III. Economics

Overcoming Geopolitical and Ideological Barriers to International Development Financing

by Jason Ross

Oct. 13—There is an enormous shortfall in infrastructure development around the world, amounting to tens of trillions of dollars of needed projects that would bring physical economic gains.

Two major barriers to the provision of such development financing—barriers which lead to the needless death of millions in the Global South—are the geopolitical practice of Anglo-American neo-colonialism, and the creation and use of so-called "green" or "environmental" movements and NGOs to prevent physical economic development.

Geopolitical Barriers

Over the last decade, new forms of international development finance have come into being. The Belt and Road Initiative of China is the most significant. The responses to this initiative, and to other related development mechanisms—such as the Asian Infrastructure Investment Bank—show the threat they pose to the attempts to maintain a post-World War II, and post–Soviet Union, Anglo–American unipolar world order.

The Belt and Road Initiative, launched in 2013 as "One Belt, One Road," represents a major outward orientation by China to export its development know-how through mutually beneficial projects.

According to a report by the audit, consulting, tax and advisory firm Deloitte, Chinese firms were responsible for 31% of all infrastructure projects in Africa with a value of $50 million or more in 2020. This is up from just 12% in 2013.

Conversely, Western firms were directly responsible for only approximately 12% (down from 37% in 2013).

The British and American reaction to China's growing reach has been one of alarm, with London's

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The Economist and *Financial Times* running numerous stories making claims of debt traps, poor construction quality, use of imported Chinese workers rather than locally, hired employees and corruption.

A recent report from *The Economist*, entitled "The world China wants: The world divided" complains that

> Mr. Xi's calls for a "Global Security Initiative" or "A Community of Shared Future for Mankind" are coded complaints. Some are an attack on alliances, above all America's defence pacts in Europe and Asia. A "shared future" is another way of saying "development first"; i.e., rejecting any order guided by shared, universal values.

It seems that *The Economist* does not consider development a shared value!

China Undermines the Imperium

Elsewhere, its report states:

Not long ago, many development professionals were worried that a torrent of Chinese loans, offered with no strings attached, was the main threat to "conditionality": jargon for efforts to link aid projects to good governance or high environmental and labour standards.

China's aim is to roll back decades of efforts to ensure that the actions of governments, international bodies and private firms are guided by core principles that the West calls "universal values."

The Madaraka Express Standard Gauge Railway in Kenya, connecting Mombasa and Nairobi. It is the flagship transport component of the government's aim to make Kenya a middle income country by 2030. Work on the more ambitious Lamu Port-South Sudan-Ethiopia Transport (LAPSSET) Corridor has already begun.

Here we see the threat that the City of London sees in finance outside of its control: Undermining the network of NGOs and "civil society" organizations in developing nations that have been bankrolled from outside for political and economic control.

Since China, like Russia, focuses more on the projects themselves, rather than on the frankly bogus issues that take center stage among legacy institutions, the availability of financing related to physical economic concerns, rather than socio-political goals, undermines a key lever of power exerted by the British financial imperium.

With British and other European and American financial institutions using development finance as a tool to pursue other objectives—"shared, universal values" that, according to *The Economist*, do not include development!—they oppose other financing sources, such as those of China, Russia, India, or some of the new institutions they have created, such as the Asian Infrastructure Investment Bank.

Malthusian 'Environmentalism'

Besides attacking alternative sources of development, such as Chinese institutions, the Malthusians of the City of London–Wall Street nexus use "environmentalism" and "green" ideology to forever ban development in the Global South.

This is seen on the largest scale, with major institutions such as the World Bank refusing to finance coal energy projects, as well as in more local implementations, such as the (internationally funded) "deCOALonize" movement that has hindered construction of energy components in Lamu as part of the broader Lamu Port-South Sudan-Ethiopia-Transport (LAPSSET) Corridor project that begins in Kenya..

Nearly all energy policies being pursued under the guise of stopping "climate change" either ignore or misrepresent the science of energy, both by refusing to promote nuclear energy—the greatest CO_2-free energy source—and by making impossible claims about the potential to develop a reliable energy network on the basis of intermittent sources of power such as solar and wind.

Given the extremely low energy density of sunlight, solar energy requires enormous amounts of land and materials—requiring an order of magnitude more mining and material processing than does a nuclear plant. While wind power looks great in comparison to ineffective solar, it cannot serve as a baseline power source.

When determining the price of energy, proponents of what they call "renewable" energy often cite the cost of the energy produced by the individual wind turbine or solar array. But the cost to society of having an energy infrastructure system is what is truly important. And in this respect, the unreliability of these low-density forms of energy means that they become increasingly expensive as they make up a greater portion of the energy supply.

Instead of sacrificing development—meaning human lives and human well-being—on the green altar of a "greener" tomorrow, it were better to develop more energy-dense forms of power, such as nuclear fusion, while fostering rapid development overall to reduce

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The 142-hectare Solarpark Waldpolenz, with extremely low energy density, built in Rhineland-Palatinate, Germany in 2007-2009, has an installed (potential) capacity of only 52 MW.

our reliance on favorable weather.

The great—more than order-of-magnitude—reduction in deaths due to weather over the past century was achieved not by improving the weather, but by improving our infrastructure networks, increasing our independence from the vagaries of weather fluctuations and extreme weather events, in a way that parallels improvements over evolutionary time in the biosphere: by regulating their internal environments, mammals surpass reptiles in biological potential.

So too does a society that participates in what economist Lyndon LaRouche called the "needed creation of what is required as a 'habitable' development of a 'synthetic,' rather than a presumably 'natural' environment," in order to increase its potential population density.

Conclusion

Nations, institutions, and people around the world are increasingly vocalizing their opposition to the politicization of development finance and to the use of "green" objectives as a barrier to development.

By overcoming these barriers, humanity can reach a developed and dignified life for all, by meeting full infrastructure and development requirements.