by the district or government officials. But it's still illegal now. The local organization can fight for the right to manage and utilize their own resource or environment. I think I like to answer the question but my English is not so good so I may ask Acharn Surichai to help me. The question about the social base of the democracy movement.

Surichai Wun'Gaeo (interpreting for Surasavadee)

Surasavadee said that the social base of the people who participated during the May event partly came from the areas with a lot of organizing experience, including those related to the underground movements. They were also partly related to the NGO-active areas, which is very characteristic at this time. This May event is not a Bangkok phenomenon. It is really a phenomenon of urban centers all over the country. All communicate by telephones and faxes. So they cut through all the state-controlled media. People check each other and they even check with foreign friends about videos. That is a very special experience for many.

Muto mentioned about the songs. That is also very characteristic that much of the messages are put into folk music. It is also a common culture with Laos. So what is now arising in Thailand is that the sense of a common

river, the Mekong River... because some of you might know that there is a grand project to make use of the Mekong River and put a lot of dams. Thai development also demands more electricity, so there is pressure on getting more resources from neighboring countries. Very interestingly, this folk music and this local language has given way to a new consciousness. This kind of consciousness has been very lively these days.

Most of the NGO workers come from the academe and it is possible that they are not quite adept on certain issues. Especially on the issues which are not old problems.

Talking about funding, NGOs in Thailand are facing a very serious crisis, especially for those who depend much on foreign funding. Also because the image of Thailand becoming an NIC has had an adverse effect. Those who are to be supported to get foreign partners need to be more, for example, Indochina oriented, but also in a sense important for Thailand. That is a serious crisis going on. But we have the royal family setting up several NGOs these days. Now the royal set up gives better privilege given to those who donate money to the royal family related foundations. So you can see that they are distractions. But they still are very interesting. During the May event, there were new business circles formed, new groups of hotels, and newly-conscious people who felt that they must enter into these social activities. This is very important year now especially since its the 20th year after the '73 event.

Cha Cala

Perhaps we can enrich the discussion more by inviting people to contribute some comments or questions. We can ask the audience what is on their minds. To reiterate some of the issues that were raised by our discussants. The question still remains, what kind of transformation took place in the Thai popular movement from the student days to NGOs and what was lost along the way in terms of ideology and direction. I think these are also very relevant questions now in the Philippines.

Arief Budiman

You said that NGOs are a kind of personality popular movement now. I think it depends on the political situation. In democratic political systems, it is the political parties except they get to be elected, of course. They were representative of the popular movement. Only in cases like Indonesia, it

Changing Global Realities and the Future of Asian Peoples

was the political parties who are the vanguards of the popular movement. NGOs came later after the government really stopped the functioning of the political parties. The political parties exist but they are more like decorations rather than truly functioning political parties. Secondly, I think we have to differentiate the many kinds of NGO. You mentioned about the royal NGO, which we call in Indonesia the GONGO, the government NGO. It is a contradiction in terms but it is a reality. As a matter of fact, the government now is establishing a Human Rights Commission appointed by the president as opposed to the so-called grassroots. We also have the government-sponsored environmental NGO. I don't know how they can get the credibility but they try to enlist people. Some good people. So we have the government NGO, and we have the real NGO. But again, some of them become big and depend on foreign funding. They are differentiated by the book, *Entering the 21st Century*. I think it's PSC, which means public sector contractors. That means their programs are oriented to the market. Basically, when there is money for this kind of public sector activities, then they make their proposals and they get money. So this is important. They are not necessarily bad. After the money is finished, then they stop and go to another project that is in demand among the funding agencies. They are big and they are strong. And you have small NGOs coming from the grassroots but these are very ill-funded, small, and they are always being destroyed by the government. These are the more independent NGOs, but they are small. This is the contradiction -- when you are independent, you are small and weak, and then there is foreign funding. It is also interesting to see the position of foreign funding. It is a weakness of the NGOs but at the same time it is a strength, in the case of Indonesia for instance. They are strong because they have foreign funding. I don't know the case in the Philippines and Thailand. But that is the case in Indonesia.

One last point about the student movement and NGOs. You said that NGOs replaced the student movement. I think they serve different functions. An NGO is a legal organization because in Indonesia you have to register to the government. Being registered, they are vulnerable because they have to work according to the wishes of the government. While the student movement, as well as other mass movements, are not registered. So they can do anything they want. In many cases when the NGO stops, the student movement comes. The student movement also cannot be relied upon in making long-term projects. But to melt the political coldness, it is the student movement which makes ways for the NGOs to work. For instance, there are some peasants asking for something. And they go to the NGOs, the legal aid. The legal aid takes it to court. But the court is controlled by the

government. And the court says that you cannot get compensation. Period. What can the legal aid do? Then the students come in. They make noise such that the government opens the trial again. So the student movement is always working in complementarily with the NGOs.

Simon Chau

Two observations I would like to share with you about funding and NGOs. Last year, I had an opportunity to visit the United States for 31 days, touring around and visiting environmental groups all over the United States. I discovered two things. The amount of money you get is in direct proportion to your being conservative and harmless. The more pro-establishment you are, the easier you are going to all kinds of foundations and cheques from people. Secondly, the strength, influence and power of an NGO does not necessarily correspond to its size. You can be large and powerful, you can be small and powerful, you can also be slow and weak. If you are small, it does mean that you are weak. My experience is, if there are a lot of smaller groups, it is usually more effective than a few larger groups. So don't be pessimistic when you are small. Small is beautiful.

Samuel Lee

Maybe as a contrast to the Indonesian situation, I would like to bring in the Korean example. We don't have many NGOs in Korea. That name is still very strange to us so nobody knows what an NGO is. We consider NGO activities as a kind of a voluntary peoples movement. There has been a largely government-directed so-called NGO movement, like the new village movement that has been guided, directed, and controlled by the government since the military coup d'etat in 1961. It has lasted a long time. Gradually in the process of the development of democratic movements in the 70s and 80s, there grew a kind of peoples movement. Not only a democratic political struggle in the labor movement but also the grassroots development works among the poor villages in the rural and slum areas. We were also quite dependent on foreign aid from the churches and the political parties from Europe, but it has functioned also as a kind of pressure on the government. Because the government directed NGO projects -- building projects and bridges and roads and pavements -- only benefited the rich people. And the poor people in slum areas who have no houses. If they change the roofs, it will only benefit those who have houses. Those who do not have houses cannot get any aid from the project. We have also developed the idea of the study room projects. In one slum area we buy one slum house and use it for the common study room for the children who do not have their own study rooms in their homes. So that kind of project have been promoted

Changing Global Realities and the Future of Asian Peoples

by the Korean peoples movement and NGOs and especially those dismissed women workers who have devoted very much to that project, by way of kindergarten teaching and baby-sitting.

But these kinds of projects have been influential on the political area because we show the alternative way of social development work and juxtapose it with what the government has done. So it can be partly a pressure. But now, since democratization and since we have a democratic civilian government and foreign donor agencies, these have not been much of an objective. While we were struggling against the dictatorship many NGOs could get funding or foreign aid. But now they are retreating because the situation has changed and you have your own government and national budget which you can mobilize. We have to change our strategy now. The question now is how to mobilize the government funds for NGO projects. For that we need to change the local government and local parliament, so we have to induce this local autonomy system. The parliament was elected by the people directly but not government itself. They are still nominated by the government. But we have tried to mobilize that amount of local autonomy such that we have tried to elect our own people's delegates to the city councils. So in some cities like Incheon or Pusan near Seoul, it has been possible to mobilize some government through the participation of the local parliament through our delegates. So for example, in Incheon, there are more than 100 study room projects and kindergarten projects by the NGOs and they are now getting some amount of money. It can substitute that money sent from foreign aid. So we'd like to extend that kind of self-supporting system in our NGO movement.

P. Ramasamy

It is not my intention to raise anything against NGOs because I used to be in an NGO with my friend Nasir. It's not my intention to belittle organizations that receive funds. There are decent organizations, decent NGOs that receive funds. But there are also organizations whose very function is to obtain funds and this becomes an official circle. No funds, no work. But Nasir and I operate on the premise that one's commitment is more important than anything else. And the Labour Bureau which we were in did not accept any foreign funds. In the mid-80s, I think some effective work was done with labour. Before it even came to be identified as sort of an operative labour center for all the workers who were not unionized and so on. But we have a very big NGO in Malaysia, very famous though I don't want to name it. It raises lots of money, in the region of millions. And today they write reports for these ministers. They take on a very radical posture

outside, but we know they act functionally for the state. Again, this is not to belittle NGOs. But once these NGOs get to that position, finance becomes very important, then financial considerations really determine objectives and functions. The question is where do we draw the line in terms of NGO work? I just want to say these things because I'm just bloody tired of those NGOs in Malaysia.

Nasir Mhd. Hashim

I'm not trying to rebut. I think that on the issue of NGOs there is a tendency to be very welfare-ish, like a fire-fighting institution. And also as has been said before, once you make NGO work as a career, you've destroyed the whole struggle. It is a struggle, it's not a career. And yet there is certain amount of commitment, a certain sacrifice, involved. I say this because we are trying to help them. There must be some form of ideology, some philosophy underlying this whole thing rather than just trying to help out. Finally, we do not fight for them. They have to fight their own struggle. But you have to be with them when they struggle. In my experience with Ramasamy and also with other friends on the issues of plantation workers and squatters, in the final analysis, you have to confront, inspite of all the various matters of diplomatic approaches you go through, the state, the police, the developers with their gangsters, the politicians, and the whole world. And sometimes you're not sure whether you can win in court. We have a few cases where we lost in court and we stood our ground, we got compensation. Although they were detained once in a while. We even brought the police to the highest level to show that they were working together with the developers. They even brought the chief minister to the anti-corruption agency who they said had some corrupt practices between the chief minister and the developer. But in the whole process, we got detained, not that we wanted to be but because it is only through that that they realize that we are serious about it. During the whole process, they will buy-out the leaders. The other thing that needs to be mentioned is that governments do not go into direct confrontations with the people. They prefer to use proxies, the union leaders, sometimes the NGOs, to do their dirty work. In the process, the whole struggle is neutralized. So these are the things that we need to approach with caution.

Randy David

I'm not an NGO person. I'm an academic and a media person. My wife is an NGO person. We have constant debates on this. I think that it is very easy for us to be disenchanted with the NGO activities. If we allow ourselves the luxury of pessimism over the many cases of failure and

indecent practice, we would give up NGO practice. But if we treated NGO activity as one mode of activity towards social transformation, by the same token, we should subject to relentless review also political party formation and armed struggle, electoral politics, conferencing and ask ourselves to what extent these activities have contributed towards authentic social transformation. How many of us ask ourselves the question, how far does conferencing advance the people's cause? As I said, I am not an NGO practitioner but I've had a chance to observe the little victories that have been achieved by small NGOs, even medium-sized NGOs, that are not public service contractors. In my view, and it may be an ignorant view, I have been very much impressed by the contributions made by small NGOs towards the building of what we call elements of a civil society. In transitional societies like the Philippines, the old traditional communities in the rural countryside could be mobilized and have a self-organizing capability against the state. These communities no longer exist in the urban areas. When you're dealing with slum-dwellers and the urban poor, these are atomised disembodied individuals that have lost any self-organizing capability. It's a dreadful thing to contemplate. They're very demoralized and totally helpless against the state. You ask where most of the activists of the 1960s and 70s have gone, they've gone to NGOs and it is not a thing to lament. I think it is a thing that we should welcome and celebrate. If they were not in NGOs, whether they are opportunistic NGOs or decent NGOs, they would probably be serving multinational corporations if not the state itself. So I take a healthy view of NGOs, not only because my wife is with an NGO. I really think that the question that we should be asking ourselves is -- do we regard NGO practice as one of the full range of political activities, under what circumstances and factors should we consider in order that we can make use of this medium of political activity in order to push forward the cause of popular transformation hand-in-hand with other mediums of political intervention that might be available to us including media where I come from. It seems to me that the left wing community is a very very poor user of media. The last 7 years that I've been with mass media, I have discovered what terrible political practitioners we have been as members of the left wing community. We don't know how to use technology. We don't know how many niches are available to us. Sometimes I think that we in left wing activity for the romance of it. Not really to win, nor to capture power. We're so in love with the ritual and have forgotten the ends.

Urvashi Butalia

I want to respond to the point you have made because I think the question you are asking is important. But what upsets me is how quickly we

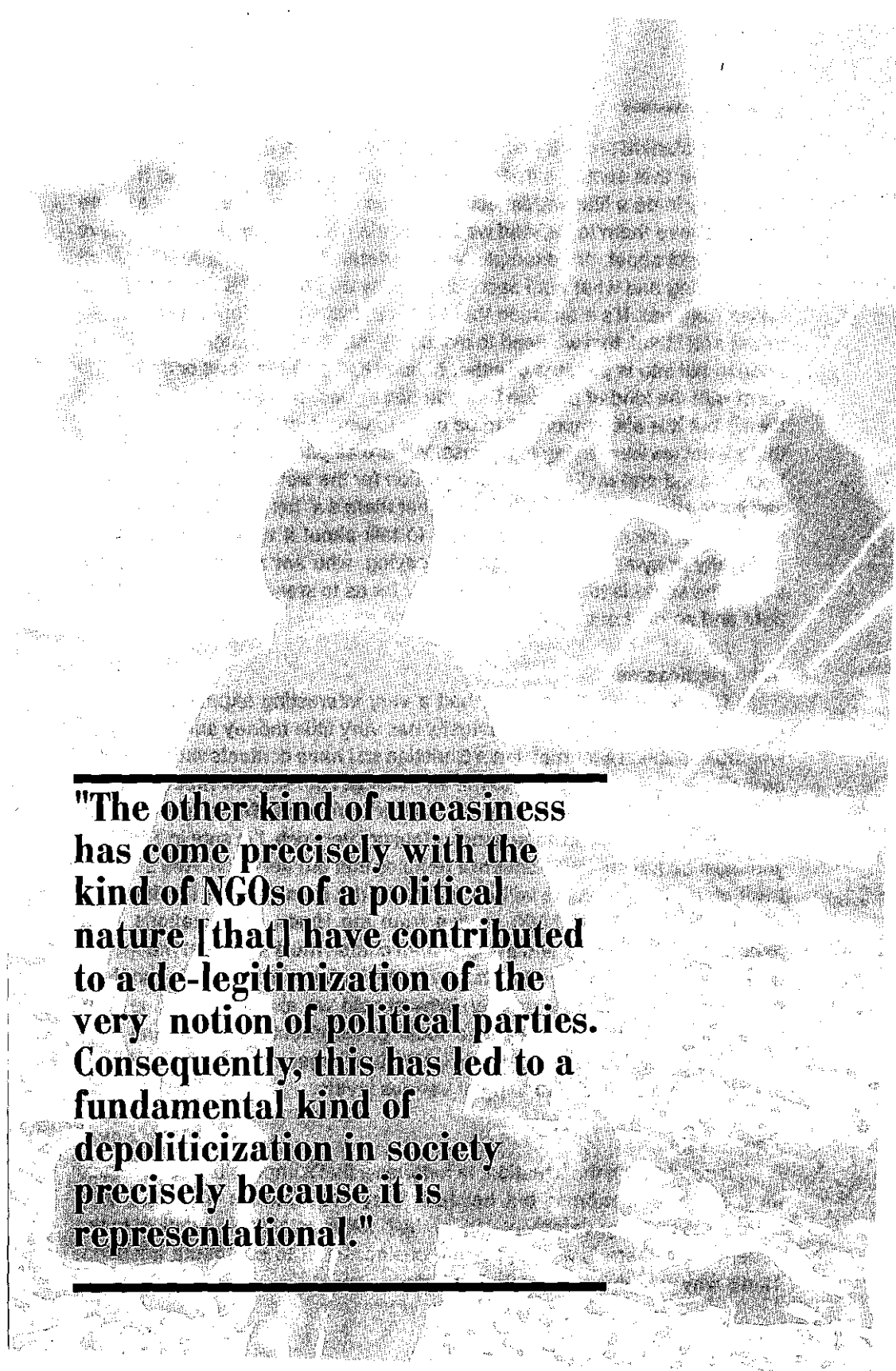
fall into polarizations. Nobody here is hitting NGOs on the head. We all come from that sector. What I thought we were suggesting was that it is necessary to do a little introspection because NGOs are no longer as pure as we believe them to be. And we are people who work in NGOs. We have to introspect about, for example, why conferencing is part of NGOs. What am I gaining and what am I sacrificing? Why do I do it? It's a question that arises from me. It's a question that I think in this kind of forum I can afford to ask and I think that we need to discuss. What are the things that we don't need to fall into is patterns of either hitting NGOs on the head or defending them with the kind of passion that you have done. It is important to defend them, but it is also important to be open to what's wrong with them. I think that's what we were trying to discuss. We are all part of the thing. You know I could stand and make up my declaration for the women's movement and say it's terribly important. But I know that there's a hell of a lot that's rotten in it. And if I'm not going to be able to talk about it with people who are politically in sympathy with what I'm saying, who am I going to discuss it with? The world is too polarized anyway for us to stand up and defend and fight and so on. Let's try and introspect on this.

Silan Kadirgamar

The point about funding. I had a very interesting experience in the university in Sri Lanka. The university has very little money and the faculty wanted to publish a journal. I'm a Christian so I have contacts with Christian organizations so they came to me and said get us 100,000 rupees. Then I told them why should you keep asking the Christians. There are very rich people in Sri Lanka, you have temples that are very rich. I'm sure in Thailand, you must be having lot of Buddhist temples that are very rich. And so I said I will come if you people will go to one of the managers of the temples. Finally they raised 100,000 rupees from the Hindu organizations. This dependence on Europe and the Christian church must stop. Get the money from the people who have the money in the region. I'm sure in Japan there are a lot of temples that are rich. Why should we always be asking from European organizations because local governments are reacting very strongly to this. They say, again this is Western hegemony. We must change our strategies of raising funding at various levels.

Arief Budiman

It depends on the situation. In Indonesia that's impossible not because they don't have money, but because they are Chinese, they are very vulnerable to the government. When the book is political and critical to the government, there is no way for the businessmen to contribute anything. That's why we have to go to foreigners.



"The other kind of uneasiness has come precisely with the kind of NGOs of a political nature [that] have contributed to a de-legitimization of the very notion of political parties. Consequently, this has led to a fundamental kind of depoliticization in society precisely because it is representational."

A CRITICAL LOOK AT SUPPORT AGENCIES FOR THE GRASSROOTS

Chair: Harsh Sethi



Let's look at a certain scenario. You have poor tribals living in their native land or ancestral sites. The government says that they will offer you good land, if you are willing to shift. Good plane lands where you don't have to walk 10 kilometers to get water and firewood. We will also put in some infrastructure development like electricity, there will also be a school. Then you have the NGOs working there saying look you've seen you needed forty years just to establish settlements, and we are now convinced that some of you might get a good deal, but most of you might be worse off. So some people are not willing to go. The NGOs are being very firm about it, for they have negotiated for 40 years and the elected officials are also putting pressure on them and the people to move out because they need the voters support. How do you work this out?

This is what it really is, a conflict between different kinds of representations on different issues. How you work a criteria of legitimization for the different orders of representation. I think that politically the problem is that mediating structures by way of NGOs -- whether by the intellectual or support agency kind -- in working out their own projects, given the difference in access and power they have over the decision-making authority, tend to displace those who might be working for actually the same ends.

I think there is this philosophy emerging among NGOs taking on what you call strategic institutions... This is good but the thing really is that there is a very dangerous boundary between the impact in the more significant strategic institutions, and on the other hand, the question of representation and how much impact it would be in so far as representing very fundamental interests and issues which in the first place are supposed to be the rationale for NGOs to operate.

It's a straightforward thing, you want to negotiate with the people who are in power. Or there is the case in the court. I'm the lawyer, I'm the public interest legal-type group who's fighting for your rights. My concern is to win that case for you. I'm being very honest. I'm saying that this is not the time to demonstrate. Now, who's running the situation? What then is the relationship between this public interest legal group and the NGO or peoples organization. It's really confusing. 10 years back NGOs were classified by many of us as good mediators. Today, there are a whole range of questions about the manner which the NGO sector has developed in the last decade.

Participant

It's really very disturbing, and it inflates the importance of the NGO.

Harsh Sethi

In a particular historical context the role that the NGOs played can amount to that. We are referring to the experience of India which may be slightly different from Thailand.

Maitet Diokno

It's interesting that in the discussions we've had with the Asian NGO task force, I remember experiences and histories of NGOs in various countries that are quite varied. But like when the people we met from Bangladesh, they knew the exact language of development. They use exactly the right words to facilitate.

It's also frightening for me. In Thailand, they have the tendency to put the two (NGOs and the movement) together. What I found interesting was somebody from Korea who was working with YMCA -- I remember him

saying that in the Korean context, the NGOs expand when the movement is weak and vice versa. Here in the Philippines, I'm beginning to feel that we are approaching the Bangladesh situation, partly because there are no jobs. Imagine in Hong Kong, you have people working in NGOs and as domestic helpers at the same time. We have such enthusiasm now among Filipinos here to look for jobs in regional NGOs. This also has something to do with the way the funding agencies have handled the situation.

Participant

80% of the development budget of Bangladesh comes as aid. The aid agencies have decided that the government is extremely corrupt and they want most of these channelled through NGOs whom they think are more responsible, honest, and efficient. The national NGOs have developed the capability of managing 3,000 - 4,000 professions. It's really a surrogate state. So it's like saying that we will give over the Ministry of Health in the Philippines to the foreign group. You may actually get very efficient delivery of services. They are efficient, they actually train and pay their characters well. They're producing good textbooks that might even be better than what the government is putting out. The thing is, what are the larger implications of this? We have 27 or 28 political parties in Bangladesh. We have these two big coalitions, the army coalition and we have the BNP coalition. One with seven parties, the other with five. There are 20 others, some getting half a percent of the vote, some getting 3%. We have a fragmented political party structure. We have a weak and a fragmented state. The NGOs might be providing more efficient services, but what does that mean?

Participant

I think there is this philosophy emerging among NGOs taking on what you call strategic institutions. When we say strategic institutions we really mean putting a parallel to state machinery, in terms of social services delivery, and of policy and decision-making. This is good but the thing really is that there is a very dangerous boundary between the impact in the more significant strategic institutions, and on the other hand, the question of representation and how much impact it would be in so far as representing very fundamental interests and issues which in the first place are supposed to be the rationale for NGOs to operate. I think the NGOs here have already been drawn to focus more on how it would parallel government, how it should compete with the government, or how it should resist government plans. They leave behind the basic thing which is enhancing and upholding the interests of the people at the grassroots level.

Changing Global Realities and the Future of Asian Peoples

Beena Sorab

But could NGOs consider going into politics and taking over the state?

Participant

What I'm saying is that these NGOs are much larger now, with about a thousand or so people. Its impact on the health policy of Bangladesh was very spectacular. The most radical drug policy in South Asia in terms of keeping multi-national drug companies completely out was pushed by the Churches. But it was all made possible because of its access. I mean, here are all the right ideas extremely close to the President, who every once in a while, will get into his helicopter and fly down and sit with the Churches who would say what he is or is not to do. Now, the general point, is that you decide that your mode or intervention in politics is not the conventional way in which we were taught politics. You start working in a certain area, develop a support base, fight a local election, and then become a leader at that level. After that you go for a larger election and every once in a while you go to the people. That is the basis in which you talk. I think this is the mode of representation now, whether it is for NGOs or other professionals. The way in which you attempt to influence the fate of your constituencies is via a bilateral entry into the power structure and then attempt to play policy games. That is the way that you are politically important. The key question is that the mode of legitimation that you are working out in the field is something else.

You get an extreme situation in Pakistan. You have an elected government in crisis, so eventually the government gets thrown out and you get an interim government sworn in. The interim government is full of people who are working in the World Bank and the IMF. Many of them carry world passports of either Pakistani citizenship or American citizenship. Such was the acting prime minister in Pakistan was also the senior vice president of the World Bank who was in charge of NGO questions. He takes positions and sets more policy interventions which are the most radical that Pakistanis had ever seen. For the first time there's agriculture tax. For the first time anyone who has borrowed money either in the name of cooperatives or from public sector banks and is not repaid, will not be permitted to run in elections. He cracks down on the drug mafia. The opinion polls in Pakistan were saying that they would like him to stay on as the prime minister. In a sense, I'm saying that here is a large number of people in the country saying we do not trust our conventional political leaders, these political parties, these political processes in the name of democracy. Here is a set of relatively honest characters running Pakistan like a corporation. And you are quite

willing to give up what is seen as representation of democratic rights. NGO or what have you, there is a place for the private sector and there is a place for the state sector, and there is a place for NGOs. How do you look at that?

Participant

I'm wondering whether there are NGOs which are small in size, low-profile, urban-based, and with a lot of access which are into very simple delivery of services. Part of the reason I'm saying this is that recently I did some work on looking at India's country-wide leprosy eradication program which is to eradicate leprosy by the year 2000. It works in different parts of the country, where some of them have a kind of vertical programme. But there are not enough workers, so they form a society in a particular district, and societies form in collaboration with the local NGOs. Then it's the NGO that actually implements the government programmes. This is a very strange kind of relationship but they are doing absolutely brilliant work and their reach to the local population is tremendous. For the health workers, this is a new injection of life because suddenly they are talking about something that is acceptable to the people. Had it not been for that NGO working at that level, the government will not have been able to implement this program. You can see the effect of it because in those high endemic districts, the endemic rate has gone down from 400,000 to 100,000. I'm just wondering whether this is an NGO that does not have any political color. Whether it's not interested in politicizing, empowerment or anything like that.

Participant

I feel that when you look at the relief/charity kind of thing you can think of hundreds of NGOs who are involved. I mean, every time you have a cyclone, typhoon, or an earthquake, they are there. What are the kinds of agencies which have the skills and the ability to get their acts together and to do specific work. You have all kinds of efforts in the name of community participation and the government must be involved. That way you get first rate work. Just look at the total literacy campaign. We get hundreds of first rate examples of people doing very good, very innovative, and very interesting work. Why then are we uneasy with such an arrangement? Well, one reason may be that feeling that the state is abandoning one of its primary responsibilities and passing it on. One of the reasons why the state does that is not only because they find the job repetitive, but also because they don't want to add on to the state sector burden.

Changing Global Realities and the Future of Asian Peoples

The other kind of uneasiness has come precisely with the kind of NGOs of a political nature. I think that as Muto was saying that these people have contributed to a de-legitimization of the very notion of political parties. Consequently, this has led to a fundamental kind of depoliticization in society precisely because it is representational. You seem to think political parties are unimportant because you brand them as corrupt, substitutionists, and gangs. One may argue that at least as far as India. The congress party actually had district committees that had local committees. These local committees actually worked. There were party elections. There were party offices. They were relatively living organic structures. All studies of Indian political parties will show that after the mid-60s there were no states, there wasn't even a state committee which met regularly. There were no structures which came together only during elections. What we had provisionally thought was that maybe all these new groupings were talking the language of setting-up a new party.

Beena Sorab

But coming back to what was mentioned earlier, it's like it's going in a circle. It was like these organizations just delivered services. But now the feeling is that maybe the "better" political NGOs would go into this politicization.

Participant

At least they deliver. I've heard this situation from donor agencies asking me what kinds of groups they should support. Don't you think we should support groups doing consciousness-raising, conscientization, organization, and participation in the peoples movement? I'm saying this for two reasons. One reason is that there is no way in which you can assess the progress. After I put in 10 years worth of money in the name of empowerment I still don't know what is going on. But there is now a difference. What are the options you have? You have an option of complete privatization. For health, for housing, for water supply, for whatever. There India doesn't have too much experience on, we don't know the implications of such. For instance, the ones under the structural adjustment program in India. All external lenders insist that social safety net programs, while being official programs, will be run in conjunction and collaboration with NGOs. And then there's the third part. The third part is that quite unlike the 60s and 70s, a radical mass movement is no longer a keyword and this notion of the stability of the state — that we must have our act together because we are a Filipino state and not the Indian state — has suddenly become more

important in the rapidly changing global environment where you discover that such movements cannot truncate that state. No matter how oppressive you find your local state. Having a bigger state does not reduce the degree of oppression locally. And it completely increases the possibility of the entire country being fragmented and taken over by somebody else. Therefore, I think at this state, it doesn't make the same kind of sense ideologically. It succeeded in the 70's because you had hopes that there would be this alternative left-wing socialist progressive process which will actually take over and create another state. So, anarchist logic doesn't work and revolutionary games are not on the agenda.

Participant

Based on my readings on Philippine politics, if I'm going to compare the NGOs here and to what we have discussed, I think the NGOs have to organize themselves in order to have a greater impact on policy-making. Most of them are working from the outside of the center. Policies are made basically by those who have the economic power which controls more than 70% of Congress, our policy-making

body. Secondly, the structure of the NGOs themselves are quite hierarchical and based on personalities. I'm not sure if my impressions are correct. One example I can give is the Federation of Free Farmers which is supposedly a farmers' organization but is organized by a former dean of the Ateneo Law School which is one of the biggest schools in the country and at present his son is a sectoral representative to Congress who is a summa cum laude graduate of Ateneo. It is very difficult to say whether this sectoral representative can really represent the peasants.

The POs are basically personality-oriented. If the leaders are no longer there, then the POs die. The members are, I believe, not as active as the leaders.

The other kind of uneasiness has come precisely with the kind of NGOs of a political nature [that] have contributed to a delegitimization of the very notion of political parties. Consequently, this has led to a fundamental kind of depoliticization in society precisely because it is representational. You seem to think political parties are unimportant because you brand them as corrupt, substitutionists, and gangs.

Changing Global Realities and the Future of Asian Peoples

Maitet Diokno

The NGOs would be something like a documentation centre or something. And here in the Philippines, you would notice that there are so many ideological factions, so in every sector you'll have a PO that is organized by a particular faction. And then there is an NGO serving that particular PO. This happens in every sector. Sometimes they come together in coalitions, but as it is now, most of those coalitions have fallen apart. The only one surviving is the Freedom from Debt Coalition (FDC).

Participant

We had this situation in the Narita Airport. The big problem was very silly but was a politically useful decision because nobody thought it was possible to set up this airport there in the rice fields. So the politicians could buy the land and then wait for the price to rise. That was the reason they used this land. There were those who opposed to the end, but then the peasants themselves realized that if they stay with that group they will get nothing. So the movement was divided. The less radical group, joined by many of the owners of the rice fields, got remuneration. And those who were staying out objected that it's only given those who came in, so they also got something. Actually, it was not planned that way but the fact that you have the more radical stance and later on, part of the group just broke with the major group. Not because the peasants got what they could get. Perhaps it would have been better if everybody stood at the end. But I don't think it would have been worked because the police is now have very harsh exceptional law so that the police can intervene everywhere around the entire process. Practically, it could have been very difficult really to stop the process. It's not in the logic of the movement but could you have a kind of division of labor between the more radical and the less radical groups?

Participant

That was true 1986. Some are saying that it will be a large dams affair. There were people who were saying that look we know that we require electricity and water for irrigation or drinking but, let's work on a different kind of plan, instead of a dam of this kind maybe we could have a dam of another kind supplemented by a whole range of other things. There were some people who say that we will focus on the relief-rehabilitation-compensation package and try to work out policy guidelines from which you'll have strong oppositionists. Some people will say that they don't understand the issues very well but as long as human rights will be affected, they will be for it. It meant that there were legal groups who were looking at the legal implications of the entire thing, environmental groups have a

different kinds of views. There's lots of work to be done on proper social cost-benefit analysis. I know that in practical politics, it is very different. And as we heard about the left movement, often people who are actually closer to us end up becoming bigger enemies than people who are farther away.

For 5 or 6 years, they were able to sustain the struggle. So they say that we don't think they were soft. And at least they feel confident in the fact that no further Narmada Dam is possible in India. But I'm saying no further Narmada Dam incident is possible only because you have a bankrupt government. I mean we don't have the money for any such use.

Participant

No, that's not true. They are planning a dam, much bigger than the Narmada, in the northeast.

Maitet Diokno

In China they estimated that a million people will be displaced by the "mother of all dams." That must be a conservative figure. There's no consensus on this project. Even in the Peoples Council got a slim majority to approve the project. So I think it's the kind of project that is going to be problematic and you can expect a lot of resistance to it.

This mega-project with the Japanese government actually started a few years back, and it looks like there is an idea to revive it. My impression of Japan is that they are so hot on Vietnam. They are not talking about Burma openly. Vietnam seems to be the target for business. And because you don't want China to be too strong, then at least you can try and put some of your money in Vietnam. But that's why the Mekong project is going to be something to watch. I don't know how you can do something in a country like that. You're dealing with the state, basically, in Vietnam. Even the community organizations in the village level are initiatives of the state.

Beena Sorab

Who does what and what happens to national sovereignty?

Participant

You deal with them bilaterally all the time. For a dam coming up of Nepal which would have implications on both India and Bangladesh, there would be expected a lot of debating on such things as how much water will be released. This also happens with India and Pakistan. Within the country, you have multi-states. The water problem is a standard problem. It demands a kind of coordination between different nation states.

Changing Global Realities and the Future of Asian Peoples

Beena Sorab

But here it looks like nation states have agreed to the Mekong project.

Participant

In a sense, I'm saying that before the Narmada came up, it was quite clear that unless the other dams also came up, this dam will only be 40-50% as effective because the amount of water that is going to come into this particular dam will depend on how you work out the dam's backstreet.

But the thing with the dam is that it will probably benefit Nepal but be negative on the Bangladesh side. So national and state differences can be found. But if it is not opposing Vietnam and Thailand, then that is a matter of people versus the state.

This is probably unrealistic, but from the point of view of the people there are two possible approaches. One is to criticize the Mekong plan and point out its problems. After having done that, maybe there is a need for a different movement to propose alternative approaches which are more positive.

Maitet Diokno

And there's also a sub-colonization, say between Thailand and Indo-China. So how do we determine that? I remember there was a time that when we visited Thailand we were brought to the Golden Triangle Area where Laos, Thailand, and Burma meet through the Mekong. And somebody was telling me that they would put the golf course in Laos, the casino in Burma, and Thailand will have the hotels and there would be fast boats to take people around and across the triangle. There must be some big money at stake in this kind of development and it's not benefitting any of the communities in the area.

Participant

This is probably unrealistic, but from the point of view of the people there are two possible approaches. One is to criticize the Mekong plan and

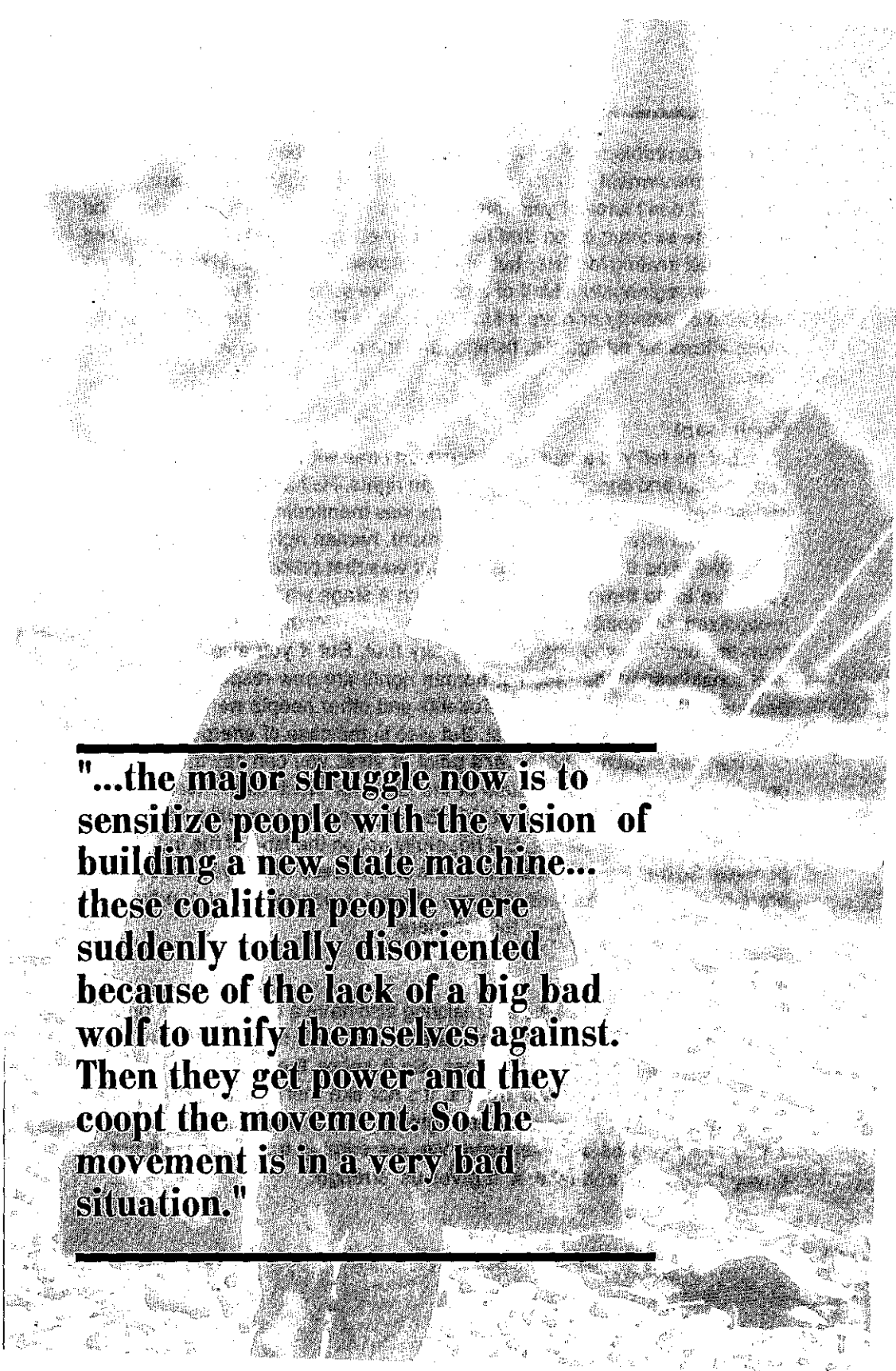
point out its problems. After having done that, maybe there is a need for a different movement to propose alternative approaches which are more positive. I don't know if you can have this resulting division of labor, and have some exchanges on that basis. Something which is indigenous and yet not just inviting tourists, but whose purpose, rather, would be to change the border-region into a kind of a cooperative scheme. If you can develop that kind of activity or have a kind of Mekong River People's Cooperative which allows for navigation, fishing, and the many kind of ways to use the river.

Participant

Let me tell you about the discussion I had with a Korean friend who is very radical and conscious about human rights. He has been working in the movement on Koreans in Japan but he was mentioning that now in Korea you find that after industrial development, human rights are finally getting respected. And therefore, his argument was that probably there is a stage you have to go through in order to reach a stage where human rights are recognized. My point was that if you are a bystander and you analyse history from the outside, you can probably say that. But if you also have to take into consideration the fact that human rights are now respected in Korea, because 10-20 years ago, the students and other people were fighting. So my point is very unconventional. But also in the case of energy, if you look at it from an objective observer's point of view, you can say that all these projects are necessary because of the need for electricity. There must be people who are fighting against this. But the end product will be that dams will be built in some places. But hopefully not on the land of the indigenous peoples. So that if you look at it in terms of a process where you are fighting, probably it is better to think in terms of what is needed, what can be done and just take the position of the planners.

Participant

I think that people who are resisting also have a very strong economic interest on which their perceptions are based. So it is that land that gives them their livelihood and business. So it keeps them together because they are not likely to parted from it. It's not like there is projected future misfortune against which they are fighting. Here we are growing things which are giving us our livelihood. We are earning from it so we'll not let anybody come in and take it. It gives us strength.



"...the major struggle now is to sensitize people with the vision of building a new state machine... these coalition people were suddenly totally disoriented because of the lack of a big bad wolf to unify themselves against. Then they get power and they coopt the movement. So the movement is in a very bad situation."

PEOPLE'S PARTICIPATION AND DEMOCRACY: ILLUSIONS AND REALITIES

Chair: Surichai Wun'Gaeo

I'm sure that you can already feel the agenda of discussions in this workshop. At this point, however, let us set our particular agenda because we may not be able to listen to each particular context that we may be interested in. Everyone is involved in the struggle, in defining the context of participation and democracy. I'm thinking that we can be more forward-looking by identifying the areas which each of us in this room identify as the areas where we feel that our work can relate to each other. I raised that question in terms of we seeing ourselves as agents, as people who define our agenda as well as areas for our own cooperation.

What do you think are the key problem areas that we should identify? By the end of the discussion I wish that we have a common areas where we feel that we can move on. I see that we are very fortunate to have in this room various representatives from the movements out to define trends for democracy and participation. So I think we can discuss a and look for more meaningful paradigms of thinking and action. There is some discussion on people's participation in the next century, initiatives like PP21. So I have a feeling that such a context in our discussion would help sharpen models.

Participant

Yesterday, we had raised the question about the links between the legal and the extra-legal activities of NGOs, and whether and how the two can complement each other. How do we strike some sort of balance? One

Changing Global Realities and the Future of Asian Peoples

other question that was also discussed was about the Philippine left. These are the questions that I'm interested in exploring.

Another point would be that we've heard a lot of personal experiences, very concrete ones at that. How will we be able to exchange and articulate these experiences with others? Of course we have different situations and different contexts but how do we facilitate all these concrete exchanges?

Surichai

Yes. We still another half day for another sub-workshop. But for this specific topic, we need to sharpen our proposal for an agenda of cooperation. Can we have a common agenda at all?

Participant

Muto and I spend a lot of our time and effort in developing new teaching materials. And I think in a sense it is a waste if we don't have a medium for

...in Taiwan, the major struggle now is to sensitize people with the vision of building a new state machine. And after the lifting of martial law, something similar to the downfall of Marcos, these coalition people were suddenly totally disoriented because of the lack of a big bad wolf to unify themselves against. Then they get power and they coopt the movement. So the movement is in a very bad situation.

exchange. We can exchange materials and exchange people too.

I think we can sensitize a lot of individuals that way. For instance in Taiwan, the major struggle now is to sensitize people with the vision of building a new state machine. And after the lifting of martial law, something similar to the downfall of Marcos, these coalition people were suddenly totally disoriented because of the lack of a big bad wolf to unify themselves against. Then they get power and they coopt the movement. So the movement is in a very bad situation. A general proposal, to correct such a situation, is education in a broader sense. Also, I would emphasize the education at the grassroots. I would suggest that it be one of the agendas for the later cooperation and exchange among the Asian movements

Participant

To relate to the topic as far as possible, I think a certain level of understanding of the kind of democracy or the kind of participatory experiences of the social movements is required. The point is how can we really make it a continuing and cumulative process. That is something that has been hanging on my mind and from which we can draw several sets of arguments and a vehicle for continuity. And what was the vehicle so far? The major vehicle was the party. It was the guardian of continuity and tradition. But of course we can talk about other organizations as well -- churches and trade unions. Some trade unions are inherited, but not in the traditional sense, by the sons. These are organizations. It seems to me that the gigantic problem is a paradigm shift of whether we can start accumulating things like organizations. So I am not an anarchist in the strictest sense of the word because I admit that organizations are necessary. We have to exist in the state for some time. Historically the state is oppressive. But you can't abolish it. You can't abolish the United Nations. But we have to establish a new relationship between the state and society.

Towards this goal, people's participation is okay but participation can have double meanings. One is to participate in the existing institutions. First you enter the institutions to change them, but then you yourself are changed by the institutions. So maybe we are thinking of creating our own decision-making processes which is relatively autonomous but not totally independent from the state. It's a sort of dual power situation. You can't discuss democracy, and in that sense participation, without also considering institutionalizing alternative systems. That is the challenge and I think there are 2-3 areas where it is relatively easier to achieve such. One area is education. People are educating each other, therefore, it's already at the institutional level, we are referring perhaps to family education.

Surichai

At this level we have discussions on education as a possible area of focus. Maybe we could discuss this as it is related to media, particularly alternative media. And the other is the focus on academic experience. Maybe we can also talk about that.

Participant

All this exchange is very exciting, but each concrete individual may have his or her own perception of what we are talking about. Each have movements of their own. But what we can figure out from the areas we share is that we can make it a lively arena of future exchange. When we

Changing Global Realities and the Future of Asian Peoples

read about your media stuff, I say to myself, yes, we have that. The case is also the same with your school idea, we have some similar experiences but not really as organized. But we cannot bring this listening experience home. How then can we have an agenda or arena of related programs?

For instance, you mentioned about media. Exchange and usage of media nowadays is pretty much through video, although a great part is still written. I don't know how much this information flow can be utilized. For instance, I've been thinking about the exchange of a video about the movement. There's no such thing existing as of yet.

Surichai

There is no such thing existing at the moment, but we can create it.

Participant

The problem is how to create that sort of resource and make it available. There are various types of alternative video production or alternative movie production. Video images can be used in the economic mobilization educational context. People can learn from it and try to inject their own contacts, to use the video as a point of beginning. We still lack that sort of organizing. But again, the language problem comes in, and I don't know whether these are the sort of issues we should discuss.

But on another level, there seems to be a great potential in satellite television. Take Star TV, for instance, the Asia version of MTV, its reach is really circulating. But whether there is a possibility to move all these images across borders is another matter. It's very difficult to discuss the specific matters here.

Participant

For example, the Education for Life Foundation has produced a video about the school. It was shot in the actual conduct in a school. We have it in Filipino but we also have it in English because we think that we cannot ignore those who are interested and want to avail of it. Can Japan also share some video productions? Maybe we can list down the resources available for exchange newsletters. We may have case studies about our previous experiences, are they written, can we have some copy that they can be made into a video production?

Muto Ichiyo

Of course that's a good idea. But that's exactly the idea we have been discussing and discussing on all occasions here. There are materials. I

think we all suffer from geographical amnesia syndrome. Here we discuss all about it and when we go back home, we don't do anything. I think you can't accuse each other of that because we have been accusing ourselves through the years but nothing changes. So maybe we should act in the Anglo-Saxon way. They are very practical people. We are pragmatic people but they are practical. What they do would be to understand and analyse what is absent, what is the kind of work required for a certain thing to happen, and probably call a specific, practical meeting to set up such a thing in Asia, mobilizing people's consciousness and resources as well. They would also have a whole list of potential names for those meetings, a budget to facilitate the set up of an institution because that requires a lot of work. You have to first want it and pass judgment on whether this is universally usable or for specific purposes. So now going through such a process, I am very sure that nothing will come out.

Participant

But it works in our organization. We have positive experiences. We sent videos to Europe, to Denmark and London. And until now they're circulating these videos.

Surichai

Precisely, Muto is talking about this problem. Why to Europe and London and not to Taiwan?

I think it's not exclusive. I mean what Muto was talking about cannot be done tomorrow or in a few month's time. But it is a must for the long haul.

Participant

Well, you're doing the basics. And if everybody does it then it's okay. But we can't expect every organization to do that. So for instance, PARC is doing some part like publishing AMPO. But still you see if it comes to new areas -- video, etc., we cannot expect something from them. They can't afford it, not merely financially, it's a matter of where the focus is of the organization. So what I'm saying, as a realist, is we need organizations like ARENA that sets itself the task of at least organizing the set up in due time, in 2 years time for instance, so that we can really start and create some efficient workable institution to do that jointly with others, of course. I'm not saying that ARENA should do this. No, it's too much. But the time is right because we have discussed it so.

Participant

I think it is very relevant, and I feel that can we start concretely maybe a little later. What we feel, along what we discussed, can be shared. Like

Changing Global Realities and the Future of Asian Peoples

video, what kind of videos do you have. Okay, there are language problems, etc. but still I feel that we are on the right track to concretizing our visions. The role of media is quite clear, maybe we can discuss other areas of concern.

Participant

I don't know if there was any mention about people's participation in elections. I don't know how relevant it is, but it's a concern in the Philippines. We're taking elections very seriously and we're also doing electoral education and campaigning especially at the *barrio* or village level and the provincial level. So that's one main concern -- enhancing people's participation.

Once leaders are in government, they study how to run the local government, from the village to the provincial level. We've also had exchanges about this. Manuals, people, trainers, training. But we're very good at what not to do, how not to cheat because we have a lot of that in our country. How not to be cheated because we have a lot of experience about the dirty tricks during elections in the Philippines and we've documented all of them. Now we're doing this at the village level, conducting campaigns and education activities, doing some role-playing, pretending that we're doing an election campaign for several months, in a three-hour game and then getting insights from that role playing.

Participant

I don't know whether this is true, but I believe our main concern is in the creation of alternative systems. On the other hand, I think we have to face the question of elections, particularly at the local council level. I think it should also be in our agenda to have a discourse on elections, to contextualize it in the area of creating alternative systems. How are we going to talk about elections? Normally when they talk about elections, they talk about the dominant way of talking about democracy and citizenship and things like that. However, since we cannot avoid this issue I would like to talk about it as a means, as an instrument. How can we use it to create, to facilitate the creation of alternative systems or to open up spaces for the grassroots where they can have more space to manoeuvre and creating their own systems. How can the people access these kind of things? I don't know, this is something longer but I think we have to really take elections seriously, to talk about it in another way such that we don't have illusions about elections but we eagerly, enthusiastically participate in them.

Participant

In Thailand, we take it very seriously. I myself am involved in some movement that monitors the elections. Maybe that can be an idea.

Can we talk a little more on the media? Does anybody know if there is a video resource center or a center which collects different kinds of alternative video products in the region ?

Participant

Asia Vision, a collection of alternative videos from different countries.

Participant

We should check this out. There is no such resource center in Taiwan, although we've tried to organize one.

So when you talk about Asian Vision I don't know what sort of material they have. Do they collect materials out of where? Out of Japan or Taiwan? Is it possible to actually organize at a regional rather national level. National differences make projects like this very difficult. It is only at the regional that we can take a neutral stand. As long as it's alternative, it doesn't matter what your political stand is. Maybe we'll be able to work together.

Actually, what I'm also thinking is not only on videos, not only on materials. I'm also thinking if it's possible for participants from different countries to produce a directory of the different organizations found in their country. What are the materials that they are producing? What are the things that they are dealing with? In building bilateral exchanges, it would be difficult to start while in Hong Kong if we do not know what the organizations are there, if we do not know what the concerns that they are dealing with are. So maybe it would help a lot if we can have all these lists in ARENA and then make them available for the participants.

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Actually, to me there is a tremendous ideological problem behind the project especially with the use of video images to cut across boundaries in the Asian region.

Muto Ichiyo

We had the same proposal in PP21. But I think if we move one concrete step further. Maybe ARENA can produce one special issue of Asian Exchange devoted to just the listing of all these things and each of us in our own country would just list the resources that can be found.

Participant

I think this is very good concrete idea. Maybe it's possible to get things that are available here right now instead

of waiting for communication that might come too late.

Participant

Actually, in Hong Kong, there is a group called Video Power which was organized 1-2 years ago with kind of conference of the Asian small-media groups which already has a collection of video from different alternative video groups from Asia. I think maybe ARENA, when they go back to Hong Kong, can contact them.

Whenever we have foreign friends coming to Hong Kong and we show them some videos on the present situation in China, , on interviews with peasants, and on the plight of the urban poor, then we could also try to add to the list. Because visual images would be very effective. Of course I think that the question will be whether most of the videos will not be in English and it will technically be quite difficult for us to provide the English sub-titles together with it. But then maybe for videos we can have some sort of summary, description of what it's about in English. Maybe for some time we have to rely on English as the basic communication. And then each of us in our own place may later translate them into our own languages. I think maybe we just move some small steps so that it will materialize.

Participant

Actually, to me there is a tremendous ideological problem behind the project especially with the use of video images to cut across boundaries in the Asian region. For instance, people in Taiwan when they're talking about foreigners, they're talking about Americans. So when those materials can be used out of Asia, for instance, in the classroom, you will see how

Bangladeshi people look like. We don't have that. It's a very trivial problem but I think it's a fundamental problem in our country.

Participant

This video of others' experiences is at the same time our own. I think it is a double-triple process which are like microcosms of experiences of the future. I think this is very concrete idea for the media. On the Thai side, we do have a few materials, but mostly in Thai, that's the problem. But we do have the Thailand Development Support Committee and the Video Media Center. So there are two places in Thailand. But these are not so centralized.

Surichai

I think for the media, apart from the videos, we'll have to wait a few years before they materialize because it takes time for production. So we're just trying to get what's already there. So I think we must still have to rely on the written stories of concrete experiences. They would still have to be primary inputs in exchange.

Participant

And even with that, it's also difficult.

Participant

Yes, that is true. For example, I have never seen anything written on the Taiwan movement. I think the more systematic one may be PARC which is one big window for information exchange. Also Muto's office, AMPO. Also DAGA, which regularly keeps an annotated bibliography in that area. Maybe ARENA's Asian Exchange which is very rich in thematic issues, could have some specific case studies. Or maybe it is possible for ARENA to come up with a monthly brief that would focus on one theme. There would be contributors from different countries. Or it can take one country profile at a time. Aside from a theoretical situationer. It would also be of help to include country profiles. So that we could also be familiar with the specific situations.

Muto Ichiyo

In fact, ARENA has the SAPR project. That is the State of the Asian Peoples Reports. It's supposed to give a report on each country. But it's getting out of date. By the time it's published it's already behind. But I think they're still working on those.

Changing Global Realities and the Future of Asian Peoples

Participant

What I felt very powerful was when we talked about concrete experiences. Okay, media experience in the movement, or after the Kuomintang, or your experience about school with the teachers and what they talk about. Like Muto talked about this pre-school which is very interesting, quite strange, very funny, very creative. It goes into the very organized brain but through different kinds of people everywhere. So I think this is very powerful. It is through these stories that we see what moves people. We really know what this concrete experience involves. And we only can learn through these stories. Maybe we can come out with a compilation of these stories.

Muto Ichiyo

We will occasionally come out with an anthology of Asian experiences. When we were conceptualizing the folk school, although we had this very different ideas in our heads about pedagogy, we read that very simple story of a similar initiative in, ironically of all places, Tennessee, south of the United States, about coal miners. And that story wasn't one of those theoretically elegant anecdotes. It was a short story, it was a narrative about an actual experience which helped us to integrate some of our ideas and put us along this track. I think those stories are very powerful in the sense that they are alive. They give faces and names to numbers and they have a value of their own aside from theoretical frameworks and model-making.

Surichai

The question of election, which came up earlier, requires real thorough discussion. I feel that is closer to what people's participation and democracy means, either in illusion or reality.

People are very variable in the movement, in the changes of government. Afterward, I don't know, but in the context of Bangladesh I can say that the state hardly is strong. And if you look at the parliament, people are actively participating in the movement and the elections. But the people getting elected are the same old people or they come from the same strata who are not addressing the real people's issues. It seems people are creating movements almost once in every decade and chanting the same old slogans. I mean people's power continues to be an illusion. And state power continues to be the reality.

Participant

Maybe its time that democratization be redefined.

Participant

There are some tendencies that forget elections because it's the business of the upper class, a ritual. But for the people the focus of attention is that specifically. So I think what you mentioned earlier is very important. But also in a different context it's meaningless. Elections in themselves are meaningless. But there are a lot of spaces for new possibilities. And if subjectively people can make use of the space and create meaningful agenda of their own, then I think that's the only meaningful convergence that we can make sense about elections.

Are there any opinions on the economic sphere? May I say a little before entering into another discussion. What was emphasized was that after the collapse of whatever long-time control of a regime, people easily tend to have concrete agenda. I think this experience comes without any prediction. I mean the collapse usually comes suddenly. I think a real meaningful agenda is one related to our everyday agenda and not on how state power can be transformed. So in that aspect, I think what we have talked so far and then we can also talk in that broader experience. We talked about media exchange, we talked about print and publication exchange. Also seen in that context of exchanging visions of possibilities for change. With that kind of context, can we relate to this economic, livelihood aspect? There was also mention about rural-urban exchanges.

Participant

Actually, I think then we can also begin with something like stories about experiences. I remember in Japan they began with the local problems. And then the wives started to organize themselves because the price of meat in the market was high and they went direct to the manufacturer. Things like that. And then with that they also extend to the set up a kind of an institution for people to run election in local councils. We should think of how we can think about ways of organizing our lives through cooperatives in solving this problem, which then naturally has to extend into participation in local politics. But then it also has to think about linking people across borders in order to sustain it.

Participant

I think that this so-called exchange of vision is very important. But it's probably be more difficult for people in this room

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Changing Global Realities and the Future of Asian Peoples

because we don't talk about the state of socialism anymore. So what is the popular democratic vision across borders where we can work together? Maybe we can talk in concrete of how to organize NGOs, and videos. But what is the vision. Somehow I sense everybody here shares that sort of vision.

Participant

I think if you need a vision, without being a visionary, you have to look at what is happening. The essential point is whether we can find in what is happening and what we are doing something that goes beyond it. And these pieces of visions form a jigsaw puzzle which we can put together. From different pieces you can have a different hopes. But coming together we can work out the imperfections and differences. So that is the approach I would try to take.

We've learned that this is a case of economic and other types of relations between two countries. It's not just a project, it involves much more because it is part of the democratic movement which grew very fast in the '70s or '80s and the best ones alone will number about 300,000. The other side is the Philippine villages. In the mountains that are organized by the NGOs, around 500 families are organized. It started with 220 families and now 600 families, mostly in the mountains. And including other extension workers, it's about 3,000 people. This is where the idea of Alter-Trade came in, and also its outgrowth of the PP21 rural alternative. So we are meeting in January next year and coming to the process trying to help develop or link-up various efforts in same direction in the hope that in the future there will be embryo of alternative systems.

Participant

You know the story about the Taiwanese fishermen? It began with an environmental issue, with the issue of water pollution in southern Taiwan. So the activists with Marxist knowledge intervened and got all these fishermen organized. The concept they had was to change the modes of production. And so they got all these people to work together. They were talking about direct trade, without middlemen, from the South of Taiwan to the cities. It worked for a while.

Surichai

Maybe I would just conclude. My wish is that, when we meet to make a report, the younger generation to be reporters for our group. It need not

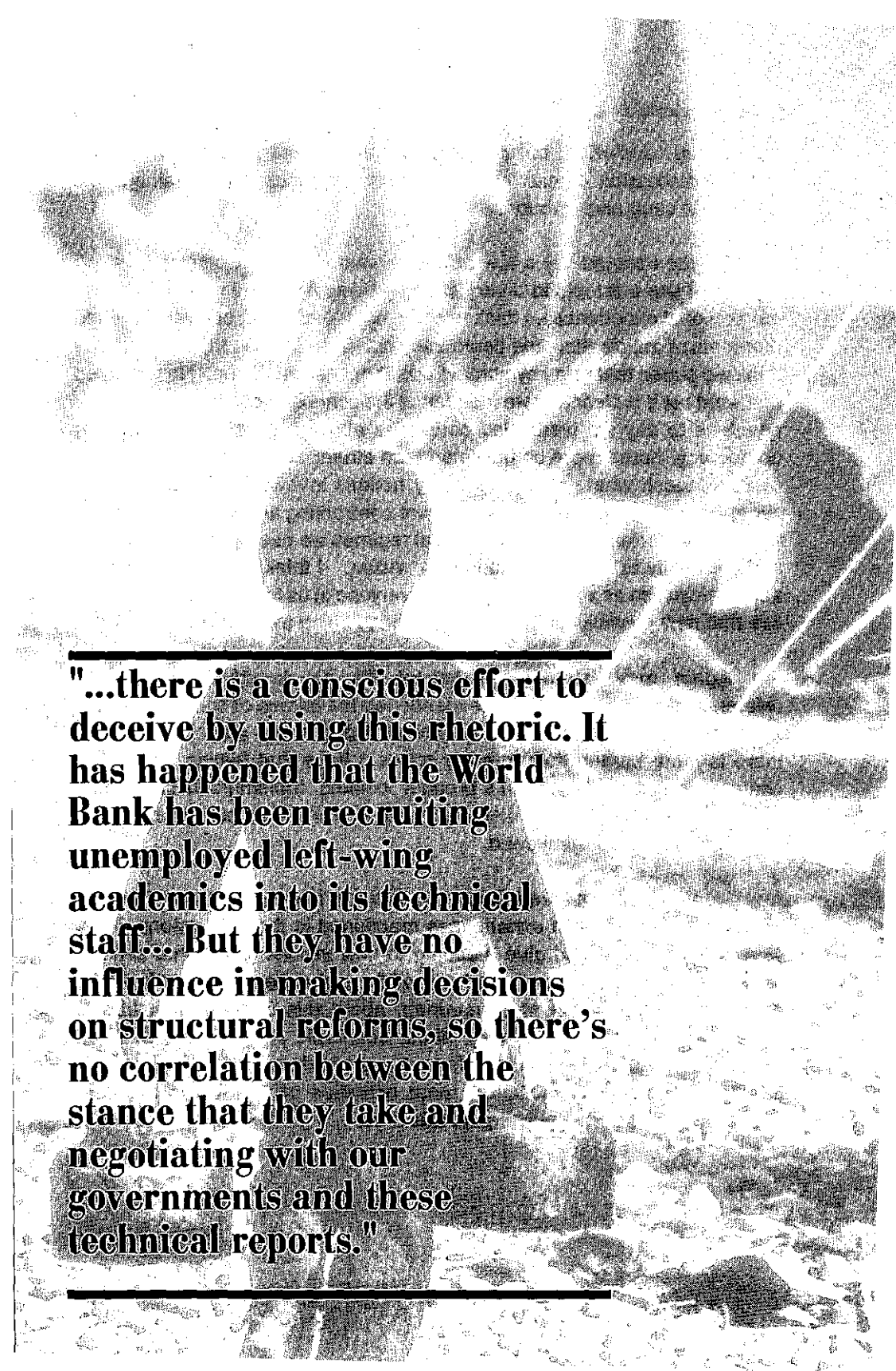
Sub-Workshop on People's Participation

be a group conclusion, but it should be through one person and how he sees our discussion. I mean the agenda from the discussion. Certainly some were quite clear and common.

Maybe I should say a few words on what we have discussed. I think we do not see our topic in a very structural way. We tend to look through our personal experiences. I think this was not the intention but we identified moments of anticipation and democracy not from above but, from below. I think we stated that one key context was the crisis of vision. No one used that word but it is clear that we mentioned the context of collapse of regimes, needless to say we were also conscious about concrete blueprints for democracy. Some more complicated than others, for example in the case of Bangladesh where there are many nations involved. But still in that context, we see that the problems we are confronting are crises of vision. In the face of certain collapse of political regimes we need both imagination and the ability to fight for a long-term vision. I think we see democracy and participation as a process whereby everyone of us from different contexts see that new possibilities and new meanings being transformed.

Again, may I should add that we did not directly articulate any reference to the nation state. We mentioned the names of some countries but I think we see that maybe in Taiwan, Hong Kong, and Bangladesh, there is more burden than in other states. I have that feeling that in our context democracy is seen in a broader context transnationalism. I think that was the context of our discussion which was not articulated but I feel that it needed to be mentioned.

I don't think we even need to conclude because we already saw concrete microcosms of experiences mentioned in the discussions. They were very powerful and give meaning to new visions. So in that sense I think the agenda should be to further go into exchanges of stories focusing on education, the case of Tiananmen, about this development library experience, and media. Finally, about economic areas and livelihood experiences. I think it was clear that we need to do more on these areas. Maybe ARENA could facilitate more activities of the sort to promote cooperation and model building for this area.



"...there is a conscious effort to deceive by using this rhetoric. It has happened that the World Bank has been recruiting unemployed left-wing academics into its technical staff... But they have no influence in making decisions on structural reforms, so there's no correlation between the stance that they take and negotiating with our governments and these technical reports."

POVERTY AND DEVELOPMENT IN THE CONTEXT OF GLOBALIZATION AND STRUCTURAL ADJUSTMENT PROGRAMS

Chair: Rosalinda Pineda-Ofreneo



I was invited to be a discussion leader for this workshop mainly because, I think, I've written something about debt and poverty in the Philippines although, of course, it doesn't qualify me to speak for all Asian countries although we'll be expounding on them in the workshop. I am also a member of the Freedom from Debt Coalition. We've been quite active for the last 6 years. We may also contribute a lot to the Philippine experience in terms of Asian discourse. When I asked Ed about what he expects of my discussion he said that I had to raise some provocative questions. I think maybe we can do that but first we have to also agree among ourselves about the parameters of our discussion. I was very stimulated by this morning's discussion on the future of socialism and alternative development strategies. I think we can continue on that discussion to some extent by using the debt problem as a starting point for a critique or as one of the parameters of this discussion. I've prepared a set of preliminary questions which we might consider so that we may have some guidelines as to how to conduct ourselves in the next 2 hours. I also prepared some notes on poverty and development. Just a way of facilitating our discussion with some empirical data. These two handouts I prepared includes, first, the Statement

The internal circumstances are always differentiated by history and the balance or alignment of forces with the rich countries in order to make formulae that can be applied to all. What we can do is to exchange preliminary ideas that we can concretize into proposals...

of the Asian Consultation on Debt and Structural Adjustment which convened in Manila a few months ago. There were Indians, Sri Lankans, Malaysians, Filipinos, and some Japanese so there was some consensus. It gives us a fairly good idea about what people talk about across borders on debt and poverty issues. And then there are some figures as to the extent of the debt problem in the Asian context. It highlights in a way the variability of the debt experience. The internal circumstances are always differentiated by history and the balance or alignment of forces with the rich countries in order to make formulae that can be applied to all. What we can do is to exchange

preliminary ideas that we can concretize into proposals for ARENA. The last is just a model. Its relevant because we're talking about globalization. Maybe we can start the ball rolling.

I'd like you to give a very simple definition by what you mean by structural adjustment. Structural adjustment programs is usually what is imposed by global creditor institutions in exchange for new money. So it is very much connected with the debt trap. A country spends less by cutting back on government expenditures, social services, and economic investments so that resources can be placed somewhere else. You spend more on export-orientation so that the local economy becomes dependent towards integration with the world economy. So the bank will say, okay you have a balance of payments deficits, foreign exchange to bail you out. Remove all subsidies for poor people, privatize the state sector, deregulate the market, and decrease wages. In effect, it opens up countries to globalization.

Participant

I want to contribute not information but questions. The debt was already being discussed in the '60s, but the question is why the debt from the industrialised countries increases the debt problem by lending more money to the South? Of course, I know the practical answer is that they

could not lend it to the North. But my question is related to who is responsible for the debt crisis. My second question is about how different are the debt of the United States compared to the Third World? What is the difference between an industrialised country's and a Third World country's debt such that one is exempted from structural adjustments and the other is not? Why do we separate the discussion about debt in the North and debt in the South.

Participant

America has both a very large internal and external debt. I'm sure the question arising in most of us may not even be economic, as we may not be economic specialists. As to why it is that America doesn't experience structural adjustment. Because we have a balance of payment deficit and they don't. So why don't they have a trade deficit? The question actually is would it be an all-around payments deficit. I mean, there is money market, securities, insurance, and banking. These things are operating. It's not simply a commodity glut. And then there is an issue of ownership of assets.

With regards to the second question, who creates the debt trap. Are the elite responsible? The issue of structural adjustment in India came out in 1991. But we got into that position because we wanted to. Nobody was imposing anything on us. And that was because of the relationship between our imports and exports. If we had decided, in 1980, to diversify our different imports, the situation would have been different.

Secondly, the great industrial growth of India (in the 80s) was based on bountiful consumer goods. Most of it were dependent upon imported components. A fair amount of luxurious industrial growth also led to the accumulation of debt. I think that one does not have to get into details of that kind. But these are the sorts of questions which arise when countries, for a whole variety of reasons of their own, do get into a situation where in a macroeconomic sense, it is necessary for them to somehow bring some balance between revenue and expenditure, internally and externally. We all know that in all our countries, that whether or not the World Bank was behind us, had asked that public sector be privatized. There has been a long-standing debate in each of our countries as to the hold of monopolies whether it is in the provision of services or in the production of goods. Given that, politically, when the World Bank says, please stop public sector banks or please compete in the banking industry, many of us suffer because of the highly inefficient national banking sector. As ordinary consumers we seem to think that it is good that this lousy bank is now going to be replaced by a more efficient Bank of Singapore. It has larger implications which are

Changing Global Realities and the Future of Asian Peoples

not immediately evident. It seems that many of those who oppose structural adjustment programs, speak the language of nationalization, which I'm afraid doesn't seem to add much political resonance today as in the past. That is part of the reason why we seem to get much less political opposition. That's my reflection.

Participant

Before the others answer the question, I just like to react to the question of the debt trap, what is the cause to our debt problems? Is it our own dominance or our own belief? I find it very difficult to accept that, in the case of the Philippines, the banks, specifically the private banks, are not being quoted. Our own investigation shows that many of the private loans were lent to private entities on the mere pretext of having a recommendation from Mr. Marcos. The banks were also aware that there was a need for a minimum capitalization for corporations before they can be lent a certain amount. There were many cases documented by the FDC and the Commission on Audit where the banks lent in spite of the knowledge that the financial position of corporations or individuals were not healthy.

Dr. Nemenzo

During that time, the cronies of Marcos started putting up corporations. Then we called it the NPA -- non-performing assets. We learned the extent of this only after 1983 when the Prime Minister and retired Finance Minister Mr. Virata had to explain why there had to be a drastic increase in taxes because we had become heavily indebted. It surprised all of us. We knew we were heavily indebted but not to that extent. What is really criminal in the case of Mrs. Aquino is that when she took over, she allowed the conversion of these into sovereign loans guaranteed by the Philippine government. In other words, the Aquino government inherited loans from these corporations that Marcos cronies set-up.

Under our new constitution there is an insertion that there should be freedom of information. In addition to that, there is a specific provision that says that anything pertaining to debt papers should be disclosed to the public. A group of lawyers asked for this and they were provided 5 volumes of useless information. So they went to the Supreme Court quoting this particular provision. The Court said, "Sorry, as far as we're concerned the constitutional requirement has already been met." So private organizations have difficulty investigating the extent of our indebtedness. And we should find out which are legitimate and which are fake.

Prof. Pineda-Ofreneo

That's really the tragedy now. Then the extent of the opposition to structural adjustment also started in that perspective. That's one major reason for the need to scrounge for funds that we have to wait for these loans which the banks lent for their own profit knowing that the projects were not feasible in the first place. So there is also that particularity in looking at structural adjustment.

Participant

There's an interesting aspect that reminds me of India. It has become extremely sensitive, the World Bank and the IMF, in terms of the programs and the language used by the agencies in the '60s and '70s. The language they used has changed through time. We're about how language has actually become the territory of the technocrats who are at the top of the World Bank, the IMF and even in government bureaucracies. They've generalized the discourse. It's like you can't distinguish the enemy anymore.

Participant

Just to follow-up on the issue of safety nets. I would like to propose that the World Bank and the IMF position have evolved a great deal. The fact that it has changed is in a sense a victory of the movement as well as in the UN as they have been very persistent on their position that there should be a human face of structural adjustment. Its become a safety net in itself. It is probably unrealistic to just continue to follow the 1970 strategy, we have to take into account that times have changed. But it's not to say that you are "good guys" now. We have to try to find out what is good and what is bad and how to make the process better. If nobody objects to that basic idea of structural adjustment, if everybody says that structural adjustment as it is designed now is alright, then I think the World Bank and IMF will just diminish that safety net since there is not so much pressure. So I think that some still think that the fundamental idea of

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Changing Global Realities and the Future of Asian Peoples

structural adjustment is the problem. On the other hand, we could have a more practical negotiation about how to improve that safety net.

Participant

Forget about large macroeconomic things. We say that the primary pressure on the national governments are that they must balance or reduce the degree of imbalance in their budgets. That's the primary pressure both on the external and the internal facets. Now, there is a package that says that the way you could reduce your deficits is by cutting back on the following sets of things. I'm saying that there are a range of negotiations available. I'm saying that there is nothing in the World Bank or the IMF package that says that the government of India or of the Philippines could not cut down on its military expenses rather than cutting down on its expenditure for housing, health, or education.

Dr. Nemenzo

I think there is a conscious effort to deceive by using this rhetoric. It has happened that the World Bank has been recruiting unemployed left-wing academics into its technical staff. They came out with a very good report on agrarian reform in the Philippines. Earlier on, there was a report on labour. I got to know these people. They are really progressive people in the World Bank. And they are using this rhetoric because they believe in this. But they have no influence in making decisions on structural reforms, so there's no correlation between the stance that they take and negotiating with our governments and these technical reports. These technical reports are done by good people. But in the Philippines we found this very useful in our own debate because we can cite this World Bank situation. Do you remember Richard Percroft? That's the cycle that they move in. The big shots do not really care about these country studies on the technical reports. It's usually manned by people who have correct orientations. During the time of Marcos, a lot of information that we got about the Philippine economy was leaked out from the World Bank. Most of the clerks are Filipinos so a lot of papers submitted by our government in secret were leaked out. In other words, the World Bank itself is an area of ideological struggle and we should learn to use this instead of just having a blanket condemnation of that institution.

Participant

I would just like share about this land project in Malaysia. The idea was to give land to the landless peasants. The World Bank was the major donor for the project. And now lately, they have discontinued giving land to landless peasants because the peasants were selling the land in the open

market because they don't want to go to the countryside. What they have done lately was to give peasants a share in what they called "clubhouse operations." If before they were given 10 acres of land, now they are given land equally in terms of shares. But the question is what is the impact of this. Is the Malaysian government going to change this? I don't think this has any impact on the way the Malaysian government is going to handle the matter. So I feel that the donor agencies are willing to push that much. They are sensitive in terms of how far they push.

I think that in many cases the structural adjustments programs make you lose all the subsidies to the farmers. You make them compete in a free market situation for which they are not ready. They become marginalized and who gets the land? A lot goes to trading, but a lot also goes to transnational business for exports of cash crops.

Participant

I have a simple question again. During the G-7 summit in Tokyo, there were a lot of criticism of the World Bank and IMF. Who is the World Bank and the IMF accountable to? What is the structure? Who appoints the directors of the World Bank? What is the procedure? How is it done?

Prof. Pineda-Ofreneo

It depends on the contributions and deliberations of the Group of 7. Because of that nature of their determination, so most countries would have their own country director in the Bank. I'm saying all the years, this place have become large specialized agencies precisely because they are multilateral bodies. It's not that there is a single country putting a lot of pressure or being able to decide shares in the Bank. The US owns 30% of these shares. It is true that 30% is a lot. In any corporation, anybody who owns 30% of the share will be able to push his agenda. So yes, both in the appointment of senior people in the Bank, the US will have a fair amount of say.

Secondly, it's also possible for you to lobby in the US to put pressure on the Bank. But essentially, I think these places have become structures in themselves. It is an absolutely valid comment to say that they are not accountable to anyone, although theoretically they are mere agencies of the UN.

Participant

I was trying to raise the following points. First, there is a difference between the voting system of most of the UN agencies and the World Bank-

I think that even if you cannot change the voting system, you can force the Bank to be more accountable, at least provide more information about its activities.

IMF. They are banks, so its natural. Of course, it's impossible to say that we want "one country, one vote." It's too much work. But still on top of that, this is something I'd like to ask, there is hearsay on certain meanings of color. Because there is a blue room or a green room which is a term used in the bank because everything is settled there by the G-7 and others are not allowed to come in. So its not just a professional agency. It is a closed organization where the true decisions are made. In opposition to that, there is now in Washington a World Bank-watch NGO.

I don't know how good it is. But at least they are trying to give more transparency to what the Bank is doing. I think that even if you cannot change the voting system, you can force the Bank to be more accountable, at least provide more information about its activities. And the other question is when it is possible to develop some strategy to at least check the Bank and the IMF from the inside.

Dr. Nemenzo:

In that case I mentioned to you about Richard Percroft from the World Bank. They were handling China. The time I was there, there was a group of Chinese negotiators who came. We talked with the staff of that Chinese delegation together and they were giving them tips of what to tell the negotiators and the data they've collected and how they can be used for the Chinese to strengthen their negotiating power. There might be other groupings like that in other countries. In the case of the Philippines, what really worries me is that, I don't know about officials of the Philippine government who later became World Bank officials. Because they can be the most devastating. Like Sicat, he was the Minister of Planning of Marcos during the time that they borrowed this money. After the fall of Marcos, he joined the World Bank. We suspect that he is the adviser of the World Bank in negotiating with us. He was in the negotiating panel during the time of Mrs. Aquino. We are really at a terrible disadvantage.

Prior to that the head of the negotiating panel was Opus Dei. Then the World Bank came up with what I thought was a very progressive stand on agrarian reform. I thought the World Bank's proposed land reform program

was not too far away from the CPAR. If we only have a good negotiating panel, they should taken advantage of that document. To demand for a better deal so that they can carry out the land reform program that was proposed by the World Bank. And now that the debt is ballooning, we don't have the money to finance the agrarian reform program. 52% of the national budget goes to debt service. So this point about negotiating with carrier countries, it might not be possible in our case because there is an automatic appropriation for debt.

Participant

I don't want to give an impression that I support all these structural adjustment programs. I think the real problem is a result of the kind of policy that we pursued in the past. In India it would not have been as cruel as Marcos' cronies contracting debts from foreign private banks and Mrs. Aquino taking over the Philippine national debt. The government in India decided to buy minks and jaguars. Maybe because a 2.5% tax would be put in a Swiss bank.

Secondly, I'm saying that we don't know how to work this thing out. We see packages of reforms seeking to push the orientation in a certain direction rather than another. For instance, there is no IMF restriction that says that military expenditures must be cut down drastically. Mr. Macnamara talks about the conditionality to be imposed by the bank and the IMF on any further concession to countries which are willing to reduce military expenditures.

Participant

Then it's worthwhile ?

Participant

No. I'm just stating it. I'm not being too cynical.

Participant

Like the scientists who went against the atomic bomb.

Participant

Fair enough. All I'm saying is that at least the bank has not pushed, perhaps required foreign exchange. You get foreign exchange, you need to push up exports. Thus a need to readjust the economy into the areas where you have export. Most of our countries do not have these areas. Because it's put as a larger package nobody can oppose it. In fact, if we try we are branded as going against free trade.

Changing Global Realities and the Future of Asian Peoples

We are in debt. The Philippines, India, Bangladesh are in debt. We do not have an export potential, then we should cut down on imports. At least it can cut down imports of lousy things. My only statement is that whenever we actually discover that we are in debt and the strategy of opposing, highlighting, critiquing it focuses exclusively on the slogans of the 60s is no longer relevant. All I'm saying is that that mode of political response to this kind of a package does not work. So it is absolutely crucial whether they are treated with importance. We need to be able to rework our strategies while making the ideological assault.

Prof. Pineda-Ofreneo

Can you reflect on the Indian experience. I think, your problem came in quite late. How did this come about?

Participant

The first major problem for the Indian economy came when the oil prices went up. Suddenly, we didn't have enough money to import oil. That was also the first time we thought of going to the IMF. The situation at that time was very favorable for 3 or 4 reasons. First, The funds came quite rapidly. Secondly, we had large numbers of Indians working in the banks. And there was something like \$4-5 million a year being remitted. Third, then we had a very nice track record and we never really worked with these commercial banks before. Given this kind of situation, it was really possible for India at that stage to enter into structural adjustments.

The first instalment of the IMF loan came in. Many people argued that because of the favorable foreign exchange situation, the needed internal structural reform could be done quite well. But there seemed to be no political will to do anything on that. Then through the decade, they did two things. They very drastically liberalized the import of consumer goods, and they diversified our purchases from rural areas to hard-currency areas. There are all kinds of stories as to why this happened. The popular story, if you are anti- Mr. Gandhi, is when Mrs Gandhi took power in 1977, she suddenly discovered that she had lost all access to the money. When she came back in 1980 she learned that it was crucial for anyone to survive in politics to have direct personal access to cash. Only then are you able to externalize your needs. You give the go-signal for telecommunications, and AT&T can have the contract and then there's a 10% kickback and then the money is deposited abroad. These are useful things to politicians. It also reduces your necessity of having to go to the local elites for cash. Obviously, they would want something in return. So now you can do it without mediators.

Primarily, it was a result of durable consumable import that the external debt mounted quite rapidly. By '86-'87, the people started getting worried. By that time, we no longer had this lovely \$4-5 million a year coming to India. Because your debt has mounted, your credit-worthiness rating has also changed. Easy access to credit is no longer available to you. By 1991, you no longer have a choice. Factually, the correct statement there is that India had not negotiated with the IMF-World Bank at that point in time. So I'm saying that it is quite likely that if you continue to follow the same kind of policies, you may actually get into what you will call a debt trap. That's the history.

The fact is that it is important for governments to have structural adjustments to solve deficit questions. That is provided that you have a structural adjustment on the military side and not on welfare side. I think that is important and we can't hide from that recognition.

Participant

May I try to see if I am correct about structural adjustment. The fact is that it is important for governments to have structural adjustments to solve deficit questions. That is provided that you have a structural adjustment on the military side and not on welfare side. I think that is important and we can't hide from that recognition. In terms of finding out what we mean by reducing deficit, this is where the debt trap comes in because if there was none then still some countries will be in deficit and others not. So to reduce deficit, if you forget the debt problem, the big problem now is that you are asked to reduce not only the deficit in a normal way but to actually go beyond reducing deficit. You are forced to create additional money. And the point is not so much in criticising the content of the structural adjustment, we have to go beyond that criticism that has gradually succeeded in adding the idea of safety nets and everything.

Then the problem is debt servicing. One supposition is to redirect it so that it does not go to service American debt but to guarantee the interest of the Third World. The idea was that Japanese surplus should be redirected from its flow point to support the dollar, in a sense. My question is whether there is a way to look at the problem of debt and say that it should not be just a forced upon the past to portray the debt in this unrealistic situation,

Changing Global Realities and the Future of Asian Peoples

but to change the flow of cash. Well, that was the problem of the petrodollar in the past and now it's the Japanese surplus. The problem there is that on the American side, they do not like this proposal of ours to materialize because it proves that there was much debt from Japan. The idea was for the government of Japan, there are also Japanese private enterprises, to invest in the Third World and to guarantee that, just in case there is trouble, the government will fill in the gap. So it's some kind of insurance on country risk. That was a good idea except that we are against the American interests and also against maintaining the high value of the dollar. Still we have to try to discuss how to solve the debt and dissociate it from structural adjustment which could be very healthy in our normal situation but not in a situation of debt servicing.

The reason why our country was suffering from payments deficits was because of control trade barriers. We cannot control trade, the prices of our commodities and of our exports. With structural adjustment programs, we are able to export more. But if the North controls the prices and the market, how can we benefit? It's going to be a vicious cycle.

Participant

That is a very interesting point. Is that possible? Because I think there are legal flaws to that program by itself. More or less we realized after so many years that we have to relate the debt to other economic issues. The reason why our country was suffering from payments deficits was because of control trade barriers. We cannot control trade, the prices of our commodities and of our exports. With structural adjustment programs, we are able to export more. But if the North controls the prices and the market, how can we benefit? It's going to be a vicious cycle. There has to be some discussion on this type of relationship.

It might be interesting to see whether the political possibilities of resisting programs which lead to the exacerbation of these problems. There is the Philippines, Bangladesh, and India. All are low-income and severely indebted. In the '70s and '80s in Bangladesh you saw a continuous decline in the economy. There was a national process of "corporization" because of

certain economic measures imposed. On the hand, we have seen that in the urban sector, the private sector is being offered more and more incentive packages which are in themselves a package of subsidies because if you don't give any direct subsidies but you also talk of tax holidays and other facilities. The rural sector have been consistently discriminated. That's the problem. And since the bulk is in the rural sector, it affects the whole economy. Whatever positive implications the rural sector might have could not be felt because of this.

Prof. Pineda-Ofreneo

So was there any resistance to structural adjustment programs in Bangladesh?

Participant

Not really. But they are divided by political parties. The farmers don't really have a say.

Prof. Pineda-Ofreneo

Maybe we can contrast the Bangladesh experience with the Malaysian one. If there are some commonalities, maybe we can find a way of winding-up.

Participant

One thing they share is debt. There is internal borrowing from agencies like the Employees' Provident Fund, the workers who pay fund which they borrow from outside but we borrow internally, sometimes we get the permission of workers themselves. But we have a lot of internal borrowing. In the early 70s, we were borrowing money when in fact many funding agencies, had the conditions of doing some structural changes toward industrialization and all that. Sincethen in Malaysia, industrialization have been very aggressive. That's why we are feeling the pinch especially with the squatter problem. They will get special incentives in terms of electricity, in terms of land to build on.

Recently, there was a paranoia, the government did not allow workers to have their own national union. In our constitution we have the right to that. The workers are being taken advantage of. In the process of industrialization we also promote buildings and condominiums around the city, in the periphery. If you find open spaces, there are squatters in there. These were the people who were called in the early 70s to come to the urban areas to provide labor for the factories. And they were asked to live in

Changing Global Realities and the Future of Asian Peoples

the outskirts, in covered-up swamp areas. But then in Kuala Lumpur, the capital was expanding and the value of the land was going up. That's why we have so many problems. We are trying to get people to fight back and get at least some form of compensation. So we have done many things to drag them in court, to go to anti-corruption agencies, to go to the police headquarters, to expose the role of the police, etc.

Now the property level is M\$350. In the 70s that was the criteria they used and they're still using that as a cut-off against debt. And because squatter areas do not have titles to the land they are now going for all squatter areas.

What happens now is that indigenous people have been pushed deeper inside. In fact, the land the government is taking belongs to them by the Customary Land Rights. Some of them were so dislocated they worked in the timber factories in the deep jungle. And there were reports of indigenous people losing their arms and legs without getting compensation. And some of them end up as alcoholics, women end up as prostitutes. Then when we try to fight back, they say we are anti-development. They are trying to justify oppression. We know America's abusing it. We know our country is abusing it. They assert that our human rights are different from yours.

We haven't talked about the transition workers. Now the entire economy is striving to industrialize. There are some people who have been in the same company for 3 generations. They are poor, and they old. They were kicked out so we fought back. If we do not protect them at that level, they become squatters. And if they are squatters, we cannot protect them. Squatters do not have rights.

We could see that in the quest for this NIC status, you open up the doors for further repression of the workers, in terms of oppression of laws. In Malaysia, we cannot go on strike. What they say is that if you want to go on strike you have to apply first. Of course, they will approve it one year later and nobody will go on strike. They do not kill people directly. In Malaysia we say "rule by law" not "rule of law." When you're not satisfied, you go to the parliament and make a new law. We have this amendment in the land acquisition act. Initially, it was meant if they want to build a hospital, schools or roads, the government can take the land and compensate you. There was an issue in one of the islands and there was an amendment. Now they can take your land and build hotels, supermarkets, and shopping centers.

They will take it and compensate you. So these are the things that is built-in to ensure that factories can be built, that lands can be acquired by the rich.

But in Malaysia, we can count many illegal strikes. Sometime they picket. Picketing means they do it during lunch time or after work. Another method we have done is to get the workers to go on sick leave. So we had to go to the hospital. We try to negotiate and they'll send a third-level officer who cannot make decisions. So when we go to the negotiating table, we say that we will not negotiate with such an officer because nothing will become of our talks. Then we threaten to go on strike, and then something serious will happen in the negotiation. So we employ strength rather than beg for extra remuneration.

Prof. Pineda-Ofreneo

Now we move the discussions to patterns of development. Whether its a highly indebted country, like Bangladesh, or like Malaysia which is not that indebted but still going through a crisis of development in the global economy, there are problems. What can we say about these concepts on patterns of development? Do we know much about it? Judging from the discussions earlier, there has not been enough exchange of information on the impact of structural adjustment programs on countries in Asia. I think data is very well extracted and developed in the Philippines because they had a history of NGO involvement in the debt issue. But as far as Bangladesh, Malaysia, and Indonesia there's very little.

Participant

In Indonesia, the term structural adjustment is not known. I'm surprised really. Many of my friends don't know about it. The government is very close to the World Bank. It is only because I read from foreign sources that I am familiar with the term. But structural adjustment is an alien term in Indonesia. We are the darling of the World Bank. We are the model. We never negotiate to re-schedule.

Prof. Pineda-Ofreneo

But you are now severely indebted.

Participant

Yes. I think we are no. 2.

Changing Global Realities and the Future of Asian Peoples

Prof. Pineda-Ofreneo

I think that the strategy would be getting the debtors together so they can speak with one voice against the creditors. That has never happened.

Participant

Yes, I think that was the case with Latin America and even Mexico. If they had done so, they would not have gotten any money. That would create political problems because the economy has been set up to be dependent on foreign sources. So what happened is that they agreed to give this new money.

Participant

We have always focused on the World Bank, the ADB is kind of obscure so I think we have to study them more.

Participant

Yes. I think so. We discussed that during that in the tribunal. And I was surprised, looking at the figures how great a role they were playing in the region.

But we should also pay more attention to development models and alternatives. Even in Malaysia which is approaching NIC-hood, there is so much social cause and environmental consciousness in their programs.

Participant

Alternative to debt? It's difficult. I think we have to restructure the whole economic system.

Dr. Nemenzo

It's like a revolution.

Participant

But the idea I proposed is to look at the debt issue, not in terms of it being a South problem, but as a problem of the whole international system. Because now that is the case in the United States and the problem could be dealt with not just in terms of the Third World debt. And the problem is that, in a sense, there is a mechanism to service the American debt because everybody wants to keep the dollar up. But the problem is how do we achieve political conditions so that this shift of orientation will not be counterproductive. There is a political problem and this is where each of the industrial countries come together and have a policy toward debt reduction and re-scheduling. So this is one aspect. The other thing is about trade. Because the idea of export-orientated development is the basis of structural adjustment, there are two ways to reduce

deficits. One is to be more export-oriented. And the other one is to be more reliant on yourselves. So that leaves you with a choice.

Participant

But there's one other problem: conditionalities for loans to be export-oriented. Its the whole ideology behind structural adjustments. Structural adjustment is probably good if it is not based on this ideology. If you just want to re-work the economic structure itself.

Participant

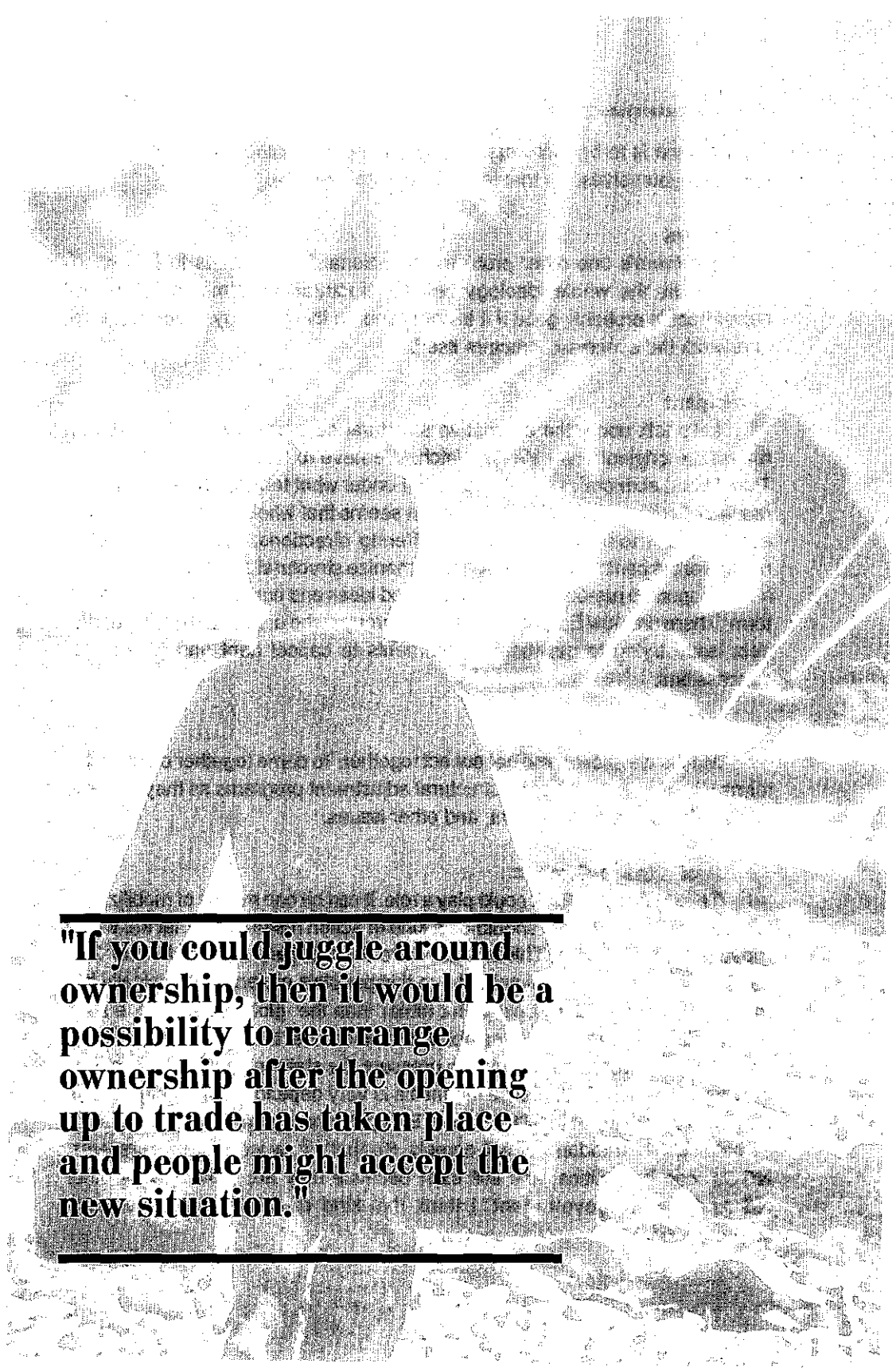
Let's talk about the alternative structural adjustment as well. And then reform the original Third World Watch. We have to think about these terms. Third World economies will shape up but under what terms? What would that require? So it involves debt reduction. It seems that when debt is reduced the economy will tend to shape-up in differing directions. As far as people's movement is concerned, we have to humanize structural adjustment. We also have to open up pre-conceived, pre-defined ideas and put them in some written form. There are now European campaign groups who are concentrating on the debt issue trying to get their governments to cancel debt and give better concessions.

Participant

Maybe we should also get our act together. To come together on concrete terms with regard to debt and structural adjustment programs as they relate to human rights, the environment, and other issues.

Prof. Pineda-Ofreneo

This is where ARENA could play a role. It can be one means of mobilization for NGOs. But then there should be a kind of action research so that the whole movement can benefit. This is the where the People's Project for the 21st century can come in. We want to have this people's project. But basically it is the globalization of civil society. But rather than the globalization of the state organization we are trying to establish the other side. In many cases, with the information or cooperation, we can pressure the state to do what we want. In the case of Indonesia, because Indonesia is very dependent on foreign aid. If, for instance, NGOs in the States or in Europe pressure the government to do something. Then Indonesia will comply. So that's how we protect ourselves. NGOs can be political and still exist because they are protected by other NGOs from the government. I think this kind of cooperation has to be strengthened.



"If you could juggle around ownership, then it would be a possibility to rearrange ownership after the opening up to trade has taken place and people might accept the new situation."

THE IMPACT OF MARKET ECONOMIES ON PEOPLE'S LIVELIHOOD AND SECURITY

Chair: Emmanuel De Dios



I don't know why the topic was formulated in this way. It's really very abstract, when you say market economy, it's very hard to define exactly what you mean. My own interpretation was in the context of a lot of trends toward liberalization and privatization that have been taking place in the region. And it is that in particular, I suppose, which has led to a lot of concern about the effects of opening up markets or even commoditizing certain economies under a market system. That's happening on a broad scale in the Southeast Asian and South Asian regions. But of course, on a different scale. It's also happening in what were formerly the socialist economies in eastern Europe and the USSR.

Another interpretation may be the simple effect of markets on formerly self-sufficient economies which now open to market forces because their governments adopted that kind of a policy or there were newcomers who imposed a certain type of technology and a certain way of production.

So all of these are various interpretations of the effect of market economies on people's livelihood. That's why I found it hard to grapple with because it could mean a lot of things. But of course, at that level of generality, one has to make a distinction why these problems arise. If you start from the viewpoint of a debate between markets and non-market allocations, it's very hard to avoid getting into the discussion of capitalism versus socialism.

Two things, one is ownership and the other is the relative immobility of some people. They are stuck to a certain pattern of production and consumption. When you change the environment they suddenly find themselves reduced in circumstances.

But if you take that as it is, I think one can find that the recent experience of the Eastern European economies shows that bureaucratic allocation as an interpretation of socialism would not suffice and I take it as a given that in any alternative development agenda, even one that has a socialist perspective, one cannot do without an important component of it being market-based. The reason for that is simply that, one, the information that is needed to coordinate economic activities using prices is really much less than under bureaucratic methods. Secondly, I think the incentives that are associated to production are much greater under a system of prices than under central planning. Third, in the

matter of consumer choice, if you have a complex economy where goods can differ in quality then certainly it would be much easier to make that kind of economy conform with people's preferences than would be if you were centrally planned. But none of these is new. These are all well-known advantages of markets over bureaucratic planning. They are, of course, very important and I think that is what the experience of Eastern Europe shows.

The difficulties with adopting that kind of a system, however, has to do with two crucial things. One is the distribution of wealth and income. Questions regarding the rationality of market outcomes. Questions about whether the distribution of income and wealth after that kind of market experiment has taken place is acceptable to society. Second, there is also a question whether the preferences or the priorities as expressed in markets are again socially acceptable or rationalizable. Under the second category I would include well-known cases where markets failed to solve important social problems, like the environment question, simply because some things cannot be reduced to simple questions of buying and selling. The welfare of future generations is not something that is currently expressed in dollars and cents. If it could be, then even the market would provide the solution if future generations could have incomes that would, say we value the trees, value the virgin forests as they will be enjoyed by us in the future and we

will vote today with our money to keep them so. Then it will be a market solution. But obviously that's impossible. And the market solution will not solve that kind of a problem simply because the people who are supposed to enjoy the benefits are not around in order to make their needs, their priorities felt. In effect, what we have in order to solve this in a non-market solution. In effect we develop a social consciousness that looks forward for future generations and then it is we, now, who will not necessarily live long enough to enjoy future benefits that say that we still want to preserve that part of the ecology which we think will be important for the future even though we will not live long enough to enjoy it. That's a non-market solution.

Well, I've mentioned income distribution and I've mentioned preferences. One might also mention the not directly economic objectionable effects of markets, like the inevitable tendency to accumulate wealth in situations which have socio-political implications in the sense that some sectors in society might become dominant and influence political life. There is also the impoverishment of culture and morals associated with egotism and the cash mentality. Those are basic difficulties one might see in adopting market solutions. As I've mentioned, there are already many qualifications to this and we are far from that situation where pure market solutions would solve all basic social problems. But for me the more important thing has to do with the question of property. After all, when Marx said, if you want to look for the key to exploitation, you are bound to find it not in the sphere of exchange, of buying and selling, you find it in the sphere of production. It is in the sphere of production where the question of ownership is paramount. Take the case of liberalization with respect to global prices, you have a closed economy. There are certain national values prevailing there -- people, work, and produce -- according to certain givens, some things are more valuable than others, some productive factors are more important than others. But with the opening up of trade, you start to adopt a different set of values, a different set of prices, and there are bound to be large allocations of wealth to what is valuable and what is not valuable under that kind of a situation. It is this which varies in instances of liberalization. Suddenly, certain branches of industry are redundant. Suddenly, certain traditional crops are no longer competitive. But the reason for that, to my mind, is the fact that in real life, ownership is not something that you can juggle around. If you could juggle around ownership, then it would be a possibility to rearrange ownership after the opening up to trade has taken place and people might accept the new situation.

Changing Global Realities and the Future of Asian Peoples

Two things, one is ownership and the other is the relative immobility of some people. They are stuck to a certain pattern of production and consumption. When you change the environment they suddenly find themselves reduced in circumstances.

That to me is the key point. You cannot have reallocation under normal circumstances. The only time this happens is when you have revolutions or some governments are threatened by crises such as a war and they are forced to undertake some radical measures. Take the example of the land reforms in South Korea, Taiwan, and Japan, all of which happened basically under jure. But one can argue that because these large reallocations of ownership took place, the outcomes of a market economy became more equitable, more in accord with what society found to be acceptable income distribution. In most other countries, however, this cannot take place. And this is the dilemma because a market economy affirms ownership. You cannot have markets if you don't allow people to own things, to bring to the market what they have produced and consume what they buy. The idea of redistributing wealth itself is inimical to the idea of property. It is a challenge to property so that most experiments of market liberalization often take place without that reallocation of wealth. It is not acceptable on the part of the elite.

Some writers have said that the one shortcoming of capitalism is that it allows people to withdraw their assets if they feel that the government is trying to make inroads into their property. It is exactly that which happens in these kinds of episodes. People do not accept a redistribution of property. Therefore, to my mind, that accounts for the fact that a lot of episodes of market liberalization are not equitable. Except in those extraordinary circumstances where the state and the elite have to do it under jure.

Participant

Is there really a debate at that level? Nobody talks about command economies.

Participant

It's more a question of what remedial measures you can take in order to minimize any undesirable consequences which markets or command economies might have.

There was an interesting book that you handed over, *Market and Democracy*. In effect, what he was arguing there was taking the good with

the bad. He could not see any basic objections to either an economy which was based on cooperatives, workers control, or a welfare state. In the end, in terms of their effects on political and economic conditions, those were acceptable end goals. So one would have been socialism, as we previously understood it, modified to a certain extent by a greater degree of reliance on markets. The other is capitalism mitigated by a good degree of redistributive measures.

I think another basic question there is, at least I'm thinking of the Philippine case, in the medium-term development plan, one of the main

themes is global competitiveness. Yet if one looks at the country, there are really a lot of internal markets that have not been linked together. And if one talks of global competitiveness, one might fall under the temptation of saying, "let's open each of these ports to global competitiveness without looking at the potential for creating markets inside the economy." One can argue that for many sectors of the population, those markets, for regions inside the country are more important and more accessible if they were to be created, than the global market. Linking up one region with the other, say Mindanao with Manila, or one region in Mindanao with the rest of Mindanao, is probably going to mean a lot more in terms of people's livelihood than if you were to simply put a port that would open up to international trade in Mindanao. It would be more egalitarian than the simple slogan of global competitiveness.

We are talking of 2 or 3 separate things together. We're talking about the fact that there are many markets, from a commodity market to a labor market to a capital market. While certain markets are well developed, many other markets are highly truncated. There's a lot of misarticulation between the two kinds of markets, and consequently when you have a more general opening up because certain markets are less developed or highly truncated, you will have a full range of deleterious effects. Anyway, it's a standard thing. What is the degree of mobility of labor? Your assumption that there is a free market in labor is a meaningless assumption.

That to me is the key point. You cannot have reallocation under normal circumstances. The only time this happens is when you have revolutions or some governments are threatened by crises such as a war and they are forced to undertake some radical measures.

Changing Global Realities and the Future of Asian Peoples

Participant

No, it's not.

Participant

When you permit the free flow of capital but do not have an equally consequential free flow of labor, obviously the capitalist will lose out versus labor. I think the second kind of statement which you are making is that the name of the game is in working out a range of balances between ownership structures. Balances between the working of exchanges. Balances between what and how to produce. Which you can control through a mix of both market and state mechanisms. You do taxation, you do subsidies, and you can value them both nationally and internationally. So it is speed, sequencing, and balancing which can make any abstract statements on either market or non-market evaluations, or planned or non-planned or state or non-state, a relatively meaningless abstraction. That's the second kind of general statement.

But do you think it would be more interesting to work through concretes and to say that, in our kind of situation, politically where are you stuck. Politically, in many of our situations we have national monopolies which could have been private or public monopolies. These monopolies created certain assets but relatively inefficient outputs. If you take the case of India, the fact that we did have a relatively controlled economy particularly with respect to the external meant that as compared to many other Third World states, we should have developed heavy industry, we developed a very large production capability. One could quite easily argue that competition, and incentives could have been introduced. They were not. So today, you are stuck with these highly inefficient industries, and you suddenly want to introduce a certain kind of competition, you are leading to collapse. If India had decided to liberalize globally say 15 years back, they might have done a much better job. Or say Sri Lanka. If Sri Lanka had done its liberalization at the time of the Korean war, instead of 1977, when there was some kind of international ban, they would have done much better economically. Particularly in the case of Sri Lanka where we're talking of 16

When you permit the free flow of capital but do not have an equally consequential free flow of labor, obviously the capitalist will lose out versus labor.

million people and a shortage of land, relatively equitable access to resources land, and a very highly skilled labor force, there's no reason why they could not have, in a macroeconomic sense, done as well as Taiwan and South Korea. But what does one do? I'm thinking of a number of South Asian countries like Nepal where there are no natural resources of a certain kind. Can you then survive only as an economy based on agriculture and maybe tourism? It is not possible. And this is also a question which has been repeatedly asked of Bangladesh. What is the basis of economic production that you are motivated to focus on?

Much of our earlier discussion, when we talked of Mindanao being linked up to Manila, was saying that there is a certain kind of polarization between the notion of a national economy as defined by a notion of a nation state and a global economy. I'm saying there are all kinds of solutions available.

Participant

That is very provocative and the example is land-locked countries, small island economies, small populations. Perhaps the only way they can survive is through some training arrangement with larger economies. And then the problem is that there are political units and yet there are certain economic realities that go against the definition of some political units. So primarily political solutions cannot answer economic realities. But you're right. It's really a question of sequence, timing, and when and to what extent certain markets are opened. For the Eastern European economies, there are still debates going on about to what extent a "reformed" socialism might allow markets certain types of objects and not others. This may be true in the case of goods but not in factors of production. That kind of notion has been put forward. Basically what they are trying to do is preserve a certain level of economic democracy where accumulation is not possible. But of course this does not exist in practice, it's just an experiment. How is the thing in India proceeding? What is happening to the large national monopoly?

Participant

In terms of structural adjustment in India, we've only had a 3-year experience. The arena in which "the reforms" have taken place on strategy is in terms of opening up areas to external capital. For instance, the terms and conditions would include inviting foreign capital into the country are far more liberal than in the past. Now, that does not mean that foreign capital has been rushing in freely. If anything, the Indian government has been going all over the world looking desperately for foreign capital. It's worth

Changing Global Realities and the Future of Asian Peoples

something like \$15 million a year, when you know China is getting \$10 million a year. I think primarily the reason for that is that India does not afford a worthwhile investment for external capital. Second, while there are very stringent efforts at reducing deficits primarily by cutting down governmental expenditures in a range of areas, the other part was we actually sell public units to private capital, or to close down public enterprises which is politically a bit difficult. So you are stuck.

Participant

Foreign participation is not allowed here?

Participant

No. You can open up and you can invite. And whether foreign capital will come or not is not only because you are exerting an effort but because they themselves find it worthwhile. So I'm saying that foreign capital does not find it very exciting to go there. That's the first part of the equation. But we have this thing of drain on resources. You want to sell it out. So who do you sell it out to? Other chappies who are willing to buy. When you say that there were areas which were kept exclusive as state monopolies. Telecommunications is a good example, power distribution, and railways are state-owned, airlines are earlier exclusively state-owned but private capital is permissible. And that takes a certain amount of time, one does not exactly know how it will work if ever it will. The third is that because you are going in for deficit reduction, one of the easiest to cut down is in the area of social services and infrastructure development. You don't cut down on government jobs but you say that your investment on roads declined because political decisions are often shortened decisions. But what its implications will be is still highly questionable, it's only been 3 years.

I think the political question that is coming up is that any expectation from the government that they would continue to bear the entire expenses, even in the social sector services, is a highly unrealistic one. It is extremely likely that in the next 5 or 10 years, we will see if not a massive reduction of governmental expenditures in these areas, or at least a maintenance of present levels. We now have to start thinking as to what the other ways are of not only getting additional resources but what kinds of organizational structures and legal modalities you will be needing to set up. Let's take a concrete example. Fees for higher education in India have remained the same for the last 30 years. Therefore, the subsidies on higher education, including professional and technical education, is extremely high. All standard analysis of education will tell you that it's only the slightly better-

off sector of society that seems to get this. What the government ought to be investing in is primary education. They should, in fact, increase the price of higher and profession education. Politically, it's an extremely difficult decision. If you want to increase university fees by a factor of 50, then you can expect a reduction in votes. How do you handle it? Can you start thinking of ways within which other modes of financing will be available? Then you can quite easily see that in management or engineering or medical schools, it may be feasible for you to work out schemes with banks on which loans are available on half a percent or 1 percent or whatever. But what are you going to do for Anthropology, for Latin Studies, Ancient Greek, or Painting? How does a society decide that it will in fact invest in classical studies. Various varieties of market solutions can take care of management studies. There are also technical problems that if you ask a university to raise its own resources, that the land on which they're sitting is state-owned. Is it possible for a university to say we have this plot of land, we will ask 3 supermarket chains to put up supermarkets and give us four floors where we can have classes while at the same time we are getting large rents? What are the implications of things of this kind?

The general point that I want to make, is that politically, how does one attempt to respond to a situation of this kind where there are both real and imagined apprehensions of fairly major articulations which have negative impacts? We know that arguments about increasing state control, increasing nationalization or an exclusive reliance on the state which did not seem politically feasible with the earlier leftist struggles. Is it then part of what you would call the alternative progressive agenda? I'm saying that when looking at health, and looking at water, and looking at education. There are new arrangements possible. Arrangements within which you try to see neither private monopoly control of a certain variety nor state control of a central variety. The choices are actually there.

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I think "free market" is a very highly loaded phrase. Free market is very abstract. When we present a certain view of the world what we are dealing with is a certain ideology with its accompanying practice. How do we identify the starting point in real life?

Participant

I think "free market" is a very highly loaded phrase. Free market is very abstract. When we present a certain view of the world what we are dealing with is a certain ideology with its accompanying practice. How do we identify the starting point in real life? Democracy and free market is a good combination of concepts. How far and how we can really control and test free market and through what kind of governance.

Secondly, about free market itself. How can the autonomy of the market which is be reintegrated with society itself? You can define it in many ways. So if we equate that with free markets in general and find some good

points in free markets and then find similar good points in what is set and then we are perhaps raping the concept of a free market. I think what GATT and the Uruguay Round, is going to do is really a tremendous, it's a sort of scene set on any kind of past efforts to change things in the new independent countries. The free market now has a magical power in government issues. Particularly with reference to intellectual property rights. All those are brutal in the ideology of free market. That is the immediate thing.

Maitet Diokno

What I wanted to say was also that the ideologues of the free markets put the word democracy next to the free markets. It's like voting. It's like having the right to vote with your money. It's not really an understanding of democracy in the context of justice or in the context of people actively participating.

Actually, all of these are part of the collapse of socialism and that's why it became an ideological theme -- the notion of the market. That's what I think you were saying that instead of being able to look at the relative strengths and weaknesses of markets and the state dispassionately, one is forced into the situation where there seems to be a dominance of one particular interpretation on how markets can work and seems to be in the

context of a global order that is dominated by certain developed countries. It is that which tends to cloud some of the discussion because while we're aware of the real benefits from a market based economy, we are not quite sure that implemented in the global context, that it would be desirable. All of this presupposes that you have a subject, you called it government, that is really able to distinguish whether and to what extent state participation of markets and these new arrangements have their proper role in the economy. But it is this notion which is really in danger of being swept aside if one takes a very ideological view of free market.

Participant

I'm not sure whether I agree with your last statement. You have so far only looked at markets or states as allocative mechanisms. I think what Muto Ichiyo is saying is much more than that. Even if you forget the notion of free markets, the question is what is a commodity and what is not. Only when you have commodities do you talk of properties and of rights and exchange mechanisms. And you say because I own the following thing, therefore, I'm entitled to certain rights on the following thing. This is the larger question.

Secondly, I think we've only talked of the state as an allocative mechanism and you mentioned in the beginning of your statement that there are these smaller non-commoditized sectors. Unfortunately, this speaks romantically of only tribal people, who are quite isolated, and who have low socio-economic and political clout in such decisions. But water has been, by and large, free in most of our economies. And I'm not talking about piped water supply. What if water becomes a commodity. What if all land becomes property. I'm talking about the general common property resources today, both in terms of resources and cost. One should accept the overall ideology of the market which is more than an allocative mechanism. The second is even when one uses the word

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Changing Global Realities and the Future of Asian Peoples

democracy, it is an ideological concept. In our part of the world, you are a democracy only if you are a multi-party, election-based system where the only technical debate is whether you have proportional or direct votation. That is the limit to the notion of democracy. Pakistan has had democratic elections because there were parties, there were candidates, somebody voted, somebody won and therefore it is no longer a military dictatorship, it is now a democracy. Is that the best arrangement or are there other arrangements? Is there freedom for groupings to be able to work out alternative arrangements? And the third are these nation states. I think the choices are taken away particularly from smaller countries in terms of consumption packages and modes of social arrangement. If you are Papua New Guinea, why should you have a steel plant nobody recognizes. But ostensibly, if you want to be viable nation state, you must have a steel plant. In the current arrangement, it will not be possible for certain parts of the world, for certain societies, to be able to have any claim on the world economy because they are neither major consumers nor major producers. What happens to that? Are they the excluded? That's a real danger. In large countries like India, you can now have sections in society which don't matter. Is that the kind of social arrangement that we're talking about when we talk of market democracy. We should be able to take out technical allocative efficiency discussions. It would really be constructive in this kind of ideological economic discourse.

Democracy should be redefined. People are still using democracy because it gives them something that ties them to the voters everywhere. We have to redefine the real aspirations, the real universal element which underlies the whole concept. The Japanese government formulated a guideline that they will be cautious about providing ODA, unless we are not selling weapons or are committing human rights violations and free market, it doesn't matter. Packaged as a natural combination. We can't operate within that framework. We have to disassemble the components and refine it.

Participant

But we can no longer believe in the almighty power of the state starting social change. We have to build our own system side by side with the state. We no longer go by our rules of old. Smaller markets can be made not for full self-sufficiency but at least for some productivity. That kind of thing has been tested and consumer associations are doing a lot of work in that. Defects are present but still such efforts are being done in many areas. A sort of a cumulative, multi-layered system which can be managed politically. We cannot manage that politically because we do not have any such global governments but in a small scale we can have certain profit control.

A very interesting thing about rice, America says Japanese consumers are losing money because they are eating expensive rice. But the cost of rice in an average urban working family is 1% of their income. So even if it is reduced to one-fifth by importing Thai or American rice, it doesn't count. What this is saying is that this is not an economic issue at all. This issue is whether the Japanese will totally abandon what they eat for themselves or decide to be dependent on other economies. It's a matter of political choice. So it's an arena where political decisions and the will of the people matters. We can find such areas where what we want, what we wish to have, matters. It's a gradual process of accumulating alternative systems accompanied with new thinking and a new world view.

Participant

That's a good example. Is the Japanese government about to give in to that kind of threat?

Participant

The government is under heavy pressure. They have to decide in the next few weeks.

Maitet Diokno

It's strange that the Japanese government itself is under pressure vis-a-vis this world view. But it's also imposing it by way of its ODA.

Participant

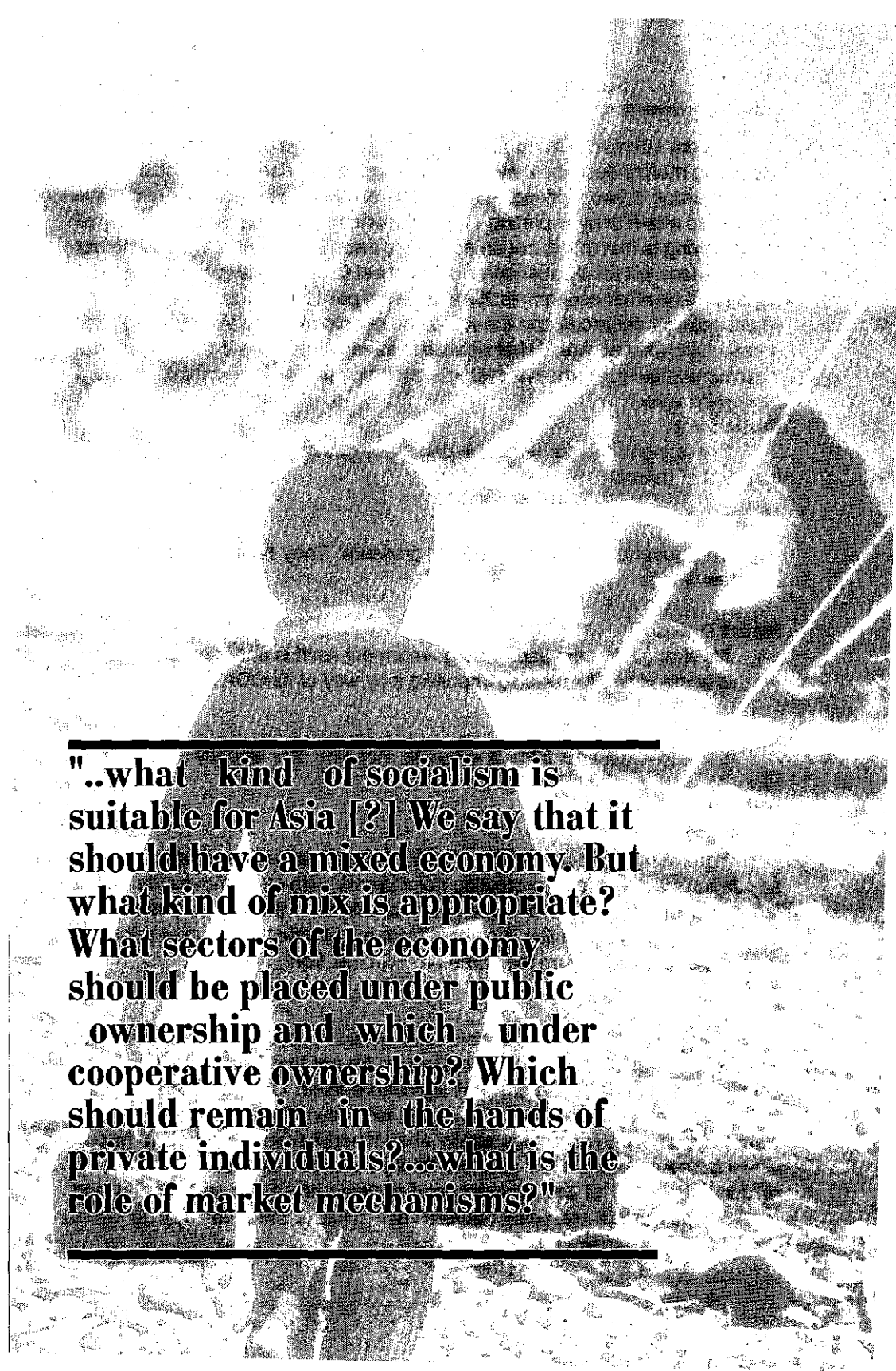
It's only about rice. It has a symbolic meaning. It is actually a movement towards greater self-sufficiency.

Participant

I guess the difficulty there is that it's sometimes hard to dissociate, let's say Japan's insistence on protecting rice farmers, with other moves that might jeopardize the prospects of developing countries in the South. I mean the direction in which the policy is coming from might differ although it might be perceived as coming from the same protectionist front.

Participant

So it is a very risky thing. But of course we are not pushing for protectionism. But we are against using our agriculture so it's not that kind of solution. The solution is to change the nature of agriculture itself. Our farmers are totally dependent on rice growing. In the past, we grew different things, we grew wheat but wheat-growing was totally abandoned because we had to import wheat from America. On that basis we totally changed the consumption patterns of our people. As of the moment, paddy fields are being abandoned and mountainous areas are being deforested. That is the kind of thing we're discussing at the moment.



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role of market mechanisms?"**

THE FUTURE OF SOCIALISM

Chair: Francisco Nemenzo



I have the feeling that everybody agrees that socialism has a future in Asia. So perhaps we may focus on other topics which all of us disagree on. I also gather from last Monday's discussion that although we don't believe that socialism is dead, there seems to be a general rejection of the Stalinist style of socialism that is authoritarian, centralized, bureaucratic, and focused on the state. What I do not know is what kind of socialism is suitable for Asia. We say that it should have a mixed economy. But what kind of mix is appropriate? What sectors of the economy should be placed under public ownership and which under cooperative ownership? Which should remain in the hands of private individuals? You could think of other forms of ownership but the question really is how to relate all of these. In other words, what is the role of market mechanisms? Both Vietnam and China are set to the idea of dismantling or gradually decentralizing the planning system to introduce market mechanisms. But how much of the economy should be placed under the control of the market sector? I suppose that all of us would agree that for some countries to remain socialist, there have to be certain services and facilities that should be kept free from the control or determination of market forces.

I also get the feeling that we want that kind of socialism where there is freedom and a plurality of parties. But what should the extent of freedom be for capitalists or parties that are dedicated to the restoration of capitalism

Changing Global Realities and the Future of Asian Peoples

even with the use of force or the help of foreign powers? How will democratic socialist societies' tolerate these groups? In other words, maybe we should also define the limits of freedom.

We can talk about the methods of achieving socialism. Is it possible to achieve socialism by having a proliferation of NGOs which will eventually turn this society socialist without us knowing it? What is this concept of seizure of state power? Is it really relevant? This is a central issue in the debate within the Communist Party of the Philippines, for example. Is the armed struggle the only way to achieve such and are all other forms of struggle subordinate to it? Or are conditions changing such that different forms of struggle have to be employed? Should electoral struggle be the main form of struggle? Or are we worried about the corrupting effect of electoral participation among socialist parties in Europe, Sri Lanka, and India.

Now, let us begin the discussion. I'm sure that all of you have ideas on this. You do not have to follow or react to the questions I raised. You can raise other questions. This will be a relatively free-wheeling discussion.

Kumar David

I think it will be good if we first dispose of some fundamental concepts or ideas which are important. Then all the other things like the introduction of the market or the question of state power will come into focus. I would like to start by completely accepting that socialism has a future in Asia. What is the meaning of that? Every time I look into the reflection in the mirror, I see an old man with the beard who started all of this. You can call it Stalinism, you can call it whatever you want. But the most important thing we see is the mode of production, the efficiency and capability of that economic system to compete in the world market. Finally, I see that this particular arrangement revitalizes the economy. And with the general malaise of the fall of the Soviet economy, we see that Japan and the US will remain advanced capitalists. So Marx was right all along when he said that socialism can only be built on the feudal systems -- and not capitalist countries first and foremost -- surviving in Asia for a long time. It can survive in countries like Cuba, China, Vietnam, but if the world is going to be an imperialist world, capitalism is going to be the dominant world force. What then is the meaning of socialism?

Dr. Nemenzo

So socialists wait.

Dr. David

No, not wait. We know what we are doing. Unless we have that vision, no matter what we are doing it doesn't mean that socialism is in the right form, that the most economically advanced part of the world is going to come around. Unless we believe in that analogy, and continue to have faith in the working class movement in those countries we have no chance. What kind of different peoples movements can and should develop in those countries? The working class is very big. It's not just unionized labor because intellectualization of labor has made the whole huge working classes almost homogenous. They now have cars and may work with more "white collar" jobs.

Now, if we look at it like that, then what we to do in Asia? Are we organized in Asia? My answer is that unless something happens in the West in the next 5 to 10 years, China will become capitalist. And you can't stop that from happening unless something happens there. These are very fundamental thoughts we should have in our minds. And we should not forget this. This is what Marxism is all about. Every time we make a reflection we see the old man with a beard. I think we should spend a few minutes seeing whether we agree with that and then go on to the more concrete matters.

No, we are not talking about socialism here at this moment. I'm not referring to the little economic experiments that are being carried out in different countries. The socialism that I'm talking about is the utopian concept which lies behind this particular examples -- socialism as a society which is based on the achievements of capitalism, on a social form in which tremendous material progresses has already taken place, in which there is some kind of broad communal or people's ownership, and where the people themselves regulate the ownership of production. So that broader model, that kind of utopian model that I'm talking about should be the background which must reside in our minds before we look at concrete socialist experiences.

Rosalinda Pineda-Ofreneo

I just wanted to say that Socialism is a bottom line concept. Even in China or Vietnam. Socialism can always be called a vision which everyone can relate to. Well, everyone in this room, at least.

Changing Global Realities and the Future of Asian Peoples

Dr. David

There are a lot of different kinds of utopia. There is the liberal democratic utopia, even the capitalist state is a utopia. The bottom line is that we should make it as clear as possible so that we know what we are aiming for. Which is the concept of socialism as defined as a certain social order which is post-capitalist, which is not based on private ownership or the means of production, in which society regulates its productive forces in a rational manner rather than as a response to market forces. There are Third World concepts about its particularities, but we should always have that broad concept in mind. That's enough. Given that, are you trying to talk about Asia alone, or are you trying to approximate that model to apply in general? If we think that socialism is going to be the world order, then the role of Asia at the present time in discussing that relationship is certainly important.

Participant

I basically agree with what Kumar said that we cannot really talk about socialism in one country or in one region because it has something to do with world capitalism. I think the problem of socialism in Asia is that it is always being surrounded by the powerful forces of capitalism of the world. So if you talk about the future of socialism it has something to do with the crises of capitalism. It looks as if socialism will just be an experimental thing in a small area of the world. So far, I think capitalism has not exhausted its possibilities yet, being able to survive especially with the concept of welfare state, in terms of economic distribution especially. So when we talk of socialism, we have to concentrate also on the possible crises of capitalism.

We always talk of contradictions of capitalism that cannot be solved in a radical way, in the sense of economic distribution, with the welfare state, and the powerful forces of capitalism to balance exploitation with income distribution. That makes capitalism reemerge in a different form, having the same character, but basically with a different kind of balance. Unfortunately, we have the problem of the environment which is a global concept. When you create exploitation in one area, it will reflect back to the center. So when we talk about the environment, it seems that capitalism has no tool to rehabilitate itself. I think for environmental issues, maybe the capitalist center will be forced to plan the whole thing.

Going back to the basic ideas of socialism -- socialism is basically planning things together, democratically, where people can participate to

distribute the sources of life in the world. In economic terms, you can always exploit one country and put this political border with the concept of nation state and to limit the problem within one country. But environment issues have no borders. I don't know whether the environment will become a force of socialism to regulate the whole world into a kind of "planned earth," to show that we live on one ship. We cannot live in a free market for regulating these environmental things.

Dr. Nemenzo

Do you expect the private corporations to really take this environmental issue seriously? Governments can be pressured, but in the capitalist system the main actors are the corporations.

Participant

That's my point. Maybe the multinational corporations have to consider that if they set up a nuclear plant in Indonesia, when it explodes it will come back to their home countries, and, in a sense destroy the center. I just want to put in this idea whether the environment will become the force of socialism in the future in that sense because there's no way to limit environmental damage within a national border.

Dr. Nemenzo

Not unless the issue of whether global socialism has to combine with the sort of a take-over or getting greater control over these private multinational organizations. Because as private organizations, they don't care. As long as it makes money, they will do anything.

Participant

We are becoming more and more one world, restricting all of us. The West cannot survive alone, the East cannot survive alone. In other words, it's a "revolution" from the very beginning.

Dr. David

But unless something happens in the West we will remain under a capitalist context.

Participant

I agree with Kumar's analysis. I believe that the socialist experiment has to be done in the context of post-capitalism or the demise of capitalism which takes place at the international level. But my question basically is — given the terms of the so-called environmental crisis -- what

Changing Global Realities and the Future of Asian Peoples

kinds of things have to be done in the Asian socialist experiments? We can't wait for the collapse of that system because by then it will be too late. I think in this situation I would like to be on the practical level. We have to deal with very concrete problems first. I think even if say in one month's time or one year's time that there should be a revolution in the Philippines, the revolution will be futile because I think there are serious problems that we have to deal with and I think I also agree with Kumar that China will become capitalist. It is already becoming that.

Participant

While I agree with Kumar that socialism should be established worldwide for it to succeed, I think it also has to go through a process. We cannot wake up one day and suddenly see socialism as the dominating world power. Now if that process based on objective realities of the different countries of the different parts of the world makes revolutionary struggle in one country or in one region right for the socialist utopia, then so be it. We cannot reverse history. I think the more important question that must be addressed is how to develop and expand socialism rather than in the more advanced capitalist countries. Along this line, I still have faith that there is future for socialism even in this part of the world. While it is true that socialism or the model that was experimented in the Soviet Union, Eastern Europe and probably in Asia, has failed, there were certain periods wherein socialism proved its strength even surpassing the record of many capitalist countries. Take for example the period during the 1930s when the Soviet Union was a new socialist country and the rest of the world was crippled with the Great Depression. The Soviet Union was expanding at a rapid rate. And if we look at China in the last 15 years, it has registered high economic growth rates. Of course, these are just economic indicators, but at least in one indicator, it has the capacity to compete with the West.

Participant

Just to follow up. What is your criteria to say that it has succeeded? Socialism probably succeeded because it was imposed. Would it have succeeded under freer conditions? How do you measure success?

Dr. Nemenzo

I think that there is already an explicit criterion where there is capacity to compete in production. I think the point is that from 1929 to the first 2 or 3 5-year plans, the Soviet Union was beating the Western economies. So maybe the indicator is productivity.

Participant

How about the capacity to deliver basic services. Maybe we can clarify our definition a little bit.

Dr. David

If we check the indicators of China compared with the social indicators of many Asian countries we would see that 5-6 years ago, China was lagging behind. But now, while these are macro indicators, even in terms of immunization, education, and housing, I think China has a good record. Of course, we should not stop at that point. But I would like to point that there are successes.

But I don't think that the Chinese are more totalitarian than the Southeast Asian countries. I don't think Lee Kuan Yew is less totalitarian. Singapore is hardly the size of a small city and the level of totalitarianism is very high. I think we have to agree on this concept of totalitarianism. I think the point that he made is that there are a lot of transformations of socialist societies, mostly Russia and China. I think we should not denigrate the achievements of those societies either. In Vietnam, China, the Soviet Union, and Eastern Europe, you see the rise in literacy and health care, these are successes.

Participant

I think we're mixing up 3 or 4 different kinds of thought. We are now going on to the next stage regarding fundamental concepts. I'm not saying that the world-wide revolution is going to happen one morning. I could tell you that there are going to be little stages, little struggles here and there. That's the real thing, that's the real struggle. Everybody knows that. But we must have this idea by what we mean by socialism before we engage in those struggles, otherwise we'll make mistakes all the time.

We don't know that market forces are going to be "bad" unless we have that correct idea where we are going in the long run. So that's the first stage. I think I'll request everyone to now bring the discussion to the second stage. What do we do in concrete struggle? If the Philippine revolution happens tomorrow then you can be sure that your concrete programs will be discussed. What do these experiments achieve? I think China's most important achievement is laying such a foundation. The Russian revolution is the same. Secondly, we also see that periods of economic growth are followed by periods of economic crisis. Look at the Soviet Union and China, in the immediate post-revolutionary period, economic restructuring was being carried out in a very authoritarian fashion and every other form of capital accumulation which is a necessary basic product for industrialization and modernization. This is including the Soviet Union. So to translate everything into capital

Changing Global Realities and the Future of Asian Peoples

accumulation, I don't know whether China and the Soviet Union belonged to the socialist countries but they're not capitalist either.

Participant

Let's start from certain concrete realities. In Asia, we have a few countries where regimes committed to the building of socialism are existing. There are socialist movements in different countries in Asia who are still trying to find how they can approach the discussion. But of course I go along with many of the basic assumptions, so far, here. I think perhaps if we should address the question on the prospects of socialist regimes that are now existing in China, Vietnam, and even in Korea, of being able to build a society that is more egalitarian, just, and humane than capitalism and that is exactly what the agenda is or what socialist movements in the various other countries of Asia should be doing.

Participant

I think the first level is the whole idea of how you define socialism, what is your reference point. Kumar said the reference point is the possible text. I think conceptualization of the whole idea of socialism is problematic. How do you conceptualize socialism in specific contexts? And this is where I think socialists have become extremely disillusioned in terms of the nature of the struggle and all. I think the socialist project within the capitalist order is not very encouraging. Dealing with very concrete problems, with some of the basic fundamentals which have to be done anyway, and yet having lost the larger vision of what socialism is. And everybody is claiming that they are socialists. I think it's very clear but again how are we going to define socialism with the growing capitalist economy, the Third World still hasn't gone through that stage yet. They're still burgeoning. How do you want to construct these experiments from a more realistic conceptualization of socialism itself for which I think I'll have to bring the example of Brazil. I think for the hardcore socialist, it's just the shadow of American imperialism. Maybe. But I think there really is a genuine attempt at constructing an order that is able to incorporate all kinds of groups and also engage in socialist endeavors. Much more pluralistic and much more than simple armed struggle. Not that people don't have to launch an armed struggle maybe they're still within the limits of the discourse. But the question is in Brazil, after Chile and all, the struggle got crushed. So having this in mind, how do you create a socialist experiment which has to be done understanding that capitalism have lost its drive?

Participant

I think it's very right that we are discussing the concept of socialism because the crisis in socialism now is really based on the crisis of the concept of socialism. As of now, we have a kind of very traditional, very orthodox

concept of socialism which is based on Marxist theory. Common ownership. That was the criteria on how to tell whether the system was socialist or capitalist. There were many kinds of planned economies but if was not based on the common ownership of property, then it will not be regarded as socialism. In our country, for example, there was a debate on the capitalistic world and its economic plan, not the planned economy which was also the same. But in praxis, whether the government or the process was really a planned economy that was much more than the economic plan in a democratic or capitalist world. So that was a good criteria and there's still some confusions I think when we go to the United States and the European social democratic model of socialism, they think that that kind of socially controlled system could be identified as a socialist model. But this is not true. In many cases it is simply a kind of state monopoly capitalism.

Up to now that concept was right but when we are asking whether the socialist ideological system has succeeded or failed, before answering the question we have to recognize the contributions of countries with socialist systems such as China, Russia, Vietnam, or North Korea. But there have been failures, and I think we have to now try to comprehend what was the reason for the failure of socialism which is based on Marxist theory. Those socialist leaders now in Eastern Germany after unification, they have confessed that they don't like the party leaders in Germany. Marx and Lenin taught us many things about socialism but they haven't really taught what we have to achieve after the socialist revolution. So even the theories and the remedies were not enough to practice, to realize, or to transform the existing industrialized or pre-industrialized societies into the real socialistic one. The criteria, which we have used until now, of communal or common ownership of property is not enough to be a criteria of socialism. Because, as we mentioned, that has not solved the problem of the environment, that has not solved the problem of women, and that has many flaws. That's why we are reflecting on the particular experiments which have been done before. Long before Marx and Lenin, there have been so many early social experiments which were opting for a more humane, more democratic, more liberal, and more egalitarian society. Human rights could have been more developed in that kind of socialistic way. We have to transcend socialism as merely being the concept of Marxist and Leninistic ideology. We should not limit it to such.

Dr. Nemenzo

That is one very important problem raised by the East German communist bureaucrats. This is the problem which we should be reflecting on. And the problem I think is not with Marx. Of course, Marx would not have provided you with the answers to the problems of the 20th century. But the problem is why those parties in power organize along that line. Or

Changing Global Realities and the Future of Asian Peoples

why is it that creativity which was there at the moment of revolution fossilized, and we can no longer think beyond it. This is a problem that is also affecting the movement here in the Philippines. But even before they seized power, the whole ideology became dogmatized and there seems to be no way of thinking beyond the familiar parameters. Probably that is also the problem, is dogmatism, doctrinism, and the lack of creativity built into the Marxist framework?

Participant

Maybe this is because Marxism has transformed too much and the others have not formulated, so far, that kind of ideology or theory to cope with it. Maybe it is also dialectical materialism, as derived from a deterministic perspective, that is limiting.

Dr. Nemenzo

Why did they become deterministic? Dialectics is supposed to be a methodology that even frees you from that sort of determination.

Participant

But it was the economic determinism that was the failure.

Participant

From the discussion, I think maybe we should see what happened to Russia and China. Some in Russia will call the set-up bureaucratic centralism rather than democratic centralism. And maybe from there, politics does not fossilize. In fact, it's so dynamic and you have to take into account and realize the situation before you make your analysis and make a decision. It's when you fossilize it, for power or for whatever reason, that the ideology dies. Once the ideology dies, then the bureaucracy takes over because there is no longer any direction. Ideology dies along the way although even I feel that there is a tendency for elitism, for bureaucracy if you do not overcome it in stages.

The other thing which I also see is that the effect of these new issues of the environment, and women, and human rights on the socialist goal. I think that it is basically a tactical move. Rather than to teach ideology to fight against capitalism, I think that maybe these may allow us to be closer to the popular vision. Will they allow us to take power? We are in transition stage. At this stage we need to protect ourselves, we need a front, we need a party.

Now maybe with this advanced level, we take into account the civil society and how to we blend them according to time, rather than dismissing completely. How do we see that Marxists will reach the highest level of socialism? And China, Russia they are trying to catch up. Maybe that's

where they went wrong. In playing catch-up. You should see how you develop, how you reach that level and how you go trying to improve yourself rather than trying to compete with the capitalist world. In China, there's a trend from simple competition to monopoly capital to state capitalism. Maybe there's a stage towards another level, somehow it just took off at a different level depending on the aspirations of the leadership.

Participant

I think there are two kinds of discussion here. First, you're discussing about what happened in the Soviet Union. That is already an established socialist state and the problem you are facing is either with the concept or with the matters of ideology. The other one is the transition to socialism of Third World countries. I found out in my studies on Allende that there was no period of transition. How you deal with the middle class, how you deal with the market forces, what do you want to take over? These are the two areas that we have to differentiate.

Dr. Nemenzo

Let's take a look at the evolution of the Soviet Union. At the beginning it was quite dynamic, the fact that it was able to withstand attacks from the major powers of the world and the counter-revolution within. And the Chinese revolution also, you cannot say that it was imposed. It could not have been under those circumstances, unlike the cases of Cuba and Vietnam, which are different from the case of Eastern Europe, I think those were really imposed by Soviet tanks. So those were generally people's revolutions, but why is it that along the way the people were of marginalized. You have the emergence of the bureaucracy which became more and more autocratic? Worse is that even ideologically, they threw dialectical materialism overboard. How did this happen? Perhaps we have to reflect on this in order to take on the future.

Participant

I just want to link a few things that have been said. One is, there is a school of thought that brings together Marx and the seeds of bureaucratization, the seeds of Stalinism, the seeds of dictatorship. That school of thought I don't agree with. Another school of thought says that there was a fracture in Marxism, and a betrayal of Marxist fundamental ideas at some point and those who impose dictatorship and bureaucracy were now deviating from fundamental Marxism. They will point to Lenin's class struggle against bureaucracy as an example of fighting against these things. So those are the two points. That's where we come to the second question. How did this happen? There are different ways of looking at it. Yes, there was a tremendous revolutionary upheaval in matters relating to popular power at one stage. But there was a civil war after that which led those countries to

Changing Global Realities and the Future of Asian Peoples

death. There was an annihilation of regimes. Now, without making any excuse for Stalin, what you saw afterwards was an isolated, frightened, miserable, bankrupt country and regime. And they would tend to be anything — capitalistic or socialistic or anything — in the most primitive and backward circumstances you get the most "primitive and backward socialism," if you want to use the word socialism. It is a reflection of the material backwardness of the conditions. Primitive accumulation was being carried out.

From these lessons, how do we go forward? We mentioned revision in socialist thinking. It wasn't mentioned but I'm sure the question of democracy is in everybody's mind. The big failure in all of these examples has been the failure to match a program to improve the standards of living of the people, improve material welfare, improve questions of class oppression. How do you answer the question of democratic rights? That's where some have succeeded, one interesting example is Nicaragua. I think there are a few lessons to learn. Here is a country which did not put economic progress first. But they did carry through a very interesting exercise in reforming the state, writing a new constitution, reforming the army, reforming the strength of the new society. So the Sandinistas could not play the government part but the nature of the state has changed completely.

Dr. Nemenzo

So the government now relies on the socialist force.

Participant

This links up with the whole question of the world view. I think that although rapid economic progress is one part of the package, looking out towards the world revolution is a kind of global goal. These messages of democratization, and in a way the collapse of the Soviet Union, has freed the democratic processes in many parts of the world. So in that sense, the socialist experiments, constitutional changes, democratic aspects, and economic development aspects of socialism has transformed the state and created democratic political structures which will survive even if your government falls apart.

Participant

Was it not a case of smashing the oppressive state and putting up a democratic one?

Participant

Yes, there's a difference from the state of Stalin. It doesn't just reform. It puts up a new one.

Dr. Nemenzo

These revolutions that we are talking about, of course, happened in regimes that were autocratic and had no democracy to speak of, they were authoritarian regimes. The revolution, in fact, represented the democratic side, and advanced the mobilization of the people. So the question now is why is it that after succeeding, the socialist state itself, puts a block on this democratization process and transforms the people's organizations into rubber stamps for the will of the party? Maybe the Sandinista were a different thing really because they kept allowing the mass organizations so that when they stepped out, it was now the mass organizations that were governing from below.

Participant

But in the case of Chile for instance, they maintained the democratic systems for a long time. As you know, the communist party and the socialist party came to power through elections.

Participant

But they didn't transform the state. They didn't transform the army.

Participant

They didn't transform the army because it was still in the hands of the conservative. But Allende tried very hard to transform the state using democratic mechanisms but the problem was where to start. First, they nationalized all the banks because the banks were always helping the bourgeoisie. And then they strengthened their neighborhood, the NGOs. But it failed. If you maintain the democratic space then all the capital runs out to the United States. Again, you have capitalist forces working against the state. That's why I think you need a strong state, you need at one point to protect yourself. The military could not strengthen the home without the help of the American people. So then there was no choice but to transform the state into an authoritarian one. There is a need to maintain that authoritarianism otherwise you have a problem with subversives from outside.

Participant

Pardon me for this rather naive question, but the way I see it, this question should be answered. Is democracy really possible in the initial stages of socialism. I've read an article written by Dr. Constantino regarding what happened in China. The basic problem there is that the economic system was being transformed to a socialist type of a system but the corresponding change in the socio-cultural super-structure has not occurred that's why the Chinese Communist Party needed to launch a Cultural Revolution to effect that corresponding change. I think this is a basic problem because

Changing Global Realities and the Future of Asian Peoples

although we can say that China has already embraced the socialist type of economy, the corresponding thinking in the minds of its constituents has not yet occurred. Your system is supposedly socialist but your people do not think in this way, they are capitalist or maybe even feudal.

Participant

I'd like to follow that up. Correct me if I'm wrong, I'm not speaking in terms of political theory, but if we talk of socialism, are we speaking in terms of purely economic terms? Because I find that the terms socialism, liberalism, and democracy are altogether different. So when you plan out an economic program, how do you implement that? How do you, for example in the Philippines, go about having some socialist forms of delivering service and nationalizing public utilities. But I'm afraid that the government is not too confident in such undertakings. For some reason or the other, people would say that's not democratic while the political process here are. For example, you plan out a whole economic program without taking into consideration the very voices of the different sectors of society that would be affected. They would protest against this. So in other words, what sort of political process, what's the nature of the political system that would go hand-in-hand with whatever economic agenda you have coined for a specific country? I think that's exactly what we are looking for.

Participant

The whole region is in torment because of what is happening to the Soviet Union and China. I think we are all losing some of the benefits we gained during the period of socialist upheaval. Somebody wrote a very interesting piece on the collapse of the Soviet Union. He said that this was all the result of Lenin. He already started a system where he said we will take care of you. People liked the party. After the revolution this party became a bureaucracy and now we have all this wealth accumulated by the leaders of the socialist states. So I think the whole concept of the party itself is being challenged at the moment in the light of the failure of the socialist movement in China.

Participant

This has repeated itself in the political parties in our part of the world. They got money from the Soviet Union and China. Now that is gone. But we are left with bureaucracies and the social movement has not made advances. What I'm saying is if China were to break-up the market economy will be left. We have to preserve the gains made under socialism. When I say preserve the gains made I refer to irrigation, health care, and the basic needs. After all is said and done, communist countries help solve basic problems. If it is not

solved in the greater part of Asia and Africa. Look at India, the African countries, Bangladesh, and Pakistan, and even in Sri Lanka. At least the communist countries solve its problems. So how do we defend the gains made by the socialist countries? With the collapse, the left movement is in total disarray and they are going to lose the benefits. It's already happening in Sri Lanka — malnutrition and poverty. Already they are taking out the subsidized food. Very soon health care will follow.

Participant

I just wanted to add that in defending the gains of socialism we should not forget the people in Vietnam and the alliance program which enables them to subsidize agriculture and education. But the people are looking for new forms of expression.

Obet Versola

I have the impression that people here have a single general alternative to capitalism and that is the socialist alternative. I haven't heard any referendum, on let's say green theology as an alternative. So I'd like to pose this question whether people here really think that the socialist alternative is the only alternative to capitalism or is there another alternative. I think there are a number of areas with very distinct expressions of clear thinking that is quite different from and very critical of capitalism. But there are also areas where there is a clear delineation between green theology and theology rather than just an environmental movement and pure theology. I think from the socialists' viewpoint, the degree will probably belong to the anarchist tendencies. But anyway, I've come across a critique of socialism belonging to a similar philosophical trend where there is a strong belief in control so it is reflected in the way parties are run, the way governments are run, and the culture and attitudes of the people. While these tendencies are more numerous, they distract control. They are more anarchist in that sense. So the question I'd like to toss is have you actually seriously thought of green theology as an alternative both to capitalism or socialism or are we still thinking about how to get socialism back on track against this capitalist system of worldwide exploitation?

The problem with, for example, China and Vietnam, and all the other socialist or semi-socialist countries, striking some compromises with this worldwide capitalist system is that it prolongs the life of the capitalism economy. To exist it needs victims. Maybe a decade ago, its subset of victims was becoming smaller, but now there is again the whole of the Soviet Union, Eastern Europe and possibly even China and Vietnam. So, I would still think that it is possible to build in one country using the green model where the emphasis is on self-sufficiency. It is conceivable that you can have a country

Changing Global Realities and the Future of Asian Peoples

that can try to be independent and survive. And that is what for example Cuba is being forced to do and so far it has succeeded.

Participant

Probably if there's such a model, it's worth exploring at the moment. In fact, the choice of capitalism or socialism sometimes is a choice between the lesser evil. Of course, we have to work together and see how socialism turns out. But if there is another system, another methodology which may rid us of the capitalist exploitation, then we should explore it by all means. But how would this "third" alternative model be founded?

Mr. Versola

I tend to speak for green. As he said if there appears to be a third alternative, it's worth studying so I've done some reading on it. It seems that the greens emphasize. So there's a huge difference between the way a socialist, or at least a mainstream socialist, would look at the issue of power with the way greens will look at the issue of power. For example, decentralization, and localization, it's a very natural derivation from the green model thinking. But from a socialist model, democratic centralism is the model of organization. It's centralism with democracy as a qualifier. But that is the organizational expression of the socialist philosophy as applied to organizations. They applied their philosophy to organizations and that is the complete expression. So this whole issue of centralism and power, it's an issue of the old socialist system, unless you go back to what we call the utopians who'll never get power.

Dr. Nemenzo

You say that the greens tend to fit into the anarchist tradition. The whole idea of decentralizing and building localized communities is not really new. You don't have to go back to the utopian socialists. There were lots of experiments like that in the United States and the powerful movement in Russia. But they all failed. They disintegrated. It proved to be a fad, a passing fancy. The very question that was posed in response to that kind of thinking of decentralization is that you cannot decentralize unless you break the decentralized structure of authority. Can you really decentralize before you have captured power?

Mr. Versola

What were you saying is that so far, the greens have not been able to win power. So, I suppose the greens' answer would be that we have to learn how to make power constant to the society, for it to become a dominant concept. On the other hand, if we think of socialism, it has won power but look at what happened after it did. So in that sense you can't really say. Well,

there are still two alternatives and we can still evaluate them on that basis. It doesn't close the doors to socialism as an alternative.

Participant

But I don't think that Green can be an ideology that is as profound as socialism because it could not beat the systematic theory on what form of society or structure of power should be achieved. The covenant of decentralization could not be the answer to all questions of structure. I still feel that the answer is very much in renewal or forming a kind of systematic economic ideology. Maybe it can be a big combination of various new experiments but, so far, it did not give an answer or a new system or ideology. So I think the development of some sort of eco-socialism is possible. So its not going to be simply capitalism or socialism, there has to be something added to that. That's why we have to speak of socialism not only as an economic system or structure but also to encompass all kinds of problems endemic to human life -- justice, equality, and freedom.

Participant

I think the point you are raising is very important. The "third position" is very important there's no question about it. Look at China and Vietnam. They all rejected "pure socialism." But we don't want to carry old labels, so there is a sort of third position especially in the light of the failure of some mixed economies and the coming out of new and variant forms of socialism. But the problem is that enterprises and the public sector have paid miserably. Corruption and inefficiency takes a large toll. The world market has become very popular.

Participant

Maybe we should go into the particular example of the Philippines. It's more concrete for the Calabarzon Project, its very interesting in the sense that Ramos is making all these progressive moves to have peace with MNLF and with the Left that's why he can get away with it. The whole question is this Philippines 2000, this race to be a NIC. And Calabarzon is supposedly is the first project. I think from the discussions with some of the groups, that there seems to be this concern now with the peasantry. Under this project, the peasants will be dispossessed. The question is why did you support that Ramos program? What is the Left's position? And in the discussions there, I got the impression that we are dealing with other aspects like organic agriculture, the environment and all. To me, the other crucial question is whether the peasants will be there or not in a few years time? Because under this livelihood program, they'll be totally dispossessed of land and this seems to be in motion already. So what would be a very

Changing Global Realities and the Future of Asian Peoples

concrete program? What would be the alternative? I don't think the Filipinos will want industrialization again if there is a question in the nature of industrialization.

Mr. Ric Reyes

Yes, I think they seriously doubt that Philippines 2000 will be used solely for industrialization. In the first place, we don't have a strong industrial bourgeoisie which will promote industrialization at a sustainable basis and protect the domestic market. And then even in the international environment, with the present international division of labor, I don't think that the Philippines will just be given certain concessions by way of developing certain industries. The way we look at it is that Philippines 2000 will make this country a country of contract growers, sub-contractors, a supplier of cheap overseas labor, and the rest and recreation center of Asia. Right now we are experiencing great problems in the rural areas. For instance, the tremendous increase of landless peasants. These are farm laborers who could not get jobs, who are forced to increase the number of the already huge urban poor or semi-proletarians.

Participant

What is your alternative for Vietnam? What are you going to do?

Participant

I agree that they need to develop but not to the extent of embracing capitalism. I'm not asking them to shun relationships with the capitalists, but they should keep some kind of a balance.

Participant

But there is a balance. We may not agree with the balance at the moment, but there is one. Shall we allow them to go into the market enterprise, shall we allow the Americans to come, shall we get the loans? The exact balance may not be the correct one but it's there. Can we really present them with an alternative? It seems that their people are happy.

Participant

In reaction to what Mr. Reyes said, do you criticize the MTPDP at this point? What's your reaction on the development plan of the Ramos administration vis-a-vis Philippines 2000? What are the socialists prepared to do? How far will socialists go beyond Marxists lines to achieve what we want? Because as Kumar said, it is very easy to criticize, but without an alternative, it's futile. It's inutile. When the government says it wants to level the playing field, how will you react to that? Will you look at that as a merely

a political maneuver? Or should we try to get something out of that effort, the intention, of the government to at least level the playing field. Or should we simply dismiss that as a rhetoric, and then say that this program will not achieve industrialization. I think that the socialists must have some sense of faith. Because without that minimum amount of faith in the system, at present in the Ramos administration, we'll go back to the other extreme which is to achieve socialism merely through armed struggle and not the people's will. Because when you participate in government, that presupposes a certain degree of faith in the system that you can do something there, that you can make a difference. The problem is that we seem to sound apologetic, particularly with respect to the student movement in UP which is at an ebb right now and to which I have been particularly involved. Student leaders say that there are some problems along the way. That kind of thinking that there problems along the way, we just can't seem to get our act together. But that is apologetic, we fail to accept that we failed in our efforts to reach the students. So the question is how far are we prepared to go beyond Marxist lines or socialists lines in order to achieve what we want. Because the question of whether we will lose our values in the process, I think we know ourselves, we are all different, we know we're different from the capitalist. When we go to the government, when we work in the government, we would like to achieve something that is completely different from what the business corporations would like to achieve when they participate in the government. That's clear, we know ourselves, we are socialists but the problem is how can you make a difference.

Mr. Reyes

I think that socialism in this country does not have to reject the process of industrialization. You can recognize the theory of industrialization until you realize that, in some way or the other, still you can go on a stronger line for socialism. I think that socialism should come together with industrialization. Also there is a specific way of industrialization which comes with a socialist perspective.

Participant

Regarding the prospect of industrialization, I am pessimistic about the capability of the local elite to truly promote a socialist type of industrialization.

Mr. Reyes

But I think we are also over anxious in the sense that, at the moment, I think the government is still in the quandary of how to deal with industrialization. The problem of agrarian investment even. How are the local industrialists and elites going to participate in this endeavor? The government itself is having that load of problems. In a sense, I'm not

Changing Global Realities and the Future of Asian Peoples

really optimistic about this project 2000. Everything is on paper, even the role of local government. Local government in the Philippines is going toward decentralization, moving away from the central towards the local government. But the Local Government Code's implementation is still very much in trouble. I mean the mechanism of the government is not in place to be able to get a good picture of Philippines 2000.

Participant

But that is exactly what we need. The state is weak right now and it's open to various ideas. The ground is fertile for participation, for forming ideas. If only we can articulate this effectively within this system or within the government. Because the mere fact that the plan of Philippines 2000 is not yet clearly formulated means that the elite has not been able to control the planning aspect of the program. So the situation is still ripe for effective participation from the socialists or the alternative movements. I don't know in what way or through what means but the situation is very fertile for participation and not criticism, in the sense that you'll simply ignore it because it's the old thing with a new face or color.

Participant

I understand what you mean by the state not being clear on that, many people have said that. But apparently this weakness of the state has to do with the social problem. The clusters, the divisions, the different sections of the bourgeoisie. I don't know the details but it appears that the class system is all broken up. So it's a reflection of all of that division.

The problem of implementation will be answered the moment that you are already there. I mean you cannot say right now, it is useless to point out whether it would be implementable or not unless you're there to implement it.

Mr. Versola

We were talking earlier of the immediate tasks of the movement. I heard some people say we're really not into directly bringing political power. I think that the immediate task for the next few years is a kind of ideological struggle. I think that socialism as a model has suffered a major ideological defeat. But more than that, the ideological defeat means that a lot of people who used to believe in socialism don't believe in it anymore. In fact, if you stood in the street -- let's say 10 years ago in the Philippines -- elsewhere and you shout "long live socialism," people will even shout with you. Stand in the same corner now and say "long live socialism," and they think it's a funny anachronism.

But the point is that capitalism appears ideologically victorious. Again, ten years ago, mainstream intellectuals in the Philippines for example, looked at capitalism as a bankrupt system. But now, everybody believes in market forces. So it is obvious that the major task at present is carrying out an ideological struggle to again defeat capitalism as a way of thinking. Maybe it is the socialist thinking that will defeat it or maybe it will be something else. I also take the ideological position that can't possibly defeat capitalism without an ideological backdrop. Without this ideological victory, I think it's pointless to think of political power. So I will define the immediate task in the future to be carrying-out this ideological struggle again and fighting it out in the field of ideas.

Participant

I have experienced teaching in the provinces. I found out that almost all the students there, when you say socialism has suffered an ideological defeat and capitalism seems to be the victorious ideology, are at a loss. I mean these students, and probably all of the residents in the town in Pangasinan, don't even recognize which is capitalist and which is socialist. It has failed to create a constituency.

Participant

That's not the case in Indonesia, I think students there realize that socialism does not have the same value as before. They even think that it is bankrupt. But capitalism doesn't gain a better name because when you look at Indonesia and what capitalism has brought – displacement, corruption, state monopolies – they are also criticizing capitalism. The problem is that they don't have the answer, some even say that the answer is that the anarchic way of living.

Participant

I think in the Philippines we have the case of some at the end of the over-critical and "all-resisting" side. And then on the other extreme, those who are constantly moving without a sense of direction. I think one thing that's being faced by a threatened specie of a thinking group of people is to be able to close that gap between over-criticism on one end and the moving activists on the other. I think there is an integral role for people who are still able to see this reality to keep these two things together and continue in a process of trying to bridge the two extremes. We have to have critical thinking as to the direction of our movement.

Dr. Nemenzo

One thing I like in being a Chairman is that you'll have the last word. I'm not going to summarize, I will just voice out my reflections on some of the things that we discussed. I quite agree, so far thinking more of the

Changing Global Realities and the Future of Asian Peoples

Philippines, that the struggle for the next few years will have to be an ideological struggle. And that we haven't really done that in the past. Because in the past, and I think that's the essence of constructive criticism, we have only been conducting negative propaganda. We know what we're against. We are against dictatorship, imperialism, feudalism, and bureaucrat capitalism. But there is no alternative to offer. So that when we got rid of the US-Marcos dictatorship, the people, even those who were very active in the past, thought that it was the end of the struggle. It's all negative. And that was at a time when the situation here was very difficult not only for the poor but also for the middle class. And then there is a craving for something to believe in, an alternative to what we now have. Now, maybe Philippines 2000 is attracting a lot of attention. Of course, we know what's wrong with it. We are skeptical about it but we could see that people want to hold on to it. It's not a program that will tell you what you're supposed to do. It's an inventory of the government's intention. But behind that is an image, I think it's an idealized image of the development in South Korea, Taiwan, and Singapore. It's a romanticized version of what happened there. That is where we want to go. Now we want to wage an ideological stand, not just by pointing out it is not feasible because the more we talk about not being able to do it, the more we also undermine the revolutionary space. If you are a revolutionary, you want to believe that your program can be done and make a difference. But it should be properly exposed — what is the reality, what actually happened to us, the cost the people have to pay if we'll have that kind of development. What is important is to come forward with another image, an image of what we can do. I think it is better that it is not done by us working in the government because the moment that is identified with the government then its credibility goes down. It's better that it is identified with the movement. Even if we cannot seize power. As a matter of fact I think it will be the vehicle for us to win.



ARENA's goal is to build and sustain a community of concerned Asian scholars, intellectuals, and activists that will spearhead a process of social awakening and thereby contribute to the people's struggle for a new, just, and more humane social order