

---

## Toward the Rio Summit

---

# South contests Bretton Woods institutions

by Lydia Cherry and Ramtanu Maitra

Developing sector countries "must bring the North to the table to overcome four decades of neglect [regarding] the growth and development of the South," Malaysian Prime Minister Mahathir Mohamad told leaders from 55 countries who met in Kuala Lumpur the last week in April to coordinate strategy for the "Earth Summit" scheduled for Rio de Janeiro, Brazil this June. "Fear by the North of environmental degradation provides the South the leverage that did not exist before. It is fully justified for us to approach it this way." He continued that "unless there is a sharing of the controls," a "more democratic control structure, and a more supportive international economic environment, the playing field will never be leveled; forever the South will be at the bottom of the heap."

Dr. Mahathir made the remarks April 27 in the keynote address that opened the Second Ministerial Conference of Developing Countries on Environment and Development. He called for South-South cooperation at a new, heightened level: "Let there be no break in our ranks!"

Perhaps as a subtle message to "new world order" architects committed to technological apartheid for the developing sector, the Malaysians announced that Malaysia and South Korea have decided to jointly become major Asian arms suppliers. The project will be undertaken by the private sectors from the two sides once the governments complete their plans. In discussions with Indian journalists at the same time, Mahathir noted that India and Malaysia will also firm up new levels of cooperation in the defense technology field. The announcements were made the same week that the U.N. Development Program (UNDP) demanded Asian countries freeze or cut back military spending.

### Multi-pronged strategy

The meeting in Kuala Lumpur followed only days after leaders of Organization of Petroleum Exporting Countries (OPEC) debated the same subject in Vienna. OPEC president Jibril Aminu concluded at the end of that meeting that the scientific evidence for much of what is being proposed at the Earth Summit "is riddled with political overtones." Aminu, who is also Nigeria's petroleum minister, emphasized that developing nations that control much of the world's oil reserves would have to stick up for themselves against the indus-

trial nations, or be picked off one by one. There was much overlap between the participating countries at the two events.

The Malaysian prime minister had months earlier threatened that Malaysia might boycott Rio altogether, and Cuban leaders had made similar statements. Mahathir apparently now plans to go to Rio; he explained to Indian correspondents that he knows the non-governmental organizations (NGOs) are strongly lined up against him, and he must go to face them down. The fact that the Earth Summit is part and parcel of the new world order was not lost on those at the meeting. The policies which the designers of the Earth Summit extravaganzas hope to engrave in stone are already at least partially in effect, as was reflected by Mahathir's remarks: "In campaigning against tropical timber and in boycotting it, they are denying us our freedom to make a living, to extract what little wealth we have, and to free ourselves from hunger, disease, and poverty. . . . When we achieved independence we thought we would be free. . . . The late Indonesian President Sukarno was right when he talked of neo-colonialism."

The Earth Summit could be derailed altogether if scientists from industrialized countries and the developing sector coordinate their findings to debunk various scientific hoaxes. This has not happened thus far, but an international group called Independent Scientists is known to be widely circulating a statement that, "despite continued claims of near-universal consensus on such issues as global warming, ozone depletion, human population size, [and] biodiversity . . . we contend that there is much disagreement. . . . We cannot condone recommending that nations undertake vast and costly programs to correct problems that may not even exist."

However, the signatories of the statement have not yet been made public. Moreover, scientists in developing countries are focusing on real, immediate environmental problems, not debunking such scientific hoaxes as global warming and ozone depletion. They are concerned with sufficient and clean drinking water, water management projects, land becoming barren, and air pollution.

Malaysia's permanent representative to the United Nations Tan Sri Razali Ismail made clear in an interview with Malaysia's *Business Times* April 27 that whatever strategy is hammered out at the meeting in Kuala Lumpur will not necessarily be made public: "If you are going to war you don't pull out all your cannons and make them visible to everybody." Razali, like Mahathir, references the "four decades" during which the Bretton Woods monetary system has been in effect. "Development has not been on top of the world's agenda for over 40 years."

### The fight against the GEF

One of the major battles is over the South's insistence that decision-making and finances for environmental programs be democratically determined, and wrested away from the control of the Bretton Woods institutions. Third World ministers in Kuala Lumpur were in agreement that a new fund be set up to replace the World Bank's Global Environmental Facility

(GEF); the head of the U.S. observer delegation attending the meeting, Robert Ryan, immediately rejected the Third World call for a new control mechanism. "The United States is not in favor of a new fund; existing mechanisms, including the GEF, could instead be strengthened," Ryan said.

The GEF is a three-year pilot project which already has \$1.3 billion at its disposal. The three agencies responsible for implementing GEF are the UNDP, the World Bank, and the U.N. Environmental Program (UNEP). According to the GEF's own writings, the implementing agencies are committed to working with NGOs, who act as "implementing agents." The fight around the GEF has been raging for months. Describing the last U.N. Conference on Environment and Development (UNCED) preparatory meeting in New York, Martin Khor, a representative of a Malaysian NGO, told the *Sunday Star* that it was "this call for reform of the Bretton Woods institutions (which many South countries perceive to be serving northern financial interests) that did not go down well with the northern delegations" and nearly broke up the meeting.

Minimally, developing sector leaders want to control the environmentalist agenda in their own countries. However, under GEF guidelines, a project that would be of value to a given developing sector countries, is automatically excluded. According to GEF literature, "Projects that are deemed to benefit the *global environment, as distinct from the local environment*, qualify for funding." Thus, the large funds, under GEF control, which UNCED is demanding be funded at least 80% by developing sector countries, will not go toward solving environmental problems that these countries have.

Thus, Third World nations are calling for a new, independent fund. The criteria for this fund is explained in the final communiqué entitled "The Kuala Lumpur Declaration on Environment and Development," a document reported to have been drafted primarily by India, Malaysia, and China. The new fund "should be democratic in nature, with an equal voice for all parties in setting project eligibility criteria, project selection, the authority to release funds. . . . It should provide access and disbursement to all developing countries without any conditionality; it should provide for funding of activities according to the priorities and needs of the developing countries," the communiqué read.

Although "sustainable development"—the catch-word which Club of Rome leaders devised when "zero growth" wouldn't sell—is referred to throughout the Kuala Lumpur Declaration as a desired end, it is clear that developing sector countries have redefined the term. One formulation in the document read, "For the developing countries, sustainable development implies the right to development." As could be expected, the declaration focuses on development a great deal and the environment very little. "Development is a fundamental right of all peoples and countries. An environmentally sound planet should correspond to a socially and economically just world."

# U.S. mayors issue 'ready to go' public

by Anthony Wikrent

By releasing a voluminous report listing 7,252 public works projects in 506 cities that would create 418,415 jobs this year, the U.S. Conference of Mayors has not only dramatized the extent to which infrastructure has collapsed in the United States, but has also directly challenged the "free market" shibboleths of the Bush administration.

Following a request by members of the U.S. Senate in January, the Conference of Mayors set about to survey U.S. cities and compile a list of public works projects that could be initiated immediately, but which lack funding. Cities were asked to provide the total amount of funding required for each project, the amount of funding required to begin construction in 1992, and the number of jobs that would be generated in 1992.

Though a dozen or so large cities did not respond,\* the survey elicited an impressive response, with 506 municipalities, including some port authorities, participating. The responses were compiled into two large volumes, which were released by the Conference of Mayors at the end of February. Entitled "Ready to Go—A Survey of U.S.A. Public Works Projects to Fight the Recession Now," the survey results cited all backlog projects for essential services—sewer treatment, flood control, streets, roads, sidewalks, bridges, public transit systems, police and fire facilities, public housing, etc.—that the cities wished to undertake immediately, but lacked the funding for. Almost all the projects had advanced to some stage of final planning, but had been put on hold as local and state budgets withered under the "recession."

## Repair infrastructure

Looking at the 300-plus pages of listings, it appears that at least one-quarter to one-third of them are for various water, sewer, flood control, or storm-water runoff projects. A similar proportion is for repaving, widening, improvement, or redesign of streets, roads, highways, and bridges. Most cities

\* Among the large cities which did not respond were San Francisco, Calif.; Washington, D.C.; St. Louis, Mo.; Cincinnati, Ohio; Columbus, Ohio; Norfolk, Va.; San Antonio, Tex.; Indianapolis, Ind.; Rochester, N.Y.; Nashville, Tenn.; Memphis, Tenn.; and St. Petersburg, Fla.