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ILO flags dimming economic and jobs outlook

A new International Labour Organization (ILO) report paints a less-than-rosy picture of the global employment landscape, as a faltering world economy drags down prospects for employment growth, decent work and social justice.

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Economic slowdown clouds jobs outlook – ILO

A gloomier global economic scenario threatens to undermine decent work prospects by adversely affecting employment growth, real wages and job quality, according to the UN labour body.

by Kanaga Raja

GENEVA: Global employment is projected to expand by 1.0% in 2023, a significant deceleration from the 2.3% growth rate of 2022, the International Labour Organization (ILO) has said.

In its *World Employment and Social Outlook 2023* report, released on 16 January, the ILO said that no major improvement is projected for 2024, when employment growth is expected to have edged up to 1.1%.

The ILO said the outlook is pessimistic for high-income countries, with close to zero employment growth. In contrast, low-income and lower-middle-income countries are projected to see employment growth surpassing their pre-pandemic growth trend.

It said global unemployment is projected to edge up slightly in 2023, by around 3 million, to reach 208 million, corresponding to an unemployment rate of 5.8%.

"Despite the negative global economic outlook, global unemployment is projected to increase only moderately, since a large part of the shock is being absorbed by rapidly falling real wages in an environment of accelerating inflation," it said.

However, although global unemployment declined significantly in 2022, down to 205 million from 235 million in 2020, it still remained 13 million above the 2019 level, said the report.

Beyond the gap in employment, job quality remains a key concern, the ILO said. Without access to social protection, many people simply cannot afford to be without a job. They often accept any kind of work, often at very low pay and with inconvenient or insufficient hours.

"The projected slowdown is therefore likely to force workers to accept jobs of worse quality than they might enjoy in better economic conditions."

Furthermore, with prices rising faster than nominal wages, workers will experience rapidly declining disposable incomes even when they can keep their current jobs, said the report.

"The need for more decent work and social justice is clear and urgent," said ILO Director-General Gilbert F. Houngbo. "But if we are to meet these multiple challenges, we must work together to create a new global social contract. The ILO will be campaigning for a Global Coalition for Social Justice to build support, create the policies needed, and prepare us for the future of work."

Worsening outlook

According to the ILO report, a worsening global economic outlook threatens to exacerbate decent work deficits.

It said rising geopolitical tensions, an uneven recovery from the COVID-19 pandemic, and bottlenecks in supply chains that are only slowly easing have created conditions for "stagflation", the first period of high inflation coupled with low growth since the 1970s.

It said the large swings in consumption and disruptions in supply chains that accompanied the pandemic led to asymmetric demand and supply shocks, causing labour shortages and rising prices in a number of sectors.

"Inflation – in particular, high food and energy prices – is eroding disposable income, with repercussions for aggregate demand and the ability of the poorest in the world to maintain adequate living standards."

The report said that these inflationary pressures have prompted major central banks to take a more restrictive monetary policy stance. "The ensuing increases in interest rates, compounded by the conflict in Ukraine, are slowing economic activity and raising the spectre of financial instability in highly indebted countries."

This is significantly increasing uncertainty and deterring the business investment on which continued reduction in unemployment and working poverty depends.

"In short, the progress in decent work and social justice that many countries achieved in recent decades is at risk of being eroded for many years to come."

The report said a combination of asymmetric demand and supply shocks has increased core inflation rates.

Part of these problems stems from the large swings in consumption observed during the pandemic when demand shifted away from services towards (electronic) goods in 2020, to swing back to services in the course of 2021 as economies around the world gradually lifted workplace and travel restrictions. However, supply adjustments did not take place at the same speed. Especially the rising demand for goods together with the simultaneous decline in maritime transportation capacity led to significant disruptions in global supply chains (GSCs).

With the gradual opening that began in 2021, activity resumed quickly, thanks to pent-up demand stimulated by forced savings built up at the beginning of the pandemic. As a consequence, several sectors, including aviation and tourism, experienced serious capacity shortages.

"Surprisingly, the strength of these shocks seems to have been underestimated by policymakers despite them having been fully anticipated," said the report.

Rising prices for energy and food, driven by cyclical factors and reinforced by supply disruptions caused by the conflict in Ukraine, pose existential threats for the poor, it said.

It said that double-digit inflation rates are affecting more than 2 billion people worldwide, deepening inequalities within countries and lowering aggregate demand.

It said that energy producers and enterprises with market power are earning record profits while other enterprises are struggling to pass on cost increases to their customers or are feeling the crunch of reduced demand.

"Workers are already experiencing a significant decline in real income and often lack bargaining power to seek compensation for these losses or are employed by struggling enterprises that are unable to raise their pay."

The ILO said its *Global Wage Report 2022-23* had shown that global real wages are estimated to have declined by 0.9% in 2022. Even among low-wage service workers in advanced economies, who have seen the fastest increase in wages in decades owing to a shortage of labour, wage growth is barely keeping par with inflation.

The unexpected acceleration of inflation came to the detriment of workers, who find themselves on the losing side of surprise inflation. Meanwhile, the decline of unionization rates and collective bargaining coverage has reduced the power of social dialogue to elicit a fair sharing of the cost of inflation, said the ILO.

"In the absence of redistributive efforts, the majority of households will see declining real incomes, which will cause aggregate demand to fall."

Countries that are experiencing deteriorating terms of trade face additional declines in real incomes as a result of inflation. These countries need to spend significantly more on imports of food and energy, thereby transferring purchasing power to net exporters of those items, said the report.

This increased spending can cause balance-of-payments crises for developing countries with limited opportunities to borrow internationally, thereby worsening financing conditions for governments and enterprises, it added.

It noted that global policy space is limited and fragmented. The COVID-19 pandemic has left a large dent in the capacity of major policymaking institutions. Central banks around the world have exhausted their capacity to support the recovery. Similarly, fiscal policymakers have accumulated a substantial amount of debt in order to support local businesses and households and are increasingly compelled to phase out some of the support measures, if they have not done so already.

Rising interest rates, along with a strong US dollar, threaten the ability of countries to refinance debt, especially when coupled with capital flight, said the report. Between 2019 and 2022, the proportion of low-income countries experiencing debt distress or facing a high risk of debt distress increased from 49% to 56%.

The report said that it is of utmost importance to ensure that governments continue to have access to finance, since the implementation of austerity measures, or a situation of being forced to implement them by financial market distress during an economic downturn, would be catastrophic for labour markets.

Given the current economic policy consensus, the process of keeping inflation under control will be painful for households and many enterprises, the report said.

It said that although inflation is driven more by supply than by demand factors, most policy action has focused on demand-side management to counter expectations of rising inflation. In particular, the current policy response in advanced economies relies very much on monetary policy causing a contraction in aggregate demand, as evidenced by the record pace of interest rate hikes.

Workers will experience pressure on incomes under such a policy, either because of reduced jobs growth, or job losses, or because of falling real wages for those who remain employed, said the report.

It added that in the absence of proper policy coordination, the risk is that large advanced and emerging economies will pursue a policy agenda primarily catering to their own domestic challenges without regard for the wider global spillovers. Monetary policy tightening, in particular, seems to be reacting to immediate inflation concerns without sufficient consideration of inter-temporal and international spillovers.

"This may be creating an overly tight global macroeconomic environment that will have an unduly severe impact on the real economy and labour markets around the world. Alternative policy responses that balance demand- and supply-side measures and protect the most vulnerable through targeted interventions could offer a more effective means of combating inflation while sustaining economic growth and development."

The multitude of challenges is causing a slump in confidence – accelerated by the Ukraine conflict – which will feed into

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economic contraction, said the report.

GDP-weighted policy uncertainty across 21 countries has been found to have risen since 2021 and is at levels far above the long-term average, although not quite reaching the uncertainty experienced during the early phases of the pandemic, the report said.

"Median consumer confidence has fallen to its lowest level in the past two decades in a sample of 44 countries, highlighting the severe impact of the cost-of-living crisis on households."

The global economy is forecast to grow a mere 2.7% in 2023, far below the 3.6% average annual growth between 2000 and 2021, said the ILO. "This prediction is down by 0.9 percentage points since April 2022, highlighting the marked deterioration of economic conditions. The slowdown means that, instead of a recuperation of the output losses incurred during the pandemic, the output gap relative to the pre-crisis trend is widening again."

The significant slowdown in the world's three largest economies – China, the euro area and the United States – is a major contributor to the global downturn, said the report.

Labour trends

In the coming years, employment growth will stall, workers will have a harder time finding quality employment and real incomes are likely to fall, the ILO cautioned.

The global labour force participation rate (LFPR) is estimated to have recovered to close to 60% in 2022, slightly below its level in 2019. It is projected to continue its long-term downward trend through 2023, declining by 0.2 percentage points till 2024.

"In total, around 3.6 billion people are estimated to have been part of the labour force in 2022, a figure that is projected to increase by around 35 million per year thanks to the growth of the working-age population."

The ILO said that globally, in 2022, the number of working-age women outside the labour force surpassed that of men by 750 million – a consequence of women's LFPR being 24.9 percentage points below that of men.

Gender gaps in LFPR, though a global phenomenon, occur highly unequally across the world; in areas such as North Africa, the Arab States and South Asia, women are only a third as likely as men to be economically active. Deep structural barriers in these areas, often rooted in social norms, hinder women's participation in labour markets.

Meanwhile, in 2022, more than one in five of young people aged 15 to 24 were NEET (not in education, employment or training), said the report. This amounts to 289 million young people who were deprived of the opportunity to obtain valuable skills through early work experience or some form of training or education. Young women are twice as likely as young men to be NEET, which means that gender gaps in terms of LFPR are likely to perpetuate.

In the coming years, employment growth will stall, workers will have a harder time finding quality employment and real incomes are likely to fall.

The report also said that in 2022, around 268 million people were not in the labour force but were nevertheless interested in obtaining employment. This group includes workers who are discouraged because they don't see any possibility of obtaining profitable employment and also those who are not currently available to take up employment.

Global employment is projected to expand by 1.0% in 2023, a marked deceleration following 2.3% growth in 2022, said the report.

There is a significant dichotomy between country income groups: employment in low-income and lower-middle-income countries is projected to expand at rates seen before 2020, but upper-middle-income and high-income countries will see much slower employment growth.

Employment growth in high-income countries was positive in 2022 only because of strong employment growth in the first half of the year. The ILO said the projected (unweighted) average employment growth in 2023 with respect to the third quarter of 2022 is essentially zero in those high-income countries with available quarterly data, and employment growth in high-income countries is projected to continue to be close to zero in 2024. All other country income groups are projected to see employment growth in 2024 similar to that in 2023.

The report further said total hours worked recovered less well from the COVID-19 crisis than did employment: hours worked per worker have persistently declined.

Whereas in 2019, the average weekly hours worked per worker, globally, were slightly above 42 hours, the figure was only 41.4 hours per week in 2022. The decline is most significant in lower-middle-income countries (minus 1 hour per week) but also sizeable in low-income and high-income countries (about minus 0.5 hours per week).

This decline in hours will bring about reduced income per worker where workers have been unable to raise their hourly earnings, said the report.

Weekly hours worked per worker are projected to decline in all country income groups, with the largest decline (of 0.4 hours per week) in high-income countries, it added.

Global unemployment declined significantly in 2022 to 205 million, down from 235 million in 2020 but still 13 million above the level of 2019, said the report. Global unemployment is projected to edge up slightly in 2023, by around 3 million.

The unemployment rate, standing at 5.8% in 2022, was still above its 2019 rate. High-income countries have experienced considerable progress in reducing unemployment, the rate having declined to 4.5% in 2022, even lower than the 4.8% of 2019. Whereas upper-middle-income countries have managed to recuperate to the unemployment rate of 2019, both low-income and lower-middle-income countries still face rates that exceed the pre-crisis levels by more than half a percentage point, the ILO said.

Women in the labour market are marginally more likely than men to be unemployed – their unemployment rate was 5.8% in 2022, 0.1 percentage point above that of men, said the report.

It also said that young people in the labour force are three times as likely as adults to be unemployed, the global youth unemployment rate being about 14% in 2022. This translates into 69 million young people who were looking for a job but unable to find one.

In 2022, around 473 million people were interested in finding a job but did not have one. This unmet demand for jobs includes the 205 million unemployed people and an additional 268 million who wanted employment but did not qualify as unemployed. The latter group includes, for instance, workers who are discouraged from searching because they see no possibility of obtaining employment and also those currently unable to take up employment at short notice, such as those with family responsibilities and full-time students.

The jobs gap is a new indicator that captures the entirety of unmet demand for employment – 473 million – and provides a much better representation of labour under-utilization than does unemployment alone, the ILO said. Globally, the jobs gap rate was 12.3% in 2022, well above the global unemployment rate of 5.8%.

The report said that, beyond the size of the jobs gap, job quality remains a key concern. Many people simply cannot afford to be without a job, owing to their poverty and lack of access to social protection. They will undertake any kind of activity, often at very low pay, sometimes with insufficient hours.

"A shortage of better job opportunities in the context of the projected slowdown will push workers into jobs of worse quality. Furthermore, as prices rise faster than nominal labour incomes, many workers will be unable to maintain their real income. Both factors imply deteriorating labour market conditions in dimensions other than employment."

Average real wages fell in 2022, meaning that wage and salaried workers are unable to raise their incomes in line with inflation, said the report. "This decline is reducing the purchasing power of the middle class and hitting low-income groups particularly hard and comes on top of substantial losses in the total wage receipts for workers and their families during the COVID-19 crisis."

The decline in real wages in 2022 is estimated to have been most severe in advanced economies, at 2.2%. Emerging economies, on the other hand, experienced reduced but positive wage growth of 0.8%.

Falling real incomes are particularly devastating for poorer households, who risk slipping into poverty and food insecurity, said the report. "The higher share of food and transportation in the budget of poorer households means that the cost-of-living increase among low-income households can be between 1 and 4 percentage points higher than that faced by high-income ones."

In 2022, an estimated 214 million workers were living in extreme poverty, corresponding to around 6.4% of the world's employed, the ILO said.

Risks to the outlook

The ILO report said the labour market outlook has significant downside risks.

For one thing, global economic growth has a significant risk of falling below 2% for a multitude of reasons: policy mistakes in terms of monetary tightening, the dollar strength, persisting inflationary forces, widespread debt distress in vulnerable emerging markets, a halting of gas supplies to Europe, a resurgence of global health scares and a further slowdown of China's economic growth.

Lower economic growth and aggregate demand will also affect employment creation negatively. However, labour market prospects could turn out more negative even without those threats materializing.

Businesses may be unable to hold on to workers should financing conditions worsen significantly, causing a major rise in unemployment that will further depress growth.

Sovereign bond interest rates may rise to levels that force governments into austerity measures to avoid further distortions, thereby putting under threat the support measures that households and businesses require to navigate the crisis.

In low- and middle-income countries, there is the risk that economic growth may not be very inclusive and that this, coupled with rising food and energy prices, may leave a large proportion of households with lower disposable income. This in turn will reduce demand for many locally produced goods and services, likely causing a reduction in at least formal employment growth.

Slowing globalization is limiting decent work opportunities in low- and middle-income countries, added the report. The emergence of a global middle class and the notable reduction in working poverty over the last two decades were supported by a continued integration of international markets and the integration of frontier markets in GSCs. This dynamic was already slowing down, however, after the global financial crisis of 2009. As geopolitical tensions rise, there is a risk of retrenchment of supply chains and the possibility of a reversal in the progress of decent work creation.

"In addition to re- or near-shoring certain high-end activities in or closer to advanced economies, the quest for multiple suppliers to strengthen supply chain resilience is likely to increase costs and undo part of the benefits gained from globalization over previous decades," the ILO cautioned.

Although this may have only limited effects on employment, it will add to cost pressures, keeping inflation rates above levels observed previously, it said.

The report said global uncertainty remains elevated amidst a multitude of risks, depressing investment and job creation. A ratcheting of uncertainty has been observed over the last 15 years, starting with the global financial crisis and exacerbated by the COVID-19 pandemic and the Ukraine conflict. Major crises such as financial or health crises often trigger further disruptions because of the knock-on effect they have on the social fabric.

In particular, unless supported by strong policy action, economies often fail to recover the output lost and, worse, will settle on a less dynamic path of economic development, said the report. Shattered expectations and heightened conflict about the distribution of incomes cause social unrest and political instability.

"Such socio-economic crises are self-reinforcing, creating long spells of economic and political instability that demand major overhaul and a new social contract," said the ILO. *(SUNS9725)*

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High food prices, strong dollar a "double burden" for South

Record high food prices coupled with an appreciating US dollar are hurting developing countries, especially the net food importers, says a UN development body.

by Kanaga Raja

GENEVA: The price of food reached historic levels in 2022, creating a challenge for food security globally but particularly for the net food-importing developing countries, which, unlike in previous food crises, now face a "double burden," according to the United Nations Conference on Trade and Development (UNCTAD).

According to a recently released UNCTAD Note, these countries not only pay higher prices for the food they import, but the price increase is exacerbated by the depreciation of their currencies vis-a-vis the US dollar.

This erodes the fiscal space that many developing countries need to face the concomitant challenges of recovering from the COVID-19 pandemic, the cost-of-living crisis and the climate emergency, said UNCTAD.

According to the UNCTAD report, the world has suffered three major food price spikes in the current century. The first two happened in 2007-08 and 2010-12, and the third one is happening now. Brought on by the COVID-19 pandemic and the war in Ukraine, food prices have risen to historic heights.

However, UNCTAD said that there is a major difference among these price spikes, with severe consequences for net food-importing developing countries. During the first two spikes, as food prices went up, the value of the US dollar, the main currency used in international trade transactions, went down. The depreciation of the dollar and the consequent appreciation of other currencies made imports cheaper and provided some ease to food import bills for many developing countries.

However, the current price spike is different. In an attempt to combat high inflation in the United States, the US Federal Reserve increased its interest rates, causing the US dollar to appreciate some 24% between May 2021 and October 2022. This made the dollar – and the food that developing countries buy with it – more expensive, said UNCTAD.

For net food-importing developing countries, the international market for food is a lifeline, UNCTAD underlined. As it becomes more expensive to buy US dollars, it also becomes harder for these countries to prevent millions of people from going hungry. "These countries face a double burden of high food prices and a depreciation of their local currency against the US dollar," said UNCTAD.

With national budgets stretched thin, net food importers are placed in a vulnerable position, said the report.

Research shows that exchange rates can have a significant impact on food prices, it added, citing the example of price effects on wheat, the most widely cultivated crop in the world, for six countries: Egypt, Ethiopia, Mauritius, Pakistan, Peru and Thailand.

Since 2020 wheat prices have increased substantially. As of October 2022, the average price was 89% higher than the average in 2020, said the report. During the same period, the average US dollar exchange rate vis-a-vis the respective national currencies rose between 10% and 46%.

Changes in international prices and exchange rates have an impact on wheat import prices, the report noted. It highlighted that even when international prices are the same, the exchange rate effect makes a difference. The estimated price increases range between 106% and 176% – more than double the price in 2020. "This illustrates that the exchange rate effect is a significant driver of rising food import bills, contributing to inflation, loss of purchasing power and food insecurity," said the report.

In addition, to import the same volume of wheat as in 2020, import bills in 2022 would rise sharply. In this context, the report cited the example of Egypt, the world's largest importer of wheat in 2020, with a total of 13.2 million tons, accounting for nearly one-fifth of Egypt's food import bill. To import the same amount in 2022, Egypt would have to pay an additional $3 billion. This increase is equivalent to 20% of Egypt's food import bill in 2020.

Wheat is but one example of many staple food items that developing countries rely on. This price increase places more financial strain on budgets of families and governments, said the report. The poor in developing countries, who spend a significant share of their income on foodstuffs, are most affected.

What should be done?

According to the report, the double burden of high food prices and an appreciating US dollar is a toxic blend for net food-importing developing countries. To address these challenges, and following on proposals by the Global Crisis Response Group established by the UN Secretary-General, three broad areas emerge for policy action:

(1) Easing financial constraints

- Providing targeted and sustained social protection programmes to shield vulnerable households in developing countries.
- Supporting multilateral emergency solutions to provide liquidity to developing countries. A good step forward is the International Monetary Fund (IMF)'s new Food Shock Window. UNCTAD said this initiative is based largely on the UN Food and Agriculture Organization (FAO)'s proposal for a Food Import Financing Facility and it provides emergency financing for countries facing urgent challenges related to the balance of payments and the global food crisis. But more and faster support is urgently needed.
- Relieving developing countries from their financial burden to avoid a widespread debt crisis. In this context, the Global Crisis Response Group and UNCTAD have called on international financial institutions

to increase liquidity for developing countries and use existing channels to increase accessibility of these resources to those in need. Debt issues must move higher in the political agenda, and with realistic estimations of the nature and magnitude of the debt relief needed. A revised and implementable G20 common framework is also necessary to provide timely debt restructuring to countries in need.

(2) Ensuring open trade and access to staple foods

- Maintaining open international markets can help to facilitate a stable and secure supply of food around the world. UNCTAD said the Global Crisis Response Group has urged all countries to keep markets open, resist unjustified and unnecessary export restrictions, and make reserves available to countries at risk of hunger and famine.
- Accelerating transport and trade facilitation initiatives can help to improve delivery of staple food items in domestic markets. UNCTAD said it has insisted that streamlining customs procedures and trade-related regulations can help to ease the burden of compliance, reduce inefficiencies and partially offset high prices.

(3) Increasing food availability nationally and internationally

- Strengthening domestic food production in net food-importing developing countries can help reduce the heavy reliance on food imports. UNCTAD said that this can be achieved through targeted financial support and technical cooperation to increase agricultural production.
- Re-integrating Ukrainian and Russian food and fertilizer to global markets can help to increase the availability and affordability of food worldwide. UNCTAD said that to this end, all parties should support the agreements signed in Istanbul, Turkiye, last July: (i) the memorandum of understanding between the UN and the Russian Federation to facilitate unimpeded access for their food and fertilizer exports to global markets; and (ii) the Black Sea Grain Initiative signed by the UN, the Russian Federation, Turkiye and Ukraine to resume Ukrainian grain exports via the Black Sea amid the war. *(SUNS9722)*

Surging wealth disparities stoke taxation calls

With extreme wealth rising simultaneously alongside extreme poverty, international development organization Oxfam is sounding the call for systematic taxation of the super-rich to fund public services and combat inequality.

The richest 1% grabbed nearly two-thirds of all new wealth worth $42 trillion created since 2020, almost twice as much money as the bottom 99% of the world's population, reveals a new Oxfam report. During the past decade, the richest 1% had captured around half of all new wealth.

Survival of the Richest was published on 16 January, the opening day of the World Economic Forum in Davos, Switzerland. Elites gathered in the Swiss ski resort as extreme wealth and extreme poverty have increased simultaneously for the first time in 25 years.

"While ordinary people are making daily sacrifices on essentials like food, the super-rich have outdone even their wildest dreams. Just two years in, this decade is shaping up to be the best yet for billionaires – a roaring '20s boom for the world's richest," said Gabriela Bucher, Executive Director of Oxfam International.

"Taxing the super-rich and big corporations is the door out of today's overlapping crises. It's time we demolish the convenient myth that tax cuts for the richest result in their wealth somehow 'trickling down' to everyone else. Forty years of tax cuts for the super-rich have shown that a rising tide doesn't lift all ships – just the superyachts."

Billionaires have seen extraordinary increases in their wealth. During the pandemic and cost-of-living crisis years since 2020, $26 trillion (63%) of all new wealth was captured by the richest 1%, while $16 trillion (37%) went to the rest of the world put together. A billionaire gained roughly $1.7 million for every $1 of new global wealth earned by a person in the bottom 90%. Billionaire fortunes have increased by $2.7 billion a day. This comes on top of a decade of historic gains – the number and wealth of billionaires having doubled over the last 10 years.

Billionaire wealth surged in 2022 with rapidly rising food and energy profits. The report shows that 95 food and energy corporations have more than doubled their profits in 2022. They made $306 billion in windfall profits, and paid out $257 billion (84%) of that to rich shareholders. The Walton dynasty, which owns half of Walmart, received $8.5 billion over the last year. Indian billionaire Gautam Adani, owner of major energy corporations, has seen his wealth soar by $42 billion (46%) in 2022 alone. Excess corporate profits have driven at least half of inflation in Australia, the US and the UK.

At the same time, at least 1.7 billion workers now live in countries where inflation is outpacing wages, and over 820 million people – roughly one in 10 people on Earth – are going hungry. Women and girls often eat least and last, and make up nearly 60% of the world's hungry population. The World Bank says we are likely seeing the biggest increase in global inequality and poverty since the Second World War. Entire countries are facing bankruptcy, with the poorest countries now spending four times more repaying debts to rich creditors than on healthcare. Three-quarters of the world's governments are planning austerity-driven public sector spending cuts – including on healthcare and education – by $7.8 trillion over the next five years.

Taxing the super-rich

Oxfam is calling for a systemic and wide-ranging increase in taxation of the super-rich to claw back crisis gains driven by public money and profiteering. Decades of tax cuts for the richest and corporations have fuelled inequality, with the poorest people in many countries paying higher tax rates than billionaires. Elon Musk, one of the world's richest men, paid a "true tax rate" of about 3% between 2014 and 2018. Aber Christine, a flour vendor in Uganda, makes $80 a month and pays a tax rate of 40%.

Worldwide, only four cents in every tax dollar now comes from taxes on wealth. Half of the world's billionaires live in countries with no inheritance tax for direct descendants. They will pass on a $5 trillion tax-free treasure chest to their heirs – more than the GDP of Africa – which will drive a future generation of aristocratic elites. Rich people's income is mostly unearned, derived from returns on their assets, yet it is taxed on average at 18%, just over half as much as the average top tax rate on wages and salaries.

The report shows that taxes on the wealthiest used to be much higher. Over the last 40 years, governments across Africa, Asia, Europe and the Americas have slashed the income tax rates on the richest. At the same time, they have upped taxes on goods and services, which fall disproportionately on the poorest people and exacerbate gender inequality. The top US federal income tax rate remained above 90% in the years after WWII and averaged 81% between 1944 and 1981. Similar levels of tax in other rich countries existed during some of the most successful years of their economic development and played a key role in expanding access to public services like education and healthcare.

"Taxing the super-rich is the strategic precondition to reducing inequality and resuscitating democracy. We need to do this for innovation. For stronger public services. For happier and healthier societies. And to tackle the climate crisis, by investing in the solutions that counter the insane emissions of the very richest," said Bucher.

According to new analysis by the Fight Inequality Alliance, Institute for Policy Studies, Oxfam and the Patriotic Millionaires, an annual wealth tax of up to 5% on the world's multi-millionaires and billionaires could raise $1.7 trillion a year, enough to lift 2 billion people out of poverty, fully fund the shortfalls on existing humanitarian appeals, deliver a 10-year plan to end hunger, support poorer countries being ravaged by climate impacts, and deliver universal healthcare and social protection for everyone living in low- and lower-middle-income countries.

Oxfam is calling on governments to:

- Introduce one-off solidarity wealth taxes and windfall taxes to end crisis profiteering.
- Permanently increase taxes on the richest 1%, for example to at least 60% of their income from labour and capital, with higher rates for multi-millionaires and billionaires. Governments must especially raise taxes on capital gains, which are subject to lower tax rates than other forms of income.
- Tax the wealth of the richest 1% at rates high enough to significantly reduce the numbers and wealth of the richest people, and redistribute these resources. This includes implementing inheritance, property and land taxes, as well as net wealth taxes. – *Oxfam International*

WTO General Council suspends agenda item on TRIPS decision

After missing the 17 December deadline to decide on easing intellectual property restrictions on COVID-19 tests and treatments, WTO members will address the issue when the governing General Council next meets, likely in early March.

by D. Ravi Kanth

GENEVA: WTO member states on 20 December agreed to suspend the agenda item relating to paragraph 8 of the 12th WTO Ministerial Conference (MC12) Decision on the TRIPS Agreement – concerning the extension of the Decision to cover the "production and supply of COVID-19 diagnostics and therapeutics" – until the next session of the WTO's General Council (GC), expected to take place in early March 2023, said people familiar with the development.

At the beginning of the GC meeting on 20 December, the GC chair, Ambassador Didier Chambovey from Switzerland, apparently sought to know whether there was any update from the proponents or opponents with regard to agreement on a short duration of three months to arrive at a decision on the extension, said participants who asked not to be quoted.

In the absence of any response from the proponents or the opponents, Chambovey apparently said that he had two options: to keep the WTO TRIPS Council decision of 16 December as it was, or to conclude that there was no consensus on the issue.

The TRIPS Council had recommended to the GC on 16 December that "in view of paragraph 8 of the Ministerial Decision on the TRIPS Agreement adopted on 17 June 2022 providing that no later than six months from the date of this Decision [i.e., by 17 December 2022], Members will decide on its extension to cover the production and supply of COVID-19 diagnostics and therapeutics, the TRIPS Council recommends that the General Council extend the deadline."

In immediate response to the chair's options, South Africa's Ambassador to the WTO Xolelwa Mlumbi-Peters was reported to have said that the chair could not conclude by saying that there was no consensus. She argued that right now, there was no disagreement on extending the deadline; the disagreement was on the duration of extension of the deadline.

South Africa also appears to have asked the GC chair to consider keeping a third option on the table of agreeing to a decision on extending the MC12 TRIPS Decision of 17 June to therapeutics and diagnostics.

In his reply to the South African trade envoy, the GC chair said he would revisit the issue in the post-lunch session.

At 1500 hours on 20 December, the chair apparently said the issue would remain in suspension until the first GC meeting in 2023, implying that members could carry on discussions until that meeting, which is tentatively scheduled for early March.

Meanwhile, the US Ambassador Maria Pagan appeared to have consulted with the US Trade Representative (USTR) and apparently conveyed the US' willingness to continue discussions, said a participant who asked not to be quoted.

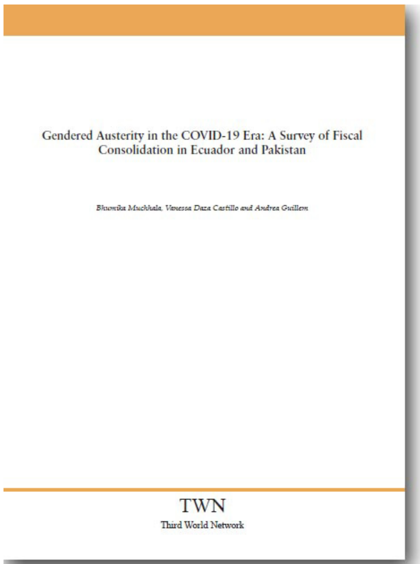
At 1700 hours, the chair finally conveyed that the issue would remain under suspension until the first GC meeting in 2023, implying that discussions would continue until the meeting, said participants who asked not to be quoted.

The GC chair's statement at the 20 December meeting apparently came after continued discussions between developing countries which proposed a three-month deadline for the implementation of paragraph 8, and opponents led by the US, Switzerland and the United Kingdom which were against any early deadline.

The Indonesian Ambassador Dandy Satria Iswara told the GC meeting that "it is regrettable that we have reached another impasse as previously experienced before the MC12. In fact, after the conclusion of the MC12, the Decision was criticized as coming too little and too late." *(SUNS9716)*

Gendered Austerity in the COVID-19 Era: A Survey of Fiscal Consolidation in Ecuador and Pakistan

by Bhumika Muchhala, Vanessa Daza Castillo and Andrea Guillem



Austerity is gendered in that the power relations that shape the distribution of resources and wealth as well as the labour of care and reproduction turn women and girls into involuntary "shock absorbers" of fiscal consolidation measures. The effects of austerity measures, such as public expenditure contraction, regressive taxation, labour flexibilization and privatization, on women's human rights, poverty and inequality occur through multiple channels. These include diminished access to essential services, loss of livelihoods, and increased unpaid work and time poverty. This report examines the dynamics and implications of gendered austerity in Ecuador and Pakistan in the context of the fiscal consolidation framework recommended by International Monetary Fund (IMF) loan programmes.

Available at https://twn.my/title2/books/pdf/GenderedAusterity.pdf

We need to deal with regulatory blind spots in the financial system

The power of hedge funds and other shadow banks continues to grow – and, with it, the risk of a renewed crash.

by Sarah Ganter

In its "2023 Global Investment Outlook", BlackRock paints a gloomy picture. The world's most powerful asset management firm forecasts a painful recession and an unstable environment for investments. Contrary to what many investors assume, they would not be able to count on the support of the central banks in an emergency. What this seemingly frank assessment neglects to mention, however, is the considerable systemic risk posed by "shadow banks" such as BlackRock itself.

In December, the President of Germany's Federal Financial Supervisory Authority (BaFin) expressed his concern at a lack of regulation around "non-bank financial intermediaries" (NBFIs), while the Bank for International Settlements in Basel had already sounded the alarm about the growing risk from financial services companies a year back.

But what are shadow banks and what makes them so dangerous? The term applies to participants in financial markets such as monetary market funds, hedge funds and other investment funds, as well as credit insurers, all of whom provide some banking services without actually being banks. Like banks, they can lend money and provide wealth management. Unlike banks, however, they cannot create money. Banks do this by booking deposits, which in turn increases the sum of money in circulation. Shadow banks are also unable to borrow money from central banks. Lastly – and crucially – shadow banks are, unlike traditional lenders, not subject to banking regulations.

The threat posed by shadow banks

In principle, it makes sense to bundle assets of individual investors in order to enable larger investments. The problem arises when the structure of these funds is opaque and it becomes impossible to understand the purposes to which the managed wealth is being put. Furthermore, the low interest rates of recent years have pushed investors seeking ever-higher returns to select riskier forms of investment. It is for this reason that there have been repeated warnings that financial regulatory authorities are not keeping a close enough eye on NBFIs – and this at a time when shadow banks have become even more powerful forces on the market. In 2019, funds and insurers managed almost half of all global financial wealth, placing them tangibly ahead of established lenders and investment banks.

You don't have to go all too far back in recent history to find an instance of fatally underestimated systemic risks in the financial sector throwing the industrialized economies of the globe into a deep recession: in 2023, it will be exactly 15 years since the collapse of Lehman Brothers on 15 September 2008, at the height of the financial crisis. The fallout from the implosion of one of Wall Street's oldest and most renowned investment banks was devastating – and its effects have remained tangible to the present day. Even an unprecedented rescue package of $700 billion, put together by the Bush administration to stabilize the banking sector, was not enough to prevent a global financial crisis. This led to a sovereign debt and banking crisis as well as a broader economic crisis which, just over a year later, would go on to shake the euro area to its core. International trade stalled and millions of jobs across the world disappeared.

In the US alone, the total economic loss over the decade following the crisis is estimated at around $70,000 per capita. Yet, what is harder to quantify is the loss of trust in political figures revealed to be helpless against the destructive power of an unchained financial system whose sheer size and relevance meant that its participants were considered "too big to fail", meaning they could not be allowed to go into insolvency as the consequences for the international financial system and the wider economy would have been even worse.

It was the dissatisfaction at the way these banks were rescued through taxpayers' money and at the concentration of global financial wealth in the hands of a small group of super-rich individuals which mobilized the worldwide "Occupy Wall Street" demonstrations. United behind the slogan "We are the 99 percent", protesters demanded better regulation and a recoupling between the economy and international finance.

At first, it appeared as if the international community had learnt its lesson. At the 2009 Pittsburgh G20 Summit of major economies, the assembled heads of government condemned the "era of irresponsibility" and introduced regulations which should prevent banks from entering into high-risk transactions. In the US, the Obama administration passed the Dodd-Frank Act, a piece of legislation to ensure stability in financial markets, increase transparency and clarify responsibilities while setting limits to public money being used to bail out financial lenders. In the European Union, a broadly unified approach was taken to regulating banks, with a key plank in legislation consisting of EU-wide capital requirements for lenders to insure themselves against risks. In addition, a suite of instruments was put in place to regularly evaluate the effectiveness of these reforms. There was a lot of public support for the idea of a tax on financial transactions intended to decrease the speed of trades, render speculation unattractive and recover some of the costs of the rescue packages from the sector. Acclaimed as a "tax against poverty", income generated from the instrument would, so the idea went, be used to invest in sustainable development initiatives. Yet, to this day, powerful lobbyists have succeeded in preventing its introduction.

Need for regulation

Even if some of the measures applied were lifted again quickly once Donald Trump came to power, when compared with the situation in 2008, banks today operate in a markedly stricter legislative environment. For shadow banks, however, things are quite different, even though they offer banking-style services and continue to deal in the kind of opaque financial instruments which led to the 2008 crisis.

The systemic relevance of NBFIs nowadays can no longer be ignored. There has been an extreme concentration of market power around the "Big Three" asset management companies: BlackRock, Vanguard and State Street. In 2022, they controlled 79% of the US market for exchange-traded funds (ETFs), with BlackRock alone booking over $8.5 trillion of assets under management – twice the gross domestic product of the world's fourth-largest economy, Germany. What is more, BlackRock operates in a variety of roles, further cementing its market heft: as well as its wealth management activities, the firm is also a major shareholder in all of Germany's DAX (German stock index)-listed corporates, for instance, while also offering consultancy to central banks and, in the form of "Aladdin", operating a gigantic platform to analyze markets and companies' data.

Similarly to the banks in the financial crisis, these wealth management funds have now become "too big to fail": when investors began to move their money out of monetary markets during the pandemic and the shadow banks' business model started to look shaky, massive central bank support was quickly forthcoming. And yet, thanks to aggressive lobbying, shadow banks have still not been classified as systemically critical by the relevant international body, the Financial Stability Board.

In the view of economist Daniela Gabor, shadow banks are comparable to nuclear power stations in that they "are perhaps necessary, but also prone to catastrophic system failure". She further warns of the growing importance of shadow banks in low-wage economies, especially in providing development loans. In view of an acute sovereign debt squeeze, this latter issue could prove problematic: 15 years after the financial crisis and in the wake of a global pandemic, more than two-thirds of all countries worldwide are critically indebted.

Here, close attention is required: as debt soared in 2009, it was speculation on increases in yields on state bonds which triggered the euro crisis. Now, in the face of the COVID-19 pandemic and the war in Ukraine, private capital has been continually withdrawn from developing countries, and despite regulations in the banking sector, global wealth disparity has further increased. According to estimates by Oxfam, in 2009, the poorer 50% of the global population had assets equal to those of the 380 wealthiest individuals in the world; 10 years after the financial crisis, this group had declined to just 26 multi-billionaires.

In Germany, the pressure group Bürgerbewegung Finanzwende argues for structural reform of financial markets which it considers outsized and has put forward a comprehensive range of measures to regulate and unpick shadow banking structures. These include using competition authorities to limit the market power of wealth management firms and break the Big Three's oligopoly. The initiative is also demanding that shadow banks be placed under the direct supervision of the European Central Bank, that opaque fund structures are put through a thorough examination prior to being authorized, and that monetary markets and credit funds beyond the core principles of investment funds be outright forbidden. In the proposed model, a central bank safety network funded by subscription fees would be on hand to ensure that open funds provide their own liquidity reserves. The initiative also proposes a range of measures to untangle different business areas, preventing conflicts of interest and distortion to competition. In order to provide alternative investment options, it wants to see public funds created along the lines of the Swedish model. In the Netherlands, the Centre for Research on Multinational Corporations (SOMO) has provided a catalogue of recommendations on how to reduce the risks shadow banks pose to highly indebted countries and emerging economies.

The next crisis has already been in gestation for some time. In late 2022, Nouriel Roubini – who, through his prediction of the 2007/2008 crash beforehand, earned himself the moniker "Dr Doom" – warned that an explosive cocktail of economic, financial and debt crises are set to combine into "the mother of all economic crises". Fifteen years after the collapse of Lehman Brothers, it is high time the lessons from it are finally learnt and regulatory blind spots dealt with. There is no shortage of good suggestions on how to bring the systemic risks of the shadow banking sector under control, and the concept of a tax on financial transactions, prepared years ago, is just waiting to be taken out of the drawer and put back on the agenda. Banking regulation since 2008 has shown that politics can shape markets: finance is not a force of nature to whose whims all humanity must remain subject.

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How not to deal with a debt crisis

Jayati Ghosh warns against historically disastrous approaches to the sovereign-debt crisis hitting low- and middle-income countries.

In the 1920s and early 30s, John Maynard Keynes was embroiled in a controversy with the "austerians" of his time, who believed that balancing the government budget, even in a time of economic volatility and decline and financial fragility, was necessary to restore "investor confidence" and therefore provide stability. Keynes was horrified by the idea.

Zachary Carter's brilliant biography notes that Keynes felt a package of government spending cuts and tax increases would be "both futile and disastrous". It would be an affront to social justice to ask teachers and the unemployed to carry the burden of deflating a doomed currency, in the name of balanced budgets. Even worse would be imposing austerity on debtor countries, as American banks were then demanding of several European nations.

Keynes was concerned with more than just the lack of efficacy and adverse distributional effects of austerity. He worried that such measures would alienate working people, cause them to lose faith in their leaders and make them prey to right-wing demagogy and incitation to violence. His arguments were not heeded – and fascism in Europe followed. Deflation in Germany under Heinrich Brüning as chancellor left six million unemployed when Adolf Hitler assumed power in early 1933.

Nearly a century on – and after more than a hundred sovereign-debt crises – those in charge of global economic governance appear however to have learnt nothing. Those who do not learn from history are condemned to repeat it – and, sadly, the worst effects of their decisions are likely to be felt by others, not themselves.

Brutal means

Consider the approach being taken to the sovereign-debt crises which are now erupting in so many low- and middle-income countries. Effectively dealing with these requires timely, fair and considered action, designed to help economies grow out of debt rather than squeezing repayments through brutal economic means. Delays increase the size of the problem and add to human suffering.

Forcing austerity and "budget balance" on countries already suffering from falling economic activity and employment merely exacerbates the decline and puts even greater pressure on already devastated people. Just as Keynes had foreseen in Europe in the 1930s, the resulting injustice and mass disaffection can have the most unpleasant, even deadly, political consequences.

Such potential fallout was recognized by "the international community" when dealing with the massive sovereign-debt overhang faced by West Germany after the Second World War (fascism having been defeated militarily at great cost). The major creditors of that country combined in 1951 to provide a package of debt relief, which should have offered a template for subsequent debt-management schemes. It involved outright cancellation of around half the debt, while limiting repayments on the remaining portion to 3% of annual export earnings.

Contrast this with the treatment now being meted out to countries struggling with exploding debt burdens. For many, repayment is difficult, if not impossible, because of forces beyond their control: the pandemic and its impact on their imports and exports; the price hikes in global food and fuel markets since the onset of the war in Ukraine; and the higher interest rates in the United States and the European Union, which have caused finance to flow back to those countries.

> After more than a hundred sovereign-debt crises, those in charge of global economic governance appear to have learnt nothing.

Over the previous decade, most low- and middle-income countries were encouraged to take on more loans, particularly via bond markets suddenly interested in more risky debt because of persistently low interest rates in a world awash with liquidity. This was looked upon benignly by the International Monetary Fund (IMF) and celebrated at the World Economic Forum. For many countries, the trajectory was unsustainable from the start, but recent events have left even sovereigns deemed more "responsible" facing repayment difficulties.

Limited response

Indeed, it has been evident for at least three years that several countries face insolvency at existing levels of debt. Yet the international community, especially the G20, has been unacceptably slow in responding.

The Debt Service Suspension Initiative of May 2020 only kicked the can down the road, postponing the inevitable reckoning. The Common Framework for Debt Treatments was set in motion the following November. It sought to involve both public and private creditors in debt restructuring while taking into account debtors' capacity to pay and enabling them to sustain essential spending. But not a single country has yet benefited, despite several already being in default or tipping into it.

The common framework is limited to low-income countries, which is a major restriction. Worse, for too many debtor countries, the IMF continues to require moves to balance budgets or even produce surpluses as quickly as possible, in return for providing tiny doses of immediate balance-of-payments support, as the negotiations with Sri Lanka indicate. This approach has to change, as a joint statement I among more than 180 economists and analysts have signed points out.

In addition, for debt resolution the problem goes beyond bringing all official creditors to the table – as already in Zambia and Chad. Rather, the concern is with private creditors. They have generally refused to participate and mostly continue to demand full repayment, even after benefiting significantly from the higher returns derived from the higher risk premia such debt carries. Even among public creditors, the steadfast refusal of the international financial institutions to reduce their own debt is increasingly hard to justify.

Meaningful debt resolution requires the active involvement of private creditors – which, if it remains voluntary, will simply not happen. Some of the action must shift to the legal and regulatory systems of New York and the City of London, where the vast bulk of international debt contracts are made. Regulatory changes in both jurisdictions could entitle sovereign debtors to treatment similar to that provided to private debtors, with provisions for debt write-off.

Without speedy resolution involving all parties, more debtor economies will face problems of not just illiquidity but insolvency. That will heighten inequality, instability and conflict within and between countries – in a script we really do not want to see play out again.

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The year of inflation exposes dogma and class bias

Policymakers' response to inflation is – quite by design, contends *Anis Chowdhury* – taking its toll on the working class.

Inflation worries topped Ipsos's What Worries the World survey in 2022, overtaking COVID concerns.

The return of inflation caught major central banks, e.g., the US Federal Reserve (Fed), Bank of England and European Central Bank, "offguard". The persistence of inflation also surprised the International Monetary Fund (IMF).

The return of inflation and its persistence exposed the poverty of the economics profession, unable to agree on its causes and required policy responses. It also exposed the profession's anti-working-class biases.

Inflation goof

Almost all major central banks as well as the IMF dismally failed to see the coming of inflation. In December 2020, the US Fed forecast that prices would rise by less than 2% in 2021 and 2022. It failed spectacularly when in December 2021, it estimated that inflation in 2022 would be just 2.6% even though prices were already rising by more than 5% a year.

The US Fed was not alone in failing to see inflation coming. The Governor of Australia's central bank – the Reserve Bank of Australia (RBA) – was so confident of low inflation that he declared in March 2021 that the interest rate would remain at a historic low until at least 2024.

Inflation in advanced economies during 2021 exceeded the average of forecasters' expectations by around 5-8 percentage points. The IMF's forecasts have badly and repeatedly undershot inflation.

There was a widespread view among most central bankers and leading economists that the price increases (or inflation) that began in mid-2021 were temporary, and that price increases would slow or inflation would drift downwards in 2022.

Some, of course, insisted otherwise and wanted immediate anti-inflationary measures. Thus, policy confusion ruled.

Inflation phobia and dogma

Soon inflation phobia took over and central banks were advised to act decisively with interest rate hikes even if it meant slowing the economy or causing a rise in unemployment.

Exaggerated claims were made, without evidence, that not acting now would be more costly later. References to rare episodes of hyperinflation were made to justify tough policy stances. The dogmatic inflation hawks ignored the fact that, in most cases, inflation does not accelerate to become harmful hyperinflation but remains moderate. They also ignored their own neo-classical macroeconomic model, which suggests small welfare loss from moderate inflation.

Notwithstanding Article IV of the IMF's Articles of Agreement which provides that economic policies should aim to foster "orderly economic growth with reasonable price stability, with due regard to [country-specific] circumstances", a one-size-fits-all policy of steep interest rate hikes became the only medicine to be applied to achieve a universal inflation target of 2%, a figure plucked from thin air.

Yet, central bankers and mainstream economists boast of their credibility!

Inflation is primarily an expression and outcome of conflicting claims over the distribution of national output and income, e.g., firms' profit mark-ups vis-a-vis workers' wages.

Thus, no sooner did inflation spike early in the year due to slow adjustment of COVID-induced supply shortages to pent-up demand, exacerbated by war and sanctions, than leading central bankers and mainstream economists found an excuse to weaponize economic policies against the working class.

Stoking the fear of wage-price spirals, they advocate the use of an interest rate sledgehammer to create unemployment and, in turn, discipline labour.

This is despite research within the IMF and the Reserve Bank of Australia which found no evidence of wage-price spirals since the 1980s due to declines in labour's bargaining power. Thus, Bloomberg headlined, "Fattest Profits Since 1950 Debunk Wage-Inflation Story of CEOs".

Research conducted by the IMF also found increases in firms' or corporations' market power, resulting in higher prices and profit margins. Yet, the IMF does not think such factors "are contributing in any sizeable way to the current inflationary environment". Instead, it justifies such fattening of profits on the ground that "they provide flexible buffers between general wage and general price increases" and that it is only a catching-up "after taking a hit in 2020"!

But no such compassion is extended to the working people who have lost their lives and livelihoods.

The calls for "frontloaded" interest rate hikes simply got louder. The Bank for International Settlements (BIS) warned, "With the prospect of higher wages as workers look to make up for the purchasing power they lost, inflation could be high for long."

Labour is a clear loser. Labour's income share in the GDP has been in decline since the early 1970s. Casualization, offshoring, anti-union legislation and technological progress have greatly reduced labour's bargaining power, while privatization and dilution of anti-monopoly legislation hugely strengthened corporate power and collusive anti-competitive behaviour.

Meanwhile, CEO compensation packages swelled to obnoxious levels, rising 940% since 1978 in the US as opposed to a 12% rise for workers during that period. Profiting from the pandemic, CEO pay increased by 16% in 2020 when workers suffered, and to a record level in 2021.

Leading central bankers and mainstream economists conveniently created a dogma around a 2% inflation target to justify their anti-labour stance. The 2% target has become a global norm akin to the law of gravity, even though it has no theoretical or empirical basis. The law of gravity differs depending on altitude, but the 2% target is said to be universal regardless of circumstances!

Collateral damage

Meanwhile, the advanced countries' inflation fight is causing adverse spillover into developing countries.

Higher interest rates have slowed the world economy and triggered capital outflows from developing countries, thereby depreciating their currencies and lowering their export earnings.

Together, these are causing devastating debt crises in many developing countries, similar to what happened in the 1980s. The rating agency S&P estimates that central bank rate rises could land global borrowers with $8.6 trillion in extra debt-servicing costs in the coming years.

Instead of providing genuine debt relief, the G20 major economies kicked the can down the road. As wealthy nations failed the poor countries during the pandemic, the IMF is moving to debt-distressed countries with conditionality-laden one-size-fits-all austerity packages. Thus, a *Foreign Policy* op-ed asked, "The International Monetary Fund: Holy Grail or Poisoned Chalice?"

Meanwhile, the chiefs of the World Bank and the BIS urged "supply-side" policies professed to increase labour force participation and investment. These are code words for further labour market deregulation, privatization and liberalization. *(IPS)*

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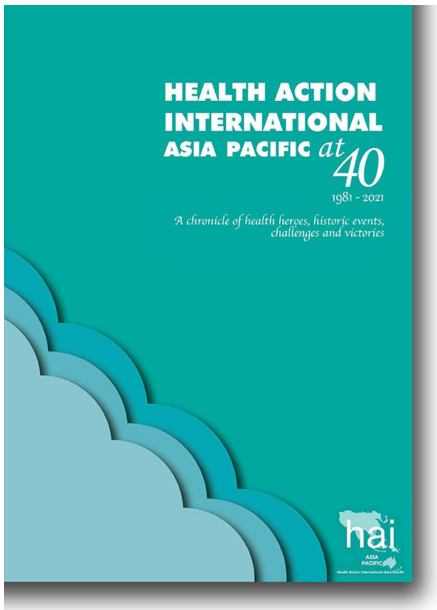
Health Action International Asia Pacific at 40 (1981-2021)



A Chronicle of Health Heroes, Historic Events, Challenges and Victories

Prepared and edited by Beverley Snell

Published by Third World Network, Health Action International Asia Pacific, International Islamic University Malaysia, Gonoshasthaya Kendra, and Drug System Monitoring and Development Centre

This book commemorates the 40th anniversary of Health Action International Asia Pacific (HAIAP), an informal network of non-governmental organisations and individuals in the Asia-Pacific region committed to resistance and persistence in the struggle for Health for All Now.

HAIAP is the regional arm of Health Action International – upholding health as a fundamental human right and aspiring for a just and equitable society in which there is regular access to essential medicines for all who need them. HAIAP works with governments, academic institutions and NGOs at community, national and regional levels on issues such as promoting the essential medicines concept, equitable and affordable access to essential medicines, rational use of medicines, ethical promotion and fair prices. While promoting awareness of the impact of multilateral agreements, particularly TRIPS and GATT, on access to affordable healthcare and essential medicines, HAIAP advocates for poverty eradication and action on other priority themes relevant to countries in the Asia-Pacific region.

Available at https://twn.my/title2/books/HAIAP%20at%2040.htm