



KILUSANG MAGBUBUKID NG PILIPINAS

(PEASANT MOVEMENT OF THE PHILIPPINES)

161-B Chico St., Bgy. Quirino 2-C, Project 2, Quezon City

Telefax (632) 928-41-84 Email address kmp@kilusangmagbubukid.org

Website <http://www.kilusangmagbubukid.org>

Achieving Aid Effectiveness Reform for Genuine Development

*Keynote address by Hon. Rafael Mariano, Anakpawis Partylist Representative
and National Chairperson of the Kilusang Magbubukid ng Pilipinas (KMP)*

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Friends, distinguished delegates and fellow activists,

Greetings from the peasant movement in the Philippines and in Asia! My warmest thanks to the organizers for having me here and for the opportunity to give this keynote. Briefly, let me introduce my organizations: the Kilusang Magbubukid ng Pilipinas (KMP) and the Asian Peasant Coalition (APC). I am also a member of parliament for our partylist group Anakpawis (Toiling Masses).

The KMP was founded in July 1985 and is a democratic and militant movement of landless peasants, small farmers, farm workers, subsistence fisherfolk, rural youth and peasant women. It has effective leadership of more than two million rural people with 65 provincial chapters and 15 regional chapters nationwide. KMP fights for genuine agrarian reform and national industrialization. We carry out painstaking organizing and education work towards building strong and democratic peasant organizations.

The APC in turn is an Asia-wide coalition of landless peasants, farmers, agricultural workers, dalits, indigenous peoples, fisher folks, herders, pastoralists, rural women and youth with more than 15 million members in nine (9) countries of Asia: Bangladesh, India, Indonesia, Nepal, Malaysia, Mongolia, Pakistan, Philippines and Sri Lanka. The APC is determined in its struggle for genuine agrarian reform and in its continuing resistance to imperialism.

“Aid effectiveness” and development

Genuine development effectiveness of aid is crucial for the hundreds of billions of dollars in official development assistance (ODA) to contribute to rather than hinder genuine development. Our civil society organizations (CSOs) have been at the forefront of pushing for aid to be truly developmental and effective. If there is now a growing recognition that aid effectiveness must put human rights and development at its core then it is because of our determined efforts.

We have made development concerns central to our engagement on issues of ODA and aid effectiveness. And with such concerns it is natural that we should pay particular attention to the plight of the world's vast peasantry. The rural poor constitute the greatest number of poor worldwide – three out of every four poor people in underdeveloped countries live in the countryside and depend directly or indirectly on agriculture for their livelihoods.

The welfare of hundreds of millions of poor rural peasants is directly affected by ineffective aid. It is a deep incongruity that there is so much extreme hunger amongst those who work the hardest to produce the world's food. But the battle against ineffective aid is of course not just a concern of the rural poor. All the world's billions of impoverished people have common cause to struggle against this.

And even as we acknowledge the opportunities provided by the Paris Declaration we are also very aware of its limitations. It must look at broader issues in a deeper manner. In particular, building democratic ownership is vital to the development process and for economies to serve the people rather than profits.

The “aid effectiveness” agenda has to go far beyond mere details of aid delivery and management. Most of all it must be about promoting democratic, equitable and sustainable development. This must be at the core of the agenda. The test is if the indicators and targets for aid effectiveness truly put this into practice on the ground which they so far utterly fail to do so. Still, the recent attention to aid effectiveness has at least been useful for bringing issues of the quality of aid into sharper focus and for giving the opening for its more rigorous enrichment with development ideals.

In past decades aid has been seen as a matter of charity and, as is unfortunately the case with charities, measured simply according to whether this was growing and reaching the needy poor. This view is anachronistic and of course problematic. But at the same time we can ask: is the aid effectiveness agenda being used to somehow justify renegeing on donor commitments to increase aid? It should not because donor countries have continued to grow and so presumably has their ability to devote financing for development. Yet recent aid trends are troubling and a dangerous subtext may be forming: slowdowns or even declines in aid commitments will be acceptable because the quality of aid, it will be claimed, is going to improve. We hope this is only coincidental.

It also goes without saying that there is something disturbingly ironic with how aid has disproportionately not gone towards rural development or the countryside where the greatest part of the world’s poor are found.

Southern CSOs and aid effectiveness

Southern CSOs are critical on many aspects of the aid effectiveness agenda as currently conceived. What are among our greatest concerns?

Policy conditionalities are a major concern that we must keep pushing to be more explicitly addressed. We must acknowledge that these conditionalities are made both directly and indirectly. They are most obvious when specific aid amounts are explicitly linked to the implementation of specific sectoral or macroeconomic conditions. But they are no less imposed when they are indirectly pushed as part of a larger package of economic, political and diplomatic transactions. Or when policies donors want are maneuvered through a domestic technocratic corps influenced through systematic “technical assistance”.

In either case the economy-wide effects are devastating. Policy conditionalities are invariably in the direction of “free market” policies of “globalization” which has caused agricultural economies and fledgling industrial sectors in hundreds of underdeveloped countries to collapse. Hundreds of millions of small peasants and workers have suffered displacement, falling incomes, lost livelihoods and deeper poverty. On the other hand the big foreign powers with subsidized farms, advanced factories and surplus capital have profited greatly.

Our poor rural populations have been hit particularly hard. Underdeveloped countries’ agricultural sectors have been battered by farm trade liberalization at the same time that our governments are more and more constrained in intervening to develop domestic agriculture. We farmers were asked to bear the pain of adjustment as natural and told to seize imaginary opportunities for export or jobs in the cities. If anything, export-oriented cash crop agriculture even contributed to driving our countries into food insecurity. These shortfalls are filled up with food aid that we are even made to be grateful for. But this “food aid” from rich countries is really meant for their own agricultural sector which as it is already receive hundreds of billions in dollars in subsidies. Global TNC agribusinesses has profited while rural livelihoods were lost on a massive scale.

In the peasantry's experience these are among the greatest constraints on rural development due to ineffective aid: policy conditionalities that have liberalized, privatized and deregulated agriculture; food aid to make up for weaknesses that are not of our doing; and aid that has supported sham agrarian reform programs. The resulting agricultural backwardness has also denied our countries its most obvious economic base on which to develop.

Democratic ownership of aid

Ownership without democracy is ownership that strangles development. For too long, an elite few have used the resources of our countries and the labors of our people to enrich themselves – because they “owned” our lands, the factories, the capital, and even the products of our toil. It is the same with aid. While this has always been given and received in the name of the poor, it has been owned most of all by the elites who were the only ones who benefited.

On the other hand where there is democracy there is the fertile ground for development. This is a lesson from decades of experience of struggles by peasants, workers, national minorities, women and other poor and marginalized groups. For instance true agrarian reform for the peasantry, where we get the land we till and fully benefit from our labors, is the proven path to social justice for us and the solid basis for rural and wider economic development.

And yet look at the current aid regime. When and how often did the people get a chance to really participate in the discussions and decisions whose consequences would have the greatest effect on them? Peasant groups, trade unions and other grassroots organizations have not been genuinely involved in so-called aid that has been given and received in our name.

This is a great challenge for the aid effectiveness agenda and many would even say the greatest challenge. It is clear that donor domination and the lack of democracy in national processes greatly subvert democratic ownership and cannot but lead to ineffective aid. Progressive Southern CSOs and development activists worldwide are united and seek to act on the principle that ownership must be democratic, even if we express this in different ways.

Where then do we seek the foundations of this democratic ownership? This must be built at the grassroots and among the communities and sectors where the greatest numbers of the people are. This is overwhelmingly composed of the peasantry but also includes the entire world's exploited and oppressed. And indeed we seek democratic ownership not just of aid but also of our societies which we are forging to work to the benefit of the greatest number.

We CSOs are social movements and mass movements, people's organizations and community organizations, NGOs and advocates. It is no exaggeration to say that we are the most concentrated expression of the grassroots and the people. We all know this deeply because this is our orientation and we affirm this daily in our practice and struggles. It would be redundant to elaborate.

But please allow me to also highlight the vital role that parliaments can play in pushing our agenda for more truly developmental aid. Parliament is an additional arena in which to bring grassroots struggles, a way to engage the participation of a wider public that may not always be within easy reach of even the most determined CSOs, and an important official venue for demanding government accountability and transparency. Insofar as parliamentarians claim to be representatives of the people then our people's organizations and social movements cannot but influence them depending on our strength.

However we look at it, ownership is truly a critical basis for development. Development will not be inclusive, sustainable or effective if our countries and our people are unable to democratically decide and direct our own development paths.

Moving forward

We all know how the aid effectiveness agenda as defined by the Paris Declaration is too narrow in its objectives as well as in the mechanisms it sees for development. It focuses on uncontroversial reforms while avoiding fundamental questions of development policy and systemic underdevelopment. There is scant attention to human rights, gender equality, social justice and sustainable development. At the same time it focuses on official institutions from which civil society is absent or has only a token presence.

We are critical of the aid effectiveness agenda but our critique is also a positive agenda to improve this. Among others we call for: ending all policy conditionalities; increasing allocations for rural development and social services; bringing the people most affected and who are the real constituencies of aid into the process; and greater transparency and accountability in the negotiation, design and implementation of aid programs and projects. These are progressive ideas built on our rich experience of struggling for social and economic development.

And so there is much work to be done at the international level, at the national level, and at the grassroots where the only development that really matters takes place. We face many struggles at all these levels, not just in the realm of development agencies but also in broader political arena. But of course we can make a difference.

We are all here to collectively seek ways and means to ensure that aid genuinely serves its declared objectives of combating poverty and promoting peace and development. This is a great opportunity to build and deepen our links with one another, to discuss common courses of action on the basis of shared goals and values, and to reach mutual understanding of our diverse perspectives. The benefits will redound not just to those we serve today but to all those who will come after them. This is our contribution not just to the aid effectiveness agenda but to the cause of democratic development and social liberation.###