Urban Planning Laboratory

Asia’s cities will house an estimated 2.2 billion by 2020. Can the region’s economic growth continue without a sustainable plan for its megacities?
The future productive capacity of many Asian countries depends on making their cities more sustainable.

By Joe Cochrane

Rather than being a burden to the economy, slums serve a purpose by providing cheap housing for low-cost labor.

By Bronwyn Curran

Viet Nam has had the foresight to prepare plans to upgrade its cities at the onset of urbanization.

By Floyd Whaley

Governments in the region attempt to preserve historic districts as well as equip them for the challenges of globalization and for environmental sustainability.

By Karl Wilson and Joe Cochrane

Efforts to revitalize the old town of Batavia have yet to move beyond the drawing board.

By Joe Cochrane

After barely surviving World War II, the city of Manila went through several renovations but has yet to recover its former glory as the “Pearl of the Orient.”

By Karl Wilson

Political risk policies have been broadened to cover acts of terrorism.

By Keith Rosenblum

An emigrant returns home to help rebuild Afghanistan, one brick at a time.

By Floyd Whaley

Internet scammers use the name of development organizations to take money from their socially conscious victims.

By James Hutchison

Knowing the difference between a genuine and a hose email is the best way to defeat cyber-crooks.

By Wendy Daramal

Across the globe, stories of exploitation and abuse have cast a hard shadow on the economic gains of labor-exporting countries.

By Wendy Daramal

Working Between the Navel and the Knees

Thailand’s Mr. Condom, Mechai Viravaidya, uses unconventional but effective methods to promote safe sex and population control.

By Floyd Whaley

Reviews of the titles that the world’s development professionals would have given each other as holiday gifts, if they did that sort of thing

By Judy Forster
The Future of Cities in Asia… and the World

The rise of Asia’s megacities is the upshot of robust economic growth in the region. In turn, the expansion of these centers of industry and commerce is fueling further growth, opening more opportunities for business and employment. With six out of 10 of the world’s largest cities in Asia—and eight out of 10 of the most densely populated—the continent will be the world’s de facto laboratory for urban planning. Yet urbanization does not mean prosperity for all. A great disparity between the rich and the poor—not just in terms of income but also in living conditions—persists. Asia accounts for some 60% of the world’s urban slum residents.

Rapid development puts pressure on infrastructure and the delivery of basic services, such as health care, water and sanitation, and energy, particularly for cities with poor urban planning. Investments in public utilities must keep pace with business and population expansion. Otherwise, economic growth cannot be sustained.

This edition of Development Asia examines the opportunities and challenges that urbanization presents: how it can drive or disrupt economic growth in Asia. It looks into the case of Viet Nam, one of Asia’s economic stars, which is grappling with problems arising from massive urban migration. In The Cruel Utility of Slums, we weigh the economic value of informal settlements against the human toll. To round out coverage, we report on the progress of urban renewal programs that seek to revitalize old cities while preserving their cultural heritage. In other stories, we explain the rollout of a form of political risk insurance that covers acts of terrorism. We look at how development organizations are adapting in a networked world. How well are these organizations using social media? And how are internet scammers posing as development organizations?

Finally, we put the spotlight on Thailand’s Mr. Condom, Mechai Viravaidya, in our From the Field story.

As we begin a new year, we renew our commitment to illuminate the latest and most innovative ideas from the frontlines of development, every quarter, in Development Asia.
**Roundup**

**Rebuilding Nepal through Diaspora Bonds**

Nepal is banking on its migrant workers to support efforts to rebuild the national economy. The country is still recovering from the decade-long civil war that ended in 2006. In July, Finance Minister Surendra Pandey announced a plan to offer an Infrastructure Development Bond to Nepalese working abroad during a speech presenting the new $3.7 billion budget in Parliament.

The Nepal Rastra Bank, the central bank of Nepal, will issue bonds worth 7 billion rupees (close to $90 million) at fixed exchange rates, as part of domestic borrowing for fiscal year (FY) 2009, says Mr. Pandey. The bonds will be offered only to those employed overseas in the Republic of Korea, Malaysia, Qatar, Saudi Arabia, and the United Arab Emirates. Workers’ remittances amounted to 17.4% of the gross domestic product in FY2008.

A recent report says the government plans to spend $30 million on infrastructure development over the next 2 years.

**Philippine Boxer Making an Impact on the Economy**

Famous Philippine boxer Manny Pacquiao not only puts opponents on the ropes but also knocks out productivity in some parts of the Philippine economy, according to a recent report. A Pacquiao fight clears the streets, empties malls, and even brings down the crime rate, says the website FinanceManila.net.

“It’s very peaceful, the crime rate is almost zero,” says Manila police chief Roberto R,M. “There should be a Pacquiao fight every day.”

The increasing number of tourists—Pacquiao has been at it now for 14 years and crossed through 7 weight classifications—are a boon for the entertainment industry, too, reports the website in its 4 May 2009 report, Pacquiao Fight Day Effect on Economy. Restaurants offering pay-per-view fill their establishments and hold on to excited patrons for hours—even if the bout ends early—and theaters cast aside Hollywood in favor of lucrative closed-circuit transmissions. McDonald’s and Honda in the Philippines lose dine-in customers but pick up on the delivery end, says Kenneth Yang, president and CEO of Golden Arches Inc., the Philippine franchise holder of McDonald’s.—Keith Recordian.

**Close to a Billion Asians Online**

The annual report of the Asian Development Bank (ADB) reports that by the end of 2013, there were 2 billion people connected to the internet. ADB president, Haruhito Shindo, said this has been the biggest development in the world, “equivalent to a renaissance.”

ADB Secretary-General Haruhito Shindo said this year’s report shows that connectivity is spreading around the world, with 1.3 billion people already online. “By the end of 2013, 2 billion people will be online, which is more than are literate in the world.”

ADB’s report predicts that two-fifths of the world’s population will be online by 2015, meaning there will be 1.5 billion new internet users each year.

“Connectivity and education are essential ingredients of success,” Shindo said.

**Governments Falling Short of Commitments**

Billions of dollars pledged by governments to help eradicate poverty and other social ills in the developing world have not been received, according to a United Nations (UN) report launched on 16 September.

The report, *Strengthening the Global Partnership for Development in a Time of Crisis*, by the UN Millennium Development Goal (MDG) Gap Task Force, highlighted an annual gap of $33 billion in the 2005 pledge made by the Group of Eight (G8) industrialized countries at a summit in Gleneagles, United Kingdom.

This amount includes a $20 billion annual shortfall in its commitments to Africa, even though 2008 saw the highest levels of development assistance to the continent.

In a preface to the report, UN Secretary-General Ban Ki-Moon recognized that since the adoption of the MDG in 2000 there has been “reversal” in reducing poverty and hunger, and promoting access to education and health services.

“But the economic crisis threatens to reverse these hard-won gains, and time is running short,” he said. “Without strong and concerted international responses, the crisis could become a development emergency.”—IRIN News Service

**Migration Myths Dispelled in UNDP Report**

Most migrants do not move from developing to developed countries, and when they do, rather than hurting host economies, they benefit them, according to a new report by the UN Development Programme (UNDP).

UNDP’s *Human Development Report 2009*, launched globally on 5 October in Bangkok, dispels several myths about migration, including the idea that migrants hurt host economies. "Mobility can bring large gains in development," Jeni Klugman, director of the report, told IRIN, the humanitarian news and analysis service of the United Nations Office for the Coordination of Humanitarian Affairs. "It’s presently very much constrained by a whole range of barriers, and reform [of] these barriers could allow much greater potential to be released.

The annual report calls for several migration reforms, including for states to ensure basic rights for migrants, and the mainstreaming of migration into national development plans.—IRIN News Service

**Water Works to Improve Food Security**

Unless Asia improves its use of water for agriculture, a new study says, by 2050 many developing countries will have to import more than a quarter of the rice, wheat, and maize they need.

"Asia’s food and feed demand is expected to double by 2050. Relying on trade to meet a large part of this demand will impose a huge and politically untenable burden on the economies of many developing countries. The best bet for Asia lies in revitalizing its vast irrigation systems, which account for 70% of the world’s total irrigated land," says Colin Chartres, director general of the International Water Management Institute.

The institute presented the report *Revitalizing Asia’s Irrigation: To Sustainably Meet Tomorrow’s Food Needs* at the 2009 World Water Week in Stockholm in August.

The study was carried out by the institute, the Food and Agriculture Organization (FAO) of the United Nations, and researchers from partner organizations with funding from the Asian Development Bank. They used a computer model called WATERSIM, which helps examine difficult tradeoffs between food security and the environment, specifically in relation to water supplies.

Asia’s population is expected to expand by one-and-a-half billion people over the next 40 years. To meet their food needs by 2050, the International Water Management Institute estimates that the amount of irrigated farmland in South Asia must be increased by 30%, and in East Asia by 47%. Without water productivity gains, South Asia would need 57% more water for irrigated agriculture, and East Asia 76% more.—IRIN News Service

**Coping With a Rising Tide**

The rise of sea levels, which has been accelerating over the past century, is not only the result of rising temperatures but is also due to a rise in the rate of melting of glaciers and coastal ice, according to a study by the United Nations Intergovernmental Panel on Climate Change (UNIPCC) released in September.

"Glaciers have been losing mass for years. The IPCC 2007 report was the first to consider sea-level rise due to increased melting of glaciers," says the report’s chief scientist, Greg W. Wetherbee, a professor at the University of California, Santa Cruz.

By 2100, the global average rise in sea levels is expected to be between 0.3 and 1.1 meters, with some areas expected to face more dramatic rises, such as Indonesia and the Arabian Peninsula.

"Rising sea levels will be a major problem not only for coastal areas but also for the global economy," Wetherbee says.

**Close-up**

**AN INTERNET BAR IN BEIJING** The online population of the People’s Republic of China will rise by nearly 11% each year over the next half decade.

**BUILDERS OF THE ECONOMY** Workers queue to pay fees for foreign employment at a government office in Kathmandu. Remittances from workers abroad accounted for 17.4% of Nepal’s gross domestic product in fiscal year 2008.

**YEARLY EXODUS** A scene at the Sukarno-Hatta International Airport in Jakarta. Thousands of women leave their homes in Indonesia to work as domestic workers each year.

**BOXING DAY** Televised matches of boxing champion Manny Pacquiao freeze his nation’s productivity for the day, analysts say.

**TAKING A BREAK** A young scavenger pushes a heavy cart full of reusable items. Government agencies in Nepal are working to revitalize its vast irrigation systems, says the institute's director general. AID NEEDED A young scavenger pushes a heavy cart full of reusable items. Government needs to follow through on their commitments to reduce poverty.
These are heady days for Asia’s emerging economies. While the United States, Europe, and, closer to home, Japan, wobble from the global economic crisis, Asian tigers led by the People’s Republic of China (PRC), India, and Indonesia hum along, posting impressive growth figures. It is no wonder that the world has turned to Asia to lead the turnaround from the global recession.

While economic growth continues for now, serious questions about whether this prosperity can last in the long term are emerging. In particular, there is mounting concern over whether Asia can sustain economic development given its myriad of challenges, chief among them the growing trend of urbanization.

By 2020, more than 2.2 billion Asians will live in urban areas. Already, 6 of the world’s 10 largest “megacities”—defined as having a population of more than 10 million—and 8 out of 10 of the world’s most densely populated cities are in Asia.

These sobering statistics are a wake-up call for the region: without sustainable urbanization, economic growth could be in jeopardy. As urban population growth continues, housing, power and water supply, public transportation, jobs, and numerous other demands will not somehow magically expand at the same pace. National and city governments should already be thinking ahead—10, 20, even 30 years, according to urban planning experts.
“The sheer numbers in Asia are overwhelming,” says Florian Steinberg, senior urban development specialist with the Southeast Asia Department of the Asian Development Bank (ADB) in Manila.

Even so, he says Asia’s urbanization growth rate still lags behind other regions, such as Latin America. In 1990, the percentage of Asians and Africans living in urban areas was less than 35%, while today in Asia, it is still only 42%, according to some estimates.

“It’s a concern,” Mr. Steinberg says. “There’s a view that urbanization is negative, but others feel there is a need for more urbanization. Sustainable urbanization will be essential for growth and to advance the economies. India, for example, needs much more urbanization to perform. Sustainable urbanization will be essential for growth and to advance the economies. India, for example, needs much more urbanization to perform.”

Urbanization as a Driver of Development

Tirsten Kleiss, an urban development expert and senior consultant for Holcim, the international cement supplier, says, “Urbanization is something good. It’s a special articulation of an economic transformation that is going on—a shift from agricultural and rural pursuits to industrial production and services industry. It explains migration. Cities are a more attractive place to find employment, regardless of all the problems.”

Habitation

While Kuala Lumpur is not a megacity, 72% of Malaysians will be living in urban areas by 2010 and nearly 80% by 2020.

Dinesh Mehta, professor emeritus at the Centre for Environmental Planning and Technology University (CEPT) in Ahmedabad, India, says overall Asia’s “tripping point”—50% urbanization, collectively—will occur in 2023. He says the region’s urbanization rate is higher today because it is being driven by massive growth in the PRC, which has nearly 45% of its population living in urban areas.

“Urbanization is an effect of economic growth, not a cause of it,” Mr. Mehta says. “Legging urbanization in some sense is a reflection of the poor capacity of cities to absorb economic growth.”

“Infrastructure investment needs have been estimated in the hundreds of billions of dollars. Industry leaders in Asian cities complain that they need more roads, ports, container facilities, and power plants to attract private investors. This happens because it is a multi-donor project to help cities prepare infrastructure projects to attract private investment.”

“Infrastructure investment needs in urban areas have been estimated in the hundreds of billions of dollars. Industry leaders in Asian cities complain that they need more roads, ports, container facilities, and power plants to attract private investors. This happens because it is a multi-donor project to help cities prepare infrastructure projects to attract private investment.”

Making Deals

In Pakistan’s main urban centers, Karachi and Lahore, local governments are looking at mass rapid transit systems to deal with growing traffic problems. The proposed system in Lahore will be a multibillion dollar large-scale mass transit system with as many as five separate lines. Lahore, like other Asian cities, is inviting private investors to help foot the bill and provide quality work. In Indonesia, the central government is embracing public-private partnerships to build infrastructure, such as roads, reservoirs, and power plants, as well as to operate them and to deliver electricity to cities. Some local governments in Indonesia, enjoying the benefits of regional autonomy, are signing their own deals with companies in the private sector.

Government in Asia are coming around to the notion of urbanization as inevitable; nonetheless, fears persist about whether local administrations have the capacity to deal with increasing demands for services, land, and infrastructure.

“Infrastructure needs in urban areas have been estimated in the hundreds of billions of dollars. Industry leaders in Asian cities complain that they need more roads, ports, container facilities, and power plants to attract private investors. This happens because it is a multi-donor project to help cities prepare infrastructure projects to attract private investment.”

Growing Asian Slums

Analysts also warn that megacities can no longer afford to ignore their urban populations, in particular, the reality of prevailing urban poverty. While the levels and conditions of urban poor vary from place to place, confidence is low that Asian cities

SPECIAL REPORT

RAPID GROWTH. Megacities are expanding across the region, from Karachi to Bangkok (in photo), Greater Jakarta to Metro Manila, and the Pearl River Delta in the People’s Republic of China.

“Infrastructure investment needs have been estimated in the hundreds of billions of dollars. Industry leaders in Asian cities complain that they need more roads, ports, container facilities, and power plants to attract private investors. This happens because it is a special articulation of an economic transformation that is going on—a shift from agricultural and rural pursuits to industrial production and services industry. It explains migration. Cities are a more attractive place to find employment, regardless of all the problems.”

Hundreds of Billions of Dollars Needed

And those problems read like a laundry list. Annual infrastructure investment needs have been estimated in the hundreds of billions of dollars. Industry leaders in Asian cities complain that they need more roads, ports, container facilities, and power plants to attract private investors. This happens because it is a multi-donor project to help cities prepare infrastructure projects to attract private investment.

“Infrastructure investment needs in urban areas have been estimated in the hundreds of billions of dollars. Industry leaders in Asian cities complain that they need more roads, ports, container facilities, and power plants to attract private investors. This happens because it is a multi-donor project to help cities prepare infrastructure projects to attract private investment.”

Notes Matthew Westfall, director of urban services at ADB’s Central and West Asia Department, “Because urban centers play such a major role in the economy, you have to get them right first.”

Infrastructure investment needs in urban areas have been estimated in the hundreds of billions of dollars. Industry leaders in Asian cities complain that they need more roads, ports, container facilities, and power plants to attract private investors. This happens because it is a multi-donor project to help cities prepare infrastructure projects to attract private investment.

Habitation

While Kuala Lumpur is not a megacity, 72% of Malaysians will be living in urban areas by 2010 and nearly 80% by 2020.

Dinesh Mehta, professor emeritus at the Centre for Environmental Planning and Technology University (CEPT) in Ahmedabad, India, says overall Asia’s “tripping point”—50% urbanization, collectively—will occur in 2023. He says the region’s urbanization rate is higher today because it is being driven by massive growth in the PRC, which has nearly 45% of its population living in urban areas.

“Urbanization is an effect of economic growth, not a cause of it,” Mr. Mehta says. “Legging urbanization in some sense is a reflection of the poor capacity of cities to absorb economic growth.”

“Infrastructure investment needs have been estimated in the hundreds of billions of dollars. Industry leaders in Asian cities complain that they need more roads, ports, container facilities, and power plants to attract private investors. This happens because it is a special articulation of an economic transformation that is going on—a shift from agricultural and rural pursuits to industrial production and services industry. It explains migration. Cities are a more attractive place to find employment, regardless of all the problems.”

Hundreds of Billions of Dollars Needed

And those problems read like a laundry list. Annual infrastructure investment needs have been estimated in the hundreds of billions of dollars. Industry leaders in Asian cities complain that they need more roads, ports, container facilities, and power plants to attract private investors. This happens because it is a special articulation of an economic transformation that is going on—a shift from agricultural and rural pursuits to industrial production and services industry. It explains migration. Cities are a more attractive place to find employment, regardless of all the problems.”

Notes Matthew Westfall, director of urban services at ADB’s Central and West Asia Department, “Because urban centers play such a major role in the economy, you have to get them right first.”

Making Deals

In Pakistan’s main urban centers, Karachi and Lahore, local governments are looking at mass rapid transit systems to deal with growing traffic problems. The proposed system in Lahore will be a multibillion dollar large-scale mass transit system with as many as five separate lines. Lahore, like other Asian cities, is inviting private investors to help foot the bill and provide quality work. In Indonesia, the central government is embracing public-private partnerships to build infrastructure, such as roads, reservoirs, and power plants, as well as to operate them and to deliver electricity to cities. Some local governments in Indonesia, enjoying the benefits of regional autonomy, are signing their own deals with companies in the private sector.

“Infrastructure investment needs have been estimated in the hundreds of billions of dollars. Industry leaders in Asian cities complain that they need more roads, ports, container facilities, and power plants to attract private investors. This happens because it is a special articulation of an economic transformation that is going on—a shift from agricultural and rural pursuits to industrial production and services industry. It explains migration. Cities are a more attractive place to find employment, regardless of all the problems.”

Notes Matthew Westfall, director of urban services at ADB’s Central and West Asia Department, “Because urban centers play such a major role in the economy, you have to get them right first.”

Making Deals

In Pakistan’s main urban centers, Karachi and Lahore, local governments are looking at mass rapid transit systems to deal with growing traffic problems. The proposed system in Lahore will be a multibillion dollar large-scale mass transit system with as many as five separate lines. Lahore, like other Asian cities, is inviting private investors to help foot the bill and provide quality work. In Indonesia, the central government is embracing public-private partnerships to build infrastructure, such as roads, reservoirs, and power plants, as well as to operate them and to deliver electricity to cities. Some local governments in Indonesia, enjoying the benefits of regional autonomy, are signing their own deals with companies in the private sector.

“Infrastructure investment needs have been estimated in the hundreds of billions of dollars. Industry leaders in Asian cities complain that they need more roads, ports, container facilities, and power plants to attract private investors. This happens because it is a special articulation of an economic transformation that is going on—a shift from agricultural and rural pursuits to industrial production and services industry. It explains migration. Cities are a more attractive place to find employment, regardless of all the problems.”

Notes Matthew Westfall, director of urban services at ADB’s Central and West Asia Department, “Because urban centers play such a major role in the economy, you have to get them right first.”

Making Deals

In Pakistan’s main urban centers, Karachi and Lahore, local governments are looking at mass rapid transit systems to deal with growing traffic problems. The proposed system in Lahore will be a multibillion dollar large-scale mass transit system with as many as five separate lines. Lahore, like other Asian cities, is inviting private investors to help foot the bill and provide quality work. In Indonesia, the central government is embracing public-private partnerships to build infrastructure, such as roads, reservoirs, and power plants, as well as to operate them and to deliver electricity to cities. Some local governments in Indonesia, enjoying the benefits of regional autonomy, are signing their own deals with companies in the private sector.

“Infrastructure investment needs have been estimated in the hundreds of billions of dollars. Industry leaders in Asian cities complain that they need more roads, ports, container facilities, and power plants to attract private investors. This happens because it is a special articulation of an economic transformation that is going on—a shift from agricultural and rural pursuits to industrial production and services industry. It explains migration. Cities are a more attractive place to find employment, regardless of all the problems.”

Notes Matthew Westfall, director of urban services at ADB’s Central and West Asia Department, “Because urban centers play such a major role in the economy, you have to get them right first.”

Making Deals

In Pakistan’s main urban centers, Karachi and Lahore, local governments are looking at mass rapid transit systems to deal with growing traffic problems. The proposed system in Lahore will be a multibillion dollar large-scale mass transit system with as many as five separate lines. Lahore, like other Asian cities, is inviting private investors to help foot the bill and provide quality work. In Indonesia, the central government is embracing public-private partnerships to build infrastructure, such as roads, reservoirs, and power plants, as well as to operate them and to deliver electricity to cities. Some local governments in Indonesia, enjoying the benefits of regional autonomy, are signing their own deals with companies in the private sector.
Going Beyond Government

Still, grim realities on the ground have failed to demoralize urban communities and the activists who try to represent them. Civil society is increasingly expressing its views, and the interests of urban dwellers, on how development should proceed. In particular, local nongovernmental organizations (NGOs) have taken up causes ranging from protecting the rights of pedicab drivers in Jakarta to demanding access to clean drinking water for Bangkok slums.

“What you see very much in many countries, like Thailand, India, and the Philippines, for example, is the recognition of the role of organizations,” says Claudio Acioy, Jr. of UN-HABITAT. “Because of the size and urgency and ability of governments to really have the capacity to respond, there has been a recognition that NGOs come on board as a partner.”

Mr. Acioy says NGOs in Asia play more of an operational role in urban development rather than being part of the decision-making process. He also says community-based or even individual participation in planning initiatives by Asian governments is lacking, in contrast to Latin America, where the practice is common.

“Cities are a more attractive place to find employment, regardless of all the problems.”

—Emiel Wegelin
Program Coordinator
Cities Development Initiative for Asia

Building Boom
Motorists ride past residential buildings under construction in Ho Chi Minh City, Vietnam.

Going Green by Necessity

Looking ahead, Asian cities face some tough important decisions. Expanding populations will require greater services, but limited land, natural disasters, environmental issues, and climate change will call for more creative solutions, according to analysts.

“In Ho Chi Minh City, half the city is less than 1 meter above sea level, which means that in the next 100 years from now it will be flooded,” says Kosta Mathey, a professor at the Vietnamese-German University there. “Technical and preventive measures, like emergency plans, will have to be there.”

Planning cannot be just about preparing for doomsday, however. Mr. Mathey says cities have more opportunities, thanks to technological advances, to design more energy-efficient buildings and housing, grow food in urban areas, and deploy more fuel-efficient and environment-friendly public transportation.

“Energy-efficient” means to both produce more energy and use less energy,” he explains. “You can shade the façade, have more ventilation. You can also reduce energy consumption by either reducing transportation to work or in transporting [goods].”

In Indonesia, PT Perusahaan Listrik Negara, the state-run electricity provider, says with electricity demand growing by 9.2% per year, Indonesia will need to add 16,183 megawatts by 2010 to curb power shortages and meet increased demand. As a result, the company says it may have to increase rates by up to 30% to finance the planned expansion.

“This means that energy efficiency is an absolute no-brainer,” says Alex Buichi, manager of sustainable construction for Holcim’s operations in Jakarta. “Buildings are the biggest contributor to CO2, emissions globally, bigger than traffic.”

In Jakarta, Holcim is promoting a European-derived radiation-cooling technology that can keep concrete in warm climates radiating at 23 degrees Celsius. Mr. Buichi says the technology can reduce the energy required to cool buildings and homes by 75% and is currently being used worldwide, including in the PRC, Egypt, and India.

According to urban planning experts, the path emerging Asian nations take in urban development will need to use all these factors: private sector financing, community support, technological advancement, and political will, and more if Asia is to leverage its booming urban populations into prospering cities and the global economy.

And as the last year has shown, the world economy needs a prosperous, healthy Asia. •

Climate change endangers us all. A great way to fight it is harnessing renewable energy. ADB is providing funding and assistance for clean-energy run-of-river hydroelectric power plants across Asia. They range in size from 5 to 100 megawatts.

Eco-friendly, these plants keep rivers flowing, protect urban and rural areas, reduce power: supply costs, and switch Asia to a low-carbon path.

ADB: Investing in Climate Change Solutions for Asia and the Pacific.

www.adb.org
About 40% of Asia’s population now lives in cities, compared with 70% in Europe, North America, and Latin America, but the coming decades are expected to bring rapid increases in urbanization. By 2050, with the urbanization of more than two-thirds of the People’s Republic of China’s population and more than half of India’s, Asia’s cities are predicted to be home to more than 60% of the world’s urban dwellers.
Slum areas are often not prioritized for poverty reduction because they serve an economic purpose.

James Masi moved his family from Pakistan’s southern Punjab province to the federal capital, Islamabad, 20 years ago in search of domestic work. They are one of 1,500 families living in the city’s so-called Christian Colony, a slum area in the heart of Islamabad’s affluent sectors. The colony is overcrowded, fetid, without proper sanitation, and ripe for a mass blaze, but Mr. Masi moved his family there after they ran out of live-in job arrangements; it only costs the equivalent of $50 a month.

No one has title to the land in the Christian Colony. Even the owners of the airless one-room shelters rented out to families like Mr. Masi’s are technically squatters, illegally occupying public land. This slum is home to a vast number of Christian domestic workers who cook or sweep Islamabad’s wide villas for less than $300 a month, keeping the lounge rooms and kitchens of the capital’s civil servants and diplomats operating.

A Third of the World

Mr. Masi is not alone. Slums currently house one-third of the world’s population, reports the United Nations Human Settlements Programme (UN-HABITAT). By 2020, 2 billion people will be living in slums unless substantial policy changes occur, according to projections by the UN agency. While the proportion of urban residents in shams is highest in African cities, in numbers alone, Asia accounts for some 60% of the world’s urban slum dwellers. As of 2001, South-central Asia had the largest slum population in the world, with 262 million slum dwellers or 58% of the region’s total urban population.

As large concentrations of poor living together, slums would seem a natural priority for poverty reduction efforts. Yet often they are not, experts say, because slums serve a purpose.

“Slums are the best way found by many countries to provide cheap housing to the urban poor. And cheap housing means a cheap labor force, low-income workers. Shums are not a market failure, they are a market success. This is the first thing we should know about shums they are economically useful, sometimes extremely useful, because they offer low-cost housing options to the poor.”

Upwardly Mobile Slum Dwellers

Shums serve as holding stations for rural migrants to cities as in the case of Mr. Masi—filling a desperately needed role as urbanization accelerates.

Since 1950, the proportion of people working in agriculture in developing countries has declined by 20% to 30%, according to The Challenge of Shums: Global Report on Human Settlements 2003 by UN-HABITAT.

“The immigrant urban poor have largely moved from the countryside to the cities voluntarily, in order to exploit actual or perceived economic opportunities. Opportunities manifest in part due to the growing urban informal sector, which is most spectacularly visible in the many growing and large-scale informal and squatter settlements in urban centers.”

In many cities, experts say, because slums serve a purpose.

Shums are the best way found by many countries to provide cheap housing to the urban poor. And cheap housing means a cheap labor force, low-income workers. Shums are the physical expression and condition of urban poverty. In many countries, they are necessary to ensure profitable economic growth,” says Daniel Biau, who directs UN-HABITAT’s Regional and Technical Cooperation Division.

“Before being a problem, slums are therefore a solution at a particular stage of economic development. They were a solution in Victorian London as they are a solution in Mumbai today. Shums are not a market failure, they are a market success. This is the first thing we should know about slums they are economically useful, sometimes extremely useful, because they offer low-cost housing options to the poor.”

James Masi moved his family from Pakistan’s southern Punjab province to the federal capital, Islamabad, 20 years ago in search of domestic work. They are one of 1,500 families living in the city’s so-called Christian Colony, a slum area in the heart of Islamabad’s affluent sectors. The colony is overcrowded, fetid, without proper sanitation, and ripe for a mass blaze, but Mr. Masi moved his family there after they ran out of live-in job arrangements; it only costs the equivalent of $50 a month.

No one has title to the land in the Christian Colony. Even the owners of the airless one-room shelters rented out to families like Mr. Masi’s are technically squatters, illegally occupying public land. This slum is home to a vast number of Christian domestic workers who cook or sweep Islamabad’s wide villas for less than $300 a month, keeping the lounge rooms and kitchens of the capital’s civil servants and diplomats operating.

A Third of the World

Mr. Masi is not alone. Shums currently house one-third of the world’s population, reports the United Nations Human Settlements Programme (UN-HABITAT). By 2020, 2 billion people will be living in slums unless substantial policy changes occur, according to projections by the UN agency. While the proportion of urban residents in shums is highest in African cities, in numbers alone, Asia accounts for some 60% of the world’s urban slum dwellers. As of 2001, South-central Asia had the largest slum population in the world, with 262 million slum dwellers or 58% of the region’s total urban population.

As large concentrations of poor living together, slums would seem a natural priority for poverty reduction efforts. Yet often they are not, experts say, because slums serve a purpose.

“Slums are the best way found by many countries to provide cheap housing to the urban poor. And cheap housing means a cheap labor force, low-income workers. Shums are the physical expression and condition of urban poverty. In many countries, they are necessary to ensure profitable economic growth,” says Daniel Biau, who directs UN-HABITAT’s Regional and Technical Cooperation Division.

“Before being a problem, slums are therefore a solution at a particular stage of economic development. They were a solution in Victorian London as they are a solution in Mumbai today. Shums are not a market failure, they are a market success. This is the first thing we should know about slums they are economically useful, sometimes extremely useful, because they offer low-cost housing options to the poor.”

Upwardly Mobile Slum Dwellers

Shums serve as holding stations for rural migrants to cities as in the case of Mr. Masi—filling a desperately needed role as urbanization accelerates.

Since 1950, the proportion of people working in agriculture in developing countries has declined by 20% to 30%, according to The Challenge of Shums: Global Report on Human Settlements 2003 by UN-HABITAT.

“The immigrant urban poor have largely moved from the countryside to the cities voluntarily, in order to exploit actual or perceived economic opportunities. Opportunities manifest in part due to the growing urban informal sector, which is most spectacularly visible in the many growing and large-scale informal and squatter settlements in urban centers.”

In many cities, experts say, because slums serve a purpose.

Shums are the best way found by many countries to provide cheap housing to the urban poor. And cheap housing means a cheap labor force, low-income workers. Shums are the physical expression and condition of urban poverty. In many countries, they are necessary to ensure profitable economic growth,” says Daniel Biau, who directs UN-HABITAT’s Regional and Technical Cooperation Division.

“Before being a problem, slums are therefore a solution at a particular stage of economic development. They were a solution in Victorian London as they are a solution in Mumbai today. Shums are not a market failure, they are a market success. This is the first thing we should know about slums they are economically useful, sometimes extremely useful, because they offer low-cost housing options to the poor.”
The rapidity and enormous volume of this rural-to-urban migration intensifies slum formation. City planning and management systems are unable to adequately cope with the massive population influx.

The *Challenge of Slums* report deconstructs the myths that slum dwellers are a burden on the economy. “While many developing countries have regarded the informal sector as something illegal to be eliminated because it ‘undercuts’ the formal sector, which is required to comply with labor and safety laws and pay taxes, another school of thought is that reducing onerous regulations and dissolving large, underproductive enterprises can unlock the creative power of microentrepreneurs and provide goods and services at lower costs.”

Studies in both developed and developing countries have documented the potential significance of slums as incubators for upward social and economic mobility. “Upward mobility does not necessarily mean that people will move out of slums. On-site physical transformations in slum communities are in many cases evidence of socioeconomic upgrading,” the UN-HABITAT report states.

**A Model That Works**

Given the usefulness of slums, some governments are making progress in improving the lives of those who live in these areas. The Orangi township, on the edge of Pakistan’s port city of Karachi, recently earned the honor of outshining Mumbai’s Oscar-famous Dharavi shanty town, star of the celluloid hit *Slumdog Millionaire*, as Asia’s biggest slum. A report by Mumbai’s Brihanmumbai Municipal Corporation, cited in London’s *Daily Telegraph*, trumpeted that while Dharavi has 57,000 families living in overcrowded huts with poor sanitation, Orangi is home to 1.5 million people living in poverty. “Dharavi is not Asia’s largest slum, Karachi’s Orangi township has surpassed Dharavi,” the report claimed.

Like the malodorous streets of its Indian sister, Karachi real estate is gold. Land is the hottest commodity in these twin subcontinental commercial hives surrounded by shanty towns. Property speculators in Mumbai are in a lather, snapping up plots in the Dharavi slum under a 7-year redevelopment plan, Karachi authorities, for their part, are on a mission to turn the teeming Arabian Sea port of 14 million people into South Asia’s Dubai. “Karachi is up for grabs,” says Pervez Rahman, head of a non-government organization (NGO) that works to upgrade Orangi’s sanitation, health, and education facilities. But thanks to foresight by development organizations such as Ms. Rahman’s—and perhaps the lack of money and human resources of the Karachi government—the huts and tiny plots in the 50-year-old Orangi township are not up for grabs by developers.

A process called “notification”—by which Orangi residents receive title to their homes—has been under way since 1986. So far, 40% of residents has received titles to homes; those remaining are in the process of being “notified.”

Getting property deeds for Orangi residents is an offshoot of a bolder and highly successful effort by NGOs to upgrade the 1960s-era slum and make them self-sufficient communities. The Orangi township was established by the local government in the 1960s as a cheap residential colony with subsidized land and low rents for factory workers in the industrial sites next door, a captive pool of cheap labor.

Orangi is now home to 780 private schools, 600 health clinics, 90,000 latrines, and 40,000 microenterprise units, according to the Orangi Pilot Project Research and Training Institute, an NGO operating since 1988 to help Orangi’s people help themselves.

The massive sanitation upgrade was carried out by Orangi’s own residents for a fraction of the cost of similar projects financed by international development lenders, says Ms. Rahman, who directs the Orangi Pilot Project. Local government stayed clear of renewal projects in the early years because of a lack of money and manpower. “It was difficult for government to come in and do the work in supporting the upgrading of Orangi. They always said: ‘We have no money,’” Ms. Rahman says. “But since 1996 the government started taking interest and giving support. The people laid sewer lines themselves, but the government provided the trunk sewers.

The government, she says, is beginning to recognize that “lifting the self-sufficiency and livelihood of slum-dwellers will be good for the economy.”

In contrast, the case of Dharavi in Mumbai points at attempts to cash in on high land values and use that money to benefit slum residents. The proposal calls for land to be sold to the highest private bidders for upscale development. An important component of the deal, however, will be the guarantee that the 57,000 slum-dwelling families are housed on-site in high-rise apartments at no cost to them or the government. If successful, the experiment will likely set a precedent for cities dealing with urban renewal and informal settlements.
Viet Nam Tries to Break the Mold

By Floyd Whaley

Urban planners aggressively strive to keep the country off the path of mismanaged urbanization

South of Ho Chi Minh City, Viet Nam used to be a vast expanse of rice fields and marginally productive agricultural land. Today, the area is the most modern in the metropolis, with high-end residential zones, international schools, and chic shopping centers employing thousands.

The Saigon South area is one of the most dramatic urban development projects in the country, but it is by no means an isolated case. In urban areas throughout Viet Nam, less glamorous development projects are under way to address the country’s burgeoning transportation, housing, sanitation, and myriad other needs.

Viet Nam has been one of Asia’s stars in terms of economic expansion. Even during the global economic crisis, the country’s gross domestic product (GDP) grew by 3.9% in the first half of 2009, according to the Asian Development Bank’s Asian Development Outlook (ADO) report. In 2010, Viet Nam’s GDP growth is expected to increase to 6.5%.

This rapid economic expansion has put Viet Nam on a similar path as other Asian tiger economies with large, rural populations pouring into the cities seeking work and straining infrastructure.

“The demand for municipal infrastructure in Viet Nam has increased rapidly as the country copes with rapid urbanization, decentralization, and high rates of economic growth,” notes Dang Duc Cuong, a senior operations officer with the World Bank, who focuses on urban development in Viet Nam. According to the World Bank, the population of Viet Nam’s three largest urban areas—Ha Noi, Ho Chi Minh City, and Hai Phong—is expected to triple by 2020. More than a quarter of Viet Nam’s population already lives in cities, according to United Nations data. That is expected to increase about 35% by 2020.

As in countries across the region, the divide between the poor in the city and those in the countryside is expected to continue to drive migrants toward cities. One in five people in the Viet Nam countryside are considered poor, while cities enjoy less than half that rate of poverty.

As recently as 2005, Viet Nam was considered one of the least urbanized areas in Southeast Asia. At that time, the government began planning for the massive upgrading of its cities. Government planners put out a call for overseas development assistance, specifically targeting water supply and drainage, transport, environment, and housing for low-income laborers who would be needed to build the country’s new urban areas.

Viet Nam had about 500 urban areas calling for investment in 2004, with urban infrastructure projects under way in 45 cities and towns, according to a statement from Viet Nam’s Ministry of Construction.

This foresight and aggressive plea for assistance have paid off. In June 2009, Viet Nam Prime Minister Nguyen Tan Dung announced about $9.84 billion for urban development programs from 2009 to 2020.

The money will be used to provide housing for low-income residents in urban areas, as well as to improve urban planning by local governments, according to a statement from the prime minister’s office.

Viet Nam’s goal is for 100% of its people living in urban areas to have access to clean water by 2020, and for 100% of solid waste and sewage to be collected and treated in the same time frame.

With Viet Nam’s track record of carefully identifying its urban development needs and aggressively courting the external assistance needed to carry out the programs that address those needs, many experts predict that those ambitious goals will be met, once again.
Many Asian nations are discovering that reviving historic areas in their cities not only preserves their cultural heritage but also boosts their economy.

Text by Karl Wilson and Joe Cochrane
Illustration by Gerry Castro

Revamping Old Asia

The past 50 years have seen Asia emerge from the ashes of war and colonialism to become one of the most dynamic regions in the world. Asia’s emergence has meant not only a dramatic transformation of the world economy, but also a massive boom in urban development as more and more people leave the rural areas for the hope of a better life in the cities.

Today, as glass and steel skyscrapers re-define Asian skylines from Mumbai to Shanghai, many older neighborhoods and historic districts that connected people to their past are either gone or fading into the urban landscapes. Across the region, officials are attempting to reverse this trend, recognizing historic centers as vital cultural assets and potential catalysts for economic growth through tourism and related services. What’s more, many Asian governments are attempting to revitalize historic areas and expel them for the challenges of globalization and long-term environmental sustainability, according to a recent study by the Asian Development Bank (ADB). Historic quarters and traditional areas are seen as presenting important opportunities for the financial power of private sector operators to influence the cultural preservation of cities.

While cities in Asia and the Pacific have been concentrating on their conventional infrastructure requirements, many cities are still discovering how to deal with the challenge of urban renewal in a broader sense,” says Florian Steinberg, senior urban development specialist of ADB’s Southeast Asia Department. “Many cities in the region have historic inner city areas of considerable historic and cultural value. These city centers are opportunities for revitalization of local economic development and national cultural identity.”

Tragically, many colonial buildings in places such as Singapore, Ha Noi, and Hong Kong, China, have been leveled to make room for skyscrapers and other modern structures. Yet the connection between historic restoration and economic revitalization is increasingly being made.

“This whole quest for modernization has been mitigated a bit by tourism,” says Earl Kessler, a United States–based urban planning and disaster risk reduction consultant. “What are people coming to look at? They’re coming to look at the old traditional areas.”

Progress in restoring historic areas has been piecemeal. Take Ha Noi, for example, says Paul Schummelt, director of the Ha Noi office of Urban Solutions, a Netherlands–based company that advises the urban sector. “It’s very much a matter of preserving individual buildings and monuments rather than a townscape,” he says. “You can preserve a building or temple, but if you build skyscrapers around it, you lose a lot of the charm.”

“They’re destroying it at a very rapid pace,” he continues. “If you destroy a two–story building and build a 20–story building, you make a lot more money. And I think you and I would do the same thing.”

Mr. Kessler is more optimistic about historic landmarks in much of Asia. Historic quarters of Asian cities have been in the rifle sights for decades. But while historic landmarks and entire neighborhoods have been bulldozed, there has been and continues to be recognition from Beijing to Ahmedabad, India, that there are cultural and economic reasons to preserve a city’s past.

Countering the power of moneyed property developers remains a fairly new concept in much of Asia. Historic quarters of Asian cities have been in the rifle sights for decades. But while historic landmarks and entire neighborhoods have been bulldozed, there has been and continues to be recognition from Beijing to Ahmedabad, India, that there are cultural and economic reasons to preserve a city’s past.

Older areas that have been spared the wrecking ball and preserved are popular tourist spots. Sadly, however, many historic areas have already been lost as most major cities in the region spent their boom years tearing down historic buildings in favor of skyscrapers and shopping malls.

The Power of World Heritage

In 2008, Georgetown, the historic capital of Penang, Malaysia, and the city of Melaka were awarded World Heritage Site status by the United Nations Education, Scientific and Cultural Organization (UNESCO).

“Since Georgetown was listed as a World Heritage Site, many more people are now aware of the old city,” says Khoo Soo Choon, Penang’s mayor. “There are certainly more foreign tourists than before, but even Malaysians, who used to tear down their heritage for fear of getting down from their cars to wander around the city on foot.”

In some other parts of Asia, historic urban centers are being declared heritage sites as well and protected from developers. Financial support is given to rebuild historic, dilapidated buildings, as awareness campaigns make people understand the value in preserving historic areas. Singapore tore down much of its colonial past as the island state transformed itself from a poor backwater in Southeast Asia into one of the region’s economic success stories. Despite the island’s rapid expansion, the city has made a serious attempt to save what remains of its historic past. The city is preserving historic neighborhoods while adapting older buildings for commercial uses, especially tourism.

Singapore has a colorful, multicultural past that is still evident in scattered pockets of older districts that escaped redevelopment. The government is working to ensure that history does not disappear altogether. Across the island, dilapidated shops and houses have been shored up, window frames repainted in bright yellows, reds, blues, and greens, and the interiors renovated for commercial use.”

In Beijing, much of the old city has disappeared but the destruction of old Beijing started well before the People’s Republic of China’s (PRC) economic miracle began three decades ago. There are now efforts to preserve what is left, especially the hutong, the traditional courtyard residence. Since the mid–20th century, the number of hutong residences in Beijing has dropped dramatically as these are demolished to make way for roads and buildings. Recently, the government des
In Hong Kong, China, very little remains of its historic commercial past. If you walk through Stanley Market on a Saturday morning and flip through the old black-and-white photographs, you will see just how much of the place has disappeared.

Some buildings have been preserved. One of the more recent was the former Hong Kong Marine Police Headquarters on the Kowloon side built in 1884. Standing on a small hill, it once commanded sweeping views of the harbor. Today, however, the views are obscured by buildings.

Wander around Hong Kong, China, and you will find that some links to the past remain, such as St. John’s Cathedral, which was built in 1849, and the nearby Government House, which had been home to a succession of British governors from 1855 until 1997 when the region was returned to the PRC.

The French Mission building still stands as does the old court building that now houses the government of the Special Administrative Region until its new, ultra-modern offices are built on the waterfront overlooking the ever-shrinking harbor.

All that remains of the Kowloon–Canton railway station that once ran along the harbor, where Tsim Sha Tsui is today, is the clock tower next to the Star Ferry. Even the Star Ferry’s terminal on the Hong Kong Island side has been relocated to make way for even more harbor reclamation.

Only recently has the move to preserve the past taken on a sense of urgency in Asia. Many countries today see the need to preserve what is left as a window to the past that will help future generations understand and appreciate their origins. Apart from that, historic buildings help define the history of a people; they reflect the values and a way of life that helped shape nations, whether they are Singapore-like city states or major economic powers such as the PRC.
**SPECIAL REPORT**

**Dutch Jakarta Left Behind**

Despite 16 master plans since 1990, little has been done to revitalize the historic area

By Joe Cochrane

The famous Old Batavia area of North Jakarta, which dates back to the 17th century, is a grimy, run-down neighborhood whose breathtaking colonial buildings are set next to seedy nighttime karaoke bars and sordid, dark alleys.

In the late 1970s, the then-Governor Ali Sadikin put cultural preservation high on his agenda, starting with the renovation of Batavia’s Taman Fatahillah Square. The reason was simple: to motivate tourists to spend an extra day in Jakarta before continuing on to the resort island of Bali. The reason was simple: to motivate tourists to spend an extra day in Jakarta before continuing on to the resort island of Bali.

Unfortunately, the governor’s broader vision of conserving and promoting Jakarta’s cultural heritage did not rub off on his successors; they had other priorities.

Apart from the 1993 opening of the Café Batavia inside a 19th century building on the square, not much else has happened, save a few small museums.

“In 1970, we were the pioneers—Singapore hadn’t done it and Bangkok had nothing,” Soedarmadji “Aji” Damais, an Indonesian cultural expert, told the Jakarta Globe in an interview earlier this year for a special report on saving Jakarta’s Old Batavia.

“Ten years later, we were left behind,” he said. “What we had in mind was like Boat Quay [in Singapore]. It never happened, and [Batavia] is so much nicer than Boat Quay.”

North Jakarta is far from a lost cause, however. Property developers never needed to target Old Town, or Kota tua as it is known to Indonesians, because the city continued to grow southward. Block after block of historic buildings remain largely intact, albeit in various stages of decay, unlike many old historic quarters in Asia.

Jakarta Governor Fauzi Bowo says renovating Old Batavia into a historic, cultural, and tourism scene will not only be a money-spinner but also create an economic renaissance in North Jakarta, now a shadow of its old glory.

Last month, the Jakarta city administration signed an agreement with the Ministry for State-Owned Enterprises to renovate Old Batavia into a historic, cultural, and tourism scene.

Leadership / Facilitation / Coordination / Services to Red Cross and Red Crescent National Societies

The International Federation of Red Cross and Red Crescent Societies’ Asia Pacific zone supports the humanitarian work of 37 Red Cross and Red Crescent National Societies, responding each year to more than forty per cent of the world’s natural disasters and public health emergencies. It provides financial and technical support for disaster operations and development programmes.

- Building capacity
- Improving emergency response and development programmes
- Increasing efficiency and transparency
- Enhancing our influence

**ASIA PACIFIC ZONE**

International Federation of Red Cross and Red Crescent Societies

Ampwalk, Suite 9.05 (North Block), No 218 Jalan Ampang 50450 Kuala Lumpur, MALAYSIA

Tel: +60 3 9207 5700  Fax: +60 3 2161 0670  Email enquiries: apvoices@ifrc.org

A Pearl in Need of Polish

Manila’s historic buildings still suffer from wounds inflicted during World War II

By Karl Wilson

Manila, Philippines, often described as the “Pearl of the Orient” or “Paris of Asia,” never recovered from the wounds inflicted by the Battle for Manila in 1945.

Established in the 16th century, Intramuros was once the heart of the powerful Spanish Empire’s East–West trade with Mexico. But the walls — the heart of the powerful Spanish Empire’s East–West trade with Mexico — was the heart of the powerful Spanish Empire’s East–West trade with Mexico. It was the mouth of the Pasig River, Intramuros, and the city’s walls were rebuilt and fortified.

Intramuros, within Manila’s historic walled city of Intramuros, tourism thrives. Schools, museums, and churches abound, but much of the area awaits revival.

MANILA’S PAST RECAST

Within Manila’s historic walled city of Intramuros, tourism thrives. Schools, museums, and churches abound, but much of the area awaits revival.

Land use in Intramuros

<table>
<thead>
<tr>
<th>Category</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Institutional</td>
<td>21%</td>
</tr>
<tr>
<td>Commercial, mixed-use</td>
<td>15%</td>
</tr>
<tr>
<td>Residential only</td>
<td>1%</td>
</tr>
<tr>
<td>Unused, underused</td>
<td>13%</td>
</tr>
<tr>
<td>Parks, walls, golf course</td>
<td>50%</td>
</tr>
</tbody>
</table>

Other large-scale restoration has focused on structures such as schools, government offices, and churches. Still, experts say the large population of illegal settlers continues to be the most formidable obstacle to attracting high-value investment.

World War II left Intramuros mostly ruins and rubble.

Intramuros awaits revival. Other large-scale restoration has focused on structures such as schools, government offices, and churches. Still, experts say the large population of illegal settlers continues to be the most formidable obstacle to attracting high-value investment.

Abandoned structures

About 1% of the land within the city’s walls remains underused and abandoned

Illegals

About 1% of the land within the city’s walls remains underused and abandoned.

Illegal settlers

About 13% of the land within the city’s walls remains underused and abandoned.

Illegal settlers

About 13% of the land within the city’s walls remains underused and abandoned.
Just a short walk from Intramuros, a few buildings from Manila’s past, such as the National Museum, Post Office Building, and Manila Metropolitan Theatre which is now abandoned, still stand. A short taxi ride away is Escolta, once an exclusive shopping district in Southeast Asia. During the final years of the Spanish era, Escolta Street had the reputation for being the best of the trade centers in Binondo, the Chinese merchant district in the capital.

No attempt has been made to try to restore this corner of the city. In the years following World War II, Manila grew at breakneck speed but paid scant attention to urban planning. Gated communities were established around the former airfield that is now Makati City, leaving places like Escolta to slowly die.

Binondo Church in Manila is one of the oldest churches in the Philippines. It was founded by the Dominicans in 1596 to serve converts from the Chinese community to Christianity. Binondo is the Chinese merchant district in the capital.

Some solutions for climate change stare you right in the face. As a climate-changing greenhouse gas, methane is more than 20 times more potent than carbon dioxide. Unfortunately, methane emissions from livestock waste are growing, and increasing fastest in developing countries. ADB offers funding for biogas technology that uses animal waste for generating clean energy for cooking and electricity, providing renewable energy for thousands of poor households, and switching Asia on to a low carbon growth path.

ADB. Investing in climate change solutions for Asia and the Pacific.
Terrifying Insurance

When bridges, hotels, and other structures are hit by bomb blasts, not only do media show up but also insurance adjusters as more and more political risk policies now cover terrorism.

By Keith Rosenblum

In conflict zones, few investors are eager to back the building of roads, bridges, and other vital infrastructure needed to bring peace and stability. Not only are there harsh investment climates unpredictable, but they are also literally deadly.

Political risk insurance, an increasingly important part of the portfolio of major international financing organizations worldwide, was designed to address these problems by protecting investors against every kind of ominous scenario that might plague an unstable host country, except the vagaries of the market.

After the terrorist attacks of September 2001 in the United States, political risk insurance was expanded. Today, when bridges, hotels, and other structures are hit by bomb blasts, not only do media show up, but also insurance adjusters are increasingly likely to be on the scene as more and more political risk policies now cover acts of terrorism.

One example is the 5-year-old Afghanistan Investment Guarantee Facility (AIGF). The $60 million fund, offered through the Multilateral Investment Guarantee Agency (MIGA), which is part of the World Bank Group, is one of a few examples of an insurance policy designed to address the relative scarcity of foreign direct investment to cover earnings directly attributable to acts of terrorism.

Some confusion persists regarding the types and amounts of settlements are rarely disclosed.

MIGA and its US counterpart, Overseas Private Investment Corporation (OPIC), as well as some private insurers, have settled numerous claims for terrorist acts; the types and amounts of settlements are rarely disclosed.

In the broad “political violence” category, OPIC has paid out about two claims a year over the past decade or so. Included are those specifically classified as “terrorism”—sabotage of a gold mine by Revolutionary Armed Forces of Colombia, or FARC, and a rash of vehicles destroyed in Iraq and Afghanistan.

Some critics suggest that the policies have been a failure. AIGF has settled numerous claims for terrorist acts; the types and amounts of settlements are rarely disclosed.

In addition to the International Home Finance & Development, LLC, a French cotton gin project; and ShoreCap International Ltd., a banking venture based in the Coconino Islands.

Investments under AIGF may originate in凡是 of MIGA’s 168 member countries and may extend to acquisitions of state industry. Coverage is available for 7 years, though longer terms may be obtained through MIGA coinsurance. MIGA insures up to 90% of an initial investment to cover earnings directly attributable to acts of terrorism.

Coverage has made a difference in investment possibilities in Afghanistan, as signs of expatriate and newcomer investment alike have appeared throughout the country of 30 million people.

Afghanis have logged record advances in living standards since 2001, largely due to the fact that conditions bottomed out for most people. Afghans dispersed throughout the West have led the charge both in numbers and dollars to help rebuild what the World Bank labels a “post-conflict” nation.

The business climate, for most, hardly warn investors against flying into Kabul, let alone investing.

A key to bringing foreign investment to Afghanistan is making the right pitch to the public ideologically and businesswise—emphasizing that investments will be protected, says Jeff Raleigh, who
MIGA War and Civil Disturbance Payments

R afat Ludin has answered the plea that invariably finds its way across continents from Afghans, who ask Mr. Ludin how to convince investors, “Will it work and at what cost?” There are two simple questions: “Will it work and at what cost?” There are potential moral hazards here. An investor can find himself in trouble for whatever reason, political or otherwise, and then move in and collect,” he explains.

Since public risk insurance providers have the backing of government, they can instruct the host government to reimburse claims paid out, which can create the potential for fraud, he explains. “It’s the commercial equivalent of burning down your own house.”

Robert E. Svenck is a political risk insurance underwriter who started his career at OPIC, then built AIG Political Risk Inc. from a $500,000 annual business at inception to a $55 million business in 7 years. He sees the current public risk insurance entities as good pilot projects.

Adjusting the incentives, the amounts guaranteed by MIGA or OPIC are actually less than decades ago, he says, pointing to the inevitability of business going to the dozens of political risk insurers that have sprung up in years. Nothing will ever replace the “tumbliness” of the private sector, he says, because private companies “don’t have to prepare 800 politically mandated labor, environmental, and workplace studies before taking action.”

For Mr. Ludin’s case, answering the plea means the beginning of a month that begins with Los Angeles traffic and, 48 to 60 hours later, ends in Kabul—home to “The GreenMachine” and the 45-year-old entrepreneur’s dreams of lifting beleaguered but eager combatants up another notch.

The odyssey has paid dividends: business is good. The GreenMachine, a patented, 1-ton, diesel-powered brick-making device, is a hit with Kabul hotel and building officials and the U.S. armed forces alike. The GreenMachine has built a small mosque at the Ministry of Education. Response to production from the three existing machines, airlifted to Afghanistan from the US, has been so enthusiastic that Mr. Ludin plans to manufacture another 10 in Kabul, he says. “With a trained workforce, there should be no difference whatsoever in quality.”

The challenges of doing business in a country divided by decades of war, lacking in training programs, and scarce of infrastructure, is nothing new for Mr. Ludin. In fact, the German-educated businessman, whose family left Afghanistan when he was 12, has embarked on his own Afghan reconstruction mission as a less stressful alternative to the former career in German industry, which he blames for “a midlife stroke.”

Today, Mr. Ludin and partners hold interests in an array of Afghan renewable energy projects, and he moves, always with his Blackberry, from the West to Afghanistan and back like a migratory bird.

In many ways, The GreenMachine venture is the embodiment of the project so desperately sought by architects of Afghanistan’s reconstruction. In a single package, the machine weds a wanting population to affordable housing, manufacturing jobs, and ecologically sensitive technology.

Yet, for as smoothly as this venture has gone, the truthful remark is just how close a logical, commercially viable project came to never existing at all.

Mr. Ludin says the machines in Kabul and at a US military base could be targeted by militants at any time. Knowing they are financially protected is “a relief,” he says, that allows him to concentrate on the tasks of running the business.

The threats are off a list of daily concerns: low temperatures freeze The GreenMachine’s oil in the winter; software issues have repeatedly crippled one of the machines; oil, clay, and cement supply issues always crop up in Kabul….

These problems—and not potential loss of patrimony—are the issues that happily concern Mr. Ludin.

Answering the Plea

Political risk insurance helps bring Afghans home to invest.
The Art of the “Tweet”

By Jenny Forster

T

ings are pretty quiet over at the International Monetary Fund’s (IMF) Facebook page. On the world’s largest social media website—where 300 million people worldwide can be found communicating, contributing, and donating—the global monetary authority has less than 150 followers. This may, as they are called on Face- book, include people represented by photos of a cigar-smoking monkey, a dog, a fairy, two tattoos, three barrels of oil, and Clarke Gable. Facebook pages for the Asian Development Bank, Inter-American Development Bank, and African Development Bank are all similarly sleepy, or nonexistent.

Hundreds of millions of people world-wide—in developing countries and wealthy nations alike—use social media websites, such as FaceBook, MySpace, and Twitter, to form opinions and get news. Facebook alone is available in 70 languages and boasts that 7 out of 10 of its users live outside the United States. Despite this global explosion of social media, the world’s established development organizations are struggling with the new medium. Monolithic institutions have used social networking for narrow tasks such as internal collaboration, but truly dynamic and creative efforts to participate in “Speak Outs”—online conferences in which they exchange in Facebook texts—have reaction to recently released official reports are focusing their efforts and resources to enhance people’s understanding of development. Explains Ann Quon, director of External Relations: “Like other international organizations, we recognize the value of social networking sites and are exploring them as another avenue to engage people’s understanding of development.”

Leveraging the Web

The power of social media does not need to be explained to the small nonprofit development organization called “charity: water.” It has 58,053 members on its Facebook Causes page. It has raised $80,114 there alone—and another $10 million in funds in the past 3 years toward 1,380 development projects in 14 countries by leveraging new technology—a complex network of services known as Web 2.0, beefed up with slick marketing, public relations savvy, and a youthful outlook and approach to work they do, connecting donors to projects. The organization uses Google Earth to track the water wells they build. They are taking transparency to the extreme, using something along the lines of nearly real-time updates to show donors that their money is being used smartly. As the organization has demonstrated, building up a substantial following on Face- book or Twitter—is where it has more than 760,000 followers—is not enough. “Social media is a great tool, but it’s merely that—a tool. It’s one way to reach the people who want to help,” Ms. Yates says.

The United Nations of Beer

The United Nations (UN)—which would appear by its global nature and budgetary constraints to be a perfect candidate for embracing social media—seems as flummoxed by the fast-moving medium as other international organizations. The UN official Facebook site came up on page five of 500 pages of listings for “United Nations” during a recent search. It sits alongside “the United Nations of Beer” and “the United Nations of Ninjas.” The official UN page does not have a lot of fans—a mere 7,500 or so—but that’s pretty good since it is simply a home for their press releases, annual reports, and action statement and links to its home page. But that’s not the whole story. What neither the UN website nor its Facebook page is good at is linking to other sites, including other social media, in its material, and the organization’s multifaceted roles and involvement. One answer could be to tap the 63-office UN Information Centre (UNIC), which fulfills its media and communications role, and which is described as “key to the Orga- nization’s ability to reach the peoples of the world and the ability to share the United Nations story with them in their own languages.” If communication were the organization’s only priority, however, one would expect more savvy PR approach to this task, like a link to Twitter, where the organization is in fact featured and has 4,494 followers.

Some UN agencies of the United Na- tions have discovered the world of social media. At this time, however, they are cautiously using social media, and cyberactivists are queuing up yellow plastic fuel containers and queuing to fill them with murky water from a dirty lake in Central Park. The actress Jennifer Connelly is filmed nonchalantly pouring the dirty water for her children. Connolly is filmed nonchalantly pouring the dirty water for her children. Connolly is filmed nonchalantly pouring the dirty water for her children. Connolly is filmed nonchalantly pouring the dirty water for her children. Connolly is filmed nonchalantly pouring the dirty water for her children. Connolly is filmed nonchalantly pouring the dirty water for her children. Connolly is filmed nonchalantly pouring the dirty water for her children. Connolly is filmed nonchalantly pouring the dirty water for her children. Connolly is filmed nonchalantly pouring the dirty water for her children. Connolly is filmed nonchalantly pouring the dirty water for her children. Connolly is filmed nonchalantly pouring the dirty water for her children. Connolly is filmed nonchalantly pouring the dirty water for her children. Connolly is filmed nonchalantly pouring the dirty water for her children. Connolly is filmed nonchalantly pouring the dirty water for her children. Connolly is filmed nonchalantly pouring the dirty water for her children. Connolly is filmed nonchalantly pouring the dirty water for her children. Connolly is filmed nonchalantly pouring the dirty water for her children. Connolly is filmed nonchalantly pouring the dirty water for her children. Connolly is filmed nonchalantly pouring the dirty water for her children. Connolly is filmed nonchalantly pouring the dirty water for her children. Connolly is filmed nonchalantly pouring the dirty water for her children. Connolly is filmed nonchalantly pouring the dirty water for her children. Connolly is filmed nonchalantly pouring the dirty water for her children. Connolly is filmed nonchalantly pouring the dirty water for her children. Connolly is filmed nonchalantly pouring the dirty water for her children. Connolly is filmed nonchalantly pouring the dirty water for her children. Connolly is filmed nonchalantly pouring the dirty water for her children. Connolly is filmed nonchalantly pouring the dirty water for her children. Connolly is filmed nonchalantly pouring the dirty water for her children. Connolly is filmed nonchalantly pouring the dirty water for her children. Connolly is filmed nonchalantly pouring the dirty water for her children. Connolly is filmed nonchalantly pouring the dirty water for her children. Connolly is filmed nonchalantly pouring the dirty water for her children. Connolly is filmed nonchalantly pouring the dirty water for her children. Connolly is filmed nonchalantly pouring the dirty water for her children. Connolly is filmed nonchalantly pouring the dirty water for her children. Connolly is filmed nonchalantly pouring the dirty water for her children. Connolly is filmed nonchalantly pouring the dirty water for her children. Connolly is filmed nonchalantly pouring the dirty water for her children. Connolly is filmed nonchalantly pouring the dirty water for her children. Connolly is filmed nonchalantly pouring the dirty water for her children. Connolly is filmed nonchalantly pouring the dirty water for her children. Connolly is filmed nonchalantly pouring the dirty water for her children. Connolly is filmed nonchalantly pouring the dirty water for her children. Connolly is filmed nonchalantly pouring the dirty water for her children. Connolly is filmed nonchalantly pouring the dirty water for her children. Connolly is filmed nonchalantly pouring the dirty water for her children.
Development organizations are battling scammers on the internet who usurp their organizations’ names and programs to offer bogus jobs and grants... for a price.

G lobal Builder Sandra J. has an interesting offer for you. Not only does she promise work with the Asian Development Bank’s (ADB) Water for All program in her e-mail message, but she also says you can do it from home. The best part is that you will get paid every 2 weeks! You have to agree with Sandra: opportunities like this don’t come by every day. This is no get-rich-quick scheme, she assures, and it must be genuine, because her e-mail includes a link to ADB’s website.

As generous as Sandra’s offer is, you might want to consider an even better e-mail offer of a six-figure salary as an environmental officer with the World Health Organization.

But does a job like that make sense when you can have your very own development grant, supported by the African Development Bank, the United Nations (UN), the World Bank, and even the European Commission?

Keep all this mum as the West African gentleman involved insists the matter remain strictly confidential. But really, why bother with grants and jobs when he is willing to pay a couple of million dollars for your help? It seems he is having a terrible time trying to move a few million out of an African Development Bank account and just needs your bank account details and some paltry processing fees to get the job done.

If that sounds illegal, you might want to take advantage of another amazing e-mail deal from the UN and the World Bank. At a closed meeting, these two development organizations have approved a contract payment in your name for $8.3 million. Who knew the World Bank and the UN gave away that kind of money? And all they need is your banking information!

Money for Nothing
Every year, thousands of internet users hit “reply” instead of “delete” or follow links in such unsolicited e-mails and wind up scammed out of millions. Posted on a website supported by the US Federal Bureau of Investigation or FBI (www.lookstoogoodtobetrue.com) are sad stories of people like Jackie. Contacted by someone in West Africa regarding a bank draft for $400,000, she sent the required $200 service fee plus insurance for the draft of $1,000 only to be told the draft had been seized by a money-laundering squad. She sent another $4,000 to get it back. Then the crooks strung her along for more fees, document stamps, and taxes totaling over $11,000. When a further $11,000 was requested, she and her friends investigated. She was devastated to realize she had lost over $16,000 to a classic internet advance fee fraud, one of the most lucrative, cruel, and least prosecuted of cybercrimes.

Just like a bad part of town where you keep your hand on your wallet or clutch your handbag, internet users need to beware of cyber criminals lurking on dark side roads of the information highway who troll via unsolicited e-mails for unsuspecting victims. Advance fee scams that trick internet users into sending money for promises of cash, jobs, free trips, and lottery winnings are almost as old as the internet and, before that, were perpetrated by letter, phone, and fax. One version known as “The Spanish Prisoner” is thought to date from as far back as the 16th century and bears a remarkable similarity to scams reinvented in digital form that caught Jackie.

“Although there is no financial loss to the bank, these crimes impact our reputation and image.”
—William Godbout
Chief Security Officer
African Development Bank

BEWARE OF CYBER CRIMINALS
Just like a bad part of town where you keep your hand on your wallet or clutch your handbag, internet users need to beware of cyber criminals who lurk on dark side roads of the information highway trolling via unsolicited e-mails for unsuspecting victims.

JANUARY–MARCH 2010  / Development Asia 39
The best known internet scam is the Nigerian Letter or 419 scam, the number relating to the Nigerian criminal code that the fraud violates. This type of fraud is famously perpetrated by Nigerian scam artists on a near industrial scale. But while all internet crimes, it transcends borders and can originate in newly evolved forms from the Russian Federation to the Philippines. Scammers are innovative and constantly changing. They use convincing pitches featuring official-looking e-mails purportedly representing a foreign government agency to con victims. Once hooked, they are so desperate to recoup their losses they keep sending money in the hope that the false promises will turn out to be real.

A recent twist is the fraudulent use of development organizations to authenticate the claims of some featuring cloned websites, stolen official letterheads, and logos as well as the names of real senior officials. The World Bank, International Monetary Fund, UN, and ADB are just a few targeted by scammers. All post alerts on their websites with links for reporting scams. William Godbout, chief security officer at the African Development Bank, reported an exponential increase in the volume of online criminal activity using the bank’s trademark at the 6th German Anti Spam Summit in October 2008. “Although there is no financial loss to the bank, these crimes impact our reputation and image,” he says. Cheeky scam artists are even using the names of Internet-ripe targets such as the 419 scam. Internet experts at Microsoft say the growing problem of internet scams not only undermines the image of legitimate organizations but also damages the credibility of the internet itself as a trustworthy source of information and commerce.

At the same summit, Tim Cranton of Microsoft’s Worldwide Internet Safety Programs noted that scams can be so creative and plausible that internet users simply don’t realize they are being scammed. Commenting on a recent rise in advance fee scams promising lottery winnings, he says: “Lottery scammers prey not on software but on the hope of their victims.” Although some of the scams are crafted with little literariness and grammar, and are from free email accounts such as Yahoo! instead of a domain and website that match the organization’s name, others are so clever and slickly produced that it is hard to tell that they are not genuine. These are informed their travel will be paid for but that they must pay additional costs and expenses up front. After payment, the money goes down the drain and the conference vanishes.

Especially vulnerable to e-mail scammers are those facing a tough financial situation. With the global recession putting millions out of work, there has been a surge in scammers sifting through their ranks exploiting job seekers, a trend setting up in fraudulent schemes promising jobs at development organizations for an advance fee. Also thought to be increasing because of the economic downturn is a spike in “phishing” attempts, whereby internet users are unwittingly directed via spam e-mail to malicious websites posing as legitimate organizations or companies where they provide sensitive bank and personal information. Such sites can also install malware on their computers. Another common way to steal information is through requests to update billing or membership information. Criminals then empty victim’s accounts or purchase goods on stolen credit card numbers. Canadian cyber cops who specialize in fighting internet crime are aware that less than 10% of internet users who are scam victims ever report such crimes because of embarrassment. One does not pay on the internet, and it is cheap: all criminals need is an online connection, a computer, and lists of e-mail addresses to spam. The flow of funds is complex, and the amount of fraud in each case is too small to trigger an international investigation so criminals have little to fear. And for development organizations that have seen an increase in such scams, the e-mails that go out are thousands of tiny cuts in their reputations.

With varying national jurisdictions, law enforcement resources, and industries, it is difficult to create a single global organization dedicated to cybercrime. The Council of Europe’s Convention on Cybercrime, which came into effect on 1 July 2004, was the first international treaty to attempt to harmonize national laws, improve investigative techniques, and increase cooperation among the 28 nations that signed the treaty. A growing number of government organizations, affected industries, and law enforcement agencies are forming alliances to shut down online criminals. In an effort to combat fraudsters who counterfeited trusted brands, the African Development Bank announced in October 2008 the formation of the Advance Fee Fraud Coalition with Microsoft, Yahoo! Inc., and Western Union Company with the goal of raising global awareness among internet users of the threat posed by hoax e-mails. Since development organizations are not directly involved in the fraud—they are simply having their names hijacked—the key to defeating the cyber crooks is educating internet users to better protect themselves against fraudulent activity. Organized online vigilantes sites such as 419 Eater (www.419eater.com) invite internet users to the cyberport of scam baiting: fighting back and having fun turning the tables on internet criminals. The goal of scam baiting is not to string scams along and waste their time and money but to get them to stand in front of a web camera holding ridiculous signs or appearing in outrageous poses. In these counter-scam operations, the oft-humiliating and hilarious pictures and videos of online crooks are posted on the site’s Trophy Room.

Experts agree that cyber fraud is not going away anytime soon, and the best way to defend against it is awareness. The best tool against online criminals is to use the delete button when you receive unsolicited e-mail “offers.” If you do not communicate with crooks, they cannot scam you. Spam and junk mail filters help reduce the number of unsolicited emails. Ensure you are using a secure website when submitting personal or financial details. Check to make sure the lock icon is showing on your browser that indicates your information is secure during transmission. Do not click on links in an e-mail message, text, pop-up, or instant message, and never open unexpected attachments. Use a password that is not too obvious, make sure you are logging in to genuine websites, and other executable programs designed to steal information or perpetrate other crimes. Microsoft advises users to update and install the latest security updates and turn on the automatic update feature.

On the information highway, skepticism is your best friend: if it sounds too good to be true, it probably is. Should you not be suspicious of a request for up-front money or that the United Nations or the World Bank is so delighted to be offering you great jobs or invitations to meetings? Real organizations give their employees internal e-mail addresses. They do not use free ones such as Yahoo, MSN, or even Google. Be suspicious of e-mails asking for personal information, particularly bank or credit account numbers, passwords, or personal identification numbers, or their e-mails requesting you to update billing or membership information. When in doubt, contact the company directly by phone to confirm the correspondence. Do not fall for e-mail scammers who use your real family name to inform you of an “inheritance” or the like from a long lost relative. It is surprisingly easy to find summates on the internet.

Almost all development organizations have a contact on their websites where you can report e-mails misusing their domain names. Reporting e-mail scammers helps stop fraud by alerting others and allowing organizations to pass details on to authorities.

**Fighting Back**

The key to defeating cyber criminals is educating internet users

---

**AS UNLIKELY AS A DOWNPOUR OF MONEY** Scam artists weree elaborate get-rich-quick schemes, promising their victims easy money in exchange for their banking information.

---

**FEATURE**

- This feature is about internet scams and how to protect against them.
- It discusses the Nigerian Letter or 419 scam, one of the most common internet scams.
- The article highlights the increasing prevalence of internet scams and the need for heightened awareness.
- It emphasizes the importance of verifying the credibility of online sources and being cautious with unsolicited offers.
- The article also mentions the role of development organizations in combating internet scams and encouraging vigilance.
- It provides advice on how to recognize and report scams, as well as strategies for educating others about the risks.
- The feature underscores the need for continued vigilance as internet scammers innovate and adapt their tactics. 

---

**Additional Notes**

- The text contains several statistics and figures highlighting the impact of internet scams on individuals and organizations.
- It cites examples of specific scams, such as the Nigerian Letter or 419 scam, and provides insight into the methods and strategies used by scam artists.
- The article mentions the formation of the Advance Fee Fraud Coalition and other partnerships aimed at combating cybercrime.
- It addresses the importance of awareness and education in preventing internet scams and protecting against victimization.
- The text concludes by emphasizing the ongoing nature of the challenge and the need for ongoing vigilance and adaptation to new threats.
The Dark Side of Remittances

By Wendy Doromal

Development organizations that support the use of remittances for poverty reduction have a responsibility to workers sent

Many in the international development community have come to see remittances—the money sent home to their families by overseas workers—as something of a panacea for reducing poverty. Loving family members working in wealthy nations send money directly to those who need it most in the world’s poorest countries. But the relationship is not that simple. Asian countries have become dependent on human exports to sustain their economies through remittances. The World Bank estimates that 190 million migrants remitted $397 billion in 2008. Remittances to India were $52 billion that year; and the Philippines, $18 billion. Even Viet Nam, which is relatively new to the labor-exporting game, received $7.2 billion.

"Workers flow out, money flows in" has become a mantra for Asian nations. The money sent to countries through banks is counted as part of the home country's dollar reserves and helps strengthen the drenched money. Remittances have also been credited with lowering poverty levels in labor-exporting countries. Foreign workers not only serve their employers but also their home countries.

Commodifying People

The exportation of labor has a social and human cost that is often ignored or minimized. Across the globe, stories of exploitation and abuse have cast a dark shadow on the economic gains of labor-exporting countries. These countries are responsible for protecting the dignity and rights of their citizens who work overseas and for maintaining the social fabric of their society. These workers are often regarded more as commodities rather than as valued citizens.

Family relationships are severely affected as a parent or parents work overseas. Ironically, many female overseas workers serve as domestic helpers who raise other families' children while relatives raise their own children. Years of separation also weaken marriages. Children while relatives raise their own children. Years of separation also weaken marriages. Children while relatives raise their own children. Years of separation also weaken marriages. Children while relatives raise their own children. Years of separation also weaken marriages. Children while relatives raise their own children. Years of separation also weaken marriages. Children while relatives raise their own children. Years of separation also weaken marriages. Children while relatives raise their own children. Years of separation also weaken marriages. Children while relatives raise their own children. Years of separation also weaken marriages.

The majority of the workers who go abroad expect to experience some cultural and language difficulties. Unfortunately, that may be the least of their worries. Vulnerable workers, who are often little more than indentured servants, find themselves systematically dehumanized. Employers hold their passports and restrict their freedom by confining them to their living quarters. Many work for free in the first quarters. Many work for free in the first year because they need to pay back fees for recruitment, passports, and other required paperwork.

The first place stop abuses is in the country of origin. Sending laborers abroad is a highly profitable business for recruitment agencies. Government employees have been accused of helping minors and others sneak past immigration officials with fake documents resulting in dire consequences. Minors who were promised jobs as waitresses have found themselves trafficked into the sex trade. Kickbacks and commissions have resulted in an oversupply of workers as companies enlist more people than they can employ. Scammed workers who paid thousands of dollars to work abroad have found themselves jobless since they reached their destination. Such was the case of an estimated 1,000 workers from Bangladesh, India, and Sri Lanka who paid recruitment fees of $2,000 for a chance to earn between $600 and $800 a month in Iraq. Their passports were withheld and they received no pay. In December 2008, the men protested in an abandoned Iraqi airport where they were housed in tents.

Each year, tens of thousands of expatriates across the globe find themselves victims of labor abuse, unpaid wages, and other contract violations. Living as a disenfranchised underclass, they endure the most stoic of living conditions, sacrificing to fulfill their moral obligation to send money home to their families.

Giving Workers a Voice

One such worker, Buddhi Lal Dhimal, a Nepalese foreign worker in the US Commonwealth of the Northern Mariana Islands, went to the Department of Labor repeatedly to request help in getting the $2,400 owed to him by an unscrupulous employer. He needed to send the money to his family, according to his daughter Palaktra Dhimal. Finally, after he was told that he would be deported without the money, he dosed himself with gasoline outside the labor office and set himself on fire. He died a month later.

In some extreme cases, in which workers have been hanged, beheaded, tortured, or wrongfully imprisoned, governments have spoken out and attempted to intervene. However, for the tens of thousands of workers who suffer daily, instead of outrage, the labor-exporting nations that sent them overseas turn a blind eye to abuses or remain silently complacent. Abused workers have fled to their foreign embassies or consulates only to be returned to their employers. Maintaining diplomatic relations while nationals suffer rather than risk losing export markets is too popular.

Development organizations, which promote labor exportation as a measure to reduce poverty, share in the responsibility of protecting workers. They should use their influence with the labor-exporting countries to enact and enforce stronger regulations to protect these workers, or restrict or stop the flow of workers overseas entirely when abuses occur.

Many of the workers come from the lowest stratum of society and possess little political power or influence. It is therefore up to all of us to give voice to this situation to ensure that laws and public policy protect citizens whose rights must not be secondary to their economic contributions.
Mechai Viravaidya—popularly known as Thailand’s “Mr. Condom”—is on a quest to change the way people think about poverty and development.

When the HIV/AIDS epidemic swept through Thailand in the early 1990s, the government took a risk. They looked to an unusual group—the Population and Community Development Association (PDA) and its founder, Mechai Viravaidya—for help in solving the daunting and complex dilemma of how to stop the spread of the deadly new virus.

“We were already working in the area between the knees and the navel” when the AIDS crisis hit Thailand, says Mr. Viravaidya. After some prodding, the government recognized PDA’s expertise in addressing issues of reproductive health and population control. Health officials also took a chance on Mr. Viravaidya, whose methods were controversial and unconventional, but effective.

Born in Australia to a Scottish mother and a Thai father, Mr. Viravaidya obtained a degree in commerce from Melbourne University before moving to Thailand in the mid-1960s to work as a government economist. He quickly recognized that Thailand’s rapid population growth was stymieing the country’s economic development and increasing poverty.

Thailand’s rapid population growth was swept through Thailand in the late 1980s, when the HIV/AIDS epidemic hit Thailand, says Mr. Viravaidya. After some prodding, the government recognized PDA’s expertise in addressing issues of reproductive health and population control. Health officials also took a chance on Mr. Viravaidya, whose methods were controversial and unconventional, but effective.

In 1991, Thailand’s Prime Minister and a Kangaroo Vasectomy Festival on Australia’s National Day.

Mr. Viravaidya’s group worked with the population control game. PDA even organized competitions in which school children blew up condoms into balloons and received a Snakes & Ladders board game. PDA also organized a Vasectomy Festival in coordination with the national lottery bureau, which gave a free lottery ticket to all men who were vasectomized. PDA also organized a mobile vasectomy bus that would roll into villages around Thailand to provide the free service.

At the Father’s Day Vasectomy Festival, PDA enlisted wives and children to encourage men to have the procedure done. A vasectomy offered the family a better life and a bigger inheritance. PDA even included foreign men in this effort, with a vasectomy party on the United States Independence Day and a Kangaroo Vasectomy Festival on Australia’s National Day.

To address religious concerns about population control and family planning, Mr. Viravaidya enlisted the support of Buddhist monks, who publicly blessed contraceptives with holy water before they were distributed to the public.

The fruits of these labors were dramatic. The average number of children per family fell from 7 in 1974 to 1.2 in 2005. The population growth rate during that same period fell from 3.3% to 0.5%. The rate has remained stable and low ever since.

“We’ve reached the point in Thailand where most families don’t want to have too many children,” says Mr. Viravaidya. “They are educated. They understand the implications of family planning. Now, all we have to do is maintain the services to support them.”

Captain Condom

In the late 1980s, HIV/AIDS slammed Thailand, and the government appeared ill-prepared to deal with the looming crisis. “Denial was the order of the day while thousands of Thais were being infected,” says Mr. Viravaidya. “No AIDS-related news was permitted on radio or TV.”

Mr. Viravaidya circumvented this government policy by going straight to the country’s powerful military, which controlled 300 radio stations and two television stations. By 1990, Mr. Viravaidya had convinced the head of Thailand’s military to air AIDS education commercials on the military stations. The rest of the government fell in line a year later.

In 1991, Thailand’s Prime Minister was named chairman of the country’s National AIDS Endowment, which elevated the problem above the limited role and
In a landmark program that has been replicated around the world, Mr. Viravaidya’s group offered small business loans to people with HIV/AIDS on the condition that they partner with someone who does not have the disease. This highly successful program—94% of loans were paid back on time—encouraged stigma-free people with the ailment. Mr. Viravaidya’s group also encouraged companies to offer workplace education on HIV/AIDS with the slogan: “Sick staff can’t work. Dead customers don’t buy.”

Thailand’s anti-HIV/AIDS program has been a globally recognized success. By 2004, the country experienced a 90% reduction in new HIV infections. The World Bank estimated in 2005 that the country’s efforts saved 7.7 million lives and $18 billion in treatment costs. Though a catastrophic AIDS epidemic was averted, Thailand today is dealing with some of the same problems of complacency that many countries are struggling to address regarding HIV/AIDS, says Mr. Viravaidya.

Surviving on Begging

PDA has grown into a diverse development organization with more than 800 staff and 15,000 volunteers working in 18 regional development centers in 15 provinces throughout Thailand. Most notably, PDA operates 18 private companies—including the popular Cabbages & Condoms restaurants and resorts—to support its development work. Mr. Viravaidya sees this blending of private sector ownership and not-for-profit development work as the model for the future, adding that he has no fear of development organizations losing focus and turning into profit-driven enterprises.

“The Catholic Church owns a lot of land but that doesn’t make it a property developer,” says Mr. Viravaidya. “Our companies don’t define our work. They support it. Most NGOs are beggars, and that is not sustainable. You can’t expect to survive on begging alone.”

Mr. Viravaidya was appointed ambassador to the Joint United Nations Programme on HIV/AIDS (UNAIDS) in 1999. He has also received the Ramon Magsaysay Award for Public Service and the United Nations Population Award. Most recently, he won the Bill and Melinda Gates Award for Global Health and the Skoll Award for Social Entrepreneurship, each of which included a cash prize of $1 million.

Despite the global acclaim, the greatest recognition of his work is likely something heard every day in taxicabs, hotels, stores, and bedrooms throughout Thailand: “Mecha” has become the Thai nickname for condom.
little assistance changed their lives. The authors argue that the best strategy for fighting poverty is to recognize women’s rights and their potential to contribute to the economy. Ms. Kristof and Ms. WuDunn are the first married couple to win a Pulitzer Prize in journalism. They won for their coverage of the People’s Republic of China as New York Times correspondents. Ms. Kristof won a second Pulitzer for her op-ed columns in the Times.

“These Pulitzer-Prize-winning authors achieve the treatment of women in developing countries as the great story of this century, a moral and economic tale, but also as an economic one. What if, oppressing half their population, countries in Africa, Asia, and the Middle East had been choosing themselves in their ‘savage
two’”—Carolyn See, The Washington Post “In his passionate yet practical book, the great British economist during the Great Depression in the 1930s. The current global economic crisis only proves Mr. Keynes right: markets are not self-correcting, and government intervention is needed, covering everything from the American ideological mix, especially in how she honored the creative powers of American business in a free market to improve human lives. Ms. Burns’ readers will see Rand still has the power to instruct on the meaning and scary implications of government growth in the age of Barack Obama.”—Brian Doherty, The Washington Times

The book was edited by Viral Acharya and Matthew Richardson. Mr. Acharya is professor of finance at NYU Stern. He is academic advisor to the Federal Reserve Banks of New York and Philadelphia and academic director of the Coller Institute of Private Equity at London Business School. Mr. Richardson is the Charles E. Simon Professor of Financial Economics and the Sidney Homer Director of the Salomon Center for the Study of Financial Institutions at NYU Stern.

...the book that best combines history, analysis and prescriptions for restoring financial stability, a series of essays by academics at New York University’s Stern School of Business. The 68-page package is packed with telling facts and sophisticated analysis, and alone is worth the steep cover price. The individual chapters deal methodically with the myriad issues raised by the crash, and the policy changes that will be needed, covering everything from the American mortgage market to the need for international cooperation in regulating finance. The book may be careful to avoid academic gobble
dy-gook and complex equations, but it cannot be described as a light read.”—The Economist.

As Ms. Burns successfully demonstrates, Ms. Burns’ readers will see Rand part of the American ideological mix, especially in how she honored the creative powers of American business in a free market to improve human lives. Ms. Burns’ readers will see Rand still has the power to instruct on the meaning and scary implications of government growth in the age of Barack Obama.”—Brian Doherty, The Washington Times

The book was edited by Viral Acharya and Matthew Richardson. Mr. Acharya is professor of finance at NYU Stern. He is academic advisor to the Federal Reserve Banks of New York and Philadelphia and academic director of the Coller Institute of Private Equity at London Business School. Mr. Richardson is the Charles E. Simon Professor of Financial Economics and the Sidney Homer Director of the Salomon Center for the Study of Financial Institutions at NYU Stern.

...the book that best combines history, analysis and prescriptions for restoring financial stability, a series of essays by academics at New York University’s Stern School of Business. The 68-page package is packed with telling facts and sophisticated analysis, and alone is worth the steep cover price. The individual chapters deal methodically with the myriad issues raised by the crash, and the policy changes that will be needed, covering everything from the American mortgage market to the need for international cooperation in regulating finance. The book may be careful to avoid academic gobble
dy-gook and complex equations, but it cannot be described as a light read.”—The Economist.

As Ms. Burns successfully demonstrates, Ms. Burns’ readers will see Rand part of the American ideological mix, especially in how she honored the creative powers of American business in a free market to improve human lives. Ms. Burns’ readers will see Rand still has the power to instruct on the meaning and scary implications of government growth in the age of Barack Obama.”—Brian Doherty, The Washington Times

The book was edited by Viral Acharya and Matthew Richardson. Mr. Acharya is professor of finance at NYU Stern. He is academic advisor to the Federal Reserve Banks of New York and Philadelphia and academic director of the Coller Institute of Private Equity at London Business School. Mr. Richardson is the Charles E. Simon Professor of Financial Economics and the Sidney Homer Director of the Salomon Center for the Study of Financial Institutions at NYU Stern.

...the book that best combines history, analysis and prescriptions for restoring financial stability, a series of essays by academics at New York University’s Stern School of Business. The 68-page package is packed with telling facts and sophisticated analysis, and alone is worth the steep cover price. The individual chapters deal methodically with the myriad issues raised by the crash, and the policy changes that will be needed, covering everything from the American mortgage market to the need for international cooperation in regulating finance. The book may be careful to avoid academic gobble
dy-gook and complex equations, but it cannot be described as a light read.”—The Economist.

As Ms. Burns successfully demonstrates, Ms. Burns’ readers will see Rand part of the American ideological mix, especially in how she honored the creative powers of American business in a free market to improve human lives. Ms. Burns’ readers will see Rand still has the power to instruct on the meaning and scary implications of government growth in the age of Barack Obama.”—Brian Doherty, The Washington Times

The book was edited by Viral Acharya and Matthew Richardson. Mr. Acharya is professor of finance at NYU Stern. He is academic advisor to the Federal Reserve Banks of New York and Philadelphia and academic director of the Coller Institute of Private Equity at London Business School. Mr. Richardson is the Charles E. Simon Professor of Financial Economics and the Sidney Homer Director of the Salomon Center for the Study of Financial Institutions at NYU Stern.

...the book that best combines history, analysis and prescriptions for restoring financial stability, a series of essays by academics at New York University’s Stern School of Business. The 68-page package is packed with telling facts and sophisticated analysis, and alone is worth the steep cover price. The individual chapters deal methodically with the myriad issues raised by the crash, and the policy changes that will be needed, covering everything from the American mortgage market to the need for international cooperation in regulating finance. The book may be careful to avoid academic gobble
dy-gook and complex equations, but it cannot be described as a light read.”—The Economist.

As Ms. Burns successfully demonstrates, Ms. Burns’ readers will see Rand part of the American ideological mix, especially in how she honored the creative powers of American business in a free market to improve human lives. Ms. Burns’ readers will see Rand still has the power to instruct on the meaning and scary implications of government growth in the age of Barack Obama.”—Brian Doherty, The Washington Times

The book was edited by Viral Acharya and Matthew Richardson. Mr. Acharya is professor of finance at NYU Stern. He is academic advisor to the Federal Reserve Banks of New York and Philadelphia and academic director of the Coller Institute of Private Equity at London Business School. Mr. Richardson is the Charles E. Simon Professor of Financial Economics and the Sidney Homer Director of the Salomon Center for the Study of Financial Institutions at NYU Stern.

...the book that best combines history, analysis and prescriptions for restoring financial stability, a series of essays by academics at New York University’s Stern School of Business. The 68-page package is packed with telling facts and sophisticated analysis, and alone is worth the steep cover price. The individual chapters deal methodically with the myriad issues raised by the crash, and the policy changes that will be needed, covering everything from the American mortgage market to the need for international cooperation in regulating finance. The book may be careful to avoid academic gobble
dy-gook and complex equations, but it cannot be described as a light read.”—The Economist.

As Ms. Burns successfully demonstrates, Ms. Burns’ readers will see Rand part of the American ideological mix, especially in how she honored the creative powers of American business in a free market to improve human lives. Ms. Burns’ readers will see Rand still has the power to instruct on the meaning and scary implications of government growth in the age of Barack Obama.”—Brian Doherty, The Washington Times

The book was edited by Viral Acharya and Matthew Richardson. Mr. Acharya is professor of finance at NYU Stern. He is academic advisor to the Federal Reserve Banks of New York and Philadelphia and academic director of the Coller Institute of Private Equity at London Business School. Mr. Richardson is the Charles E. Simon Professor of Financial Economics and the Sidney Homer Director of the Salomon Center for the Study of Financial Institutions at NYU Stern.

...the book that best combines history, analysis and prescriptions for restoring financial stability, a series of essays by academics at New York University’s Stern School of Business. The 68-page package is packed with telling facts and sophisticated analysis, and alone is worth the steep cover price. The individual chapters deal methodically with the myriad issues raised by the crash, and the policy changes that will be needed, covering everything from the American mortgage market to the need for international cooperation in regulating finance. The book may be careful to avoid academic gobble
dy-gook and complex equations, but it cannot be described as a light read.”—The Economist.

As Ms. Burns successfully demonstrates, Ms. Burns’ readers will see Rand part of the American ideological mix, especially in how she honored the creative powers of American business in a free market to improve human lives. Ms. Burns’ readers will see Rand still has the power to instruct on the meaning and scary implications of government growth in the age of Barack Obama.”—Brian Doherty, The Washington Times

The book was edited by Viral Acharya and Matthew Richardson. Mr. Acharya is professor of finance at NYU Stern. He is academic advisor to the Federal Reserve Banks of New York and Philadelphia and academic director of the Coller Institute of Private Equity at London Business School. Mr. Richardson is the Charles E. Simon Professor of Financial Economics and the Sidney Homer Director of the Salomon Center for the Study of Financial Institutions at NYU Stern.

...the book that best combines history, analysis and prescriptions for restoring financial stability, a series of essays by academics at New York University’s Stern School of Business. The 68-page package is packed with telling facts and sophisticated analysis, and alone is worth the steep cover price. The individual chapters deal methodically with the myriad issues raised by the crash, and the policy changes that will be needed, covering everything from the American mortgage market to the need for international cooperation in regulating finance. The book may be careful to avoid academic gobble
dy-gook and complex equations, but it cannot be described as a light read.”—The Economist.
“The millennium goals, for those of you who don’t know, are a persistent nag of a noble, global compact.”

Bono in an opinion column published by The New York Times in October

“Girls get to eat last. Pregnant women already have weakened immune systems, so their babies suffer and die. This is a human crisis, not just a financial crisis.”

Ngozi Okonjo-Iweala, managing director at the World Bank and a former finance minister of Nigeria, on the impact of the global economic crisis on women

“A Congolese woman told me: ‘For you in the West, the financial crisis is a change in lifestyle. For us it is a matter of life and death.’”

Iraqi-born Zainab Salbi, founder of Women for Women International, speaking at the fifth Women’s Forum in France in October. The Washington-based group helps survivors of war, civil strife, and other conflicts

“What you do from this day forward will write, or rewrite, the story of AIDS across Africa.”

Michel Sidibé, Joint United Nations Programme on HIV/AIDS (UNAIDS) executive director, to South African President Jacob Zuma, just before Mr. Zuma announced that the country would treat all HIV-positive babies and expand testing. South Africa has the most HIV-infected people in the world

“Never again should we face the deadlock that threatened to pull down those talks; never again should we let a global deal to move towards a greener future be held to ransom by only a handful of countries.”

Gordon Brown, British Prime Minister, after four days of negotiations at the climate change summit in Copenhagen in December 2009

“I have the feeling of dread we are on the Titanic and sinking fast. It’s time to launch the lifeboats.”

Ian Fry, a delegate from Tuvalu at the Copenhagen summit in December. Tuvalu, an archipelago of tiny islands in the South Pacific, is threatened by rising sea levels caused by global warming.

“Our targets are tough. Air transport is the first industry to commit to carbon-neutral growth at the global level, and we have done it with an aggressive timeline of 2020.”

Giovanni Bisignani, International Air Transport Association director general and CEO, on efforts to cut CO2 emissions.
Our ecosystem exists in a miraculous balance. For now that is...

WWF works to ensure a balance for all life on Earth. Join us at www.panda.org.