Name: ……………………………………………………………

Year 12 A Level Geography Paper 2 Unit 1 – Globalisation

EQ2 – What are the impacts of globalisation for countries, different groups of people and cultures, and the physical environment? Readings

Article 1

The world's shifting centre of gravity

How the world's economic centre of gravity has shifted

Jun 28th 2012

IT IS not exactly news that the world's economic centre of gravity is shifting east. But it is striking how fast this seems to be happening. In a new study on the economic impact of urbanisation the McKinsey Global Institute, the research arm of the eponymous consultancy, has attempted to calculate how this centre of gravity has moved since AD 1 and how it is likely to move until 2025. Although the underlying maths (which involves weighting the approximate centre of landmass of a country by its GDP) has to be taken with a pinch of salt, the calculations show that the centre is rapidly shifting east—at a speed of 140 kilometres a year and thus faster than ever before in human history, according to Richard Dobbs, one of the authors of the study. The main reason for this is rapid urbanisation in developing countries, in particular China. As people are moving into cities many are becoming richer, driving further economic growth. Most of this growth will not occur in much-hyped megacities, such as Mumbai or Shanghai, but in what the authors call "middleweight cities". Few in the rich world would be able to identify these on a map. Ever heard of Foshan or Surat, for instance? (Hint: the former is China's 7th-largest city, the latter India's capital for synthetic textiles.)

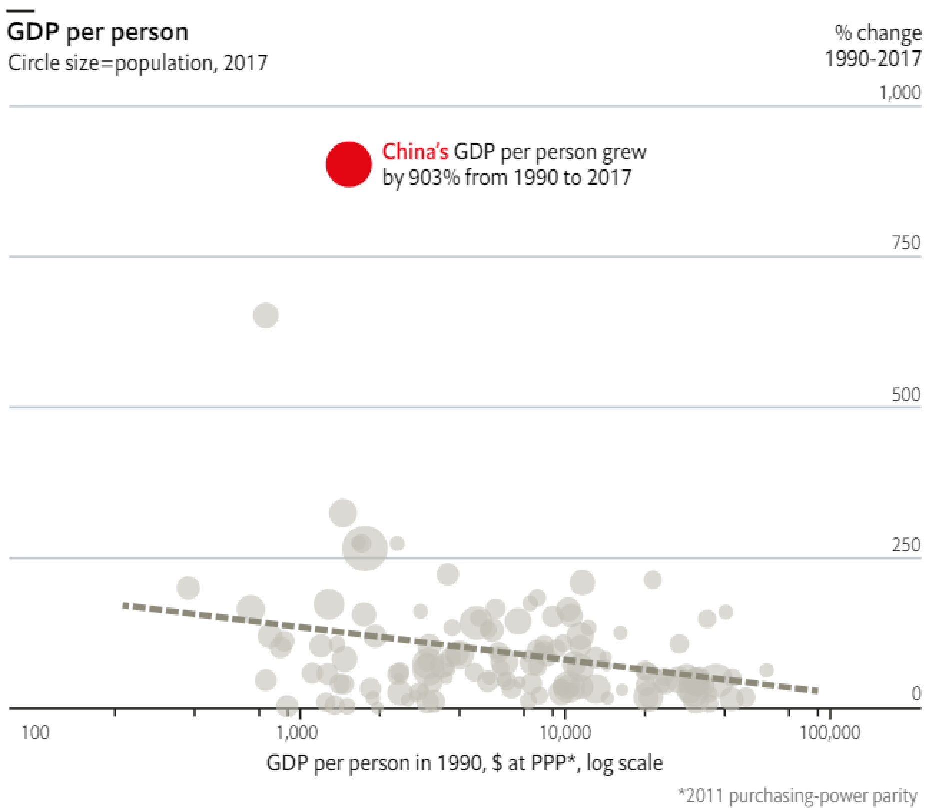
Article 2

The Chinese century is well under way

Many trends that appear global are in fact mostly Chinese

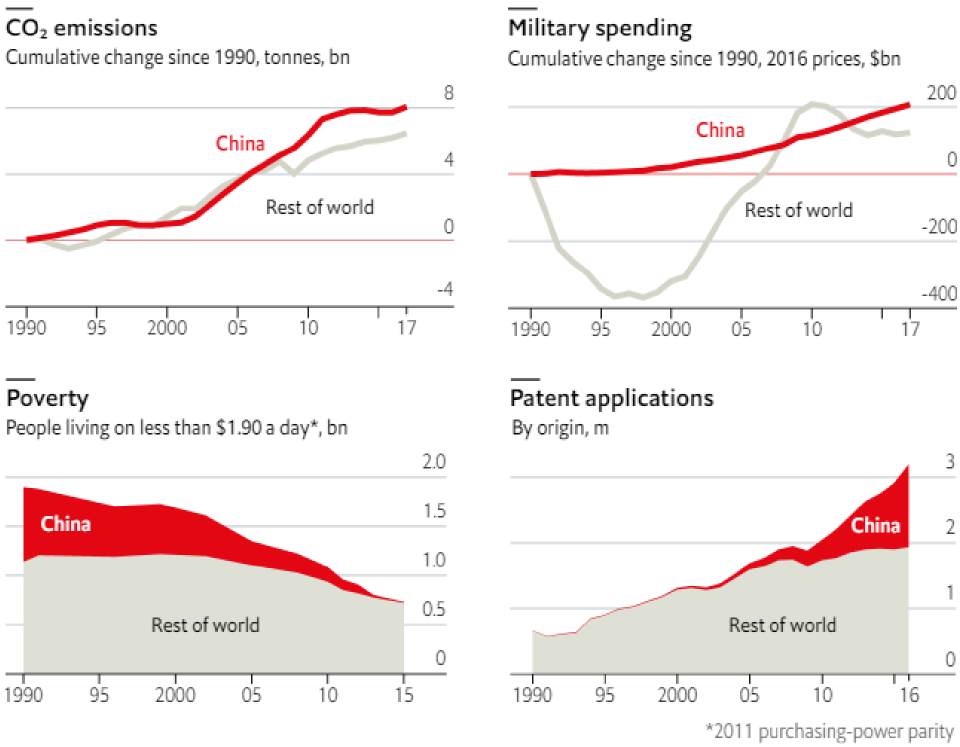
When scholars of international relations predict that the 2000s will be a "Chinese century", they are not being premature. Although America remains the lone superpower, China has already replaced it as the driver of global change.

There is one economic metric on which China already ranks first. Measured at market exchange rates, China's GDP is still 40% smaller than America's. However, on a purchasing-power-parity (PPP) basis, which adjusts currencies so that a basket of goods and services is worth the same amount in different countries, the Chinese economy became the world's largest in 2013. Although China is often grouped with other "emerging markets", its performance is unique: its GDP per person at PPP has risen tenfold since 1990. In general, poorer economies grow faster than rich ones, because it is easier to "catch up" when starting from a low base. Yet in other countries that were as poor as China was in 1990, purchasing power has merely doubled.



China's record has exerted a "gravitational pull" on the world's economic output. *The Economist* has calculated a geographic centre of the global economy by taking an average of each country's latitude and longitude, weighted by their GDP. At the height of America's dominance, this point sat in the north Atlantic. But China has tugged it so far east that the global centre of economic gravity is now in Siberia.

Because China is so populous and is developing so quickly, it is responsible for a remarkable share of global change. Since the start of the financial crisis in 2008, for example, China has accounted for 45% of the gain in world GDP. In 1990 some 750m Chinese people lived in extreme poverty; today fewer than 10m do. That represents two-thirds of the world's decline in poverty during that time. China is also responsible for half of the total increase in patent applications over the same period.



For all its talk of a "peaceful rise", China has steadily beefed up its military investment—even as the rest of the world cut back after the end of the cold war. As a result, the People's Liberation Army accounts for over 60% of the total increase in global defence spending since 1990. And all of this growth has come at a considerable cost to the environment: China is also the source of 55% of the increase in the world's carbon emissions since 1990.

Sources: Economist Intelligence Unit; Global Carbon Project; Maddison Project Database; SIPRI; World Bank; World Intellectual Property Organisation; *The Economist*

Article 3

18/11/2019 Meet the Chinese consumer of 2020 | McKinsey

https://www.mckinsey.com/featured-insights/asia-pacific/meet-the-chinese-consumer-of-2020 1/10

Evolving economic profiles will continue to be the most important trend shaping the market. Most large consumer-facing companies realize that they will need China to power their growth in the next decade. But to keep pace, these companies will also need to understand the economic, societal, and demographic changes shaping the profiles of consumers and the way they spend. This is no easy task not only because of the fast pace of growth and subsequent changes in the Chinese way of life but also because of the vast economic and demographic differences across the country. These differences are set to become more marked, with significant implications for companies that fail to grasp them.

Since 2005, McKinsey has conducted annual consumer surveys in China, interviewing a total of more than 60,000 people in upward of 60 cities. Our surveys have tracked the growth of incomes, shifting patterns of expenditure, rising expectations—sometimes in line with those of the respondents' Western counterparts and sometimes not—and the development of many different consumer segments. Those surveys now provide insights to help us focus on the future. We cannot, of course, predict it with certainty, and external shocks might confound any forecast. But our understanding of consumer trends to date, coupled with an analysis of the economic and demographic factors that will further shape them in the next decade, serve as a useful lens for contemplating the profile of the Chinese consumer in 2020.

Changing demographics

Many of the changes taking place in China are common features of rapid industrialization: rising incomes, urban living, better education, postponed life stages, and greater mobility. Japan saw similar changes in the 1950s and 1960s, as did South Korea and Taiwan in the 1980s. But some unique factors are also at work, such as the government's one-child policy and the marked economic imbalances among regions. Our analysis reveals important insights into the likely demographic and socio-demographic profiles of Chinese consumers at the end of this decade.

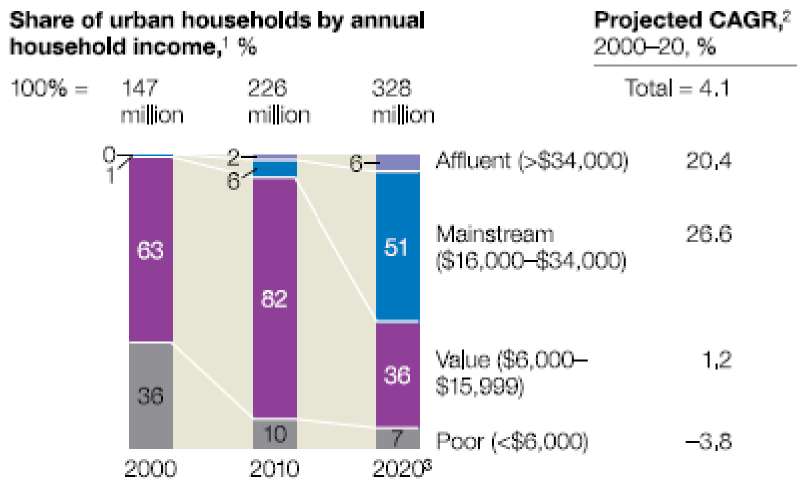
Changes in economic profiles have been and will continue to be the most important trend shaping the consumer landscape. The Chinese are certainly getting richer fast: the per-household disposable income of urban consumers will double between 2010 and 2020, from about $4,000 to about $8,000. That will be close to South Korea's current standard of living but still a long way from its level in some developed countries, such as the United States (about $35,000) and Japan (about $26,000).

The current vast differences in income levels will persist, however, although the numbers at each level will shift dramatically (Exhibit 1). At present, the great majority of the population consists of "value" consumers—those living in households with annual disposable incomes between $6,000 and $16,000 (equivalent to 37,000 to 106,000 renminbi), just enough to cover basic needs. "Mainstream" consumers, relatively well-to-do households with annual disposable income of between $16,000 and $34,000 (equivalent to 106,000 to 229,000 renminbi), form a very small group by comparison. China has fewer than 14 million such households, representing only 6 percent of the urban population. A tiny group of "affluent" consumers, whose household income exceeds $34,000, accounts for only 2 percent of the urban population, or 4.26 million households.

Until now, these divergences have presented multinational companies operating in China with a choice: to target only mainstream and affluent consumers or to stretch the brand to serve the value segment. Those that took the first course could more or less maintain the same business model they applied in other parts of the world, without needing to de-engineer their products. But in taking that approach, they limited themselves to a target market of 18 million households. Companies that chose to serve the value category benefitted from a much bigger market to play in—184 million households—but their products had to be cheaper, they were forced to adapt their business models, and profitability was lower.

This situation is changing. Because the wealth of so many consumers is rising so rapidly, many people in the value category will have joined the mainstream one by 2020. Indeed, mainstream consumers will then account for 51 percent of the urban population. Their absolute level of wealth will remain quite low compared with that of consumers in developed countries.

Yet this group, comprising 167 million households (close to 400 million people), will become the standard setters for consumption, capable of affording family cars and small luxury items. Companies will be able to respond by introducing better products to a vast group of new consumers, thus differentiating themselves from competitors and earning higher profits.,

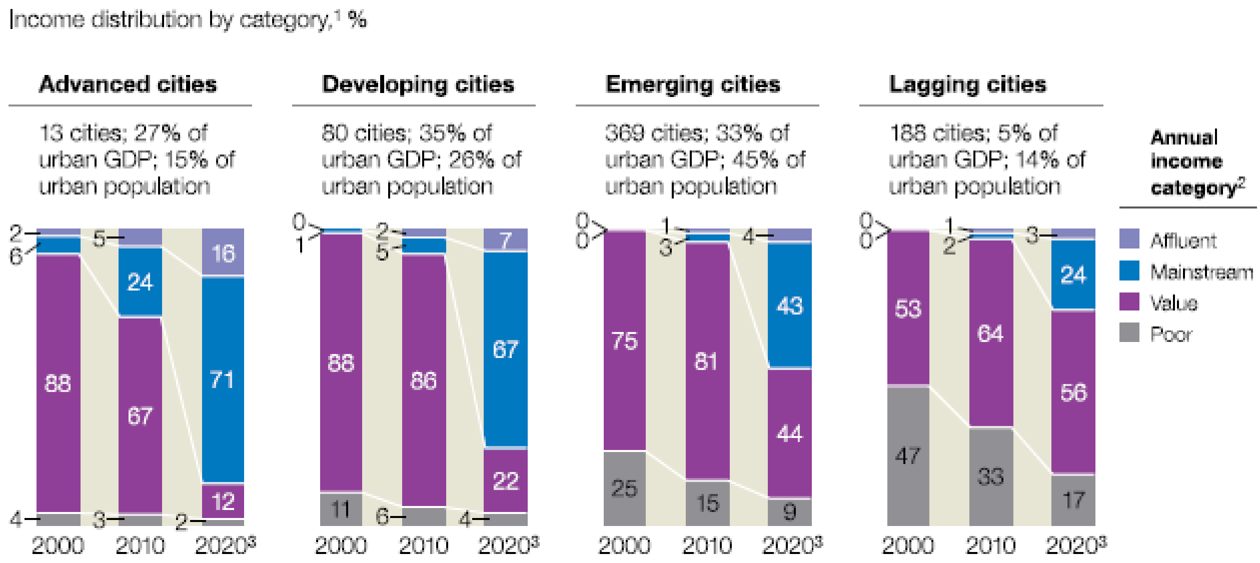


1In real 2010 dollars; in 2010, $1 = 6.73 renminbi.
2CAGR = compound annual growth rate.
3Forecast.

The share of Chinese households in each income level will shift dramatically by 2020.

Nevertheless value consumers, whose ranks will fall to 36 percent of urban households in 2020, from 82 percent in 2010, will still represent an enormous market for cheaper products: 116 million households, or 307 million consumers. Affluent consumers will remain an elite minority, making up only 6 percent of the population in 2020. (In the United States in 2010, more than half of the population earned at least $34,000.) But that 6 percent will translate into about 21 million affluent households, with 60 million consumers. While income is expected to rise across China, some cities and regions are already significantly wealthier than others. Understanding these variations in the rate of development is important because they will affect which categories of goods and services grow most rapidly, and where.

Today, about 85 percent of mainstream consumers live in the 100 wealthiest cities; in the next 300 wealthiest, only 10 percent of consumers are mainstream, but that percentage will rise to nearly 30 percent by 2020. At that point, many families in these cities will be able to afford a range of goods and services (such as flat-screen televisions and overseas travel) that are now largely confined to the wealthiest urban areas. Exhibit 2 explains the distribution of income in four different groups of cities.



¹Figures may not sum to 100%, because of rounding.
²Affluent = >$34,000; mainstream = $16,000–$34,000; value = $6,000–$15,999; poor = <$6,000.
³Forecast.

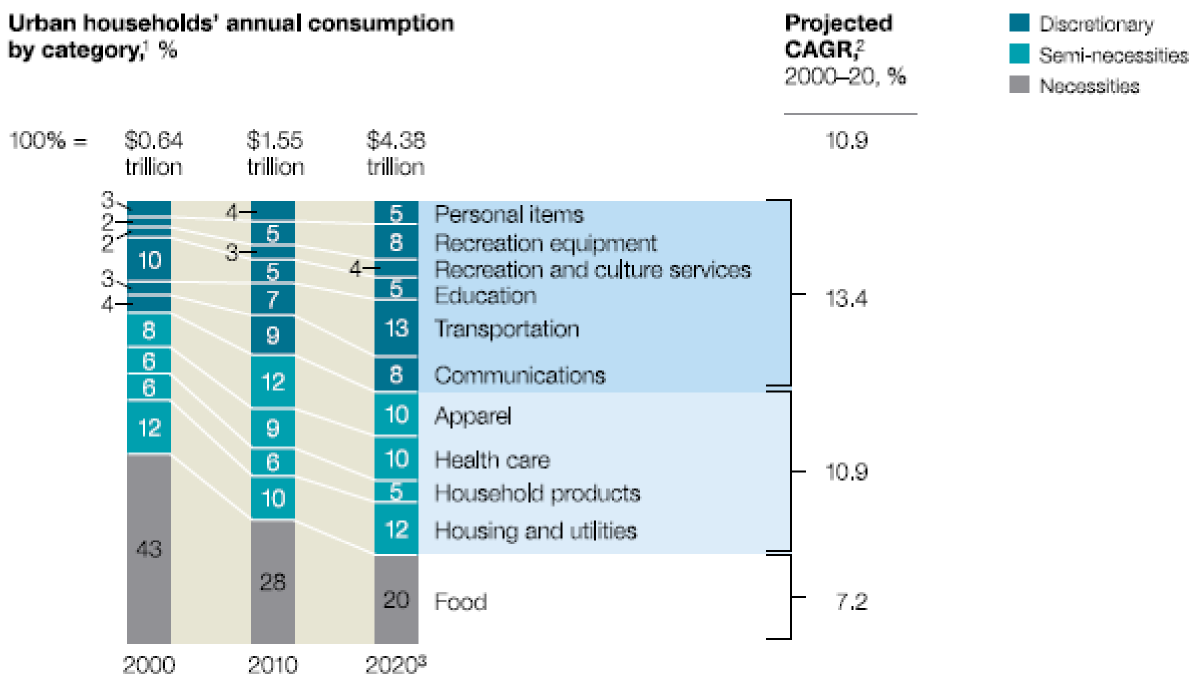
Some of them (Foshan in Guangdong, for example) are small in terms of absolute GDP or population size. But it's worth noting that the affluence of their populations could make them as attractive to companies as leading tier-one cities, such as Shanghai and Shenzhen.

New spending patterns

An understanding of China's changing economics and its impact on the profiles of consumers helps to identify some key trends in spending patterns in the next decade. We discuss three: high growth in discretionary categories, the tendency to trade up as consumers spend some of their discretionary income on better goods and services, and the emergence of a senior market.

Higher discretionary spending

Bigger incomes and government efforts to increase consumption will benefit all consumer-facing companies, though to varying degrees, depending on their product portfolios. Discretionary categories will show the strongest overall growth—13.4 percent—between 2010 and 2020, as these goods become affordable to growing numbers of consumers. Next come seminecessities (10.9 percent growth) followed by necessities (7.2 percent). These average figures will of course vary significantly by region and city.



[1]In real 2010 dollars; in 2010, $1 = 6.73 renminbi. Figures may not sum to 100%, because of rounding.
[2]Compound annual growth rate.
[3]Forecast.

Exhibit 3 shows forecast annual consumption by category for 2020 and the rising

The change in income distribution will vary across cities and may suggest new markets.

The importance of discretionary spending.

Each broad category includes subcategories, some of which are more discretionary than others and expected to grow faster. For example, a discretionary category within food—dining out—is expected to grow by 10.2 percent a year in the coming decade, against 7.2 percent growth for basic food ingredients. Of course, the wealthiest people—those in our affluent segment—will be the main consumers of discretionary items. Less obvious is the extent to which they will be able to afford more such items in 2020, compared with people in other income groups, as their numbers and wealth grow. Our consumption model suggests that in 2010, average household spending for value, mainstream, and affluent consumers was about $2,000, $4,000, and $12,000, respectively. These figures will jump to $3,000, $6,000, and $21,000, respectively, by 2020. So although all consumers will increase their spending, the gaps between different income groups will widen significantly. Stark disparities in standards of living are emerging in China.

Aspirational trading up

The second noticeable trend in spending is a propensity to trade up, driven increasingly by consumers aspiring to improve themselves, the way they live, and their perceived social standing. Many Chinese, like their Western counterparts, judge themselves and others by what they buy. Strong early growth in developing markets comes when large numbers of consumers try products for the first time. As markets mature, growth relies on consumers who buy more goods and services more frequently and trade up to buy pricier versions of items they already have. This pattern explains why some basic-necessity categories have little room for growth: many consumers can already afford such items and probably won't buy a great deal more of them. But that does not mean no growth at all. Take the market for sauces and condiments. Most people can already afford to buy as much as they need of these items. But the increased attention now paid to health and well-being shows that even here, companies have trading-up opportunities.

Such opportunities also exist within semi-necessity categories, such as apparel, health care, and household products: more consumers will be able to afford different outfits for different occasions, for instance, or to buy additional branded products. As a consequence, brands focused on mass-market consumers might need to be repositioned to suit their rising aspirations, while newer, younger brands may be able to leapfrog more established competitors by offering premium products and crafting a premium brand image.

But it is the top end of the market that will benefit most from trading up: growth at the high end of some consumer goods categories already outpaces average growth for those categories as a whole. Sales of premium skin care products, for instance, rose by more than 20 percent a year in the past decade while the industry average was 10 percent.

Annual volume growth rates of more than 20 percent are foreseeable for luxury SUV cars, compared with around 10 percent for basic family models. China had already become a leading luxury market by 2010 and could overtake Japan to become the biggest such market by 2015.

Emerging senior market

The aging of China means that as a share of the total population, it will have five percentage points more people above the age of 65 in 2020 than it has today. That is an extra 126.5 million citizens, clearly an important consumer segment. What is equally important is the way the spending patterns of older people in 2020 will differ from those of older people now. In our 2011 survey, the elderly were more inclined to save and less willing to spend on discretionary items such as travel, leisure, and nice clothes. These tendencies will probably be much less apparent in 2020.

Most people in China over the age of 55 experienced the harsh conditions of the Cultural Revolution, in the late 1960s and early 1970s. Not surprisingly, they think it important not to spend frivolously. Among residents of tier-one cities, 55- to 65-yearolds allocate half of their spending to food and little to discretionary categories: only 7 percent goes toward apparel, for example. People who are ten years younger devote only 38 percent of their spending to food but 13 percent to apparel. Indeed, our consumer surveys have revealed that although today's older consumers behave very differently from younger ones, today's 45- to 54-year-olds—the older generation come 2020—have spending patterns similar to those of 34- to 45-yearolds (who allocate 34 percent of their spending to food and 14 percent to apparel). This finding implies that companies will have to rethink their ideas about what older Chinese consumers want.

Implications for companies

The biggest challenge is building and sustaining a leading position in China and, for multinationals, using it to drive global growth. In fact, as the country with the world's largest group of mainstream consumers, it could be an excellent test bed for companies that serve this consumer segment. Our analysis indicates that huge variations in the growth rates of companies operating in China come 2020 are likely, depending on the product category, consumer segment, and geography.

A second challenge is that China is so vast and its regions so diverse it should be treated almost as a collection of separate countries. Companies should redefine the roles of their regional divisions and headquarters, delegating more decision-making power to the former. Many companies already operate with three, five, or even more regional bases, but these tend to function only as sales offices, executing instructions from the top. Consumer needs could become so varied across China's regions that local insight and strategic decision-making power will be vital. Regional offices should therefore receive full responsibility for their own profit-and-loss accounts, strategic planning, consumer research, innovations, portfolios, route-to-market models, and marketing. The corporate centre should have a redefined role—serving the individual units and safeguarding the company's brands—with less power and at a lower overhead cost.

A third challenge stems from the fact that undifferentiated mass consumption and the rising cost of ads made the scale of a brand or product crucial to its success in the past decade. Companies provided the same value proposition—usually framed around a product's functional benefits—to all types of consumers, while stretching brands across product categories and price tiers to leverage scale and garner market share. Over the next decade, the game will change to take account of the emergence of different categories of consumers and their own sense of their differences and individuality. Companies will need the crispest value propositions to connect with each group and to stand out from competitors. By 2020, they will have to position brands (or sub-brands) to target narrower consumer segments and offer more tailored value propositions. Brands extended across too many consumer segments and price points may struggle to defend their market position. Hard though the transition could be, at some point companies that have focused on maximizing their brands' scale will have to adopt a model based on a portfolio of more targeted brands or sub-brands to connect with different consumer segments.

No doubt China and its consumers' behaviour will take some unexpected turns over the next decade. Nonetheless, our research reveals the clear direction of travel. To be sure of taking part in that journey, companies in the market should start making the acquaintance of China's 2020 consumers today.

Article 4

12/4/2020 India's 'Silicon Valley,' Bangalore, is rising, and will soon become the world's largest IT hub

https://www.pri.org/stories/2016-05-06/indias-silicon-valley-bangalore-fast-becoming-serious-global-player 1/6

Ask natives of Asia’s two giants, China and India, what they think of the other, and not infrequently, the jokes and stereotypes fly. At least some people in each country seem to enjoy secretly — or not so secretly — looking down on the other.

So when an Indian official took the stage at a Chinese-sponsored high-tech conference in San Francisco last fall, made a joke about Chinese having to check with the teachings of Chairman Mao before they could answer a simple question, and then made the case for "why India Rocks, Bangalore roars, and Silicon Valley will soon be Bangalored," some of the Chinese members of the audience were practically sputtering.

“Just to be more objective ... one in five drugs exported from India are fake,” one said in the question period. “And also, electronics, India exports the most fakes to the US."

The official, Srivatsa Krishna, permanent secretary of e-governance for the state of Karnataka, of which the IT hub Bangalore is the capital, started to answer. “I’m not debating that data. I’m saying every country has its problems, and we have ours."

“But it’s too much!” the questioner broke in.

“Can I answer?” Krishna replied.

Other Chinese questioners jumped in to ask just how he thought India could really be a challenger to China, in innovation, in tech, in economic growth, in anything. After all, for three decades, China has been the uncontested great power rising in Asia, powered by pragmatism and efficiency, while as recently as the ‘80s in India, it could take two years to get a phone line.

But things change. And they’re changing now. China’s economic growth is slowing, its working population is aging and contracting, and the government of Xi Jinping has been more focused on promoting aggressive nationalism and defending against Western ideas like democracy and free speech than on encouraging China’s continued opening up tithe world.

Meanwhile, India is rising.

Its economic growth rate is now faster than China's. Half of all Indians are under 25, and most of those are digital natives. That means India is coming into the same "demographic dividend" that China enjoyed as its baby boom generation moved through the workforce and drove economic growth in the 1980s, '90s and early 2000s.

China's growth is far from over, the potential of its younger generation remains great, and India's ascent will have its challenges. But India's increasingly showing that it's a serious contender to become a regional and global leader, in tech, and perhaps beyond.

"By 2020, a recent McKinsey study says, we will become the single largest IT cluster on the planet — overtaking Silicon Valley — with 2 million IT professionals, 6 million indirect IT jobs, and $80 billion in IT exports," Krishna says. Already, Bangalore's population has doubled over the past 15 years, to 11.5 million, as growing opportunities in IT, biotech and other fields, have drawn young, educated professionals from around India. Some have even started to return from Silicon Valley.

"I'm just here for a short trip," says Niketh Sabbineni, who cofounded a start-up called Bookpad a couple of years ago, and then sold it to Yahoo. He's now working with Yahoo in Silicon Valley, but he thinks Bangalore's the place to be. "So I'm looking to start again. I'm looking around for opportunities. I've talked to a lot of entrepreneurs and investors in theUSandIfindthisspacemoreexcitingIfindthattheenergyandthesheernumberofpeoplestartingupherearefar

US, and I find this space more exciting. I find that the energy and the sheer number of people starting up here are far more. So I want to come back here."

Sabbineni says this, surrounded by the buzz of the Start-up Warehouse, a government-funded incubator for start-ups in a newer part of Bangalore. His own company came through an earlier incarnation of the Start-up Warehouse. He credits it not just with connecting him with peers and with investors, but also with teaching him how to be an entrepreneur.

The Start-up Warehouse is part of both national and local government goals to increase entrepreneurship and innovation in China. A "10,000 Start-ups" project, started three years ago, has already helped launch 12,000 start-ups, and the program is just getting started.

"The idea is that over the next 10 years, we want to impact 10,000 start-ups," says Ashok Madaravally, who oversees the Start-up Warehouse, and is deputy director of the National Association of So□ware and Services

Companies. “That means we help them get started, connect them with customers, get them significantly mentored and help them grow at a global scale.

This is a new, welcome level of help from the government, in a country where red tape and bureaucracy strangled manyan entrepreneurial impulse in decades past. That’s not to say that the red tape and bureaucracy have disappeared entirely; but they’re not the tiring obstacles they once were.

Drive around Bangalore, though, and compare its physical infrastructure with that of Beijing, or Shanghai and Shenzhen, and you may end up wondering how India could be a contender in high-tech. China’s cities are full of broad boulevards and big, modern high-rises.

Central Bangalore looks almost village-like, with stray dogs ambling past the charred remains of campfires on uneven sidewalks, with small shops with whimsical signs, motorized trishaws and squatting street vendors. But the infrastructure gets better, fast, as you move out to the newer parts of town, where the tech and biotech areas are fast expanding.

Even Chinese investors have started to realize that many Indian companies are a good bet. After investing just $1.2billion total from 2000 to 2015, Chinese investment is pouring in, and is expected to total $5 to 10 billion over the next three years.

“I think there’s absolutely no gain saying the fact that India is at least 20 years, in some cases perhaps 100 years, behind China in terms of physical infrastructure," Srivatsa Krishna says. “But we are ahead of them in innovation, knowledge and the IT economy. And this hasn’t happened overnight. This has been going on for the last 25 to 30 years, to reach where we have reached today. And the good news for India is, it has only scratched a very, very small bit of the global pie. The way ahead is long. The rewards are many, and very, very fruitful, and so are the risks. And we are very, very aware of that.”

And here's what India has to help it create a different kind of future than China — a functioning democracy in a multicultural country, a free press and a long tradition of vigorous public and private debate, an independent court system, and a not insignificant number of entrepreneurs less interested in creating a unicorn — a start-up valued at a billion dollars — and more interested in solving problems that hundreds of millions of the poorest in India, and the world, face.

At Bangalore’s Bioinnovation Centre, also government-funded, scientists are working on how to more quickly heal wounds, neutralize allergens, diagnose pathogens quickly and cheaply in village clinics, even how to predict epilepsy attacks.

Rajlakshmi Borthakur's experience with her own child's epilepsy led her to start a company, making a glove with sensors that canreadthebody'selectricalsignalstopredictwhenepilepticseizureswillhappen.

"I have a son. He's about 5," says Rajlakshmi Borthakur, a career IT professional who worked for Infosys and Ernst &Young before becoming a mom, and finding out that her son had severe epilepsy. His attacks would go on long stretches, and le him developmentally delayed. He can't talk, and he wobbles when he walk. As his attacks have kept coming, emergency trips to the hospital have become part of life.

"

Because it would be life-threatening for him, otherwise," Borthakur says. "So we started looking for some answers. We wanted an indication that he was about to have an attack, so we could at least get out of our pyjamas and into our clothes and take him to the hospital. We needed at least that much time, and there was nothing available in the market."

Borthakur started reading widely about epilepsy. "And I am an Internet of Things enthusiast, on the side, and I was reading up about sensors," she says. "I knew about epilepsy. I knew about neural networks. So somewhere, somehow, this all came together, that epilepsy is related to electrical signals, electrical signals could be extracted with the help of sensors, and once you pass this onto a processing hub, maybe we could predict epilepsy. So that was the beginning."

She experimented. She streamed data from her own body. Doctors told her she was on the right track. She entered a competition called "Innovate for Digital India," supported by the Department of Science and Technology, and of 1,900entrants, she ended up in the top 10, and with a slot in the Bioinnovation Centre.

By the end of this year, Borthakur's company, Terrablue XT, hopes to launch a glove with embedded sensors that can detect an oncoming epileptic seizure. This, and other wearables to come, could make life easier for many of the 50 to 60million people worldwide with epilepsy, and for those who care for them. Doctors could monitor patients, even in remote villages. The collected data — big data — from all epilepsy patients using this device, could help doctors better recognize patterns, and prescribe treatment. It's potentially a pretty big deal.

That's also the kind of innovation encouraged down the street, at the Indian Institute of Information Technology.

"Indians are starting to solve India's problems," says professor S. Sadagopan, IIIT's director. "I think what people are realizing is, unless the poorest in India are going to make more money, this country has no future. Some start-ups are starting to look at ways to make a difference. Will it make a Facebook? Will it make a Google? Honestly speaking, I don't care. Does it make a difference to a billion people? I care."

Article 5

12/4/2020 Apple opens development centre for digital maps in Hyderabad - The Hindu

HYDERABAD:, MAY 20, 2016 00:27 IST

UPDATED: SEPTEMBER 12, 2016 19:17 IST

N. Rahul

INDUSTRY

Apple opens development centre for digital maps in Hyderabad

The California-based company has teamed with Noida-based RMSI to provide development expertise and software for geo-spatial services. Apple Inc. opened its first development centre in India to work on Apple Maps, the company's digital maps and navigation service. The company's servers will be located in the U.S. but technical and support services would be provided in Hyderabad. It will work out of an existing software hub that is part of a special economic zone.

'Incredible talent'

"The talent here in the local area is incredible and we are looking forward to expanding our relationships and introducing more universities and partners to our platforms as we scale our operations," said Tim Cook, Chief Executive, Apple who is visiting India for the first time. Mr. Cook, who met faculty and students at a private engineering college here, said in his opening remarks that the friendship with Telangana state was lifelong. Apple didn't specify the amount of investment in the facility but in a statement it said the centre would accelerate development of maps and create up to 4,000 jobs. The Cupertino, California-based company has teamed with Noida-based RMSI, a global IT services company, to provide development expertise and software for geo-spatial services.

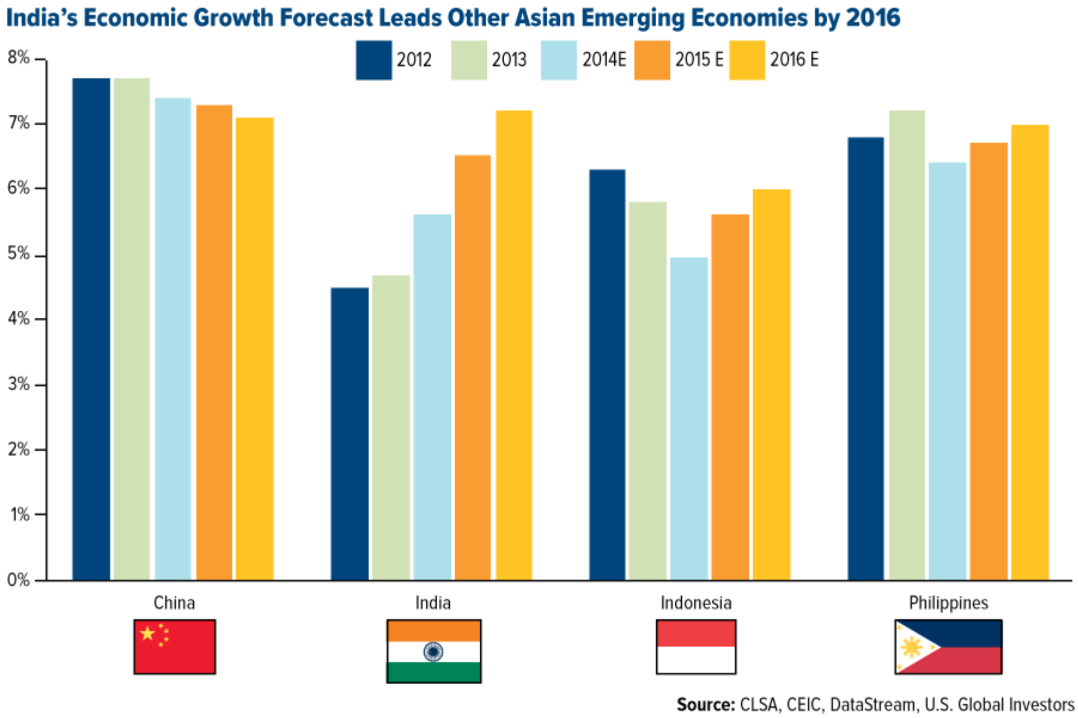
Mapping engineers

It chose Hyderabad to set up its map development centre as the city had the largest number of engineers in the country specialising in mapping. The National Remote Sensing Agency that processed maps and images from India's earth observation satellites was based here. Several companies in the city offered GIS services, including spatial analysis, mapping and visualisation, content imagery and remote sensing. There were at least 50 small enterprises that supported the GIS and mapping industry. A significant amount of mapping done was used by the mobile phone industry.

Article 6

Costs and benefits for emerging Asia

Average incomes have soared for successive waves of new Asian 'tiger' economies. Japan's success came first in the 1950s. South Korea followed soon after. Foreign investors began working with local firms called *Chaebols*. As national revenues soared, so too did South Korea's spending on education and health. Today the country is an OECD member with the world's eleventh largest economy. Between 2000 and 2010, most large Asian economies sustained exceptionally strong annual growth rates, in part due to global shift. More recently growth has slowed but, in most cases, remains higher than in developed countries.



Poverty reduction and waged work:

Worldwide, 1 billion people have escaped US$1.25-a-day poverty since 1990. The majority are Asian: over 500 million have escaped poverty in China alone. The term 'new global middle class' is used to describe the growing mass of urban, working people who have escaped rural poverty. Some work in the manufacturing sector in Bangladesh and China. Others belong to service industries in India and the Philippines. Many earth between US$10 and US$100 per day (far more than their parents did). By 2030, it is predicted that Asia will be home to 3 billion middle-class people.

Article 7

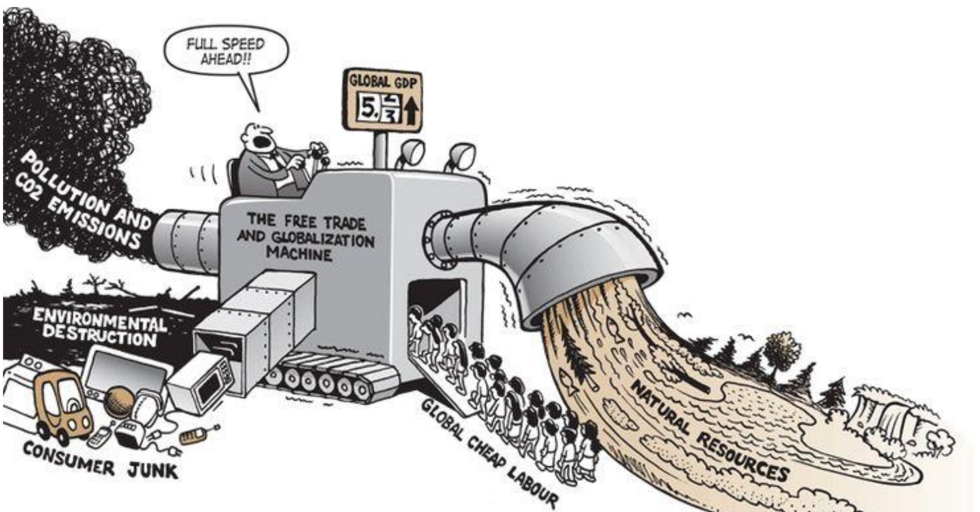
Environmental challenges for communities in developing countries

It is not only China that has experienced an 'airpocalypse'. Communities within many developing economies have experienced major environmental problems as a result of global shift. Adverse impacts on the health and well-being of people have resulted from pollution, over-exploitation of resources and the dumping of industrial waste.

Global shift has, in part, been driven by TNCs seeking low-cost locations for their manufacturing and refining operations. Weak environmental governance has sometimes been an attractive location factor. In high-income nations, bodies such as the UK Environment Agency have a well-funded remit to monitor industrial operations and fine polluters. Elsewhere there is less red tape:

China: In Dongguan, workers for Wintek – the firm that makes touchscreens for iPhones – were poisoned by chemicals used to treat the glass. In Hunan province, many people were poisoned by a lead-emitting manganese smelter (manganese is used to strengthen steel, one of China's major exports).

Indonesia: Land degradation and biodiversity loss are widespread in Indonesia, where an area of rainforest as big as 100,000 football pitches is lost each year. Room is being created for palm-oil plantations and mining operations. The scale of forest burning has created transboundary smoke pollution affecting neighbouring states. More mammal species are threatened in Indonesia than in any other country. The government has been very slow to act and corruption remains widespread.



Article 8

Detroit and de-industrialisation

One hundred years ago, Detroit was the Silicon Valley of its day. Entrepreneurs flocked to the city because it was at the cutting edge of industrial innovation. Henry Ford perfected the assembly line, unleashing a whole new mode of production. Mass migration followed and made Detroit one of the fastest growing cities in the world. In the post-war years, Detroiters enjoyed some of America's best public schools and had the nation's highest rates of home ownership. Their city was the flagship of America's industrial power. By 1960, the population reached almost two million.

So, what happened to the one-time fourth largest city in the US, now bankrupt and home to under 700,000 people? It is very easy to blame local Detroit politicians for what has happened to their city. But these accounts miss two important factors which the City of Detroit is little able to influence: wider structural trends of deindustrialisation and globalisation.

Deindustrialisation has hit the Motor City harder than any other place on earth. One of the best accounts of the city's fortunes is George Galster's book Driving Detroit. In it, he states that between 1950 and 2005, the city lost 29% of its homes, 52% of its people, 55% of its jobs and 60% of its tax revenue. Since 2005, these numbers have all increased considerably. Most of this has simply been transferred to the suburbs.

To illustrate the dramatic decline that has befallen Detroit, think of a city you know well. Then imagine that within a few decades, 65% of the population of that city has left. Of those who remain, close to half cannot read and 36% live below the poverty line. Within sixty years, the main economic activity has lost over 90% of its jobs. What would that mean for shops and amenities, public transport, municipal services, quality of live in neighbourhoods, crime and other key factors which are important to cities?

Detroit was built on the mass production of cars. That mass production now requires far fewer workers and is no longer geographically concentrated in Detroit. These structural changes, far more than anything else, lie at the root of the city's current dilemma.

While most visible today in old industrial cities such as Liverpool or Newcastle, Detroit's lessons have resonance with all cities. Think of how important the financial services industry is to today's wealthiest cities. New York, London, and Frankfurt are all global leaders of the post-industrial era in the same way that Detroit, Manchester, and Germany's Ruhr valley were in the industrial era. What would happen to these cities if globalisation caused the centre of the financial industry to shift towards China or the Gulf States? Stating that could never happen is similar to a 1960s Detroiter proclaiming that cars would never be made Japan or Korea.

Detroit excelled at one thing – making cars – much the way Silicon Valley today leads the world in developing computer technology.

Any place that puts all of its economic eggs in one basket runs the risk of losing its wealth if the forces which brought about that prosperity change and they are unable to adapt to meet that change. That holds true as much for today's economy as it did in the industrial era.

Article 9

18/11/2019 Detroit and Deindustrialization | Dollars & Sense

Detroit and Deindustrialization

Questions and Answers with Barry Bluestone

B Y B A R RY B L U E S TO N E | S E P T E M B E R / O C TO B E R 2 0 1 3

This July, the city of Detroit—half a century ago the jewel of U.S. industry and technology, and the unofficial capital of the U.S. labour movement — declared bankruptcy. Since its heyday in the 1950s, Detroit has seen the departure of most of the auto plants, first to surrounding suburbs, then further afield, and a downward spiral of the city's economy. The loss of population—fuelled by suburbanization, "white flight," the loss of jobs, and the deterioration of city services—followed. From a high of over 1.8 million people in 1950, the city's population had declined to about 700,000 by 2010.

The factors involved in the city's bankruptcy include multiple issues covered in the pages of Dollars & Sense in recent years. The city is not merely bankrupt, but heavily indebted to Wall Street banks. The New York Times has noted how "big banks ... abetted Detroit's descent into bankruptcy." Like other cities, Detroit had gotten involved in recent years with interest-rate swaps, which have forced it to make big payments to the banks as interest rates have fallen. The bankruptcy announcement led, predictably, to conservative commentators heaping blame on public-sector workers, and, of course, to the possibility that these workers will end up taking the fall by losing their pensions. The city's economic decline is also tied to the rise of international competition and, more broadly, the increasing globalization of the U.S. economy over the last half century.

We addressed some key questions about the long-term causes of Detroit's troubles to Barry Bluestone, director of the Kitty and Michael Dukakis Center for Urban and Regional Policy at North-eastern University and co-author, with Bennett Harrison, of the landmark book The Deindustrialization of America (1982). Bluestone has a long history with Detroit, having grown up in the city, and with the auto industry—his father, Irving, was a vice president of the United Auto Workers. And he himself was a member of UAW Local 898 in the 1960s, working summers at a Ford parts assembly plant to pay for college expenses. His answers point to the ways that the seeds of Detroit's decline were sown during its industrial heyday—and in particular in the auto companies' insistence on excluding workers from any meaningful input into the design of the production process.

Detroit's Heyday: A One-Industry Town

If you were to play word association, the reaction you would get to the word "Detroit" would change dramatically between the 1950s-1960s and the present. Can you walk us through that history?

In the 1950s and '60s, when I was growing up in Detroit, it was one of the richest cities—if not the richest—not only in the United States but in the world. The city had the most powerful industry in the world—the auto industry. The General Motors Corporation itself was so huge that its total annual revenue in the mid-1950s was larger than the gross domestic product of Belgium. That made it the 18th largest country in the world—not just company. Ford and Chrysler were also powerful. American Motors, although it had no production sites in Detroit, had its headquarters there.

And there were Packard and Hudson and other automobile companies. That created tremendous wealth and then that wealth was spread at least somewhat more equally because of the powerful auto workers' union, the UAW, which was able to win at the bargaining table both wage increases and benefit increases—pensions and health care and life insurance—that made auto workers some of the highest-paid workers in the world. The gains made by the UAW not only benefited white workers but also provided black auto workers with the ability to join America's middle class.

How is Detroit's experience of deindustrialization different from those of other U.S. cities, like Pittsburgh, Cleveland, or Chicago?

The auto industry was so powerful and so rich, and the auto workers union was able to win such great benefits for the workers, that few other industries were willing to come into the city and compete for that labour pool. That was not as true in other cities where there was a more diverse industrial base—Chicago, even Pittsburgh, to some extent Cleveland, and other industrial cities. Detroit was a one-industry town. When that industry was doing well, the city prospered. But when the industry faced global competition and initially was unable to compete, the fortunes of Detroit plummeted rather quickly, beginning in the 1970s and continuing into the 1980s and thereafter, right up to the bankruptcy of General Motors and Chrysler in 2009.

“Management Rights” and Detroit’s Decline

There’s a widely recited labour-blaming narrative about the UAW supposedly wrecking the auto industry with its outsized demands. How do you reply to that?

I would trace the problem back to the 1970s and ‘80s, when the auto industry itself seemed to pay very little attention to what it was producing or the quality of its products. It didn’t respond quickly to the import challenge from Germany and Japan and other countries. And while I would put about 95% of that blame on management, I would tag the UAW with about 5% of that blame, since for too long it fought for higher wages and better benefits but did not really pay attention to the issues of productivity and product quality in the industry—even as the import challenge was leading to massive auto-company layoffs. Part of the problem was that the union had no right under the contract to become involved in such issues. Only what was explicitly included in the written contract was in the union’s province and matters of productivity, quality, and innovation were kept jealously as management rights, excluded from union influence.

There was indeed a big debate within the UAW about the “management-rights” clause, in 1946, during negotiations over the first post-war contract. In the end, the UAW agreed that they had won so much from management in terms of annual wage improvements, cost of living protection, fringe benefits, and union recognition that they were willing to concede to GM and the other auto companies Paragraph 8, the management-rights clause.

Essentially, the union agreed that management would be solely responsible for determining what to produce, how to produce it, and how to market it as long as the company agreed to pay good wages and benefits and provide seniority protection. Back then, when there was no global competition, the contract worked beautifully for both the companies and the unionized workforce. But the management-rights clause, in retrospect, played a critical role in the destruction of many of these industries, because it left labour and what labour could have contributed to improving the product out of the picture altogether. The structure of the UAW auto-industry contracts seemed great at the time, and in fact it worked wonders for a few decades, but the seeds of the industry’s destruction were buried deep inside the concept of dividing management’s responsibilities from labour’s role.

My father, when he was vice president of the United Auto Workers, did something quite extraordinary. When he first became vice president of the

UAW, after the untimely death of Walter Reuther in an airplane crash, my father had a poster produced which said, “Quality Is Our Concern, Too,” with a big UAW logo behind it. He ordered that that poster be put up on the union’s bulletin boards in every GM plant in the country where the UAW had representation. He was telling his members but also management that for the good of the workers, the union and its members had to be just as concerned about quality as the industry itself. But as soon as those posters went up in GM plants, the General Motors vice president for human resources called my father and told him, “Irv, you have no right to put that poster up— ‘Quality Is Our Concern, Too’—that’s management’s prerogative, not yours.” And he ordered my dad to have the posters removed. My father responded, “No way. You touch one of those posters on the UAW bulletin board in a GM plant and we’re on strike.” Unfortunately, there was too little attempt by the UAW generally to follow what my father tried to do. There was too little concern about the quality of the product from management and from labour.

During the days in which there was little international competition in the auto industry—in the 1940s, ‘50s, ‘60s, and right up until the early ‘70s— neither the industry nor the union had much to worry about. Imports as share of gross domestic product in the United States never exceeded 5.7%, about the same level as in the 1920s, until the early 1970s. After all, during World War II the industrial might of both our allies and enemies was literally destroyed. So, the United States came out of World War II as the undisputed industrial leader of the world. It had almost no import competition for decades. Under those circumstances, it was possible for the company to do almost anything and build almost any product, and it was possible for the UAW to ask for major advances in pay and benefits without having any impact on the fortunes of the company. The company could sell pretty much anything they produced and both stockholders and workers did very well.

Once the European economies and Japan recovered, and later Korea, they began to produce products that were competitive if not more than competitive with American products. Nonetheless, the managers of America’s auto companies and the leadership of the UAW continued to basically play the same game that they had played when import competition was not a problem. There were UAW leaders like Doug Fraser, Irv Bluestone, and Walter Reuther who saw a day of reckoning in the auto industry and were urging the company to work with the union to improve the product. Unfortunately, the leadership in the company, and the leadership in the union who followed these labour pioneers, failed to follow up on their collaborative approach to improve the industry. The result was that imports took a major share not only in the auto industry but in other industries as well.

Suburbanization, “White Flight,” and the Vanishing Tax Base

Predictably, in the wake of Detroit’s bankruptcy, we’ve seen the kind of boilerplate conservative narrative blaming public workers and unions for Detroit’s problems.

It’s ludicrous to blame public employees in Detroit for the downfall of Detroit. The problem is that there’s no tax base left in Detroit. Industry has left and families have left. You’ve gone from a population of about 1.8 million to 700,000, or possibly less than that today. I think Detroit has lost something like a quarter million citizens in just the last three or four years and a huge number of businesses have left the city as well, leaving little as a tax base. So, it really doesn’t matter whether public- sector workers had taken large wage cuts or large pension cuts before the bankruptcy. The city would still have faced just enormous fiscal problems. The decline of the tax base is what is really responsible for Detroit’s fiscal woes, not the wages and benefits that its public employees receive.

Could you elaborate on the relationship, in Detroit, between deindustrialization, on the one hand, and suburbanization, sprawl, and “white flight” on the other?

Many white families started moving to the suburbs after World War II, as these huge suburban sprawl developments were being created. Returning GIs could use the G.I. Bill to obtain low mortgage rates, allowing them to buy that two- or three-bedroom house with the attached garage in the suburbs. These returning veterans and their families wanted good schools, nice neighbourhoods, and they wanted to be closer to work, because most of the plants had moved to the suburbs. This led to the first flight from the city to the suburbs, not only in Detroit but in most major metro areas in the country. Because of de jure and de facto segregation, black families were barred from the suburbs and they became a larger and larger share of Detroit’s city population. Then the Detroit riot occurred in 1967 and this led to an acceleration of white flight as more white families fled what they saw as a dangerous city, fleeing to the suburbs where they thought there wouldn’t be as much conflict.

But there was a third wave of flight to the suburbs—as city services deteriorated as a result of the declining tax base, and as the civil-rights movement made it possible for black families to move to the suburbs. Now it was possible for Detroit's black middle class to leave the city as well, and that ultimately led to the dire circumstances that you see in Detroit today. It's not just that the city lost white families, but it lost a good share of the region's black middle class. The families left behind in the city, with the exception of a few young urban pioneers, is a population that is overwhelmingly poor. And with such a demographic, there is almost nothing left of the tax base, and there is a downward spiral of poorer and poorer public services. The result is more and more concentrated poverty in the city of Detroit, making it more and more difficult to reverse.

Changing Labour Relations and Revitalizing the Labour Movement

What could the labour movement have done differently in the era of corporate disinvestment that would have made a difference?

The UAW actually entered into a novel agreement with General Motors, in the late 1970s, to build a small, competitive car called the Saturn. It involved full collaboration between the company and the union to build a new car in a new way. Teams of workers and managers worked together to design and produce a car that could compete with small Japanese imports.

Unfortunately, before it had a chance to become a successful brand, the UAW and General Motors pulled the plug on the project. Much of this had to do with bad blood between the senior leadership at GM and the union and unfortunately, at that time, a terribly incompetent president of the UAW. Neither General Motors' new management nor the new leadership of the UAW was willing to take ownership of something which their predecessors had created. So, this experiment to stem the tide and to reverse the fortunes of the auto industry was never given a proper shot to succeed.

If management cooperation with labour and openness to greater labour involvement didn't happen when labour was much stronger, do you see much hope for this now that labour is weak? Why wouldn't employers say, "We'd rather just kick you in the teeth some more"? I do not think that American management is a monolith. There are some companies and there are some industries that are more progressive and that would be willing to work with labour. I think that Ford and the UAW have had a much better relationship than many other companies and unions, and you see it in their products. Ford now has a fine line of cars and has had for several years. Their success has been with the help of the UAW. The current president of the UAW comes out of Ford UAW Local 600 and has worked with Ford in a more collaborative way for a long time. Now Ford is profitable again and is hiring workers back. That's the kind of thing I would like to see more broadly. Unfortunately, it takes real progressive leaders on both the management side and the labour side to make such collaboration work. It takes people who are willing to take some risks. Union officers are often accused by at least a minority of their members of making concessions to management when they collaborate. It takes a strong union leader to resist the route of always taking on the company as an enemy.

There are two things that labour can do today, given its massive loss of membership and given the defensive corner it has been forced into. One is to lash out because they're cornered and they're on the defensive, which is a natural reaction even though it may not be a very positive one. The other is to reassess and to come out with new ideas and new approaches that can rebuild support for trade unions in the country, both in the public and private sector. With such a small percentage of the workforce now unionized, most families don't have a union member in their midst anymore. Most folks don't know what unions are or what they really stand for. We need to have a campaign to not only change what unions do in support of their members, but to work hard to rebuild popular support as the union movement had in the 1930s, '40s, '50s, and '60s. If you go back historically to the sit-down strikes in 1937 at General Motors in Flint, what made them successful was massive popular support for the workers. The company had very little support. In Michigan, Governor Murphy called out the national guard to protect the strikers rather than to bust the strikers. But the reason he did that and the reason why the UAW was successful back then is that the union had built up tremendous support from workers everywhere and even from members of the middle class. As a result, when the chips were down the people were with the workers and their union. Unfortunately, that does not appear to be the case today.

New Glory Days for Deindustrialized Cities?

What are the solutions for Detroit and other deindustrialized cities? People are talking again about industrial policy and reindustrialization—now sometimes with the new spin of green development. What role do you see for labour in developing and fighting for such policies?

I've been working for over fifteen years with the older industrial cities of Massachusetts and a few other states. Looking at the Lawrences, Lowells, Holyokes, Springfields, Worcesters, and Lynns across the state, what I'm seeing is differential success. Cities as poor as Lawrence—one of the poorest—have actually had a very good record of increasing the number of businesses and increasing employment between 2001 and today. We're also finding from our analysis that there are factors that cities and towns have control over that increase the probability that firms will settle in their cities. Obviously, you need to have available sites—that's important. You need to have parking—that's important. But we find things like timeliness of approvals—the ability for a city or town to work closely with the business community and sometimes with the union to make it possible for them to get up and operating quickly. Time is important in this globally competitive world. Having the business community itself work with the city government to market the city to other businesses can help bring investment and jobs. Those things turn out to be statistically quite important when it comes to understanding which communities are successful at reinventing themselves and those that are falling behind like Detroit. Indeed, these factors turn out to be much more important than, for example, keeping taxes low, or gutting social services. Our statistical analysis finds no correlation between tax rates and business investment. If anything, low taxes may even have an adverse effect on investment and job growth if low taxes mean poor city services. What I believe is happening is that cities and towns are waking up to the fact that they can play a critical role in their own future.

Moreover, what we're seeing, at least in Massachusetts—I haven't looked around the country—is a rebirth of manufacturing. Manufacturing had nearly collapsed in my state, but still has over a quarter of a million jobs and the second largest payroll of any industry. Only the health-care sector is larger. And it's alive and well because it's diverse, it's incredibly productive, with lots of innovation going on, lots of advanced technologies even in old-line industries, and a commitment to retraining the workforce for it. In fact, we estimate that, because the workforce is aging rapidly, there will be one hundred thousand job openings in manufacturing in Massachusetts over the next ten years, most of them in the state's older industrial cities. The real problem is going to be how we are going to find enough workers to replace the ones who are retiring. That's very different than the kind of scenario that Ben Harrison and I wrote about in The Deindustrialization of America back in the 1980s.

Whether those policies could help Detroit, I don't know. Detroit may be too far gone, and it may be too difficult to get business to agree to resettle in Detroit unless something quite spectacular happens—and I can't imagine what that spectacular factor would be. But other cities—the Pittsburghs, Chicagos, and Clevelands—and certainly many of them here in New England—the Holyokes, Springfields, Worcesters, and Lawrences—they have a reasonable opportunity to have a new era of glory days.

Article 10

How Detroit, the Motor City, turned into a ghost town

Paul Harris *in Detroit*

Wall Street is celebrating a recovery in the US economy, but the future looks increasingly bleak in America's industrial heartland

Try telling Brother Jerry Smith that the recession in America has ended. As scores of people queued up last week at the soup kitchen which the Capuchin friar helps run in Detroit, the celebrations on Wall Street in New York seemed from another world.

The hungry and needy come from miles around to get a free healthy meal. Though the East Detroit neighbourhood the soup kitchen serves has had it tough for decades, the recession has seen almost any hope for anyone getting a job evaporate. Neither is there any sign that jobs might come back soon.

"Some in the past have had jobs here, but now there is nothing available to people. Nothing at all," Brother Jerry said as he sat behind a desk with a computer but dressed in the simple brown friar's robes of his order.

Outside his office the hungry, the homeless and the poor crowded around tables. Many were by themselves, but some were families with young children. None had jobs. Indeed, the soup kitchen itself is now starting to dip into its savings to cope with a drying up of desperately needed donations. This is an area where times are so tough that the soup kitchen is a major employer for the neighbourhood, keeping its own staff out of poverty. But now Brother Jerry fears he may also have to start laying people off.

Officially, America is on the up. The economy grew by 3.5% in the past quarter. On Wall Street, stocks are rising again. The banks – rescued wholesale by taxpayers' money last year – are posting billions of dollars of profits. Thousands of bankers and financiers are wetting their lips at the prospect of enormous bonuses, often matching, or exceeding those of pre-crash times. The financial sector is lobbying successfully to fight government attempts to regulate it. The wealthy are beginning to snap up property again, pushing prices up. In New York's fashionable West Village, a senior banker recently splurged $10m on a single apartment, sending shivers of delight through the city's property brokers.

But for tens of millions of Americans such things seem irrelevant. Across the country lay-offs are continuing. Indeed, jobless rates are expected to rise for the rest of 2009 and perhaps beyond. Unemployment in America stands at 9.8%. But that headline figure, massaged by bureaucrats, does not include many categories of the jobless. Another, broader official measure, which includes those such as the long-term jobless who have given up job-seeking and workers who can only find piecemeal part-time work, tells another story. That figure stands at 17%.

Added to that shocking statistic are the millions of Americans who remain at risk of foreclosure. In many parts of the country repossessions are still rising or spreading to areas that have escaped so far. In the months to come, no matter what happens on the booming stock market, hundreds of thousands of Americans are likely to lose their homes. For them, the recession is far from over. It rages on like a forest fire, burning through jobs, savings, and homes. It will serve to exacerbate a long-term trend towards deepening inequality in America. Real wages in the US stagnated in the 1970s and have barely risen since, despite rising living costs. The gap between the average American worker and high-paid chief executives has widened and widened. The richest 1% of Americans have more financial wealth than the bottom 95%. It seems the American hope of a steady job, producing rising income and a home in the suburbs, has evaporated for many. A generation of aspiring middle-class homeowners have been wiped out by the recession. "Poor people just don't have the political clout to lobby and get what they need in the way Wall Street does," said Brother Jerry.

There is little doubt that Detroit is ground zero for the parts of America that are still suffering. The city that was once one of the wealthiest in America is a decrepit, often surreal landscape of urban decline. It was once one of the greatest cities in the world. The birthplace of the American car industry, it boasted factories that at one time produced cars shipped over the globe. Its downtown was studded with architectural gems, and by the 1950s it boasted the highest median income and highest rate of home ownership of any major American city. Culturally it gave birth to Motown Records, named in homage to Detroit's status as "Motor City".

Decades of white flight, coupled with the collapse of its manufacturing base, especially in its world-famous auto industry, have brought the city to its knees. Half a century ago it was still dubbed the "arsenal of democracy" and boasted almost two million citizens, making it the fourth-largest in America. Now that number has shrunk to 900,000. Its once proud suburbs now contain row after row of burnt-out houses. Empty factories and apartment buildings haunt the landscape, stripped bare by scavengers. Now almost a third of Detroit – covering a swath of land the size of San Francisco – has been abandoned. Tall grasses, shrubs and urban farms have sprung up in what were once stalwart working-class suburbs. Even downtown, one ruined skyscraper sprouts a pair of trees growing from the rubble.

The city has a shocking jobless rate of 29%. The average house price in Detroit is only $7,500, with many homes available for only a few hundred dollars. Not that anyone is buying. At a recent auction of 9,000 confiscated city houses, only a fifth found buyers. The city has become such a byword for decline that *Time* magazine recently bought a house and set up a reporting team there to cover the city's struggles for a year. There has been no shortage of grim news for *Time*'s new "Assignment Detroit" bureau to get their teeth into.

Recently a semi-riot broke out when the city government offered help in paying utility bills. Need was so great that thousands of people turned up for a few application forms. In the end police had to control the crowd, which included the sick and the elderly, some in wheelchairs. At the same time national headlines were created after bodies began piling up at the city's mortuary. Family members, suffering under the recession, could no longer afford to pay for funerals.

Incredibly, despite such need, things are getting worse as the impact of the recession has bitten deeply into the city's already catastrophic finances. Detroit is now $300m in debt and is cutting many of its beleaguered services, such as transport and street lighting. As the number of bus routes shrivels and street lights are cut off, it is the poorest who suffer. People like TJ Taylor. He is disabled and cannot work. He relies on public transport. It has been cut, so now he must walk. But the lights are literally going out in some places, making already dangerous streets even more threatening. "I just avoid those areas that are not lit. I pity for the poor people who live in them," he said. The brutal truth, some experts say, is that Detroit is being left behind – and it is not alone. In cities across America a collapsed manufacturing base has been further damaged by the recession and has led to conditions of dire unemployment and the creation of an underclass.

Richard Feldman, a former Detroit car-worker and union official turned social activist, sees disaster across the country. Sitting in a downtown Detroit bar, he lists a grim roll call of cities across America where decline is hitting hard and where the official end of the recession will make little difference. Names such as Flint, Youngstown, Buffalo, Binghamton, Newton. Feldman sees a relentless decline for working-class Americans all the way from Iowa to New York. He sees the impact in his own family, as his retired parents-in-law have difficulties with their gutted pension fund and his disabled son stares at cuts to his benefits. The economic changes going on, he believes, are a profound de-industrialisation with which America is failing to come to terms. "We are going to have to face the end of the industrial age," he said. "This didn't just happen last October either. It's been happening here in Detroit since the 1980s. Detroit just got it first, but it could happen anywhere now."

The busy highway of Eight Mile Road marks the border between the city of Detroit and its suburbs. On one side stretches the city proper with its mainly black population; on the other stretches the progressively more wealthy and more white suburbs of Oakland County. But this recession has reached out to those suburbs, too. Repossessions have spread like a rash down the streets of Oakland's communities. Joblessness has climbed, spurred by yet another round of mass lay-offs in the auto industry. Feldman recently took a tour down Eight Mile Road and was shocked by what he saw: "I went door-to-door north and south of Eight Mile and I could not tell the difference any more. I did not believe it until I saw it."

Professor Robin Boyle, an urban planning expert at Detroit's Wayne State University, believes the real impact of the recession will continue to be felt in those suburbs for years to come. For decades they stood as a bulwark against the poverty of the city, ringing it like a doughnut of prosperity, with decrepit inner Detroit as the hole at its centre. Now home losses and job cuts are hitting the middle classes hard. "Recovery is going to take a generation," he said. "The doughnut itself is sick now. But what do you think that means for the poor people who live in the hole?"

That picture is borne out by the recent actions of Gleaners Community Food Bank. The venerable Detroit institution has long sent out parcels of food, clothing, and furniture all over the city. But now it is doing so to the suburbs as well, sometimes to people who only a year or so ago had been donors to the charity but now face food shortage themselves. Gleaners has delivered a staggering 14,000 tonnes of food in the past 12 months alone. Standing in a huge warehouse full of pallets of potatoes, cereals, tinned fruit and other vitals, Gleaners' president, DeWayne Wells, summed up the situation bluntly: "People who used to support this programme now need it themselves. The recession hit them so quickly they just became overwhelmed."

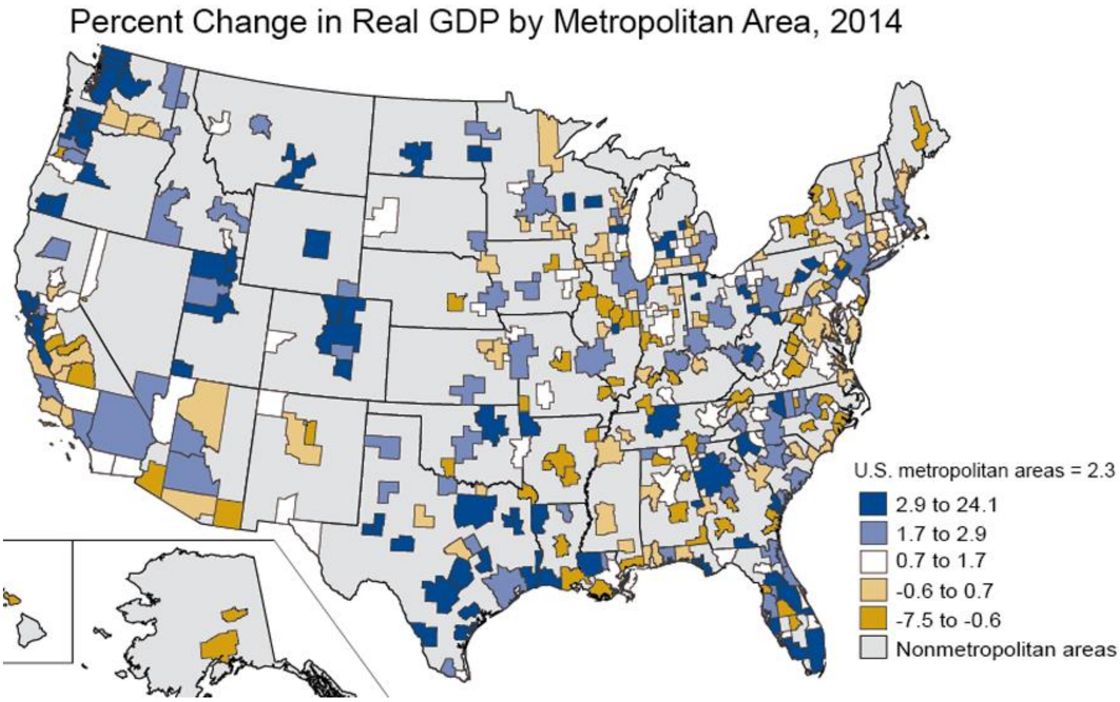
In Detroit, many people see the only signs of recovery as coming from themselves. As city government retreats and as cuts bite deep, some of those left in the city have not waited for help. Take the case of Mark Covington. He was born and raised in Detroit and still lives only a few yards from the house where he grew up in one of the city's toughest neighbourhoods. Laid off from his job as an environmental engineer, Covington found himself with nothing to do. So, he set about cleaning up his long-suffering Georgia Street neighbourhood. He cleared the rubble where a bakery had once stood and planted a garden. He grew broccoli, strawberries, garlic, and other vegetables. Soon he had planted two other gardens on other ruined lots. He invited his neighbours to pick the crops for free, to help put food on their plates. Friends then built an outdoor screen of white-painted boards to show local children a movie each Saturday night and keep them off the streets. He helped organise local patrols so that abandoned homes would not be burnt down. He did all this for free. All the while he still looked desperately for a job and found nothing.

Yet Georgia Street improved. Local youths, practised in vandalism and the destruction of abandoned buildings, have not touched his gardens. People flock to the movie nights, harvest dinners and street parties Covington holds. Inspired, he scraped together enough cash to buy a derelict shop and an abandoned house opposite his first garden. He wants to reopen the shop and turn the house into a community centre for children. To do it, he needs a grant. Or a cheap bank loan. Or a job. But for people like Covington the grants have dried up, the banks are not lending, and no one is hiring. There is no help for him.

It is hard not to compare Covington's struggle for cash to the vast bailout of America's financial industry. "We just can't get a loan to help us out. The banks are not lending," he said. On an unseasonal warm day last week, he stood in his urban garden, tending his crops, and gazed wistfully at the abandoned buildings that he now owns but cannot yet turn into something good for his neighbourhood. He does not seem bitter. But he does wonder why it seems so easy in modern America for those who already have a lot to get much more, while those who have least are forgotten.

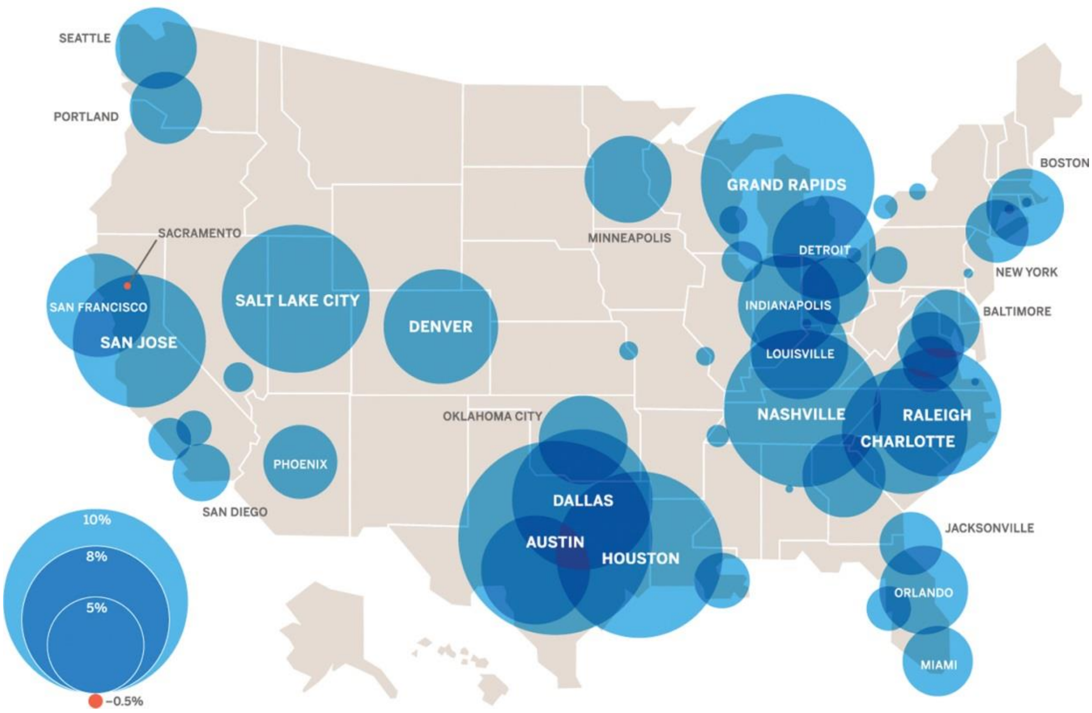
"It makes me wonder how they do it. And where is that money coming from?" he asked.

Article 11



High Unemployment:

Detroit has yet to replace large numbers of jobs lost when global shift led to the disappearance of many of the city's automobile industries.



Job growth change

Article 12

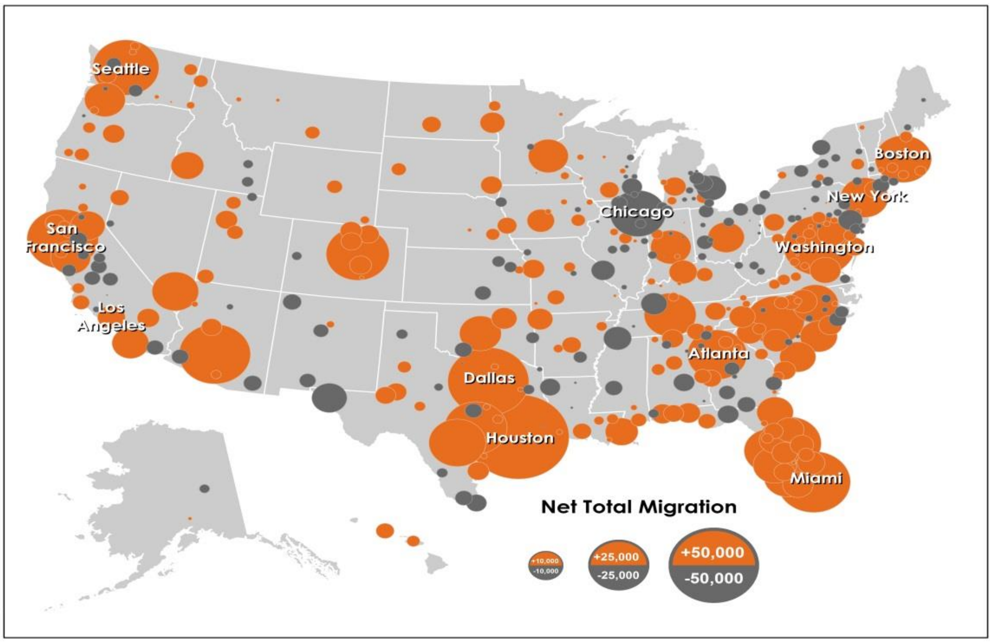
Social problems for deindustrialised regions

During the 1970s, many European and American factory workers lost their jobs. Western factories closed in large numbers once Asia became the focus of global manufacturing. As inner-city unemployment soared in places like Sheffield (UK) and Baltimore (USA), local communities abruptly ceased to be significant producers of consumer wealth.

Crime:

Rising gun crime reminds us that 'losers' of globalisation can be found in all nations, not just poorer ones. In some low-income US urban districts, life expectancy is 30 years lower than in affluent districts. Drug-related crime is now the basis of an informal economy in some poor neighbourhoods of failing US cities. When areas are 'switched-off' to legitimate global flows, they may instead become 'switched on' to illegal global flows of drugs and people trafficking.

Depopulation:



Middle-class Americans have migrated out of failing neighbourhoods in large numbers. Detroit has lost 1 million residents since 1950. One result of this depopulation has been a catastrophic collapse in housing prices. In Baltimore, which has lost one-third of its population, there are 20,000 abandoned properties. Homes in some districts have been sold for just one dollar. Those who say become trapped in a state of negative equity (their home is worth much less than they paid for it). Increasingly, depopulation in US cities has become linked with race. Dubbed 'white flight' by the media, the process of out-migration has left some districts populated mainly by

African-Americans. The economic problems triggered by global shift have, over time, reignited racial tensions in cities such as Baltimore and Jackson.

Article 13

What is the Rust Belt? Everything you need to know about the region key to winning the US election

Tuesday 8 November 2016

http://www.independent.co.uk/news/world/americas/us-elections/rust-belt-what-is-it-us-ohio-michigan-pennsylvania-election-2016-donald-trump-hillary-clinton-a7405141.html

What is the Rust Belt?

The Rust Belt is a region in the US where economic decline, population loss, and urban decay have left the once booming area desolate of industry. Before this decline in the 20th Century, it was the focus of American industrial development, and was called the Manufacturing Belt or Factory Belt. The term "Rust Belt" is meant to refer to the now abandoned factories in the area.

Where is it?

The Rustbelt covers a section of the northeast US, running from the east of the state of New York, through Pennsylvania, Ohio, and Michigan, then ending in north Indiana and east Illinois and Wisconsin.

Why is it so important?

It now includes three swing states key to the 2016 US election: Pennsylvania, Ohio, and Michigan.

These states are expected to be amongst 11 that will define the outcome between Trump and Clinton.

Ohio, for example, has voted the way of the winning candidate in the last 10 elections. The financial debates of the region have also been vital to Presidential elections since the 1980s, and this election is no different.

Trump or Clinton?

White, working-class men – one of Trump's key support bases – are key voters in this region, and the Rust Belt and its inhabitants are who Trump is appealing to "make American great again".

Clinton, though, has made a targeted effort to try and get the region to vote for her, so it is seemingly all to play for.

Article 14

Fed up with no sewers, Pakistan's slum residents go DIY

By Aamir Saeed, Thomson Reuters Foundation
10 MIN READ

KARACHI, Pakistan (Thomson Reuters Foundation) - For Sultana Javed, one of dozens of residents living without proper sanitation on her street in the Orangi Town slum, the final straw came when her toddler daughter fell into the soak pit where the family disposed of their waste.

An aerial view of informal settlements in Orangi Town, Karachi, Pakistan August 26, 2016. Thomson Reuters Foundation/Aamir Saeed

Since moving to the Gulshan-e-Zia area of the slum in Karachi nine years earlier, Javed had poured waste into the soak pit, a porous chamber that lets sewage soak into the ground and is often used by communities that lack toilets.

Javed, whose son caught dengue fever from mosquitoes near the pit outside their home, began mobilizing others among 22 families on her street to install their own sewerage system.

"We are fed up with stench of wastewater and frequent mosquito-borne diseases like malaria and dengue fever. So, we have decided to lay a sewerage pipeline in our street on a self-help basis," Javed, 45, told the Thomson Reuters Foundation.

POPULATION EXPLOSION

Orangi is widely cited as Asia's largest slum and sprawls over 8,000 acres - the equivalent of about 4,500 Wembley football pitches - in the port city of Karachi in north-western Sindh province.

The settlement's population exploded in the early 1970s, when thousands of people migrated from East Pakistan after the 1971 war of independence, which led to the establishment of the Republic of Bangladesh.

Today, Orangi's population is believed to have reached around 2.4 million although no one knows the exact figure since Pakistan's last national census was held in 1998.

Known locally as "katchi abadis", the first informal settlements emerged in the wake of the Indo-Pakistan war of 1947, which led to a huge influx of refugees.

Unable to cope with the numbers - by 1950, the population had increased to 1 million from 400,000 - the government issued refugees with “slips” giving them permission settle on any vacant land.

Since then, land has also been traded informally, usually through middlemen who have subdivided plots of both government and private land and sold them on to the poor.

By the 1970s, when Orangi’s population exploded, the settlements had won a quasi-acceptance from the government, which was unable to provide services or enough housing.

A system of upgrading and land titling was introduced, giving some residents a little more security - and community-driven upgrading projects a greater chance of success.

Activists estimate that about 60 percent of Karachi’s total population of 15 million now live in shanty towns. Unlike in many other slums worldwide, however, the lack of services - not housing - is the major problem.

In Orangi Town, communities built two and three-room houses out of concrete blocks manufactured locally, activists say. Each house is home to between eight and 10 people and an informal economy of micro businesses has emerged as residents have created a livelihood working from their homes.

As the slum population has increased, residents have been cutting into the hills that surround the settlements, destroying natural bushland around it and creating swathes of barren land.

Despite the poverty, bustling markets dot the streets and surrounding industrial areas offer some employment for unskilled workers.

DO IT YOURSELF CULTURE

In 1980, the development expert and entrepreneur, Akhtar Hameed Khan, observed how many communities were self-organisation to fill the gap in services - from building homes and schools to water delivery - and launched the Orangi Pilot Project (OPP).

Now globally renowned, the project has not only led the DIY sewerage projects which continue to expand to this day but has built a network to manage a plethora of programs that range from micro credit to water supply, to women’s savings schemes.

OPP's director Saleem Aleemuddin told the Thomson Reuters Foundation that when activists began working in the area in 1980, the lack of sanitation was the most "obvious" and "problematic" area for residents.

While it took the OPP around six months to convince local residents to invest and pay for the installation of the first sewerage line on their street, it was not long before people were taking their lead and organizing themselves.

"Since the government gets almost nothing in revenue from the slum, it therefore pays the least interest to its [slum] developments too," Aleemuddin said.

"In fact, people in the town now consider the streets as part of their homes because they have invested in them and that's why they maintain and clean the sewers too."

Nearly three decades on, the OPP has not only managed to ensure that more than 90 percent of Orangi Town's nearly 8,000 streets and lanes have sewer pipes - all installed by residents - but has developed a network of collaborators drawing in skills from a wide variety of other non-government organizations.

Training to map and document drainage channels is provided to young people as are programs that equip community architects, technicians and surveyors to work in the area. So far, say OPP activists, around 553 of the more than 2,700 Orangi Town settlements are documented.

To date, according to OPP statistics, 96 percent of the settlement's 112,562 households have latrines, with residents footing the total bill for the sewage system of 132,026,807 Pakistani rupees ($1.26 million).

'ENOUGH IS ENOUGH'

In Gulshan-el-Zia, Javed and her neighbours decided that to kick-start their works, they needed to choose one person to lead the project and nominated 28-year-old Saleem Khan. He will not only take charge of planning but will collect residents' money and contributions for their new sewer and pipeline.

Khan will then work closely with OPP specialists who provide local communities with expert design advice, as well as the technical and engineering support to install the new system.

"I am sacrificing my time and energy to clean my street of the wastewater and protect people from diseases," Khan said.

"It isn't an easy job but I hope to get it done in the next couple of weeks with the co-operation and trust of the neighbours."

Each household plans to share the total cost of 65,679 rupees ($629) for materials to build the pipeline, which will service the entire street. Everyone in the family chips in to do the digging and laying work, including women and children.

The majority of families are home-based workers who earn around 15,000 to 20,000 rupees ($143-$191)a month selling mainly embroidery and other cloth products at city markets.

With just a handful of local schools, most families cannot afford transport costs out of the slum and many young people work with their parents earning meagre incomes from small businesses like weaving and embroidery.

'EVERYONE BENEFITS'

Residents don't just pay for the installation of the pipes; however, they also take responsibility for their maintenance.

Khan told the Thomson Reuters Foundation that manholes are to be installed at 30 foot (nine meter) intervals along the street to ensure residents have easy access to connections and can also monitor and maintain their pipes themselves.

Last month, Shahadat Hussain, who lives on a street that installed its own sewerage line in 2003, collected 1,000 rupees from each household on his street to replace some damaged pipes.

Nevertheless, he believes that repair of infrastructure - and the construction of secondary and main sewerage lines - is a job that local authorities should take care of.

Hussein, 29, said the government should grant residents a lease which would provide some security against eviction in return for a small fee. This would encourage them to contribute to maintenance and cleaning in the long term.

Despite repeated requests, however, the Karachi Metropolitan Corporation (KMC), has failed to do this, he said.

"We urge the provincial government to grant a lease and at least provide basic amenities including installation of secondary and main sewerage lines," he said.

“Our homes and streets are flooded with sewage even after a light rain as there is no main line to flush it out.”

RAPID GROWTH

According to OPP’s Aleemuddin, the city authorities now have a responsibility to step in and support slum residents who have already taken on the DIY construction of internal sewer pipes for their streets.

The sanitation program in Orangi Town has prompted communities in 40 other slums in Sindh and Punjab provinces to install sewerage lines with technical help from the OPP, he said.

OPP believes the city should construct the secondary pipelines which collect sewage from several streets, as well as build and maintain the main trunk systems which collect and flush out sewage from entire neighbourhoods.

Nazeer Lakhani, director of Katchi Abadies (shanty town housing), acknowledged that more work is needed but said the KMC has spent 515 million rupees ($4.93 million) to build 107 main and 34 secondary sewerage lines in Orangi Town.

“We know water supply and sanitation are essential for a healthy society and we are working on provision of these basic facilities to people of Orangi Town,” he said.

For Javed, encouraging her community to work together and collaborate with the local government has given her a sense of optimism and empowerment.

“We have started feeling the positive impact of it, although our own sewer line is yet to be completed,” she said.

“I personally feel empowered and encouraged by the work I helped to initiate to get rid of the wastewater forever.”

Article 15

The best idea to redevelop Dharavi slum? Scrap the plans and start again

Dharavi stands on a goldmine: a slice of prime land in the heart of India's richest city. Sharkish developers are circling, but a new competition to invite better ways forward has thrown up fascinating proposals

Wednesday 18 February 2015 12.15 GMT

By 8am, Dharavi is already noisy. Tea stalls already clinking, leather-making and embroidery and plastic-crushing machines already cranking through their long daily grind. Dharavi, the most well-known informal settlement in Mumbai, stands in a category of its own, and challenges the very notion of a slum. Its maze of matchbox buildings contains thousands of micro-industries, which collectively turn over $650m annually and provide affordable housing to the city's working class. Over decades, Dharavi's residents – its potters, garment-makers, welders and recyclers from all over India – have transformed what was a marshy outpost into a thriving entrepreneurial community.

But Dharavi is no longer in the boondocks. Massive northwards growth in the peninsula city of Mumbai over the last two decades has engulfed Dharavi's humble plot of 525 acres. Today, Dharavi stands on a goldmine: a slice of land in the heart of the megapolis with the highest land prices in India. Its coveted position sits at the intersection of two main train lines, and is just a stone's throw from a new business district, the Bandra-Kurla Complex. Not surprisingly, Dharavi has caught the attention of sharkish developers. Under the government-led Dharavi Redevelopment Project, developers will provide the people living there – who can prove residency since 2000 – a new, 300 sq ft house for free. In return, authorities have allowed the builders to go higher (increasing the floor space index in Dharavi from 1.33 to 4), thereby concentrating residents into tower blocks and freeing up space for luxury high rises that will reap huge returns. The plan has created a storm of controversy.

Turning external forces into qualities. Competition entry, The Game Is On! Illustration: Felixx Landscape Architect & Planners + Studio OxL Architects

Everyone agrees that Dharavi needs better working and living conditions. The settlement may have organically achieved the low-rise, mixed-use community of many urban planners' dreams, but it is not without its problems. Years of government neglect have left Dharavi's hygiene and safety levels grossly inadequate. There are queues for everything, including toilet blocks, municipal water taps and healthcare clinics. The 300,000 or so residents – there has been no official count and studies suggest it could be double that – squeeze into an area just one-third bigger than Hyde Park.
The new plan to redevelop Dharavi increases that density to inhumane proportions. Although the tower-block buildings offer amenities such as toilets, they also threaten to destroy the fabric of a community in which homes, roofs and outdoor spaces transform into places of work and social interaction – the only way many of the micro-enterprises can operate. Dharavi's design is not an accident; it responds to the social ties and economic needs of the community.
The clash of opinions on Dharavi's future triggered a decade-long stalemate. So, last year, Mumbai's Urban Design Research Institute (UDRI), an independent organisation advocating for more equitable development in its home city, put the problem to the global community. UDRI launched an international competition, called Reinventing Dharavi, to solicit the best ideas for this endlessly limboed issue. Twenty teams, with more than 150 members from 21 different countries, submitted proposals. The competition's only requirement was that the teams were interdisciplinary, in order to address the complex housing, work, financing, health, sanitation, recreation and legal issues. Their proposals ranged from bathroom towers that moonlight as public spaces, to an annual festival, to a collective brand that would increase marketing power and recognition of the area's diverse products.
"We wanted to stimulate fresh thinking," said Cyrus Guzder, a member of the jury, at the competition's awards ceremony in December. "Even though we've spent some time walking around Dharavi, we must say the ideas were quite original, even from international participants."

Redevelopment of the negar (neighbourhood) in competition entry, The Game Is On! Illustration: Felixx Landscape Architect & Planners + Studio OxL Architects

UDRI held a workshop to give people a first-hand look at some of the urban structures the residents themselves have already created. Many of the competition proposals built on and celebrated the community's strengths: its sense of entrepreneurship; the mixed-use developments; the low rates of crime; and strong social ties.

One proposal from a Dutch team, entitled The Game is On!, honed in on the vibrancy of Dharavi's street life – the children's cricket matches, tea sellers, and fruit vendors – as the starting point for gradually improving living conditions. Their concept, which won an honourable mention, proposed to bring local stakeholders together to "co-create" a plan for the streets and squares that zigzag between the tightly knit neighbourhoods. "The process of street-led upgrading forms a frame for people to start upgrading their houses and workspaces, or to define places for communal buildings," says team member Joop Steenkamp, an architect.

"It's a way to gradually improve living conditions without disturbing social coherence or destroying a historically grown situation."

Many teams mapped out new physical infrastructure, such as container housing or sophisticated water systems. Another common concern was the idea of connectivity, on both a physical and economic level. The India-based members of team seven proposed that Dharavi remain a place to both live and work, a "factory for the 21st century", and asked the judges to rethink the notion of a world-class city. "We don't want to be Shanghai. We want our own characteristics, with the slum dwellers as part of that," they said. The group proposed that Dharavi no longer be an island of deprivation in the city, but rather a magnet for commerce, by converting slum buildings into industrial hubs.

But it was a team from Mumbai that took first prize, for a most novel idea: scrap all plans and begin again. The group, called Plural, asked a question that has been missing in all these decades of discussion: "How would residents envision their future if they had their rights?" The rights being denied to them, argued Plural, are the right to entitlement, the right to participate and the right to livelihood. And their first suggestion? To eliminate the one profiteering commodity that has skewed all visions of Dharavi's future: the land itself.

One million people live and work in Dharavi, which occupies just under one square mile. Photograph: Bethany Clarke/Getty Images

Inspired by Gandhi's notion of land as a community inheritance, the group proposed that current landowners in Dharavi – the biggest of which is the government – release all ownership rights to a Dharavi Community Land Trust. This trust would be a non-profit corporation, governed by former landowners, community members and neighbourhood associations. Its first task would be to understand the needs of each of the existing 156 nagars (neighbourhoods), before developing accordingly. The idea shows promise: one of the major hindrances to redevelopment has been the complexities of land ownership, from various government agencies to private owners. The trust would solve that problem in a stroke.

"We have a vision to bring back the focus on the people's needs in Dharavi in a sustainable and human-centred manner," said Jasmine Saluja, a Plural team member. "We've had proposals on Dharavi since the 1970s, but the problem is that they've never included the people themselves."

It is hard to overstate the sea change this represents in the history of development planning for Dharavi: rewind on the process altogether. Rather than showcasing glossy images and plans, the project involves the residents in development from the get-go.

But influencing the current trajectory will be no insignificant task. There's a sobering precedent: Mumbai's abandoned mill area, which was primed for affordable housing is instead now lined with luxury malls and hotels. A similar debate is raging over how to redevelop the eastern waterfront.

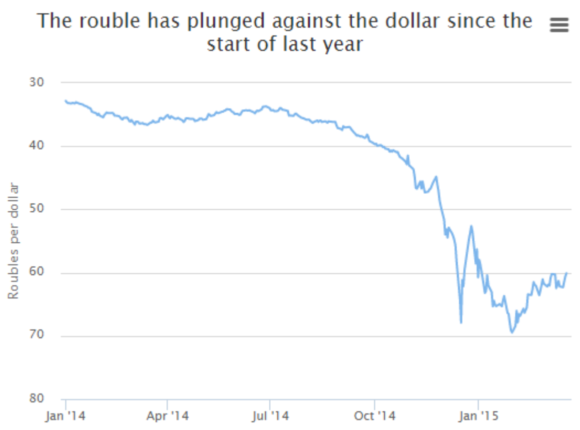
At some point, UDRI will need to convince not just activists but power-brokers. Its next step shows it is aware of the task ahead: UDRI is developing a publication to bring the most promising ways forward to government officials.

"What we're doing for Dharavi," says Guzder, "is getting India to think about slum redevelopment or urban renewal."

“We can’t go on in the same way we have been,” agrees Akhtar Chauhan, a professor and member of the competition’s steering committee. “This competition has given us a good collection of ideas for a new, more humane direction. And now we have to act.”

Article 16

What problems in Russia have caused its billionaires to leave? (Push factors)



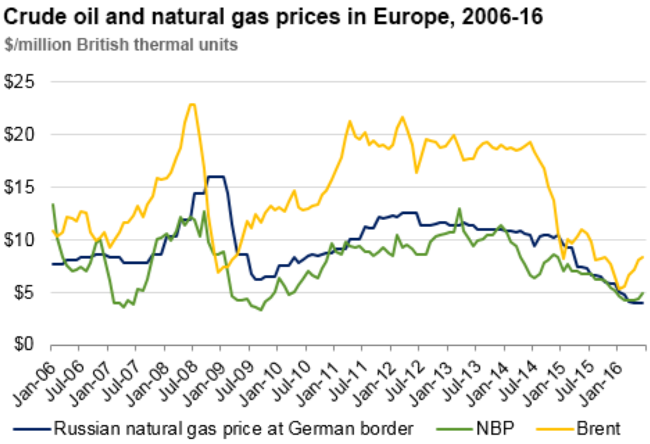
29 December 2014 - The value of the rouble plummeted again today as Russia announced its **economy had shrunk** for the first time in more than five years. Russia's gross domestic product (GDP) fell by 0.5 per cent year-on-year to November, the economy ministry said, the first fall since October 2009. The announcement sent the rouble (the Russian currency) plummeting another 5 per cent against the dollar this morning.

Sliding oil and gas prices (Russia exports a lot of gas, and its economy is heavily reliant on its sale) and **Western sanctions over Ukraine** have continued to take their toll on Russia, whose wealthier citizens have been looking to put their money in more stable investments abroad. Luxury agents Beauchamp Estates said six buyers requested £100million homes each in upmarket Mayfair, Belgravia and Kensington in just a few days to get their money out of Moscow. Gary Hersham, the firm's managing director, said: 'Wealthy Russians are desperate to get their money out of Moscow at present.

'We have seen a 10 per cent upturn in Russian clients since the decline in value and the **international sanctions** biting into the Russian economy. **Sanctions** were imposed by the EU and USA after Russia became involved in the war in Ukraine. As imports have been blocked, the cost of food and other items have soared.

Inflation is also growing rapidly. Amid the rouble's collapse earlier this month, Russia's central bank raised interest rates to 17 percent from 10.5 percent to prop up the currency.

Also, new rules introduced at the start of the year have meant that foreign businesses owned by Russians are **now subject to Russian taxes**, putting the squeeze on the wealthiest. This means that Russian businessmen and women in Russia must now pay tax on any businesses they have abroad, as well as paying tax in that country too.



This is, he stressed, still a developing country, but one with a rapidly growing middle class that has a lot of disposable income which they are keen to invest abroad. Some Russians may actually want to live abroad – not least to **escape those long, bitterly cold winters** – but for many, said Waddoup, it is primarily a move against the periodic crises that afflict an economy **overly dependent on oil and gas**, the cost of which fluctuates.

Article 17
What has attracted billionaires to London? (Pull factors)

Britain's reputation as a **financial capital** and **global hub**, as well as its relatively **low tax** regime have been credited for attracting 'non-dom' (foreign) residents, keen to invest in property in London and the South East.

The country now has one billionaire for every 607,692 residents, compared to one for every 1,022,475 in the US, which has the second highest number of billionaires per capita.

Unlike America, Britain does not tax its non-domicile residents on their **global wealth**, meaning they pay tax only on their UK income.

Wealthy Russians have flooded into London since the fall of the Soviet Union in 1991, and particularly in the last few years as it has become a **fashionable destination**. Similarly, the UK became a place of class, of style. It was where the spies hung out and did their thing."

Last month MailOnline revealed how hundreds of Russian oligarchs were preparing to buy swathes of **ultra-expensive property in London to protect their wealth** against the Russia's crumbling economy. The price of London property will not go down, so by buying it, the rich Russians know that they are not going to see their wealth lost. Due to inflation in Russia, this may not be the case if they invested their money there. Russians trust bricks and mortar in posh parts of London more than they trust the rouble, because property prices only go up.

The move of Russians to the UK started with tourism to the UK, and **education** – Russians are very keen on English public schools, apparently. And in the past 10 years, this has evolved into property buying. "Something like 30% of Russians buying in the UK are doing it to educate their children," he told me, explaining that they will have a holiday home in Spain or France as well as a base in London and a flat in Moscow. "To some extent it's about showing off, but they also see it

as their pension. In the 90s here, pensions collapsed and people lost all their savings, so there's still the culture that, if you can take money out of the country, do it just in case."

Article 18
What benefits do Russian immigrants bring?

This immigration of elite Russians is good news for Londoners because it means that the **best-educated, most creative and most active** people in Russia will be heading here. London will become what Paris used to be for Russians in 1917-1918.

The people who will come here will be people whose senses are very well developed - They are not just successful people but perfectionists, who are accustomed to surrounding themselves not with the biggest or the most expensive, but with the best. If in the 90s Russian migrants were associated with mobsters and gangsters, now it will be a wave of so-called **creative class emigration**.

By some estimates there are 100,000 Russian-speaking children studying in the UK (from nurseries to universities) and this is really the **crème de la crème (the most intelligent and high achieving**) of the Russian nation. Russians are hiding their children not only from the drunk policemen who run them over in the streets, but also from the environment, which has a destructive effect on people.

Russian children will increasingly compete with British kids for spaces at the top schools here as their parents groom them to be leaders.

Businesses are coming too. In the first 20 years after the fall of the Soviet Union, there was no Russian restaurant in the UK to be proud of. Now restaurants such as Novikov and Mari Vanna are popping up. In a few months a boutique of our favourite jewellery designer, Maxim Ascension, will open on Bond Street, and this autumn London will get its very own Russian *banya*. Not a sauna, a steam room or a hammam, but a proper *banya*.

The book shop Waterstones, owned by Russian billionaire Alexander Mamut, is launching a large department of top-quality books in Russian in its Piccadilly branch. Russians are also, of course, investing in sport, because business laws work well here. Roman Abramovich and Alisher Usmanov have invested millions in Chelsea and Arsenal football clubs.

Waddoup, a property advisor to rich Russians emphasised it is in fact the Russian middle class, not the oligarchs, who are driving the overseas property market. "It has been relatively easy to create businesses here over the past 20 years. People have worked hard, earned a lot of money and now they want to spend it. Just look at shoe shops and restaurants: when a bill in a restaurant comes to over €200, I'm screaming. But rich Russians buy five bottles of wine and don't even finish them." Their philosophy is, apparently: "We have the money. We use it." London, and other major cities, **needs the Russians – and their cash.**

Article 19
Background facts – Billionaires in London

Britain has become the super-rich capital of the world – with more than 100 billionaires living in the UK for the first time.

A total of 104 billionaires now call Britain home, with a combined wealth of £301billion between them, it was revealed yesterday. It means the UK has more billionaires per head than any other country.

And the vast majority have their homes in London, meaning the capital boasts the greatest number of billionaires of any city in the world, beating New York and Moscow to the top spot.

London has become such a hub for the super-rich that it now accounts for 72 billionaires – almost 10 per cent of all the billionaires in the world.

But only a third of Britain's billionaires were actually born British, according to the Sunday Times Rich List. Indian-born brothers Srichand and Gopichand Hinduja top the UK rich list, with a combined wealth of £11.9billion from their global conglomerate.

They are followed by international tycoons and oligarchs who made their fortunes in aluminium, oil and coal, including Chelsea owner, the Russian Roman Abramovich. Arsenal shareholder Alisher Usmanov (also Russian) and Queens Park Rangers stakeholder and steel magnate Lakshmi Mittal also feature.

The only British-born billionaire in the top ten is the Duke of Westminster, who owns swathes of central London and takes tenth place in the list with his £8.5billion fortune.

The British government is now selling 'tier one' visas for £2 million to those elite individuals who want to live here. 'High value migrants' meet the criteria for what the UKBA calls 'tier one' visas issued to those who display 'exceptional talent'. These migrants must be 'internationally recognised as world leaders or potential world-leading talent'. They will be entrepreneurs who want to set up or take over a business; graduate entrepreneurs with 'world class' innovative ideas or business skills wishing to establish businesses in the UK.

The number of wealthy Russians granted elite "investor visas", which speed settlement in Britain, more than doubled in the first quarter of this year.

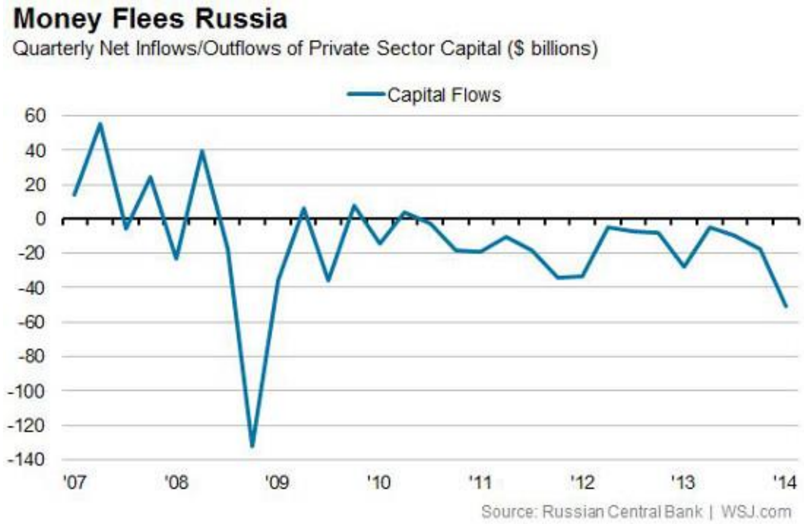

CHELSEA
FOOTBALL CLUB


Arsena

Article 20
What are the problems of elite migration?

For Russia

Rich Russians are moving themselves and their money out of Russia, and the cash flight out of Russia is enormous – alarming even, for an economy that is now stuttering. The movement of businessmen and their money and businesses out of Russia is not good for the Russian economy.



Russia has attempted to discourage Russians from leaving the country permanently by implementing new rules requiring all residence permits and overseas citizenships to be declared to the government.

For London

Britain extends an enthusiastic welcome to what the UK Border Agency (UKBA) describe as '**high value migrants**' while further restricting channels open to the poor. The intention behind recent changes in the immigration rules is clear – millionaires, and increasingly, billionaires, are welcome; **others will be restricted, policed, excluded**.

Alongside this development sits another problem; the increase in overseas buyers of prime London real estate makes London an **increasingly unaffordable place to live**. These global flows of people and money – constituting globalisation from a London vantage point – have social consequences in shaping the city around the lives of the rich, making it a difficult environment for others to exist.

Because elite migrants are overwhelmingly concentrated in London they impact on what estate agents call prime and super prime areas of the London: rising property values reverberate through the city **raising costs for all**. A comment in the Financial Times recently summed this up: 'Much of London's housing wealth now lies in the hands of a global elite for whom the city represents not a home but a tax haven attached to an exclusive resort town'. More than half of all residences worth more than a million pounds are sold to foreign buyers. **Sixty per cent of new build property in central London**

is bought by overseas investors. The poorer people in London find it increasingly difficult to afford to live there.

Across London, 85 per cent of properties fell into the affordable category in 1995. According to the study, 41 per cent of areas in London still fall into this category, a statistic that will come as a shock to **hard-pressed first-time buyers struggling to get on the property ladder** in the capital.

The social implications of constructing a (global) matrix of prime and super-prime London neighbourhoods are yet to be fully analysed. But the gap between London and the rest of Britain widens. Global hubs like London are becoming the stage on which the wealthy park their assets and work and play.

Article 21
London- Playground for the New Russian Elite

London- Playground for the New Russian Elite

On the streets of London, it is not uncommon to see Russian elite's out for a weekend visit or turning the key to their home. London is a convenient entertainment metropolis for those seeking culture, shopping, or play. Over the last twenty years, there has been an influx of Russians using London as a kick off site for personal and professional ambitions. Many of these Russians have made London there permanent home. But, not all of the of the nearly 400,000 Russians living in London, are there to get started. Many have already arrived. In 2007, London gave residence to 23 billionaires. Ten of these billionaires were Russian. Another 1000 Russian millionaires call London home.

The migrating Russian elite have injected hundreds of millions in financial revenue through the U.K. economy. However, the reason behind their choice in place to spend their billions is quite clear cut. Moscow is only four hours from the London and makes for easy travel. UK immigration laws are lax compared to the other strong capital market countries, like the United States. UK tax loopholes allow wealthy Russians to claim they are "domiciled" abroad. This status allows them to locate their assets offshore and only pay taxes on the money that they bring into Britain. London's stock market has a very liberal regulatory framework. The lack of a regulatory body is enticing to wealthy Russians, eager to make substantial transactions.

Despite the lack of actual income tax money London sees, the wealthy Russian community is grapping up investment real estate left and right, splurging on art and furs, cars, investing school dollars, buying yachts and private jets, paying for private security, contributing to the London Stock Exchange, opening new business & job opportunity, and hosting lavish fundraising events. This extravagant spending may be their way to get a stamp of approval, but a few old high society Brit's are not biting. In fact, some are often publicly defamatory against the lavish Russian influx. It seems the rest of London has welcomed the new chance for sales, though. Ocean Sky, a private jet company, estimated that 60% of their 2005 clients were Russian. In 2006, one of the most prestigious art dealers in London, Sotheby's, reported Russian art sales of £78 million. Wealthy Russians are much flashier and extravagant in their spending, compared to Britain's native elite. London business is catering to this new Russian need for luxury items and flourishing from it.

There are claims that the influx of Russian money has made the housing market and consumer pricing out of reach for the average London resident. But, the global economy has been so fragile that mitigating circumstances may excuse that argument.

One of the most famous Russian Londoners is, Roman Abramovich. While he was once embedded with Putin, he planted his London roots by purchasing Chelsea football club. Other Russian elites like: Oleg Deripaska, Anatoly Chubais, Berezovsky, Mikhail Khodorkovsky ,etc.. have all being welcomed into London. Many of these billionaire Russian oligarchs became rich in Russia during the violent and corrupt privatization process of the 90‘s. They were connected to corrupt Russian officials and often fully financed politicians elections. By 2004, just a handful of companies controlled over 40% of Russia’s economy.

The oligarchs were extremely unpopular with the Russian public and were accused of being behind the lawless economy. They were accused of stealing Russia’s natural resources for private gain. While some Russian’s migrated to London to escape repression, gangster capitalism, and communism…. others were escaping the closing walls against the corruption that made them rich. Money vacated Russia as fast as the millionaires. From 1998 to 2004, over 100 billion dollars in capital left Russia.

Despite the flock of wealthy Russians to London, Russia still claimed between 87 and 101 billionaires in 2008, placing it second in the world after the USA. However, there is a new group of Russian wealthy that see 2008 as possibly their last chance to make the London leap. The Georgian/Russian conflict, combined with the 2008 USA elections and possible 2009 UK elections may tighten the main incentives -lax visa laws and tax loopholes. Therefore, we may see more Russians at play in London and less billionaires on Russia’s tout list.

Article 22

Why are rich Russians so obsessed with buying up London property?

This article is more than 6 years old

As more and more well-to-do Russians shift cash into London real estate, **Stephen Moss** heads to Moscow to investigate …

The apartments at One Hyde Park, London, are among the world's most expensive, with prices ranging from £6.5m to £140m. Photograph: Warrick Page/Getty Images Photograph: Warrick Page/Getty Images

Stephen Moss *in Moscow*
@StephenMossGdn
Fri 9 May 2014 11.10 BST

What is it about London that wealthy Russians can't get enough of? Thanks in no small part to the crisis in Ukraine, their takeover of the London property market is growing apace.
According to the Financial Times (£), well-to-do Russians – and Ukrainians too – "are trying to shift more cash into London property ... amid indications that eastern European oligarchs are using the capital's housing market to conceal their assets from international sanctions". (And this despite a recent "tax crackdown" by George Osborne, apparently.)
Property experts JLL predict that "Russian capital flight could quadruple year-on-year" – and it's not as if the starting point was low: estate agency Knight Frank puts Russians top of the list of foreign buyers of £1m-plus London homes in 2013 (spending somewhere north of £500m). But why London? The only thing for it was to head to Moscow and see for myself – in between a few games of chess.

I wasn't just obsessing about oligarchs. There are reckoned to be almost a hundred Russian billionaires who made their fortune in the political and economic chaos that followed the collapse of the Soviet Union in the early 1990s, but 100 oligarchs can't buy London. There had to be more to it than that.

Naturally, Moscow was hosting an international property show while I was there, and I found myself in a workshop at which eager would-be sellers of UK property heard from experts steeped in the ways of wealthy Russian buyers. Kim Waddoup, who has lived in Moscow for more than 20 years and runs the property show, had a warning for his audience: "Nothing in Russia is quite as it seems."

A model of central London at an international property fair. Photograph: Getty Photograph: VALERY HACHE/AFP/Getty Images

This is, he stressed, still a developing country, but one with a rapidly growing middle class that has a lot of disposable income which they are keen to invest abroad. Some Russians may actually want to live abroad – not least to escape those long, bitterly cold winters – but for many, said Waddoup, it is primarily a hedge against the periodic crises that afflict an economy overly dependent on oil and gas. Russians trust bricks and mortar in posh parts of London more than they trust the rouble.

But why London, I asked Waddoup after his presentation. "When Russia was first opening up, suddenly everybody saw the market potential here, and patterns were created which people have followed," he said. "One example was the French arriving with wine – before that we had really wonderful Georgian wines, and nobody knew about French wine. Then suddenly it was, 'No, I'm going to have French wine; it's much better than the Georgian stuff.' Similarly, the UK became a place of class, of style. It was where the spies hung out and did their thing."

According to Waddoup, it started with tourism to the UK, and education – Russians are very keen on English public schools, apparently. And in the past 10 years, this has evolved into property buying. Other countries, notably Spain and Cyprus, offer fast-track residency (and eventual citizenship) to buyers of properties of a certain value – in Cyprus's case, just €300,000

(£245,000) – but even without such sweeteners, the UK is more than holding its own. Odd to think that Kim Philby is doing his bit for the British economy.

Waddoup emphasised it is in fact the Russian middle class, not the much-vaunted oligarchs, who are driving the overseas property market. "It has been relatively easy to create businesses here over the past 20 years. People have worked hard, earned a lot of money and now they want to spend it. Just look at shoe shops and restaurants: when a bill in a restaurant comes to over €200, I'm screaming. But rich Russians buy five bottles of wine and don't even finish them." Their philosophy is, apparently: "We have the money. We use it."

A tax rate of 13% and extremely low utility costs mean this growing middle class have plenty of cash. They don't trust Russian banks, so a lot of business is done in cash; one insider said he'd heard of flats being bought on a credit card. The preference for cash also helps with tax evasion: even at 13%, the average Russian thinks paying tax is a crime. And if they can get the money out of the country to a safe haven like the UK, they will. Few rich Russians keep their money in roubles, and the cash flight out of Russia is enormous – alarming even, for an economy that is now stuttering.

The Eton wall game. Around a third of Russians who buy in the UK do so to give their children a private education. Photograph: Eddie Keogh/Reuters Photograph: Eddie Keogh / Reuters/REUTERS

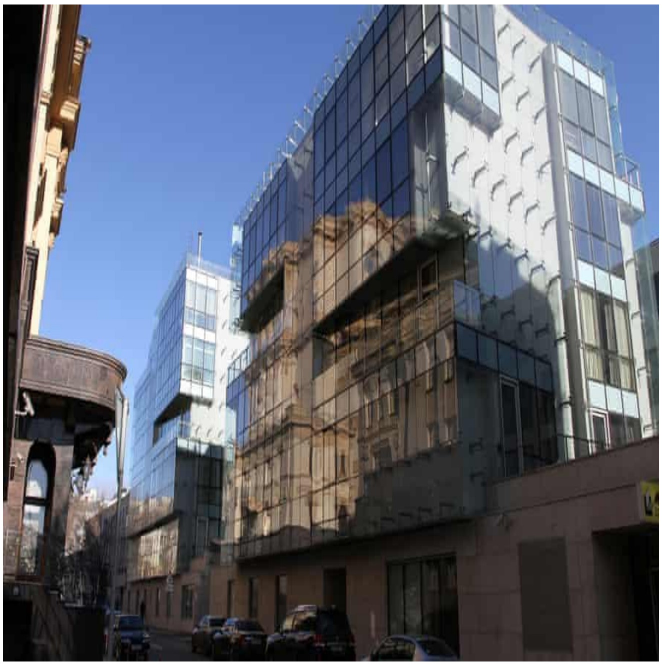
Carlo Walther, chief operating officer at Russian property website Idinaidi (it means "go find"), fleshed out these trends for me over breakfast in a friendly, kitschy café filled with Soviet memorabilia in central Moscow. Russians, he said, shouldn't just be thought of as buying in the UK. Many retire to Bulgaria, Spain and France; others opt for New York and Florida. Indeed, the UK is only 10th on Idinaidi's list of the most popular places to buy – however, it is the key destination for what Walther calls the upper-middle class.

"Something like 30% of Russians buying in the UK are doing it to educate their children," he told me, explaining that they will have a holiday home in Spain or France as well as a base in London and a flat in Moscow. "To some extent it's about showing off, but they also see it as their pension. In the 90s here, pensions collapsed and people lost all their savings, so there's still the culture that, if you can take money out of the country, do it just in case."

Walther said Russian buyers are much shrewder than they are portrayed in the media. Oligarchs paying silly money for trophy properties does not reflect the reality of most of the Russians buying million-pound properties in London. "Your average Russian will bargain hard. They have money, but they won't overpay."

When the Soviet Union collapsed, it wasn't just the oligarchs who made money. Everyone who lived in a state flat was able to buy the property very cheaply, creating a property-owning class overnight – a remarkable 81% of Russians are owner-occupiers (though judging by the condition of many of the old Soviet tower blocks, they're yet to band together to maintain them).

In central Moscow, the property that people were able to buy is now worth a great deal of money – at least, the land on which it stands is. Many are selling up and either moving into the country around Moscow or retiring to a resort abroad. The old blocks are being knocked down and rebuilt as luxury flats for the emerging middle class.



A luxury real estate development in Moscow. Photograph: Bloomberg via Getty Photograph: Bloomberg/Bloomberg via Getty Images
Opposite the restaurant where we talked, a block of million-euro flats was being erected. Three-quarters of properties, Walther told me, are bought with cash here. The mortgage market is still in its infancy and interest rates are prohibitive, with banks only slowly becoming more competitive.

Most foreign observers focus on Moscow and St Petersburg, but economic growth in the regions has been considerable. Walther takes the number of Ikeas as a barometer: three stores in Moscow, but another 14 across Russia.

On his website, 15% of transactions are in the capital – a big slice of the total, but still only part of the story. "The regions are not one place," he said. "Some are stagnating, but others are powering ahead. There are five or 10 cities, like Yekaterinburg, Kazan, Vladivostok and Magadan, which are growing fast."

The pace of house-building in Russia makes the UK look sclerotic. According to Walther, 2 million new homes were built last year, and half of all transactions are on new properties. Cities are expanding and suburbanising. Expensive new blocks are sprouting in the most desirable central locations, while in the countryside, old wooden dachas are giving way to more imposing properties.

Forget the oligarchs. It is the growing middle class – wealthy and mobile – that is transforming Russian cities and driving the international property boom. Their financial clout and presence in places such as London explains why western governments have turned to financial sanctions in the conflict over Ukraine. But that clout is also the reason why truly biting sanctions are unlikely to be introduced: London, and other major cities, needs the Russians – and their cash – too much.

Article 23

Rinat Akhmetov pays record £136.4m for apartment at One Hyde Park
This article is more than 9 years old

Ukraine's richest man spends record amount for a UK home after buying two Knightsbridge flats totalling 25,000 sq ft

Rinat Akhmetov pays highest price to date for a UK residence. Photograph: Sergei Supinsky/AFP/Getty Images

Alex Hawkes

Tue 19 Apr 2011 16.29 BST

Ukraine's richest man, Rinat Akhmetov, has paid the highest price for a UK residence, buying an apartment in the One Hyde Park development in Knightsbridge.

Land Registry documents show that two properties on the seventh and eighth floor of the luxury development have been bought by a single buyer, the total consideration amounting to £136.4m.

Confirmation of the sale had been expected for some time, with news that a purchaser had paid the huge sum emerging last year. It has been estimated that the buyer would also be spending £60m fitting out the property.

A spokesman for Akhmetov's company, System Capital Management, confirmed the oligarch had invested in the development, which has caused uproar among local residents because of its modern architecture.

Akhmetov, the son of a coal miner, runs SCM, a Ukrainian conglomerate involved in mining, retail, financial services and even football – it owns the club Shakhtar Donetsk.

Estimates of his fortune vary, although most agree he is worth billions of pounds. As the owner of Metinvest, a coal, ore-mining and steel business, his net worth is likely to have soared over the past year on the back of the commodities boom, with Forbes recently estimating his fortune at $16bn (£10bn).

Buyers of flats in One Hyde Park are treated as permanent guests of the Mandarin Oriental, the hotel adjacent to the development. As well as outlining the property bought in each case, each lease document also specifies which area of the development's wine cellar the buyer is entitled to. Akhmetov will be able to store his collection of fine wines in wine storage spaces 16 and 17.

The flat is reported as having an area of 25,000 square feet, meaning the Ukrainian billionaire has spent £5,456 a square foot.

That is less than the absolute peak figures the developers, Nick and Christian Candy, had hoped for – with the highest flats with the best views of Hyde Park expected to go for as much as £6,000 a square foot.

The brothers are unlikely to be too bothered, however. Total sales of about half the flats have reaped £963m, the Candys have indicated, enough to almost pay off the £1.1bn cost of the development.

Article 24

CASE STUDY OF FILIPINO WORKERS IN DUBAI

The Philippines is 4,300 miles from Dubai. National Geographic reports that due to poverty the Philippines has become dependent on Filipinos who leave the country in order to find work elsewhere. Those who leave are called Overseas Filipino workers, or OFW's. The title OFW is accompanied by praise for the heroic sacrifice to nation and family. The airport in Manila even has a center for Overseas Filipino Workers where public agencies tend to their needs along side of the Philippines Overseas Employment administration and the Overseas Workers Welfare Administration. According to the Positively Filipino Magazine website as of 2013 there were 450,000 Filipinos residing in Dubai, they make up 21.3 percent of the population. Filipinos are employed in construction, cargo shipping, design, energy, information technology, marketing, medical, telecommunications, tourism, and the domestic sector to name a few. In 2007 alone Filipinos in Dubai sent more than $500 million in remittances to the Philippines.

Leaving The Philippines

Philippine Department of Labor and Employment has 1 Philippine Overseas Labor Office in Dubai. In 2008 due to the global financial crisis many Filipinos lost their jobs. In December of 2008 alone 3,000 Filipino workers lost thier jobs. This caused the Filipino population in Dubai to decrease by 20 percent. However, the Filipino workers are applying to return to Dubai to seek employment. As of December 2012 the consulate of Dubai has had roughly a 200 percent increase for applications on passport renewals. This points to an improvement in the economy of Dubai.

Philippines Passport

Filipinos in Dubai are faced with the harsh reality of having their rights violated. One of the most common practices of human rights violations is having employers retain the passports of the workers during the employment contract. This is done to prevent the workers from seeking other jobs and from having them leave immediately after the end of their contract. Although, it is illegal for employers to hold the workers passport this practice is extremely common. Many workers opt for running away from their employers in order to escape labor exploitation. Although, it is considered a crime to run away from an employer in the UAE running is the only option many workers have to escape labor abusive. The retrieval of the passport by runaway workers is a difficult process because often times the employer will demand payment as a precondition for the release of the passport. Another human right violation that OFW's experience upon arriving in Dubai is wage theft. Many of the workers are often made to sign employment

contracts in English or Arabic. These contracts include clauses that state that they will be paid less than it had originally been agreed. Filipinos in Dubai are paid less than other nationalities. Other violations include delayed payment of wages, premature termination of services, and excessive working hours. Nearly half of all OFW's who reside in Dubai are Filipinas. Filipinas in Dubai are highly sought out to work as caretakers. This happens because Filipinas are viewed as people with "good English...and reputation for kindness and reliability." Even though, Filipina workers are in high demand in Dubai they are highly susceptible to labor abusive. Often the employers of women domestic workers confiscate their cell phones to make them more attentive to their job, and more dependent on the employer. Emirates 24/7 a media outlet in Dubai claims that the basic minimum salary for domestic workers is set at $400 and it is mandatory. However, this mandatory salary is often ignored by the employers.
Human Rights Watch

Human Rights Watch report for 2011 states that many female domestic workers in the UAE suffer labor violations such as "unpaid wages, food deprivation, long working hours, forced confinement, and physical or sexual abuse." Shelters in Abu Dhabi and Dubai in October of 2010 housed more than 300 runaway Filipina domestic workers.

Wedding in Dubai

Due to the large number of Filipinos in Dubai it is relatively easy for them to socialize with one another. The report by National Geographic states that many of the Filipino residents in Dubai are married back home, but have extramarital relationships with other Filipinos living in Dubai. Many Filipinos opt for marrying the person they found in Dubai, and seek to be granted divorce by the Philippine authorities. However, divorce in the Philippines is illegal. Thus, they turn to the Catholic church in Dubai to annul their marriages. Fr. Tom who is a priest for St. Mary's church in Dubai calls the request for annulments a "factory line."
There are many websites such as Dubai OFW and the Pinoy Career Center that are designed to help Filipinos navigate through life in Dubai. Dubai OFW showcases restaurants, shops, events, places to go on adventures, tips, and daily life blogs. Perhaps the most interesting part of this website is the "work" section. At first glance this section it appears to be a place where Filipinos can find employment opportunities. But in reality this section of the website is dedicated to blogs that help workers navigate through labor exploitation in Dubai. For instance the article "Is it right to have the employer keep the passport of their employees?" seeks to inform workers on what to do and who to contact if their employer is asking to hold their passport. Pinoy Career Center on the other hand is directed towards how to conduct business, and to develop a career in many parts of the world. The website

has a section dedicated to teaching Filipinos how to work and live in Dubai. In this section one will find the reasons to come to Dubai, how to apply for a work permit, job opportunities, working and living in Dubai, what to do, and what not to do in Dubai. Within the working and living in Dubai list is a listing of the diseases that prevent people from applying for work permits. These diseases include HIV, tuberculosis, hypertension, diabetes, psychiatric disease, and even physical disabilities. Things such as applying sunscreen and not making fun of the Muslim religion are found on the what to do list. On the what not to do list are things such as no public display of affection, no cursing, and no taking pictures of government properties, locals, or women without proper permission. The Pinoy Center is directed towards attracting Filipino workers to Dubai, they do not recognize labor exploitation and what to do if it occurs. The website is designed to train Filipino workers to comply with the laws of the UAE even if they are unjust.

Even though, Filipinos make up 21.3% of the population of in Dubai they are among one of the most invisible groups and exploited groups of people in the city. Filipinos live in Dubai simply because they want to provide for their families back home. They negotiate a space to exist within a country that trips them of their basic human right.

Article 25

The Philippines' Culture of Migration

JANUARY 1, 2006
By Maruja M.B. Asis

Since the 1970s, the Philippines — a country of about 7,000 islands peopled by diverse ethno-linguistic groups — has supplied all kinds of skilled and low-skilled workers to the world's more developed regions. As of December 2004, an estimated 8.1 million Filipinos — nearly 10 percent of the country's 85 million people — were working and/or residing in close to 200 countries and territories.

Although the Philippines is largely a country of emigration, it also attracts some foreigners to its shores. Traditionally, the foreign population in the Philippines consists of people of Chinese origin (some 80 percent of overseas Chinese are in Southeast Asia) and some people of Indian origin who came to settle in the country years ago.

Presently, there are 36,150 foreign nationals working and residing in the Philippines. The inflows of foreigners to the country, as well as concerns for unauthorized migration and the use of the Philippines as a transit point for other destinations, point to a reality in this age of migration: that countries can no longer be neatly and exclusively classified as countries of origin, transit, or destination.

More recent surveys carried out by Pulse Asia in 2005 found an increasing percentage of adult respondents — 26 percent in July and 33 percent in October — agreeing with the statement, "If it were only possible, I would migrate to another country and live there." Interest in leaving the country is not limited to adults. In a nationwide survey in 2003 of children ages 10 to 12, 47 percent reported that they wished to work abroad someday. Sixty percent of children of overseas foreign workers said they had plans to work abroad.

The development of a culture of migration in the Philippines has been greatly aided by migration's institutionalization. The government facilitates migration, regulates the operations of the recruitment agencies, and looks out for the rights of its migrant workers. More importantly, the remittances workers send home have become a pillar of the country's economy.

Historical Background

For much of the 20th century, "international migration" for Filipinos meant going to the United States and its Pacific territories. The first batch of Filipino workers arrived in the U.S. territory of Hawaii on December 20, 1906 to work on sugarcane and pineapple plantations.

More workers, mostly single men, followed; others left Hawaii to work in agriculture in California, Washington, and Oregon, or the salmon canneries of Alaska. On the mainland, low-wage service work in the cities — waiters, busboys, or domestic work — provided alternative jobs between agricultural seasons or when other jobs are not available. Some 4,000 Filipinos were employed in the merchant marine, but this employment possibility ceased with the 1937 passage of a law requiring the crew of U.S. flag vessels to be at least 90 percent American citizens.

According to one estimate, approximately 120,000 Filipino workers came to Hawaii between 1906 and 1934. Another estimate puts the number of Filipinos arriving in the United States between 1907 and the 1930 at 150,000, the majority of whom were in Hawaii. A small number of scholars, known as pensionados, also immigrated to the United States before the 1920s. They were either sponsored by the U.S. government or by missionary-related programs. Some were sent by rich families to study and a few were self-supporting students. Those who returned assumed important positions in Filipino society while others remained in the United States.

Because the Philippines was a U.S. colony, the movement of Filipinos to the United States was considered internal migration and Filipino migrants were "nationals" (but not citizens). It was not until the passage of the 1934 Tydings-

McDuffie Law (also known as the Philippines Independence Act of 1934), which provided for the granting of Philippine independence in 10 years' time, that the Philippines became subject to immigration quotas. The 1934 law limited the Philippines to 50 visas per year, and migration dropped off dramatically.

But even so, there was an exception clause: in case of a labor shortage, the governor of Hawaii was authorized to hire Filipino workers. As nationals, Filipinos were entitled to American passports and could enter and leave the country freely. World War II intervened and further migration to the United States stalled. Between 1946 and the mid 1960s, about 10,000 to 12,000 Filipinos came to Hawaii as workers, military personnel, and war brides.

It was not until the 1965 Immigration and Nationality Act, when nationality-based restrictions were struck down, that Filipino immigration grew and diversified.

Other countries of settlement also dismantled their pro-European immigration policies in the 1960s and 1970s, paving the way for Filipinos to enter Canada, Australia, and New Zealand under family or skills-based provisions. The Philippines eventually became one of the top 10 sending countries in these traditional immigration countries.

Filipinos also settled in countries that are not traditional countries of immigration, such as Germany and Japan, through marriage or work-related migration. This permanent migration, however, was overshadowed by the larger and thornier temporary labor migration that started in the 1970s.

Becoming a Labor Exporter

The Philippines' ascent as a major labor exporter in Asia and worldwide is based on various factors. When large-scale labor migration from the Philippines started in the 1970s, the "push" factors were very strong but made worse by the oil crisis in 1973. Among others, economic growth could not keep up with population growth. The country was hard pressed to provide jobs and decent wages and had severe balance of payment problems.

At the same time, the oil-rich Gulf countries needed workers to realize their ambitious infrastructure projects. With supply and demand factors converging, the Philippines was ripe for large-scale labor migration, an opportunity the Marcos government recognized. The framework for what became the government's overseas employment program was established with the passage of the Labor Code of the Philippines in 1974.

The Philippines' foray into organized international labor migration was supposed to be temporary, lasting only until the country recovered from its economic problems. However, the continuing demand for workers in the Gulf countries and the opening of new labor markets in other regions, especially in East and Southeast Asia, fueled further migration.

On the supply side, the push factors have not abated. The absence of sustained economic development, political instability, a growing population, double-digit unemployment levels, and low wages continue to compel people to look abroad.

The flow of overseas foreign workers (OFWs), numbering a few thousand per year in the early 1970s, has grown to hundreds of thousands (see Table 1). In 2004 alone, 933,588 OFWs left the country. Based on trends, it is expected that the number of deployed OFWs will hit the one million mark in 2005.

Table 1. Annual Deployment of Filipino Workers, 1975-2004*

Year	Land-based	Sea-based	Total
1975	12,501	23,534	36,035
1976	19,221	28,614	47,835
1977	36,676	33,699	70,375
1978	50,961	37,280	88,241
1979	92,519	44,818	137,337
1980	157,394	57,196	214,590
1981	210,936	55,307	266,243
1982	250,115	64,169	314,284
1983	380,263	53,594	434,207
1984	300,378	50,604	350,982
1985	320,494	52,290	372,784
1986	323,517	54,697	378,214
1987	382,229	67,042	449,271
1988	385,117	85,913	471,030
1989	355,346	103,280	458,626
1990	334,883	111,212	446,095
1991	489,260	125,759	615,019
1992	549,655	136,806	686,461
1993	550,872	145,758	696,030

1994	564,031	154,376	718,407
1995	488,173	165,401	653,574
1996	484,653	175,469	660,122
1997	559,227	188,469	747,696
1998	638,343	193,300	831,643
1999	640,331	196,689	837,020
2000	643,304	198,324	841,628
2001	662,648	204,951	867,599
2002	682,315	209,593	891,908
2003	651,938	216,031	867,969
2004	704,586	229,002	933,588

*Figures for 1975 to 1983 refer to number of contracts processed; figures for 1984 to 2004 refer to number of workers deployed abroad. Sources: Table 5 (Battistella, 1995:265) for figures from 1975 to 1983; available online for figures from 1983 to 2003; and for 2004 data. Internet sources were accessed on 12 September 2005.

The data on deployed workers include seafarers, who account for some 20 percent of all OFWs leaving the country every year (see Table 2). Filipinos dominate the industry: 25 percent of the world's seafarers are from the Philippines.

Table 2. Regional Distribution of Land-based Overseas Filipino Workers, 2004*

Region	Numbers	Percent
Asia	266,609	37.84
Middle East	352,314	50.00
Europe	55,116	7.82
Americas	11,692	1.66

Africa	8,485	1.20
Trust Territories	7,177	1.02
Oceania	3,023	0.43
Others	170	0.02
Total	704,586	100.00

*Based on combined data for new hires and rehires. Source: Available online, accessed 12 September 2005.

As of December 2004, the stock of overseas Filipinos include some 3.2 million permanent settlers (the majority of whom are in the United States), about 3.6 million temporary labor migrants (called OFWs), with Saudi Arabia hosting close to a million, and an estimated 1.3 million migrants in an unauthorized situation. The latter tend to be mostly in the United States and Malaysia.

Women are very visible in international migration from the Philippines. They not only compose the majority of permanent settlers, i.e., as part of family migration, but they are as prominent as men in labor migration. In fact, since 1992, female migrants outnumbered men among the newly hired land-based workers who are legally deployed every year.

The majority of female OFWs are in domestic work and entertainment. Since these are unprotected sectors, female migration has raised many concerns about the safety and well-being of women migrants. Female OFWs can also be found in factory work, sales, and nursing.

Among the top 10 destinations of OFWs, Hong Kong, Kuwait, Singapore, Italy, United Arab Emirates, Japan, and Taiwan are dominated by women OFWs. In Hong Kong, for example, more than 90 percent of OFWs are women (Table 2).

How Labor Export Works

With its low rate of foreign investment and a steady reduction in development assistance, the government, not just its people, has come to rely on overseas employment as a strategy for survival. After years of pushing the official line that it does not promote overseas employment, the government set a target in 2001 of deploying a million workers overseas every year, a goal it is likely to meet in 2005.

Since the 1970s, the government and the private sector each have played a role in the labor export process. The Philippine Overseas Employment Administration (POEA) grew out of the Overseas Employment Development Board and the National Seamen Board in the then Ministry of Labor and

Employment. POEA became the government agency responsible for processing workers' contracts and predeployment checks, as well as for licensing, regulating, and monitoring private recruitment agencies.

When the overseas program started, the government participated in recruiting and matching workers and employers. Due to demand for workers and the large numbers involved, the government relinquished the placement of workers to private recruitment agencies in 1976. There is a placement branch within the POEA, but it only accounts for a small number of all OFWs placed with foreign employers.

On the private-sector side, there are more than 1,000 government-licensed recruitment and manning agencies in the Philippines (and an unknown number of unlicensed ones) that match workers with foreign employers. In the Philippines, recruitment agencies refer to those that find jobs for aspiring land-based migrant workers; manning agencies refer to those that engage in recruiting and finding jobs for seafarers.

Although there is a standard placement fee for most destinations (except for special markets such as Taiwan) which is equivalent to one month's salary plus 5,000 Philippine pesos (about US$94) for documentation, this is routinely violated. The excessive fees are a burden to migrants and put them in a vulnerable situation because they are already in debt before they leave. When they are abroad, they go without any salary for a period of time, and they are forced to bear harsh working and living conditions in order to repay their loans.

Among the countries of origin in Asia, the Philippines offers a fairly comprehensive package of programs and services covering all phases of migration, from predeparture to on-site services to return and reintegration. Although the government could improve its implementation of these programs, the programs demonstrate the government's efforts to balance the marketing of workers with protection.

Some of these initiatives, such as the predeparture orientation seminars for departing workers and the deployment of labor attachés and welfare officers to countries with large OFW populations, are good practices that other countries of origin have also implemented.

Protecting Workers Abroad

The irregular operations of recruitment agencies in the Philippines and their counterparts in the countries of destination are one of the sources of vulnerabilities for migrant workers. Excessive placement fees, contract substitution, nonpayment or delayed wages, and difficult working and living conditions are common problems encountered by migrant workers, including legal ones.

Migrant women face particular vulnerabilities. Aside from the usual problems that plague migrants, their jobs in domestic work and entertainment usually mean long working hours, surveillance and control by employers, and abusive conditions, including violence and sexual harassment. Given the "private" context in which they work, the problems encountered by migrant women in these sectors go unnoticed.

In general, compared to other national groups, Filipino workers are relatively better protected because they are more educated, more likely to speak English, and they are better organized. NGOs for migrants in the Philippines and their networks abroad not only provide services and support to migrants, but, more importantly, they advocate for migrants' rights

The development of a legal and institutional framework to promote migrant workers' protection is also an important factor. The Philippines was the first among the countries of origin in Asia to craft a law that aims "to establish a higher standard of protection and promotion of the welfare of migrant workers, their families and overseas Filipinos in distress." Although there had been discussions about a Magna Charta for migrant workers for some time, it was not until 1995 that the Migrant Workers and Overseas Filipinos Act (also known as Republic Act or RA8042) was finally passed.

In addition to government initiatives, the efforts of NGOs, church-based organizations, and migrants' organizations, as well as transnational and international efforts directed at promoting and protecting migrants' rights, help provide an "antidote" to the dangers of migration.

Among the countries of origin in Asia, the Philippines is also a leader in introducing several migration-related laws. These include:

- the Anti-Trafficking in Persons Act of 2003, which establishes policies and institutional mechanisms to provide support to trafficked persons;
- the Overseas Absentee Voting Act of 2003, which gives qualified overseas Filipinos the right to vote in national elections; and
- the Citizenship Retention and Reacquisition Act of 2003, which allows for dual citizenship.

In terms of commitments to international norms and standards concerning migrants, the Philippines is one of 34 countries (as of October 27, 2005) that has ratified the UN Convention on the Rights of All Migrant Workers and Their Families. It is also one of 95 countries (as of November 6, 2005) that has ratified the UN Protocol to Prevent, Suppress and Punish Trafficking in Persons, Especially Women and Children.

Remittances

Aside from easing unemployment, Filipinos who choose to work abroad send home remittances that have become an important pillar of the Philippine economy (see Table 3). In 2004, according to the Bangko Sentral ng Pilipinas, remittances sent through formal channels amounted to US$8.5 billion. In 2005, remittances are expected to reach US$10 billion.

Table 3. Overseas Filipino Workers' Remittances, 1975-2004

Year	Amount
1975	103.00
1976	111.00
1977	213.00
1978	290.85
1979	364.74
1980	421.30
1981	545.87
1982	810.48
1983	944.45
1984	658.89
1985	687.20
1986	680.44
1987	791.91
1988	856.81
1989	973.02
1990	1181.07
1991	1500.29
1992	2202.38
1993	2229.58
1994	2630.11
1995	4877.51
1996	4306.64

1997	5741.84
1998	7367.99
1999	6794.55
2000	6050.45
*2001	6031.27
2002	6886.16
2003	7578.46
2004	8550.37

* Revised
Sources: Table 5 (Battistella, 1995:265) for figures from 1975 to 1983; available online for figures from 1983 to 2003; and for 2004 data. Internet sources were accessed on 12 September 2005.

For the families of migrant workers, remittances are generally spent on fulfilling the basic needs of the family, better housing, educational opportunities for children, and starting or investing in small businesses. According to a 2005 World Bank report, the Philippines is the fifth-largest recipient of remittance flows after India, China, Mexico, and France.

The government encourages migrant workers to send remittances through banks. A study by the Asian Development Bank found that 80 percent of Filipino respondents regularly remit through banks or other regulated sectors. Among other reasons, lower remittance costs help explain the greater use of regulated channels than was the case in the past.

The Bangko Sentral ng Pilipinas is also working on enforcing minimum standards for banks and other players in the remittance business to protect OFWs and their families from fly-by-night operators, excessive fees, unfair foreign currency conversion, and delivery problems.

Looking Ahead

Within the Philippines, there has been much speculation about the costs of migration: the problems borne by migrants, anxieties about the destabilizing impacts of migration on families, apprehensions about materialism, and so forth. Although it is acknowledged that migrants and their families have benefited from labor migration, mostly because of remittances, the economic impacts beyond the family level are less tangible.

And while it is acknowledged that remittances have buoyed the country's economy, the development impacts have not been clearly felt. Some question what the country has to show for more than three decades of overseas employment.

In a strange twist, the Philippines has become so successful as a labor exporter that it has failed to develop and strengthen development processes. The target to send a million workers every year is a telling indicator that migration will be an important part of the country's future development plans and prospects.

Even without government involvement, labor migration from the Philippines likely will persist thanks to social networks, social capital, and social remittances that have flourished. Filipino society has become migration-savvy, having developed the ability to respond and to adjust to the changing demands of the global labor market.

Anticipation of future demand for nurses, for example, has resulted in the proliferation of nursing schools and a remarkable increase in student enrollment in nursing programs in recent years. Even doctors are studying to be nurses to have better chances of working abroad. This is a concrete example of how perceptions of the international labor market have also woven their way into the educational and work aspirations of Filipinos.

While the Philippines cannot stop people from leaving, the country will need to explore how migration can be an instrument for development. In this regard, the Philippines can learn much from international discussions and reflections on migration and development taking place in other countries.

Article 26

The UAE is the top destination globally for Indian migrants, with over 2.8 million Indians living there, according to UN estimates.

On Sunday, Prime Minister Narendra Modi became the first Indian Prime Minister to visit the United Arab Emirates (UAE) in 34 years. Among other events, >he met Indian migrant workers at ICAD Residential City in Abu Dhabi, home to thousands.

The UAE is the top destination globally for Indian migrants, with over 2.8 million Indians living there according to UN estimates.

The growth in Indian migrants to the UAE in the 2000s has been remarkable; their number grew nearly six times in 20 years, while the overall Indian immigrant population barely doubled.

The UAE encouraged massive in-migration in the early 2000s, far in excess of the natural population increase.

As a result, the UAE has the highest proportion of international migrants in the world – a staggering 84 per cent. There are nearly twice as many Indian-born as native-born people in the UAE today.

Indians form the largest immigrant sub-group in the UAE. While official state-wise numbers are not available, less than a million of these are from Kerala. UAE's laws make naturalisation and citizenship virtually impossible for Indians, and most of these workers are there on temporary visas.

Yet, this hard-working group sent nearly 13 billion dollars in remittances home in 2014.

The UAE introduced a formal programme for guest workers in 1971 and analysts have said that, since then, the country's political stability, rapid economic growth with consequent opportunities, modern facilities and geographical location have fuelled movement to the country.

Indian tops the world in the number of migrants sent abroad and more than half of the 16.59 million live in the Gulf region, according to a UN report.

The 2017 International Migration Report released here on Monday showed that during this century's period of rapid globalisation, the number of Indian migrants doubled from 7.98 million in 2000.

The United Arab Emirates has the largest number of Indian migrants, who number 3.31 million, up from 978,992 in 2000, followed by the US with 2.3 million, up from 1.04 million, the report said.

A massive number of Asians began migrating to the Gulf in the 1970s during the oil boom.

"The boom brought a rapid increase in demand for foreign labour, as domestic labour forces were too small and lacked the necessary skills," the report explains.

Immigrants now account for more than 80 percent of the population in the UAE and Qatar, and some 70 percent in Kuwait. Indians are the largest ethnic group in the UAE, comprising close to 30 percent of the total population.

There is an "unspoken contract" between a place that has very little natural resources and the foreign labour that comes in to fill that gap, he says, and it works as long as everybody follows the unspoken rules. "The deal is to come and work and enjoy the good life – here or once you get home to the money you remitted – as long as you don't engage in anything remotely political."

Across the UAE, the formal part of the labour agreement comes in the form of the kafala, or sponsorship, system. Employment visas for migrant workers are sponsored by Emirati individuals or companies, leaving the protections of a centralized government system behind.

Amnesty International and other humanitarian agencies have put a spotlight on the hardships migrant workers have faced, including exploitation of construction workers and unequal protection of women and domestic workers.

Last year, laws were put into place that were meant to prevent contract substitution that forces migrant workers to accept lower wages than they were promised, but reforms have generally been slow in coming.

But much like falling oil prices forced the UAE to diversify its economy beyond its first major commodity, experts say internal and external pressures are pushing the young nation to gradually reform its approach to its second major resource: labour.

"A culture shift is beginning," says Young, now a resident scholar at the Arab Gulf States Institute in Washington. "People are thinking, 'How many people does it take to get me a coffee at Starbucks?' and 'How many people do I need standing around me at home?"'

Despite having the most migrant-heavy population in the world, the UAE is very closed to granting citizenship, which studies have found raise wages for both natives and immigrants.

With immigrants, who come particularly from India, Bangladesh, and Pakistan, comprising over 90 percent of the country's private workforce, the UAE attracts both low- and high-skilled migrants due to its economic attractiveness, relative political stability, and modern infrastructure—despite a drop in oil prices and the international banking crisis in 2008.

Heavily reliant on foreign labour to sustain economic growth and high standard of living in the country, the UAE government in 1971 introduced a temporary guest worker program called the Kafala Sponsorship System, which allows nationals, expatriates, and companies to hire migrant workers. The Kafala system has posed a number of challenges for UAE policymakers both at home and in the eyes of international onlookers. Chief among them: ensuring economic opportunities for UAE nationals, and closing policy and implementation gaps to address widespread concerns that migrants fall victim to labour and human-rights abuses in the UAE.

Article 27

Migrant workers suffer 'appalling treatment' in Qatar World Cup stadiums, says Amnesty

Amnesty report accuses Fifa and Qatari authorities of ongoing indifference to systemic abuse of workers on stadiums that will host the 2022 World Cup

Modern-day slavery in focus is supported by

HUMANITY UNITED

About this content

Owen Gibson, *chief sports correspondent*

Despite five years of growing criticism, Fifa and the Qatari authorities have been accused of ongoing indifference towards systemic abuse and "appalling treatment" of migrant workers working on stadiums that will host the 2022 World Cup.

A damning new report by Amnesty International, which interviewed 132 contractors working on refurbishing the Khalifa International Stadium in Doha and a further 102 landscapers who work in the Aspire Zone sports complex that surrounds it, claimed that they all reported human rights abuses of one kind or another.

UN gives Qatar a year to end forced labour of migrant workers

The findings will prove controversial because Qatar's Supreme Committee for Delivery and Legacy has made ensuring minimum standards are met on World Cup stadium projects a priority in the wake of widespread criticism of the broader conditions in which migrant labourers, who make up more than 90% of Qatar's 2.1m population, live and work.

For the first time, Amnesty said it had definitively identified mistreatment and abuses on a World Cup stadium site rather than on infrastructure projects that underpin Qatar's ambitious 2030 Vision, of which the football tournament has become an integral part.

It said that workers refurbishing the Khalifa stadium, scheduled to host one of the World Cup semi-finals in 2022, reported they were forced to live in squalid accommodation, appeared to pay huge recruitment fees, and have had wages withheld and passports confiscated. Amnesty conducted the interviews during three visits over the course of a year from February 2015.

Qatari law prohibits retention of passports, delayed payment of wages or deceptive recruitment (where workers are promised a certain wage in their country of origin only to be paid less when they arrive). But Amnesty found evidence that all of those practices remained widespread during the period in question.

The number of labourers working directly on World Cup stadiums increased from 2,000 to 4,000 in the past year and is expected to grow to 36,000 in the next two years.

The Amnesty report alleges that while the organising committee has introduced welfare standards there are "significant gaps in application" and its efforts have been undermined by indifference from Fifa and apathy from the Qatari authorities.

The stadium is part of the lavish Aspire Zone sports complex where Bayern Munich, Everton and Paris Saint-Germain trained this winter. The Welsh rugby team trained there before last year's World Cup.

Of the men interviewed, Amnesty's report found that the vast majority alleged they had their passports confiscated, 88 had been denied the right to leave Qatar, many reported their wages being paid three or four months in arrears and there was evidence that some workers on the stadium contracted to a labour-supply company "appear to have been subjected to forced labour".

It said that there was evidence of workers being threatened with non-payment of wages, being deported or – conversely – not being allowed to leave Qatar because their employer would not provide an exit permit.

It claimed all the men interviewed had taken out loans to pay for recruitment-related fees, often to agencies in their home country. The practice is forbidden by Qatari law but remains widespread.

One metalworker on the stadium told Amnesty in April 2015: "My life here is like a prison. The work is difficult, we worked for many hours in the hot sun. When I first complained about my situation, soon after arriving in Qatar, the manager said, 'If you want to complain you can, but there will be consequences. If you want to stay in Qatar, be quiet and keep working.' Now I am forced to stay in Qatar and continue working."

Amnesty concluded that the human rights abuses it documented were the result of "multiple failures" and that while there had been a belated focus on the quality of workers' accommodation by some of the companies involved, they have done little to address other well-documented issues such as deception in the recruitment process.

"The abuse of migrant workers is a stain on the conscience of world football. For players and fans, a World Cup stadium is a place of dreams. For some of the workers who spoke to us, it can feel like a living nightmare," said Amnesty International's director general, Salil Shetty.

"Indebted, living in squalid camps in the desert, paid a pittance, the lot of migrant workers contrasts sharply to that of the top-flight footballers who will play in the stadium. All workers want are their rights: to be paid on time, leave the country if need be and be treated with dignity and respect."

The report is particularly critical of Fifa's failure to exert pressure on the Qatari authorities and a "lack of meaningful action to address the issue".

The crisis-hit world football governing body has only now promised to "formalise its human rights due diligence process", vowed to change its World Cup bidding rules and has commissioned Harvard's Professor John Ruggie to write a report on its human rights standards.

The Amnesty report concludes its "actions and omissions offer little hope that Fifa plans to do all it can to ensure that the 2022 World Cup will leave a positive legacy and not a trail of human misery".

Shetty said: "Despite five years of promises, Fifa has failed almost completely to stop the World Cup being built on human rights abuses."

In the wake of a series of damning reports by NGOs, including Amnesty and Human Rights Watch, and major investigations by media outlets including the Guardian, the Qatari government commissioned law firm DLA Piper to review the issue in 2013.

It promised to overhaul the kafala system that ties workers to their employers, reform the exit permit regime and introduce new laws that required payment to workers to be made electronically.

DLA Piper reported in May 2014 but almost two years on, the government has failed to enact its recommendations in full and has failed to properly audit how many migrant labourers are killed or injured at work.

In May last year, Amnesty accused the Qatari government of "promising little, delivering less" and has said the promised reforms to the kafala system do not go far enough.

In its new report, it concludes: "The government's response raises serious questions about Qatar's willingness to protect the hundreds of thousands of migrant workers living in the country. If abuse on a flagship World Cup project does not merit investigation and action, it is unlikely abuses that do not attract the international spotlight will be dealt with in an effective manner."

The main contractor on the Khalifa stadium is a joint venture between Six Construct, a subsidiary of Belgian company Besix, and Midmac, a Qatari construction company. Other companies are contracted to carry out specific tasks, including Malaysian company Eversendai.

In turn, it used at least two "labour supply companies". They are effectively agencies that sponsor a number of migrant workers to come to Qatar and hire them out to other companies.

As the report points out, the worst examples of abuse are often found buried beneath layers of sub-contractors. The landscaping work on the Aspire Zone is being done by Nakheel Landscapes, a Qatari company. The work on the Aspire Zone is not an official World Cup project.

In its response to Amnesty, Fifa pointed out the achievements of the supreme committee in introducing minimum welfare standards, the commitment by the new Fifa president, Gianni Infantino, to integrate labour rights specifically into the bidding process for the 2026 World Cup and the formation of a 2022 Fifa World Cup sustainability working group.

"While Fifa cannot and indeed does not have the responsibility to solve all the societal problems in a host country of a Fifa World Cup, Fifa has taken concrete action and is fully committed to do its utmost to ensure that human rights are respected on all Fifa World Cup sites and operations and services directly related to the Fifa World Cup," said Fifa's head of sustainability, Federico Addiechi.

A Fifa spokesman added that dialogue over improvements to workers welfare was a "ongoing process".

"Challenges remain, but Fifa is confident that the structures and processes set up so far by the supreme committee for Delivery and Legacy, which is the entity responsible for the delivery of Fifa World Cup infrastructure, provide a good basis to monitor labour rights of migrant workers on Fifa World Cup stadium construction sites," he said.

"These processes include the workers' welfare standards in place since 2014, a compliance check for all tenderers, regular reporting that is publicly available and a four-tier system of auditing. This approach and these measures have been discussed with the key stakeholders, including Amnesty International."

The spokesman added: "Furthermore, Fifa will continue to urge the competent governmental authorities in Qatar and other stakeholders to also take action and ensure that such standards become the benchmark for construction projects in Qatar."

In a response to Amnesty, Midmac said: "We admire the work Amnesty International does and are fully committed to ensuring our entire workforce is treated with the dignity and respect they deserve."

It said that where a sub-contractor was not willing to correct deficiencies it would immediately stop any collaboration with them. It said "terminating a sub-contract agreement is the strongest message we can send to those who are found to be non-compliant".

Six Construct said it had terminated the contracts of some sub-contractors as a result of Amnesty's investigation, while Eversendai said it had stopped dealing with the two labour supply companies, had no intention of working with them in future, and would engage direct labour "wherever possible". It said it was now in full compliance with welfare standards.

Nakheel said it was committed to making improvements to its employee conditions but in the absence of Amnesty sharing relevant information "we wholly deny abuse of any of our workers on the Aspire maintenance project".

The Aspire Zone Foundation said it would be working "hand in hand" with the supreme committee to launch a number of positive initiatives across all World Cup related projects.

Qatar's 2022 supreme committee said it had called for an "immediate and comprehensive review of the application and enforcement" of its workers' welfare standards among all contractors, sub-contractors and labour supply companies.

In a statement it said that it is "committed to ensuring the health, safety and well-being of every worker on World Cup projects", that "the tone of Amnesty International's latest assertions paint[s] a misleading picture" and "the conditions reported were not representative of the entire work force on Khalifa".

The supreme committee argued that Amnesty focused on just four of the 40 companies that work on the stadium and that many of the problems identified by the NGO had already been rectified by the time it approached it with the findings some months later.

Last week, Qatar was given 12 months to end migrant worker slavery or face a possible United Nations investigation that could see it become the fifth country to face a formal inquiry by the International Labour Organisation.

The move followed an ILO delegation to the Gulf state this month that also found migrant workers stranded for months without pay and stripped of their passports.

Article 28

The Telegraph

Politics

China obesity 'explosion' blamed on swapping rice for burgers

An overweight Chinese boy eats at a summer slimming camp CREDIT: TO LIVE/TENCENT/TO LIVE/TENCENT

27 APRIL 2016 • 12:32PM

A preference for fizzy drinks, burgers and pizza in China has created an obesity "explosion", experts said on Wednesday, in a new report which warned that the country's love affair with the western lifestyle will see many suffer from serious health conditions.

Extended families in the world's most populous country had for centuries eaten a staple diet of rice, steamed vegetables and meat. But increasing wages and busy lifestyles have seen traditional eating habits sidelined. Experts are blaming a new diet high in sugar and carbohydrates for spiralling obesity levels.

Seventeen per cent of boys and nine percent of girls were obese in 2014 - up from under one per cent for both genders in 1985, a report published in the European Journal of Preventive Cardiology said.

"This is extremely worrying," said Professor Joep Perk, from the European Society of Cardiology. "It is the worst explosion of childhood and adolescent obesity that I have ever seen. China is set for an escalation of cardiovascular disease and diabetes, and the popularity of the western lifestyle will cost lives."

The study spanned 29 years and investigated 28,000 rural school children aged 7-18 in the eastern province of Shandong. China's rural areas have seen a huge growth in fast food outlets, particularly western chains such as McDonalds and KFC. Poor families would have considered a visit to such restaurants as an indulgent treat in the 1980s. But rising wages - even among the traditionally poorer rural communities - have seen a growth in popularity for fast food.

Children at a summer slimming camp in China CREDIT: TO LIVE/TENCENT/TO LIVE/TENCENT

Rural young also often live sedentary lifestyles, with many eating snacks as they play computer games and surf the Internet.

"It is the worst explosion of childhood and adolescent obesity that I have ever seen" *Professor Joep Perk*

Doctor Zhang Yingxiu, from Shandong University, said China had undergone "rapid socioeconomic and nutritional changes" in the past 30 years.

"The rises in overweight and obesity coincide with increasing incomes in rural households," he said. "The traditional Chinese diet has shifted towards one that is high in fat and calories and low in fibre. Boys were likely to be fatter than girls in China because they received "more of the family's resources" in a culture where male offsprings are highly prized, the report authors speculated.

Children at a summer slimming camp in China CREDIT: TO LIVE/TENCENT/TO LIVE/TENCENT

Paul French, author of Fat China: How Expanding Waistline Will Change a Nation, told the Telegraph that obesity was also a major problem among richer families in China's booming coastal cities.

"More and more urban Chinese are white collar workers who wake, commute, sit at a desk, commute, watch TV, sleep," he said.

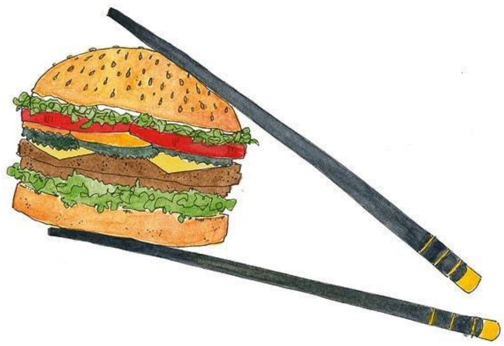
"Urban Chinese are now all those stupid marketing terms we've had to suffer in the West for ages – they're 'couch potatoes', 'time rich, cash poor'. And they have adopted convenience lifestyles."

Article 29

China's changing eating habits

China's economic growth has gone hand in hand with an even more rapid growth in obesity levels.

Raise the lanterns, it'll soon be Chinese New Year. To mark the date, I'll be cooking a meal from Fuchsia Dunlop's wonderful book, ***Every Grain of Rice*** **(Bloomsbury, £25)**. There'll be fish-fragrant aubergines, tenderstem broccoli in ginger sauce, chicken with chestnuts and a mound of steaming rice. To finish, we'll feast on juicy lychees with 'their dragon-like pink and scaly skins', as Dunlop describes them. Whenever I attempt to cook a Chinese meal, however ineptly, it makes me think: the Chinese really know how to eat. From the delicate knife work to the balance of flavours, everything seems so well designed, both for health and pleasure. The greenery and the meat. The spicy and the sweet. The ginger and the garlic. Yin and yang.



But all is not so perfectly balanced in China's eating habits. Their brilliant cooking has not saved the Chinese from catching the obesity of the developed world. The country's economic growth has gone hand in hand with an even more rapid growth in weight. There are now about 100 million obese people in China, five times as many as in 2002. When it comes to obesity-related diseases, China is fast catching up with America. A medical study from 2010 estimated that 9.7 per cent of China's population now has diabetes, as against 11 per cent for America.
What made China fat? The Chinese case resembles a speeded-up version of our own obesity crisis. Cars, city life, television, fast food, a taste for beer and lack of exercise are all factors. The growth of the fast-food market (now worth more than $70 billion) has been dizzying. Fried chicken, burgers and sugary sodas are ubiquitous. At the same time, China's roads, once crowded with bicycles, are jammed with people sitting in cars.

Yet, in some ways, China's weight problem is very different from ours, as Paul French and Matthew Crabbe point out in ***Fat China*** **(Anthem Press, £16.99)**. In Britain and America obesity correlates with poverty. China, by contrast, has what French calls a 'wealth-deficit problem'. The rural poor are still thin, while those getting fat are the educated urban middle classes. Indeed, the problem is fuelled by the Chinese obsession with academic achievement, which leaves children almost no time for physical exercise.

The new rich in China are spending their spare cash on foods that their parents – who lived through the famine of 1958 to 1961 – never knew. Magnums and Whoppers are high-status objects of desire. In the first six years of this millennium chocolate sales quadrupled in China. Cake and cream became a 'concept' for the first time, as French and Crabbe write. Most surprisingly, coffee chains have even persuaded many of these committed tea-drinkers to switch to calorie-laden milky coffee.

You wouldn't think that a great cuisine such as China's could be undermined so quickly in favour of pizza and instant noodles. But the new apartments in which the new young rich live have tiny kitchens, making eating out the more attractive option; and eating Western-style junk still has a cachet. As always in China, the pace of change is terrifying. It is sad to think that, while I cook my faux-Chinese meal to celebrate, millions in China will salute the year of the snake with fries and a shake.

Article 30

Picture story: how photographing the Omo Valley people changed their lives

Matilda Temperley
Sunday 24 May 2015 09.45 BST

The people of the Omo Valley are incredibly photogenic. But tourism is turning their lives into a daily fancy dress parade. Photographer and writer Matilda

Temperley, feeling partly responsible, decided to chart their transformation.

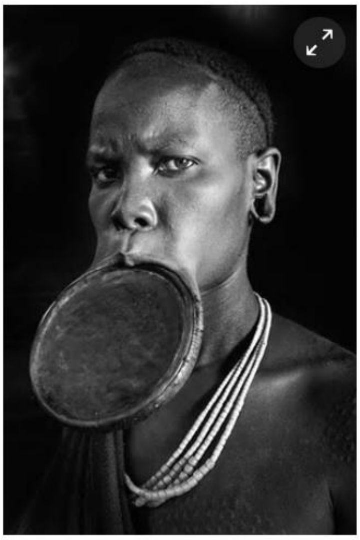


Figure 1: Posing for 'photo money': Suri women commonly wear lip plates, but the headdresses and painting is done for the benefit of the tourist.

The cultural heritage of Ethiopia's Omo Valley and Kenya's Lake Turkana basin has, until recently, been relatively untouched by globalisation. Thousands of years as a crossroads of human migration has resulted in a marked diversity. At least 10 distinct ethnic groups occupy the borders between Kenya, South Sudan and Ethiopia. Like most photographers, I was drawn to the Omo Valley not by its landscape, but by these inhabitants, the ochre-skinned Hamer, the lip-plated Suri and Mursi, and the painted Karo amongst them.

Since my first visit to the Omo Valley in 2007, I have witnessed a change in both the landscape and its inhabitants. While modernisation is inevitable, in the Omo it appears to be at the expense of the locals rather than at their hands. The scars are visible in the hundreds of thousands of acres of bare earth waiting to be planted by multinational corporations, as subsistence agriculture is replaced by large-scale industrial farming.

The fate of the Omo Valley was sealed in 2006 when the Ethiopian government began constructing the Pride of Ethiopia: the highly ambitious and controversial Gibe III hydroelectric dam. The dam allows for large-scale commercial farming through irrigated agriculture and has been described as a potential humanitarian disaster for the estimated 500,000 people who live along the Omo River, and around Lake Turkana.

Figure 2: Nasedi, a Suri woman in Coca

To clear traditional grazing grounds for farming, the government has embarked on a policy of moving people into new model villages. This process is non-negotiable, and has come with many reports of human rights abuses. The Suri warriors are being turned into beggars, living on food hand-outs. No land allowance has been made for the Suri's cattle herds, nor for subsistence agriculture. Without the cultural identity that land and livestock provides, the fabric of their pastoral society is being destroyed.

Yet ironically, while eroding the Suri's culture, the government promote them as an "unspoilt tribe". It is estimated the Suri receive fewer than 1,000 visitors a year, mostly photographers and filmmakers hoping for an "authentic" experience. In reality there is little authenticity in a visit to the most popular Suri villages. When I entered Regiya it was impossible not to be struck by guilt at being a participant in the performance that followed. The Suri women, renowned for their ceramic and wooden lip plates, rushed to collect face paint. Plastic bottles were put aside and T-shirts removed. Children formed tableaus along the path, shimmying up trees to look dreamily into the distance. A huddle of toddlers joined the parade, lying belly-up in the grass.

In the pursuit of "photo money", women piled pots, pans, horns and bushes on their heads; flowers were placed in mouths, stuck in ears and on nipples. Offers to form singing groups, body paint and even to scarify themselves ensued. Susan Sontag's words about the "predatory nature of the photographic act" resounded.

The fancy-dress parade I witnessed in Regiya fuels fantasies of exoticism, but is performed solely for the benefit of the visitor who pays for the privilege of photographing it. Natterre, a former Suri spokeswoman, said wryly: "We do it for tourists because they ask us to, when the tourists leave we wash our faces and go to the town." Hans Silvester's *Natural Fashion: Tribal Decoration from Africa*, a book on tribal decorations that made waves in 2009, might be one reason why outfits in the villages have become more elaborate in recent years. A tide of photographers followed and local guides are often expected to provide replications of the images, from the face paint to the foliage. Suri women only usually paint their faces for weddings.

On the other side of the valley, dressing up for visitors has long been normalised. There the tourist dollar is a way of life and convoys of 4x4s snake into villages, gate crashing ceremonies and bribing the participants. East of the Omo Valley encounters with the lip-plated Mursi women are often described as aggressive and uncomfortable. Having watched a 4x4 convoy arrive in a village at first light, and the ensuing scramble for pictures followed by a hasty retreat 20 minutes later, it is easy to see why. There is no pretence at social interaction. Adding to the objectification of those with lip plates is the fact that it is hard to find a translator, and so for most tourists it is impossible to breach the little common ground available. Although the Suri are not yet subject to such large numbers of tourists, it is poignant that the local guides describe those in the most- visited villages as "looking like the Mursi".

In another Suri town, Kibish, upturned plastic bottles on poles indicate when there is local beer or honey wine available in the huts that crouch alongside the town's main streets. By dusk the town seems to sway, and as I listen to chatter, drumming and occasional gunshots, Abdi and I discuss the future of tourism in the Omo. He says: "Five years ago I thought we could be responsible, now it's obvious that people like the Mursi would be happier without tourists. I hate bringing people here now." While Ethiopia's industrialising government is by far the biggest threat to life in the region, as a photographer I am also partly responsible for what is fast becoming a human zoo.

Article 31

Bougainville: Beyond Survival

Located 1,000 kilometres east of the mainland national capital of Port Moresby, Bougainville is the most remote of Papua New Guinea's 19 provinces. It consists of two large islands, Bougainville (8,646 square kilometres) and Buka (598 square kilometres), separated by a narrow passage, as well as many smaller islands. Its 9,438 square kilometres constitute about two percent of Papua New Guinea's land area. Geographically, culturally, and linguistically, Bougainville is part of the Solomon Islands chain, but became part of Papua New Guinea rather than the British colony of Solomon Islands as an "accident" of late-19th century colonial map-drawing.

With a population of approximately 200,000 speaking 21 distinct languages, 8 sub-languages, and 39 dialects, and with considerable cultural diversity both within and between language groups, Bougainville fits the Papua New Guinea pattern of remarkable cultural and linguistic diversity (there are more than 800 language groups in Papua New Guinea).

Pre-colonial social structures, incorporating small land-holding local clan lineages, mainly within language groups, continue to be the main social units. In all but the Buin area (in the south of Bougainville), the clans and lineages are matrilineal. Only in Buin, Buka, parts of north Bougainville, and some of the atolls are there hereditary leaders, often now referred to as "chiefs." In other areas leadership is based on performance, though there may often be a hereditary element involved in accession to leadership status. Even in these latter areas there is a growing tendency to refer to all leaders as "chiefs."

Bougainville's close contact with the outside world and its integration into Papua New Guinea are recent. The first permanent Christian mission and first colonial administrative post (under German New Guinea) were established in 1901 and 1905 respectively. Relations were often troubled between Bougainville and central colonial authorities (German New Guinea to 1914, Australian-administered New Guinea from 1914 to 1946, with an interlude of Japanese Army control from 1942 to 1945, and Australian-administered Territory of Papua and New Guinea from 1946 to 1975). Bougainville attempted to secede only days before Papua New Guinea's independence. The situation was resolved only by constitutional changes guaranteeing autonomy for Bougainville under a provincial government system.

The pattern, however, continued after Papua New Guinea became independent from Australia in 1975. The conflict that began in 1988 prompted the closure of one of the world's largest copper and gold mines, operated at Panguna in central Bougainville from 1972 to 1989. The mine, together with widespread plantation and small-holder cocoa production, had made Bougainville Papua New Guinea's wealthiest province. But for most rural communities, patterns of considerable isolation and autonomy were changing only slowly in the 1980s. Most people continued to rely heavily on subsistence agriculture.

From independence to 1990, Bougainville had its own relatively effective provincial government and a local government system. But the state structure in Papua New Guinea—including Bougainville—was weak at all levels; it often failed to impose policies on local communities determined to oppose them.

Conflict and Peace

While the Panguna mine was the major contributor to Papua New Guinea's GDP and government revenue, its perceived imposition by the colonial regime for the benefit of the rest of Papua New Guinea was widely resented in Bougainville, and from the mid-1960s contributed to an already emerging ethno-nationalist movement for secession from Papua New Guinea. Bougainville attempted secession through a unilateral declaration of independence in 1975, the dispute being settled by Papua New Guinea establishing a constitutionally based system of decentralization from 1977.

In 1988, localized disputes over impacts of the mine and the revenue share received by younger landowners sparked violent conflict. Papua New Guinea police responded to destruction of mine property with widespread violence that was the catalyst for the mobilization of a wider ethno-nationalist rebellion built on a long history of grievances and resistance.

Separation from Papua New Guinea became the central goal of a rapidly escalating rebellion. Most non- Bougainvilleans left Bougainville during 1989 and early 1990, many fearing for their lives in a process that was in some respects a form of ethnic cleansing.

After Papua New Guinea forces withdrew from Bougainville following a March ceasefire, Bougainville declared independence in May 1990 in a unilateral declaration that gained no international recognition. Intra-

Bougainville conflict developed from the early 1990s, complicating the rebels' efforts.

A series of peace-making endeavours ended the conflict in 1997. Long and complex negotiations aimed at resolving both intra-Bougainville tensions and those between Papua New Guinea and Bougainville resulted in the political settlement of August 2001.

Among the goals for an independent Bougainville fought for by the Bougainville Revolutionary Army (BRA) was autonomy for customary social groupings. The BRA also sought to strengthen these groupings as well as Bougainville state structures by building close links between the two. Such goals remained central to the Bougainvillean agendas; a political settlement with Papua New Guinea in the Bougainville Peace Agreement of August 30, 2001 guaranteed them a high level of autonomy. The settlement kept open the possibility of independence through a constitutionally guaranteed referendum on the subject, to be held among Bougainvilleans 10 to 15 years after the first autonomous government is established.

Almost all senior Bougainville leaders see the process of building linkages between customary and state power as crucial to developing sustainable state structures for Bougainville—whether they be those of an autonomous Bougainville government or of an independent Bougainville.

The Impacts of Change

As elsewhere in Melanesia, the impacts of colonial and post-colonial change on the pre-existing social structures in Bougainville have been immense. A wide range of new ideologies were introduced, as were new arenas for power competition: the Christian missions, the colonial administration, cooperatives and companies, elected local-level governments, village courts, and the elected provincial government. Challenges arose to traditional understandings of the world and how it worked, and new sources of identity emerged.

Undoubtedly, Bougainvilleans were relatively powerless in relation to the force of colonialism, but they were not simply swamped by change imposed on them. While there is ample evidence of resentment and resistance, many people welcomed change, seeking and often finding personal or group advantage from it. In the process, customary social structures and their associated traditions were altered.

Yet customary social structures--including customary authority--in many ways remained strong and vibrant. In particular, customary authority remained important to decision-making and dispute resolution. Many rural communities, for example, dealt with criminal offenses internally. Those dissatisfied with the decisions of traditional authority, however, were able to engage in "forum shopping," taking matters to the police or to village courts.

Identity and Separatism

During the 20 years following World War II, Bougainvilleans increasingly expressed grievances about racist treatment by "whites" as well as colonial neglect resulting in limited infrastructure and economic development.

From the late 1960s the most important grievances related to the copper mine. Residents most resented the influx of thousands of outsiders from elsewhere in Papua New Guinea who, they felt, disrespected Bougainville cultures, squatted on customary land, and competed for economic opportunities that Bougainvilleans regarded as rightfully theirs. The distribution of mine revenues--both between the Papua New Guinea government and Bougainville and within the Bougainville lineages whose land was leased for mining-related purposes--was also seen as unfair.

Efforts to come to terms with the outside world included various forms of resistance to colonial rule, among which were the "cargo cults," evident even before World War II and continuing even today. Cargo cults probably originated in beliefs widespread in pre-colonial Melanesia about a millennium when all good things would be available. In the colonial era such cults were also a reaction to what was seen as the inexplicable injustice of the affluence of whites. They were most likely influenced by Christian missionary promises about the afterlife. The cargo cults involved Bougainvilleans' assertion of autonomy over their communities and lives.

Resistance was also evident in different movements emerging after World War II, the best known being the Hahalis Welfare Society (Hahalis) in Buka, which for several years from the late 1950s sought to develop its own path toward the economic advancement of its 6,000 members and many sympathizers. A mixture of customary and "modern" forms of organization, Hahalis refused to participate in the colonial elected local government system, opposed integration of Bougainville into Papua New Guinea, and criticized the Catholic Mission for failing to assist people's material advancement. Confrontations with police riot squads, followed by mass prosecutions, ensued. Concern about the impact of Hahalis resulted in development projects for Buka, and greater interest by the Catholic Church in material progress and social justice for its adherents.

Hahalis had links with similar movements. Notable among these was a group in the mountains of central Bougainville that remains active today: Damien Dameng's Me'ekamui Onoring Pontoku (roughly translated from the Nasioi language as "government of the guardians of the sacred land"). Often called the "Fifty Toea Movement" (a reference to the monetary contributions members made), it was often dismissed as an ill-informed cargo cult, but was in fact rather different.

Dameng and his supporters believed that customary social structures and ways were being undermined by the outside world. From around 1959, Dameng built support among several thousand people around ideas of rebuilding customary social structures. In the process, however, they built something new, rejecting "bad" aspects of custom, and building in some "good" aspects of the changes brought by the missions and the colonial administration.

The movement's adherents, however, believed that their social structure was built mainly upon custom, and saw it as superior to the colonial administration and the Christian missions, both of which Dameng opposed. His opposition extended to elected local-level governments, to Bougainville's provincial government, and to the services these governments provided, including formal education.

Dameng's opposition to the damaging impacts of the outside world also extended to the Panguna mine. He believed it destroyed land (the basis for social relations), introduced cash payment for use of land (thereby undermining Bougainvilleans' relatively egalitarian customary social organization), and brought in large numbers of outsiders. These earlier forms of resistance were linked with a broader separatist movement emerging at least as early as the late 1950s that opposed the BCL copper mine and supported Bougainville's separation from Papua New Guinea. The continuity is illustrated by Dameng's position within the coalition of Bougainville groups opposing the Papua New Guinea government during the conflict. Separatist support mobilized on the basis of identity, both in the lead-up to the attempted secession of 1975 and in the conflict from 1988 to 1997. The most distinctive marker of Bougainvillean identity was dark skin colour. (Bougainvilleans tend to refer to the lighter-skinned people of other parts of Papua New Guinea by the pejorative term "red-skins.")

Pan-Bougainville identity was itself probably a product of colonialism, originating perhaps in a sense of superiority on the part of domestics and security personnel on German colonial plantations over people from other parts of New Guinea. This identity was reinforced by geography--the concentration of a relatively homogenous but distinctive population in a defined area remote from the rest of Papua New Guinea and closely linked to the Solomon Islands.

Commentary on Bougainville often presents Bougainvilleans as a united people, resisting colonialism, mines, and, later, Papua New Guinea. In fact, sentiments about grievances, resistance, and separatism varied considerably throughout Bougainville, probably reflecting differences in language, culture, length and intensity of colonial contact, and economic status. Separatist support has generally been weaker in Buka and in the north of the main island of Bougainville, the areas with earliest colonial contact and consequential advantages in terms of education and access to economic opportunities. Such differences were important among the complex factors contributing to intra-Bougainville conflict between 1988 and 1997.

The Importance of Custom

By the mid-1980s, increasing intensity of participation in the cash economy gave rise to new kinds of disputes that traditional leaders were not well-equipped to deal with. The increasing availability of education, together with new forms of economic activity and increasing mobility, reduced social cohesiveness, and young people were less willing to accept customary authority and limits on behaviour.

Bougainvilleans believed that customary social structures were threatened by the disinterest of the youth, the election of persons other than chiefs as local government members and village court magistrates, and the continuing influx of outsiders. Bougainvilleans also saw increasing crime, especially, but not only, in urban areas, as a symptom of social disintegration.

In response, Bougainvilleans proposed reducing the number of outsiders by returning the unemployed and squatters to their home provinces elsewhere in Papua New Guinea and transforming elected local level governments into councils of chiefs. Public concern and debate about such issues undoubtedly impacted the early stages of the conflict, especially the pressure on outsiders to leave Bougainville, and enhanced the status of customary authority and customary ways during the period of the conflict.

During the conflict, especially in areas where all forms of government authority had ceased (the whole of Bougainville and Buka for most of 1990 and most of Bougainville for the early 1990s, as well as much of Central and South Bougainville until the late 1990s), the absence of alternative forums enhanced traditional leaders' status. Communities relied more on customary social organization and customary authority for general decision-making and dispute resolution.

The BRA and its associated civilian government (the Bougainville Interim Government, or BIG) established in April 1990 sought to build local administration and dispute settlement procedures upon customary authority. From 1991, a three-tiered system of councils of chiefs (COCs)--clan, village, and area councils--was established in many areas. The COCs dealt with administrative matters and disputes at their own levels, and the higher level COCs could review decisions of lower levels.

The COCs were, of course, not customary organizations, but they included customary leaders who applied, as best they could, customary norms, and so were generally understood to be strengthening custom, by their very existence and through the norms they applied. It was not just a matter of adapting custom; in some ways, it was also a matter of reviving it. For example, in part of southwest Bougainville, the identity of the "chiefs" was not readily apparent. It was finally agreed that they must be the people at the end of the "rivers of pigs" distributed in certain kinds of ceremonial exchanges, and those so identified were expected to exercise customary authority through the COCs. In general, the work of the COCs in most areas was well regarded within the community.

In 1996, Theodore Miriung, the premier of Bougainville's provincial government (which had been suspended in 1990 but was re-established in 1995), developed a modified version of the COC. Miriung had earlier been involved in establishing the COCs, and considered strengthened social structures necessary to a restored social cohesion. The new bodies, called councils of elders (COEs), were set up under provincial government law to cover people from culturally coherent areas.

The people of a COE area were empowered to choose whether to select their representatives by election or by custom. COEs were to be the basic unit of administration and of judicial power, and the basis for bottom-up planning. Miriung envisioned COEs providing the basis for a symbiotic relationship between customary authority and state authority. Basing the state on customary authority would enhance its legitimacy, and exercising state powers would enhance the stature of customary leaders. On the other hand, Miriung recognized that customary authority was essentially autocratic and might only be viable as a transitional measure over perhaps 10 to 15 years, by which time economic and social change could be expected to create pressure for a more democratic system of government. It was in part for this reason that the COE legislation gave communities the right to choose, at five-year intervals, whether to select COE members by custom or through elections.

COEs now operate in most parts of Bougainville. Their performance has so far been uneven, for many reasons. Some COEs are far too large, and remote from the communities they serve. For example, one of the largest, the Leitana COE, serves the whole of Buka Island, more than 30,000 people, and has become deeply involved in Bougainville-wide politics rather than staying focused on the many Buka communities. The COE system lacks adequate administrative support from the provincial government, due partly to the government's ongoing financial crisis, and partly to the political leadership’s focus on negotiating future arrangements rather than on consolidating existing structures.

As "normalcy" has returned to various parts of Bougainville, and as their stature has diminished, chiefs are no longer an almost unchallenged source of authority.

Future Governance in Bougainville

Under the autonomy arrangements agreed to in the Bougainville Peace Agreement, Bougainville has wide power to establish its own institutions. While the original leader of the 1988 rebellion, Francis Ona, has not yet joined the process, most other Bougainville leaders--including Damien Dameng, who, in his early seventies, continues to lead Me'ekamui Onoring Pontoku--support it.

Most people agree that a new Bougainville government should be based on customary authority. Processes for drafting a constitution for an autonomous Bougainville, expected to begin this year, are likely to involve wide public consultation. But discussion has thus far been limited to the strengthening of the COE system and the possibility of establishing of a bicameral legislature involving an upper house representing chiefs.

A range of difficulties, both practical and fundamental, confronts the enterprise. The practical difficulties have already limited the effective implementation of the COE system in Bougainville. More fundamental issues involve challenge to customary authority; rapid economic and social change will only exacerbate the problem. Resolving the tension involved in basing an accountable democratic system of governance for an autonomous or independent Bougainville on what is in many respects an autocratic system of customary power will not be easy. There is also potential for tension between conceptions of individual rights and responsibilities and the rights and responsibilities of groups, though of course Bougainville will not be the first place to deal with such tensions, and could learn much from experiences elsewhere. Discrimination by powerful local leaders against outsiders, both people from elsewhere in Bougainville and people from other parts of PNG, is also a threat.

These and similar potential problems should not be unmanageable, however, especially if effective and sensitive support and guidance is provided to customary authorities exercising new forms of power. Bougainvilleans are committed to the enterprise, and will undoubtedly bring great energy to it. They do not have a static view of their own custom. They want to build on it, and in so doing, to enable their multiple communities to find their own paths into an unpredictable future.