

Focus-on-Trade is a regular electronic bulletin providing updates and analysis of trends in regional and world trade and finance, with an emphasis on analysis of these trends from an integrative, interdisciplinary viewpoint that is sensitive not only to economic issues, but also to ecological, political, gender and social issues. Your contributions and comments are welcome.

Focus on Trade

Number 80, August 2002

In this Issue

WSSD SPECIAL: FORGET THE SUSTAINABILITY, FEEL THE PROFIT!

JOHANNESBURG JUNCTION

Walden Bello

EXPORTING ENRON ENVIRONMENTALISM: THE BUSH
VISION FOR JOHANNESBURG

Victor Menotti

COMMERCIALISING SUSTAINABILITY: THE WTO IN
THE WSSD

Shalmali Guttal

FORCING SHADES OF GREEN

Raj Patel

MILITARISM AND NEOLIBERALISM: ON THE MARCH OR ON THE ROPES?

COMING: A RERUN OF THE 1930S?

Walden Bello

REPORTS OF THE WORLD SOCIAL FORUM

INTERNATIONAL COUNCIL, BANGKOK, 15 AUGUST
2002

Another World Is Possible

*On Militarization and War versus Peace and
Security*

DARK CLOUDS AMASSING ON AFGHANISTAN'S
POLITICAL HORIZON

Marco Mezzera

This issue of Focus on Trade has an apocalyptic mood – the deepening crisis of capitalism, the re-emergence of warlordism in Afghanistan, prospects of a US war against Iraq and gloomy predictions of a totally unsustainable result at the World Summit on Sustainable Development in Johannesburg. Yet, in spite of this — or perhaps because of it -- the mood of resistance, the sense that change is possible (and even imminent) and the mobilisation of social movements against neoliberalism and militarism continues to grow. In the next months, tens of thousands of activists and movements will be part of social forums throughout the world – this week in Argentina and in the next months at the European Social Forum in Florence, the Hyderabad Asian Social Forum, the Palestine Social Forum and the third World Social Forum in Porto Alegre. This is not branding, but a clear sign that the visions, values and solidarity of the movements building the World Social Forum is a living force for radical change and peoples' democracy.

Please contact us c/o CUSRI, Wisit Prachuabmoh Building, Chulalongkorn University, Bangkok 10330 Thailand.
Tel: (66 2) 218 7363/7364/7365, Fax: (66 2) 255 9976, E-Mail: admin@focusweb.org, Website: <http://focusweb.org>.

Focus on the Global South is an autonomous programme of policy research and action of the Chulalongkorn University Social Research Institute (CUSRI) based in Bangkok.

JOHANNESBURG JUNCTION

Walden Bello*

(This article also appears in *Red Pepper*, September 2002)

Ten years after the Rio de Janeiro Conference on Environment and Development, the global environmental situation is unarguably worse. The main culprit: an unchecked capitalist mode of production that unceasingly transforms nature's bounty into commodities and incessantly creates new demands. Capitalism constantly erodes man and woman's being-in-nature (creature) and being-in-society (citizen) and, even as it drains them of life energy as workers, it moulds their consciousness around one role: that of consumer. Capitalism has many "laws of motion," but one of the most destructive as far as the environment goes is Say's law, which is that supply creates its own demand. Capitalism is a demand-creating machine that transforms living nature into dead commodities, natural wealth into dead capital.

Capitalism has expanded unevenly, being now overdeveloped in its heartland in the North and underdeveloped in the periphery. Thus its environmental impact has likewise been differentially distributed. Nothing captures this better than the difference in per capita greenhouse gas emissions: one American emits as much as 17 Maldivians, 19 Indians, 30 Pakistanis, 49 Sri Lankans, 107 Bangladeshis, 134 Bhutanese, and 269 Nepalis.

The global impact of the superdeveloped capitalist North may, in fact, be greater than the comparative statistics reveal. For in response to the rise of the environmental movement, the North has displaced ecological disequilibrium to the South. Perhaps paradigmatic in this regard is the way Japanese capital has lived up to environmental standards in the homeland by accelerating its consumption of nature and creation of waste to East and Southeast Asia. Japanese consumption, for instance, was responsible for up to 70 per cent of timber logged—most of it illegally—in the Philippines from the fifties to the nineties. Japanese consumption of commodities produced from a safe distance drove the uncontrolled toxification that accompanied the massive transfer of Japan's pollution-intensive and labor-intensive manufacturing facilities to that region beginning in the late 1960s.

Today, European and US capital have joined Japanese capital in making cheap-labor, pollution-friendly China both the workshop and the wastebasket of the world. What is happening to China and East Asia today is, however, only the latest phase of capitalist globalization's 150-year-old process of displacing the environmental costs of global capitalist production and consumption from the center to the subordinate parts of the world economy.

Ten years ago, George Bush Senior torpedoed the Rio Summit by saying "America's lifestyle is not up for negotiation." The Europeans and the Japanese feigned horror, but the next ten years showed that consumption was king for them too, and that ever escalating consumption was the common recipe for keeping the global capitalist economy going. The Group of Seven has essentially served as a forum to negotiate which capitalist center would serve at which period as the consumption-engine of the global economy. The so-called management of the international economy is essentially a process of determining which center would accelerate its conversion of nature into commodity and commodity into waste.

Today, the Johannesburg Summit is stillborn, killed over a year before it was held by George W. Bush's decision to withdraw the world's prime capitalist power from being party to the Kyoto Climate Change protocol. This is capitalism stripped of its liberal face, capitalism that reveals its essential nature as an enemy of nature. The Japanese and European elites pretend to be upset, but what they are most upset about is the Americans' frank acknowledgment of the basic dynamic of the system of production they all share: that its continuing expansion must be achieved via an accelerated consumption and toxification of nature.

Johannesburg will be a mixture of corporate greenwashing, American bullying, European holier-than-thou posturing, third world leaders begging for aid in return for more pro-corporate liberalization, and the World Trade Organization hijacking the environment in the service of free trade. It is one more UN conference bound for ignominious failure.

This failure comes at a time when Latin America is exploding in rebellion against neo-liberal economics and lack of accountability and systemic corporate criminality has eroded the credibility of corporate capitalism in the United States, with 72 per cent of Americans feeling that corporations have too much power over their lives.

It comes at a time when, owing to the crisis of overproduction or overcapacity, global capitalism's ability to consume its way out of crisis is stymied. The US, Japan, Europe, and East Asia—the engines of consumption-driven growth—now face the spectre of a synchronized downspin. What analysts from Marx to Schumpeter have discerned as self-destructive dynamics of the capitalist system is developing as nature's revolt becomes more and more evident each day and as consumers throughout the world are turning into citizens determined to regain community, to recreate a social solidarity that has been

undermined by capitalism.

Johannesburg may well be remembered a significant signpost in the struggle between capitalism and the environment, capitalism and community. Which side will prevail remains to be seen.

*Executive Director of Focus on the Global South.

EXPORTING ENRON ENVIRONMENTALISM: The Bush Vision for Johannesburg

by Victor Menotti*

President George W. Bush's absence will be more than obvious when heads of state and tens of thousand of people converge in Johannesburg, South Africa from August 26 - September 4, 2002 at the United Nation's World Summit on Sustainable Development (WSSD) to mark ten years since the Rio Earth Summit. But present or not, President Bush's vision for the world will be there. In preparation for the summit, there has been much criticism of the United States for "not being engaged" or "not taking seriously" the WSSD process. But a closer examination of the expected outcomes reveals that nothing could be further from the truth.

The Bush plan for Johannesburg shows more strategic foresight than almost anything the president has proposed in international fora to date. What has been revealed on "the road to Johannesburg" is a grand plan which would incapacitate the United Nations as an institution to meaningfully address the twin crises of global poverty and ecological decline.

While some people may believe the UN needs no help in undermining itself, we all must recognize the need for alternative international institutions outside of the World Trade Organization and International Monetary Fund that can put limits on corporate globalization. Indeed, the United Nations has produced many important legal instruments that can protect poor people and natural systems from being plundered by global corporations. And it is precisely this system of protections, collectively known as the UN's Multilateral Environmental Agreements (MEAs) that the Bush administration seeks to destroy. Pulling out of the Kyoto Protocol was only a tip of the iceberg; what's afoot now is a move to withdraw from and subjugate the whole system.

The Bush proposals not only would it transform the foremost inter-governmental forum for addressing global crises into an entirely new apparatus for promoting corporate growth but it could also foreclose even the possibility for real solutions to emerge. Advancing this plan on the road to Johannesburg includes at least three main strategies:

- Rollback Rio by withdrawing from key principles and blocking any new government commitments to implement Rio's outcomes
- Greenwash globalization by insisting that the best way for governments to implement sustainable development is by advancing the WTO's new Doha agenda for global free trade

- Export “Enron” environmentalism by shifting responsibility for addressing the crises to corporations via voluntary, public-private “partnerships” in water, energy, and other areas.

As inadequate and in need of reform as they may be, the United Nations and its MEAs embody a legitimate process that has yielded important products that must be defended. In theory and practice, the UN remains the sole international institution where people-driven ideas can be proposed, approved, and implemented as international law. The integrity of these existing mechanisms for countering corporate globalization, as well the strategic space they occupy in today’s international architecture, are “what’s at stake in Johannesburg.”

ROLLINGBACK RIO

The United States is specifically trying to withdraw from at least two key negotiating principles agreed to in Rio:

- “The Precautionary Principle.” This is the idea that governments should err on the side of caution when there is the possibility of devastating and irreparable environmental harm. It is the cornerstone of much public policy-making for the environment and public health. Many technology-based industries (such as biotechnology, chemical, and even communication technology manufacturers) view this principle as hampering the development and deployment of their new inventions. In many ways this is true because it requires that they first “show no harm” before making society bear the risks of their experiments.

The Precautionary Principle has also been the cornerstone of one of Rio’s most important products, the Convention on Biological Diversity’s “Cartagena Protocol on Biosafety,” which establishes the rights of nations to regulate the import of genetically modified organisms, or GMOs. However, this concept clashes with the rules of the World Trade Organization, which says that nations need to use “sound science” by presenting conclusive scientific evidence before enacting any measures that might restrict trade. This is the opposite of the Precautionary Principle. The US wants WTO rules to supercede so that its biotechnology industry will not face trade restrictions to its GMO seed exports. Undermining the Precautionary Principle will reverberate into other international policies, such as those addressing endangered species, persistent organic pollutants (POPs) and climate change, among others.

- “Common but differentiating responsibilities.” This is the understanding that those nations who played the biggest role in causing a problem should take the lead in addressing it. It is especially important to poor nations who do not have the financial or technological resources to act. Many developing nations view climate change, for example, as something caused by the industrialized nations and that they should be the first

ones to clean up their act. Most want to take the necessary steps and avoid the high costs of burning fossil fuels in the developing economies, but they will not so do if the biggest polluters do not take prior action. Rejecting this principle (which President George W. Bush’s father agreed to in Rio) would undermine years of inter-governmental negotiations to arrive at general agreements on how to approach the problem.

The United States is also actively blocking attempts by other governments to advance, in Johannesburg, any of the products from Rio. Already scuttled are plans by signatories of the Kyoto Protocol to hold a ceremony that would bring the treaty “into force” in Johannesburg, thereby embarrassing the US who recently withdrew from it. The US has also undermined efforts to fund poor nations’ implementation of Rio agreements. Explaining to NGOs in Bali why the Bush administration is so determined to thwart any new action, the head of the US delegation, Jonathan Margolis, said that timetables and targets are “theater” that “don’t work.” It was suggested he consult with his colleagues in the US Trade Representative’s Office, who never fail to use them in negotiations for new free trade deals.

GREENWASHING GLOBALIZATION

The United States is leading the charge to “greenwash globalization” in Johannesburg by presenting its free trade and investment agenda as synonymous with sustainable development. Negotiators from the US Trade Representative insisted in Bali that advancing the WTO’s new Doha work program is the best way for governments to address poverty and the environment. But the US claim ignores the fundamental fact that free trade agreements, by design, diminish peoples’ ability to use their governments to guide economic activity. Removing controls on corporate conduct is exactly the opposite of what governments need to do to “change economic course” toward sustainable development.

Dissatisfaction with Doha and deep divisions over the impacts of globalization are being played out in several paragraphs of the “Draft Plan of Implementation for WSSD,” including:

45: “It is a matter of great and increasing concern that not all countries are reaping the benefits of globalization, and that some may even be falling behind.” This is the language desired by poor nations to register their dissatisfaction with globalization. The US does not want to allow any official acknowledgement that the global economy causes harm.

82: “establishment of an international mechanism to stabilize commodity prices for coping with the instability of commodity prices and declining terms of trade.” This language is desired by poor nations that reveals a key fight with industrialized nations. After following IMF/World Bank advice, many nations focus

on exporting only two or three commodities. But because so many nations followed IMF policies, an enormous over-production has created a glut in global commodity markets, resulting in continually diminishing earnings for nations that produce commodities. When combined with WTO rules that prohibit governments from limiting exports to drive up prices, deregulated global commodity markets are a social and ecological disaster. A new round of international commodity agreements needs to be put back on the global agenda and WSSD is one place where that fight is being taken up. The US strongly opposes any reference to such mechanisms.

87: "imbalance and inherent asymmetry in WTO Agreements" This language is also advocated by poor countries suffering under current trade rules, but against this the US wants to avoid any negative references in official outcomes that may require them to change WTO rules.

88: "implementing the WTO TRIPS (intellectual property rights) Agreement to address public health problems affecting many developing and least developed countries" is what the US wants to reaffirm the global patent regime that makes essential medicines unaffordable for poor nations dealing with HIV/AIDS, tuberculosis, malaria, and other epidemics.

122: "ensure coherence and mutual supportiveness between rules of WTO rules and the rules of MEAs" is proposed text. The US says "coherence" implies that the MEAs would be subordinate to WTO. This is a central issue of governance at play in Johannesburg, where the world's environment ministers must declare that the fate of the MEAs not be decided by the WTO alone (See "From Doha to Johannesburg," www.ifg.org).

EXPORTING ENRON ENVIRONMENTALISM

Needing to present some "deliverables" in Johannesburg, the US is trying finalize a package of voluntary, public-private "partnerships" for WSSD. The summit's Secretary General Nitin Desai has said "partnerships should not be a substitute for new government commitments," calling them "coalitions of the willing." But the question Johannesburg is ignoring is what to do with the "unwilling." That is, the rogue corporations and governments who flout public opinion and international law. They are the real problem and WSSD has shown no political will or meaningful discussion about what to do with them.

The US narrowly defines the problem as "not enough people having access to essential services, therefore we must deliver them to raise standards of living." While this is an important part of the equation, it falls way short because: 1) it views the solution as being more "growth" of the kind that is already testing social and ecological limits; while 2) ignoring the wasteful over-consumption of resources in the industrialized nations.

One of the most striking elements of the US delegation's rhetoric is their belief that the problems facing the world are indeed enormous, although their prescriptions may only exacerbate the very problems they seek to resolve. In fact, what they propose as solutions are the same policies that are currently proving disastrous the world around. The Bush Vision is to accelerate, with tax-payers' dollars, the privatization of essential services like water and energy, through partnerships with no mechanisms for accountability. Call it "Enron Environmentalism."

Historians may look back at the inscrutable contradictions of this moment: just as corporate corruption has engulfed American financial markets and politics weeks before the global summit (with accusations of personal fraud charged against top Bush administration officials), US negotiators still manage to dominate the WSSD proceedings with lectures to other nations about the need for "good governance" and by insisting that the world should trust unregulated corporate initiatives. But if you can't trust them with your pension, how can you trust them with the planet?

By prioritizing partnerships in Water, Energy, Health, Agriculture, and Biodiversity (WEHAB), the Bush team is vowing to deliver more "services" via an agenda that can best be described "Cochabamba Plus", referring to the Bolivian city where the privatization of water delivery services increased prices by as much as 300%, igniting a popular uprising that has become a global flashpoint against privatization. The proposed "energy deliverable" would aim to "by 2015 significantly reduce the number of people without access to secure, reliable, affordable, and cleaner energy services." Although this may sound laudable, it would be achieved by privatizing energy services, which is entirely in line with US proposals to open up energy services worldwide in the WTO.

While some of these initiatives may be market development opportunities for US corporations, pursuing some of them may not be so profitable. To ensure that the private sector does profit from them, the US is establishing what President Bush is calling his version of a "global Marshall Plan" --the Millennium Challenge Account. The MCA would increase US overseas development assistance by nearly 50%, but conditioning that aid only to those nations that first open their economies to unregulated US trade and investment.

To institutionalize a shift in UN functions, the US wants the CSD to focus on new partnerships by making it the "convenor" business deals with the UN's seal of approval. Partnerships are not new, and they have never required official government involvement. So there is no reason to use the world's only inter-governmental forum to sponsor them. Unless the intention is to ensure that the CSD does not undertake

something that addresses corporate power.

“WHAT’S AT STAKE IN JOHANNESBURG?”

Corporate greed is decimating our future security, and that of generations to come. Just as privatization and deregulation has allowed CEOs to swindle billions from small investors, so too has it allowed them to steal the natural capital upon which all life depends. As critics of corporate globalization increasingly get asked the question, “what are your alternatives?” they are finding that key elements of an alternative international system are being attacked in WSSD. In the emerging international system, which is today dominated by institutions that favor corporate rights, the Bush Vision is a stealth strike on the few structures that can protect people and the planet. If one can recognize that the UN process (originating with its 1972 Stockholm meeting to the 1992 Rio summit to the 2002 Jo’burg summit) and its numerous products (the MEAs) are existing international instruments to counterbalance corporate globalization, then it is easy to see that the survival, and future prospect of, real alternatives are what’s really at stake in Johannesburg.

Victor Menotti is with the International Forum on Globalisation (vmenotti@ifg.org)

COMMERCIALISING SUSTAINABILITY: THE WTO IN THE WSSD

Shalmali Guttal*

(This report was written after the Prep Com IV of the WSSD in Bali. Three months later, little has changed.)

For almost two weeks, government delegates at the Fourth Preparatory Committee Meeting (Prep Com IV) for the World Summit on Sustainable Development (WSSD) have been locked in a bitter battle to come up with a programme of action to take to Johannesburg this August. Reports from those observing the various negotiating sessions, and the state of the June 2 version of the Draft Plan of Implementation (also referred to as the Chairman’s text) reveal a hopeless deadlock along North-South, North-North and even South-South lines.

At the heart of the deadlock are trade liberalisation, corporate accountability and regulation, domestic environments for private investment, governance, development financing, technology transfer, and technical assistance and capacity building. Japan, the United States (US), Canada, Australia and New Zealand (the JUSCANZ group) have knocked down most attempts to set specific targets and timelines for inter-governmental commitments and multilateral initiatives. The European Union (EU) has tried to hide its quest for markets behind clamors of ratifying Multilateral Environmental Agreements (MEAs). All have been quick to block any attempts to reign in trade and investment liberalisation or curb the power of the corporate sector. The G-77 and China have stumbled along, unable to come up with collective positions that adequately represent the priorities of the Group’s diverse members. Progressive Southern delegates have been either absent or silent in key negotiations and overall, G-77 members seem content to let the OPEC agenda serve as the common position for the entire Group.

What most delegates do seem agreed on, though, is that economic globalisation and the WTO trade regime must not be compromised by airy-fairy talk about sustainability. Disagreements in the Chairman’s text are more indicative of governmental differences about form and modalities than about substantive positions regarding sustainability.

IS THE CHAIRMAN’S TEXT ABOUT SUSTAINABLE DEVELOPMENT?

In a word, no. The first paragraph of the Chairman’s Text reaffirms governments’ commitment to the Rio principles, the full implementation of Agenda 21, achieving internationally agreed development goals—including those contained in the United Nations (UN) Millennium Declaration—and the outcomes of major UN conferences and international agreements since 1992.

Well, here is the first fundamental drawback of the Draft Plan of Implementation.

The most significant international agreement in the past ten years has been the establishment of the WTO. Agreements negotiated within the WTO have far greater enforceability than those in any other multilateral forum. The Chairman's text reiterates at several places the commitment of governments to implement WTO agreements and initiatives. But as millions of people in the world already know and millions more are about find out, it requires tremendous imagination and a gigantic leap of faith to see any positive correlation between the WTO and sustainable development.

In the WSSD framework, sustainable development is supposedly dependent on three pillars: environment, economic and social. It is logical to assume that by this definition, a sustainable development agenda would attempt to forward actions that support equality, social, economic and environmental justice, environmental protection, equitable opportunities for human, social and economic development, peoples' rights to safe and healthy environments and livelihoods, etc. But this is not the case. The broad actions outlined in the Chairman's text do not tackle the causes and foundations of unsustainability and inequity that are destabilising our lives and planet. Instead, they back the standard, globalisation-friendly prescriptions with the word "sustainable" attached as prefixes.

An interesting strategy in the Draft Plan is how challenges to and responsibilities for sustainable development are divided between developed and developing countries. The main problem put before developed countries in the Plan is wasteful and unsustainable consumption, while developing countries are guilty of both unsustainable production and consumption. But, developed countries have the capital, technology, resources, institutional structures and know-how to implement sustainable development, which developing countries do not have. Developing countries, on the other hand, have most of the poor people in the world, and since (as indicated in the Plan) poverty results in unsustainability, it is the developing countries that must take firm and decisive steps towards sustainable development.

What then follows as a roadmap to address the challenges of sustainable development is little more than a reaffirmation of colonial economic relations: developing countries must undertake a range of actions in all sectors towards sustainable development by using the technologies, institutional capacities and financial resources owned by developed countries. These will be paid for by providing developed countries and their corporations access to the natural resources and markets of developing countries. The promise of future foreign investment, financial support and

technical assistance from developed countries would be conditional on the willingness of developing countries to implement whatever actions are deemed supportive of sustainable development in the Draft Plan. Notable among these are the creation of a "conducive domestic enabling environment" for increasing foreign investment and full implementation of the work-plan from the WTO Ministerial Meeting in Doha.

The model of export-led and growth-directed development promoted by rich, industrialised countries and their even richer corporations, and by international institutions such as the World Bank, the International Monetary Fund (IMF), the WTO, and regional development banks remains untouched in the Chairman's text. The narrow economic imperatives of profit and wealth concentration that drive this model and have resulted in today's ecological disasters also remain unchallenged. The text does not acknowledge the role of past and present structural adjustment programmes, increasing militarisation, staggering debt burdens and consistently deteriorating terms of trade on the economies, environments and societies of developing countries.

Instead, the Draft Plan proposes that the capacities of developing countries be strengthened through increased interventions from the same actors who have been instrumental in precipitating the structural crises of impoverishment, environmental destruction and social insecurity: international financial institutions, the WTO, regional trade blocs, and private corporations. New on the debt crisis front are debt for sustainable development swaps, and the involvement of the private sector in resolving crises arising from indebtedness—much of which was created through unregulated private investments in the first place. Calls for a legally enforceable framework for corporate accountability have been rolled back to "Type II partnerships" through which private corporations would bring money and technology to the table in exchange for less regulation and public oversight.

The Draft Plan of Implementation does not contain any discussion about sustainable development itself. It is guided by the assumption that corporate globalisation is more or less fine, and that by adding the term "sustainable" to what is already common practice, governments can go about their usual business of transferring public wealth to private coffers without having to think any further about the deteriorating conditions of life faced by the majority of their populations. The privatisation of development financing enshrined in the Monterrey Consensus has seamlessly extended into the WSSD text. The Draft Plan advances a much-expanded role for the private corporate sector in sustainable development, but without the necessary accompanying mechanisms for legally binding and enforceable mechanisms for corporate accountability and responsibility.

In fact, Section V of the Draft Plan (Sustainable Development in a Globalising World) lays out a series of actions required to “make globalisation work for sustainable development.” Predictably, these include the same policies that have led to the ecological, social and economic crises that most people in the world face today: greater overall liberalisation of the economy, unregulated export-oriented trade and investment, increased power to the corporate private sector through public-private “partnerships,” decreased regulatory responsibility on the parts of governments, and the promotion of voluntary initiatives for corporate accountability and reporting, including the Global Compact. At the same time, developing country governments must implement “good governance” prescriptions laid out by international institutions in order to increase the efficiency of ODA, attract capital flows and facilitate international private sector investments (including those from transnational corporations).

The Chairman’s text carries language on strengthening the capacities of women, indigenous peoples and small farmers. But the text is blind to the fact that their disempowerment is an accumulated result of years of marginalisation from lands, forests and water sources that they have sustainably stewarded for generations, from decent and safe employment, and from appropriate and sufficient human development opportunities. Through the logic of profits and efficiency, economic globalisation has undermined the fundamental rights of women, indigenous peoples, small farmers and fishers, workers and future generations to food, productive assets, development, health, education, economic, social and cultural autonomy, and self-determination. In the framework laid out in the Chairman’s text, they must now resort to market mechanisms to claim what should be rightfully theirs to begin with.

DOHA + 10 MONTHS

The Draft Plan of Implementation clearly establishes the central place of the WTO in any future framework for sustainable development. Increased trade liberalisation through regional trade agreements is also encouraged, but only if it is consistent with the multilateral trading system as defined through the WTO. The WTO’s role in the Draft Plan is non-negotiable and the text asserts in various sections that all policy and implementation mechanisms are expected to be consistent with the WTO framework and rules. Among others, the text proposes:

- Successfully completing the work launched under the Doha Ministerial Declaration; here the text calls upon WTO members to pay attention to the important deadlines that must be met to ensure progress by the Fifth Ministerial Conference and successful conclusions of negotiations by 1 January, 2005
- Undertaking further action at national, regional and

international levels to complement and support the Doha Declaration

- Enhancing the delivery of trade-related technical assistance and capacity building programmes
- Simplifying domestic procedures to facilitate developing country exporters
- Identifying and developing trade-environment linkages; the text urges the Trade and Environment Committee in the WTO to start on this as soon as possible; - Promoting public-private and multi-sector “partnerships” to provide essential services such as safe water, sanitation, waste-management, electricity, education, etc.; many if these areas are of interest to richer WTO members for the General Agreement on Trade in Services (GATS)
- Implementing the Trade Related Intellectual Property Rights (TRIPS) Agreement; this is rationalised from the perspective of protecting public health, but without any discussion about the disastrous effects of the TRIPS Agreement on local-national bio-diversity, traditional knowledge, genetic resources, bio-piracy, and the domestic abilities for industrialisation and to develop new technologies in developing countries
- Increasing market access for goods within the framework of the Doha Ministerial Declaration; - Committing/achieving on the part of developed countries the objective of providing duty-free and quota-free access for exports from all least developed countries
- Facilitating the accession of developing countries to the WTO, particularly the least developed countries and countries with economies in transition
- Focussing the WTO’s assistance efforts, particularly the 2003 plan, on advancing the Doha agenda
- Fully implementing the Integrated Framework for Trade-Related Technical Assistance (IF) to Least Developed Countries;
- Reviewing and operationalising all special and differential treatment provisions in the WTO with a view to making them more precise and effective, including concluding a framework agreement on special and differential treatment
- Fulfilling the commitment of comprehensive negotiations on the Agreement on Agriculture (AoA), aiming at substantial improvements in market access, reduction with a view of phasing out all forms of export subsidies, substantial reductions in trade-distorting domestic support, and taking into account non-trade concerns
- Promoting relationships between globalisation and social development to help developing countries

improve the implementation of core labour standards, including through ILO mechanisms

- Promoting/supporting the creation of domestic and international markets for organic produce and increasing technical assistance for developing countries for quality control compliance and preservation of consumer confidence; this would likely involve the application of Sanitary and Phyto-Sanitary (SPS) measures and new food safety standards by richer countries

- Promoting the creation of voluntary, market based mechanisms to encourage production and trade in organic produce

- Committing to comprehensively address the problems faced by developing countries in the implementation of the Uruguay Round Agreements; special attention to be paid to the imbalances and inherent asymmetries in some WTO agreements

- Establishing legal and regulatory frameworks in supplier and recipient countries to expedite the transfer of technologies to developing countries in a cost – effective manner by public and private sectors; this would likely raise the problems of intellectual property rights and patent protections; - Promoting/ensuring coherence and mutual supportiveness between the rules of the multilateral trading systems and multilateral environment agreements (MEAs) in support of the work programme agreed through the WTO

Reports from the contact group on trade during the negotiations indicate that countries are more than willing to insert the entire work programme that emerged from the Doha Ministerial meeting into the WSSD's Draft Plan of Implementation. Delegates at the contact group had copies of the Doha work programme in hand as they negotiated line-by-line the relevant sections on globalisation, trade and finance, and implementation.

The nature of negotiations too is reminiscent of the WTO: in the absence of clear agreement or consensus, the text proposed by the US or the EU unfailingly became the alternative formulation with the G-77 and others standing by. Needless to say, much of the text proposed by the G-77 did not receive support from the QUAD (US, Japan, Canada and EU) countries. The G-77 and China pushed hard for more special and differential treatment provisions, but were turned down by the US and the EU, who were firm that WSSD commitments could not surpass those made in the WTO. There were even rumors of off-the-record, exclusive, closed meetings between the US, EU and G-77 to achieve "consensus" on the most contested portions of the Chairman's text.

So obvious is the infusion of the WTO-Doha work programme into the Chairman's text that Dr. Wolfgang Sachs, a well known ecological activist, remarked in

disgust: "instead of Rio + 10 years, this should be called Doha + 10 months".

The WTO agenda is further entrenched in the Draft Plan of Implementation through recommendations for increased collaboration between the UN system, international financial institutions and the WTO. Overall, the text proposes strengthening the role and efforts of the Bretton Woods Institutions (BWIs) in "furthering the benefits of globalisation" to sustainable development. "Policy coherence" is the order of the day and the Bretton Woods and UN agencies must jointly commit to implementing whatever will be left of Agenda 21, relevant parts of the UN Millennium Declaration, the Monterrey Consensus and of course, all the outcomes of the Doha Ministerial Meeting.

PASSING UNREGULATED TRADE AS SUSTAINABLE DEVELOPMENT

Despite language in the WTO's preamble about enhancing social welfare and promoting development, the WTO is not a development institution. It is an unequal, inequitable, highly non-transparent and unaccountable institution. It protects and advances the interests of large corporations, most of which are based in rich northern countries and many of which are transnational in nature.

Trade is an extremely important economic activity and has a critical place in national development and the strengthening of domestic economic capacity. However, the trade regime imposed through the WTO does not serve such a function. The WTO was established in order to expand and accelerate the process of corporate globalisation, and this is reflected in its agreements, institutional framework, work programmes and decision-making processes. To equate the WTO with sustainable development is to kill any progressive notion left in the conceptualisation of sustainability or development.

The economic model promoted through the WTO is based on and perpetuates extractive and unsustainable forms of production and consumption, and fosters export dependency and indebtedness at the national, local and individual levels. Countries that come out ahead in the WTO system are those with already significant advantages of accumulated capital, and well-developed technological, industrial, production and institutional capacities. Countries without these advantages are reduced to playing "catch-up" since the equity enhancing measures in the WTO are never implemented in step with the negotiation of new agreements.

In the model of corporate globalisation that the WTO advances, the stuff of everyday life, pleasure and recreation, and even humanitarian crises are all redefined as business opportunities. Hence, there are ever increasing moves to expand unregulated trade and investment efforts into all areas of basic needs and

survival: food, agriculture, water, health, sanitation, environmental protection, education, emergency services, tourism, funeral services, etc. The WTO's agreements on Agriculture (AoA) and Services (GATS) will ensure that every aspect of our lives, from birth to death, will be commercialised, and out of our hands and jurisdictions.

The outcomes of the WTO Ministerial meeting in Doha do not constitute a development agenda by any standards except those observed by the WTO itself. While the Doha Declaration contained some language on the need to pay more attention to implementation issues, the work programme outlined in the Declaration did not make any specific commitments to address long-standing inequalities and imbalances in the capacities of developing countries to negotiate a development-friendly trade agenda.

The work programme did not include firm commitments to implement special and differential treatment provisions, nor did it acknowledge the requests by developing countries to comprehensively review the TRIPs Agreement and the state of privatisation in developing countries before moving forward with GATS negotiations. Instead, the work programme was expanded to include new issues—investment, competition, trade facilitation, and government procurement—and thereby increasing the work burden on developing countries already struggling with small, under-resourced and under-financed delegations. In addition, a new section on environmental services was added to the Declaration at the eleventh hour without consultation with majority of the developing countries.

It is indeed extremely worrying that the WTO trade regime and the Doha work programme have such a central role in the Draft Plan of Implementation for the WSSD. The policy coherence proposed in the Chairman's text in effect spells out further subservience of the UN agencies to the BWIs since the BWIs come backed with far greater financial backing from the G-7 and OECD countries than the UN. And through this latest move in Prep Com IV, the WTO is well on its way to becoming a totalitarian global government with the blessings of the UN system.

Allowing this to happen practically amounts to giving away our environments, cultures, social and economic potentials, and fundamental rights to private corporations, who will continue to operate with greater impunity than before. It will undermine any future possibility of genuinely sustainable development. Although much of the text in the Draft Implementation Plan is still in bold typeface and bracketed (which indicates that agreement has not yet been reached), the nature of negotiations thus far do not provide signs of hope that the final text adopted in Johannesburg will be much of an improvement on the current draft.

The challenge before us is not whether we can change this or that paragraph in the Draft Plan of Implementation, but whether we can push our governments to come up with a plan for sustainable development instead of one for unregulated trade and investment. On these grounds, and in order to salvage the principles and future possibilities for sustainable development, non-business, non-corporate civil society must reject any inter-governmental declaration from Prep Com IV that legitimises the Draft Plan of Implementation. The WTO and corporate economic globalisation must not come into the WSSD. Instead, we must come up with alternative programmes for genuinely sustainable development and intensify our work at national levels to ensure that our governments defend and protect our rights in Johannesburg.

FORCING SHADES OF GREEN

Raj Patel*

AN ENVIRONMENTAL LOOKING GLASS

There's going to be a vibrant spectrum of green at the World Summit on Sustainable Development in Johannesburg: turquoise tree-huggers will swap beads, guerrilla gardeners will plant, jaded policy wonks will lobby. In this spectrum, though, some of the colours are aiming to become primary. There's no novelty in this; with every season in history, capital has changed its stripe. It's important, though, to recognise the new green for what it is – the old black.

There have been large international conferences on the state of the environment on two previous occasions now. Each of these summits generated its own spectrum of paperwork, proclamations, declarations and critiques. For each summit, the hue of environmental crisis has been slightly different, and the choice of ideologues coloured by contemporary politics. A central feature of these summits, and Johannesburg is no exception, is the casting of the environmental problem as a hybrid of free-rider and externality problems.

To clarify, the definition of a free-rider is a person who receives the benefit of a good but avoids paying for it. Joseph Heller provides a classic statement of the free-rider problem in his *Catch 22*:

"I don't want to be in the war anymore." "Would you like to see our country lose?" Major Major asked. "We won't lose. We've got more men, more money and more material. There are ten million men in uniform who could replace me. Some people are getting killed and a lot more are making money and having fun. Let somebody else get killed." "But suppose everybody on our side felt that way?" "Then I'd certainly be a damned fool to feel any other way. Wouldn't I?" (1)

This is different from an externality, the uncompensated impact of one person's actions on the well-being of a bystander. (2) The link between these two stems from the rivalry, but non-excludability of the environment. Everyone wants clean air, for example, but if you can befool it for free (because it is non-excludable), even if everyone suffers from your using it thus (clean air is rival), and if someone else is so agitated that they're going to clean it up, why bother paying (why not free-ride)? These are the constant elements in the permutations of public policy around the past two environmental summits, and of the forthcoming one. The economic lenses through which these problems have been viewed, however, tell us something uncomfortable about contemporary politics.

WITH EVERY GENERATION ITS RHETORIC, WITH EVERY RHETORIC ITS TYRANNY

The first summit, in Stockholm in 1972, went under the

name of the World Conference on the Human Environment. The principle concerns that the summit pledged to address were limits to growth, the constraints set by the environment on human expansion, both economic and demographic. The Club of Rome's experts had updated Malthus' argument on population limits, announcing that humans were about to use up non-renewable resources, and that resource-shortage catastrophe was imminent.

Although the links between the global environment and development were raised (3) before the event, the 'World' of the conference title turned out to be quite a small one. The agenda was driven largely by the concerns of affluent governments. The choice of venue is a telling indicator of the centrality not of global 'sustainable development' but of acid rain in Scandinavia.

While the rhetoric of population catastrophe attended the conference rationale, the policy of the conferences belonged not to Malthus but to A. C. Pigou. The state was still, at the time, considered the correct mechanism for addressing the difference between the nominal and real cost of economic activity within society, and Pigou's theories were easily applicable. In the wake of the conference came a raft of resolutions for affluent states to adopt, plus a few that affected developing countries. The resolutions were giddy with the possibility that international agencies like the UN could tame the externalities involved in industrial capitalism through the flow of information and good will alone. The United Nations Environment Programme was started, and provided a home to Earthwatch, the UN's harmonisation and information disseminating system. In the light of what was to follow, this seems a hopelessly naive remedy to international environmental problems.

For then there was silence.

There were no major environmental summits for twenty years. The 'lost environmental decade' is explained by a number of reasons: UN was in crisis, Reagan was president of the USA (4), the cold war was becoming considerably colder and, it seems, governments did not have much time to worry internationally about the environment. The multilateral hiccup in the 1980s did not, however, prevent a great deal of activist campaigning, with Greenpeace and Green parties forming a particularly strong force in Europe. With this pressure behind them, affluent governments conceded the need for another think about matters environmental. In 1992, the biggest UN conference in its history was held in Rio. Fifteen thousand people attended the Earth

Summit. It was a jamboree, a celebration of diversity, a carnival of beads and sandals.

The diversity was not restricted to the NGO tent either. In the policy rooms, ideologies came into conflict. Anticipating the so-called Third Way, a resolution was sought for the tension between a neo-liberalised Adam Smith from a bourgeois North and the quasi-socialism of the Chipko movement from the populist South. In these schizophrenic times, it was appropriate that the Earth Summit was coordinated by Maurice Strong, a man who, in his own words, was “a socialist in ideology, a capitalist in methodology.”

The political solutions developed at the conference straddled this divide admirably. The rhetoric of the Rio declaration was given an appropriately progressive sheen – ‘the human environment’ became “sustainable development”, the concerns of the South (particularly in terms of international transfers to facilitate development) were placed on centre stage, and palliative rhetoric hued the Rio declaration. Over \$2 billion in international resources were pledged to the Global Environment Facility (5). There was even reference in the final declaration, despite Israeli howls, to the sustainable development rights of peoples in occupied territories.

With the Rio declaration, though, came another document: the massive, encyclopaedic, and diverse Agenda 21. It, too, was a creature of its time, variegated with concepts like ‘subsidiarity’, ‘decentralisation’, and a very odd interpretation of ‘sustainability’. It is here, in the thickets of Agenda 21, that we find the flower that is about to blossom in Johannesburg. Chapter 2, Section 1 of Agenda 21 reminds us that

“The development process will not gather momentum if the global economy lacks dynamism and stability and is beset with uncertainties.... The international economy should provide a supportive international climate for achieving environment and development goals by ... inter alia, promoting sustainable development through trade liberalization.”

Just as the Malthusian rhetoric of the first environmental conference was underwritten by Pigouvian policy, so the proto-third-wayism of the Rio summit had its economist. This time, it was Ronald Coase. Pigou and his followers, thought Coase, had significantly underestimated the transaction costs involved in getting governments to counter externalities. His solution to the problem of public goods was to let market mechanisms attend to them as far as possible.

Equity is not an issue that troubles Coasian analysis overly. An example: Wilfred Beckerman, economist, iconoclast and Coasian, is able to suggest in his *Small is Stupid*, that the solution to the public-good problem

of air pollution is to privatise air. By creating a delineated regime of property rights over air, those who own it will be more inclined to look after it properly, and take more active measures against those who despoil their property by belching toxins into it. Given that air has no national affiliation, a single-state-based solution to the problem is unlikely to be successful (although few would regret a unilateral decision by the United States to curb its disproportionate atmospheric pollution). Given the absence of a world government to prosecute free-riding on other states clean air, and with a central place given to the high transaction costs inevitably occasioned by regulatory mechanisms, the market provides the most efficient answer to the need to internalise the externalities of global atmospheric pollution. The selective privatisation of air is, then, an eminently logical solution to the problem of atmospheric pollution.

Motivated more by concerns of equity through allocative efficiency, Coase rarely thought about the wider social context. When he did, his thinking was along these lines: “In general, I believe that the reduction of pollution benefits those who are better off educationally and financially and harms the poorer members of our community.” (6) Many poor people, from the survivors of the Union Carbide poisoning of Bhopal shanty towns, to the asthmatic children of Mexico City, beg to differ.

THE USES OF MANCUR OLSON

And so to the present. This August, Johannesburg will host the World Summit on Sustainable Development (WSSD). Actually, the way it’s looking at the moment, Johannesburg will host three conferences: one for official delegates, one for ‘civil society’, and one for those unable or unwilling to pay the US\$165 registration fee to qualify for membership of ‘civil society’.

The three-tiered arrangement of the conferences tells a sad story of bureaucratic power, control and resistance, one that is very much of our time (7). At the WSSD, the World Bank will be presenting its vision of ‘sustainable development’ – and it wants an appropriately civilised ‘civil society’ to play along. The Bank and its friends are preparing to perform on the world stage, and they’d very much like to have a docile audience. So before the show begins, let’s study the latest script carefully and prepare to heckle loudly. Then we can walk out of the theatre. And burn it down.

Continuing the trend in off-stage ideologues, the third summit has its own wrinkled poster-child: the late Professor Mancur Olson. The latest dispatch from the turrets of international capital is the draft World Bank World Development Report, 2003. Entitled *Sustainable Development In A Dynamic Economy*, it’s the World Bank’s manifesto for solving environmental problems,

global and local. At its heart, lies Olsonian analysis, analysis that, by its currency, ought to give us pause.

Olson had one Big Idea. “Rational, self-interested individuals will not act to achieve their common or group interests”, because of the free-rider problem. Yet free riding doesn’t happen all the time. Olson, in his *Logic of Collective Action*, explains why. Having established that members of big groups will want to free ride, he notes that for sufficiently small collectives, if the benefits of to the small group can be localised, there’s every incentive for them to profit from the collective inaction of the majority. As a bonus, because the group is small, free-riding is easier to detect, and prevent. Small numbers of people are able to punch above their weight because they’re small groups. That’s it. Size matters. Not relations to the means of production, although this may result in small groups. Not history, although its contingencies may expose one group more than another to the fates of minority existence. Armed with the hammer of his *Logic*, most problems in society and politics became, for Olson, the same nail. His monomania for finding asymmetries of group size, and explaining political phenomena as a result, put him firmly on the road to a Nobel Prize, which many of his peers believed he would have received were it not for his death in 1998. His spirit, however, lives on. The World Bank has wheeled him out to fight for the environment because of his applicability to the politics of public goods.

Consider industrial lobbies. They are able to have their way because they are small, well organised, and have every incentive to fund their activities in order to avoid having to pay for costly environmentally-friendly change. One need only look to the Bush regime’s current repose in the pockets of the US energy industry to find evidence. The Bank itself, in a rare moment of lucidity, is sensitive to this. Here’s a quote from their report

“The lag times between basic research and large-scale commercial deployment are sobering. Private industry is not willing to undertake the necessary basic research in areas such as fusion, geological carbon sequestration, high-efficiency coal combustion, or high-efficiency building technologies for tropical climates. Moreover, there is at least anecdotal evidence of high returns to government funding even in relatively applied research. For instance, a \$3 million public investment in technologies for efficient windows is projected to yield \$15 billion in energy savings through 2015—in the United States alone. Yet public funding for basic energy research has declined in Europe and the United States.” (8)

Olson seems, on the surface, an eminently appropriate theorist. Industrial interest groups threaten the environment, and they need to be stopped. The trouble is that because Olson’s theory is so monochromatic, it can be bent in a number of ways. Not all of these

ways are progressive. The World Bank’s spin on Olson’s analysis is a subtle, and dangerous one.

PROTECTIONISM AND SNIVEL SOCIETY

The Bank’s solution to Olson’s problem of small interest groups is one that recasts the original debate in a strange light. The Bank never explicitly talks about power, largely because it’s such a difficult idea to define, but also because, one feels, they wouldn’t really know it if it beat them about the head. Rather than broach the difficult questions about power, and complicit, that a more nuanced enquiry might demand, the Bank has another solution. The Bank sees the free-rider and small group problems as technical ones. And the way to answer these technical problems is through technocracy, not politics. If we can manage the problems of unrepresentative power of small groups, we’ll be better able to manage the under-provision of environmental public goods -or so the argument runs.

Have a look at that again, though, as this is a magnificent piece of blameworthy. The Bank is able to use Olson to tar both industrial interest groups and small progressive organisations with the same brush, not because of their politics, power or relationship to society or the natural environment but because they are both small. Small isn’t just stupid, according to the Bank. It’s environmentally harmful.

In the new WDR, the interests of protected industries in developing countries are explored at some length. Two interpretations present themselves, one charitable, the other less so, both valid.

Let’s start with the charitable version. There is a radically egalitarian streak in neo-liberal economics that is worth acknowledging, because its intentions (though they pave the road to hell) are good. The radical idea in neo-liberalism is that one takes from those small groups of producers who have power, and give to the masses, the ‘consumers’. Here’s an example of radical, and thoughtfully self-critical, neo-liberal thinking at work:

8.82 : Currently, the price of gasoline is set at one quarter of the world price; kerosene sells at 8 percent and fuel oil at 6 percent of the world price. The Iranian government spends an astounding 18 percent of GDP on these subsidies. One aim is to help the poor. But if the government discontinued the subsidies, sold the oil on world markets, and simply divided the revenue equally among its citizens, then the income of the poorest decile of rural households would triple, and that of the poorest urban households would double. Indeed, on average, every decile in the income distribution would gain. But, energy-intensive industries would experience severe output contractions, and their workers would presumably suffer unless part of the subsidy savings was devoted to assisting them in shifting to the expanding sectors.

This is potent stuff. Progressive even. At least, that’s

the sympathetic way of reading it. The less generous, and more useful, way of understanding this is that the Bank is trying to create in an international bourgeoisie. It's important to understand why this needs to happen. The interests of the owners of capital in different developing countries are not necessarily harmonious. Their unity in the exploitation of their respective domestic working classes does not, by itself, provide a reason why they should all get along in the international domain. Goods are, after all, in competition in the international market, and profit margins are threatened by different international rates of exploitation. Olson predicts that, in order to counter the threat of reduced profits through international trade competition, domestic bourgeoisies will form protectionist trade groupings to safeguard high rents. Given the commitment to 'an open international trading system to promote the environment', this is precisely the sort of national bourgeois bloc that the Bank wants to get rid of. In its stead, a new bloc. Gramsci reminds us that there's nothing automatic about harmony within the bourgeoisie – different elements of it can find themselves in positions of hegemony at different times. The same is true internationally. Thus a protectionist comprador bourgeoisie is being challenged by a bloc that is happier with the idea of international trade, with the deindustrialisation and feminisation of the unskilled labour market in the global South. This is a battle between two kinds of bourgeoisie, between a bourgeoisie with a penchant for exploiting its people under the guise of nationalism, and one that does the same under an international flag (9). The predominance of the international bourgeoisie is not something that happens naturally – it takes ideologies like this, interventions like this, and commitment from groups like the Bank, in order to make it happen.

Back to Olson again, now, because there's a flip side to the Bank's use of his Logic. Recall that the couching of environmental problems as a battle between small and big groups isn't explicitly about politics – size is the important factor here. Thus, small groups such as the Environmental Defense Fund or Greenpeace, their massive subscriber base notwithstanding, count as special interest groups. And, given their status as small groups, they come in for the same policy prescription, the same levelling discipline. Having diagnosed that only size matters, the Bank presents its cure: deepen the international policing of domestic politics. Because Olson is so vague about what size means, his critique of small groups provides a license to fight not only the small but immensely powerful industrial interest groups, but also the small and much less powerful groups that constitute civil society. And this strikes at the heart of democracy.

Before continuing, it's important not be naive about this. Not all groups from what is called 'civil society' are ones to which radicals, or even progressives, would lend even their qualified support. The Bank and its friends have been making headway into civil society

for quite some time. Hence the astro-turf activism of the oil industry lobby groups, astro-turf of course being a dismal substitute for real grassroots. Hence the increasing worry over quite how democratic or representative Southern non-governmental organisations actually are. Hence widespread critique of 'snivel society', of that section of co-opted intellectuals and activists whose politics do more to shore up existing regimes than to challenge them (10). Hence the three tiered structure of the upcoming Johannesburg summit – 1. the multilaterals, 2. co-opted civil society at US\$165 a throw, 3. everyone else.

The selectivity of the interpretation of Olson gives licence to reinforce existing power arrangements, by failing to draw attention to them. Thus, conspicuously absent from the discussion are issues of eco-racism and patriarchy. It may seem unfair to expect Olson to explain this – he's talking about public goods after all. But this is precisely the point. The exclusion of key areas of social experience, by transforming the problem of sustainable development into a technocratic management of special interest groups, shows that the Bank's concern with the environment is, at best, superficial. Those instances where technocratic solutions have improved women's lot, increased spending on girl-child education for example, have been compromised by the Bank's insistence on cost-recovery. In April last year, prompted by the consistently high performance of socialist states in the provision of basic social services as compared to the Bank's record, James Wolfensohn said "Cuba has done a great job on education and health, They have done a good job, and it does not embarrass me to admit it." (11)

To put it slightly differently, the dividend of attributing to each summit its economist is that it becomes slightly easier to locate the ideologies of these conferences in racist and patriarchal discourses. Bourgeois economics has a poor track record of addressing issues of race and gender. (12) Its biases, its blind spots, and its weaknesses in providing tools for social change suffuse the policy it recommends. Thus, the Bank's Olsonian understanding comes with a particular vision of the way democracy should operate. Along with the race-class-gender triumvirate, democracy is not something with which the Bank feels terribly comfortable. In the WDR, they note the lack of accountability of interest groups and governments (but, oddly, not international development banks).

They then go on to say "Democracy may be an institutional lever that can help [inequity]. Rulers of England committed themselves [sic] by strengthening the hand of the nobility through the creation of a parliament. Indeed, democracy (or a dramatic extension of suffrage to new groups) can be a commitment to redistribution. In many states democracy has been extended in response to social tensions—bringing about successive reductions in inequalities."

This is an odd understanding of the mechanisms of social change, one that puts the cart before the horse. Democracy was the outcome of widespread struggle, in which the weak fought the strong. Accountability, of a stripe, was a corollary of the result, but certainly at the tail end of a long, bitter and bloody process. 'Transparency', 'good governance' and the other talismans of anti-politics of our time cannot, by themselves, redress power balances.

'PARTNERSHIP'

Olson's magic, therefore, lets the Bank increase surveillance not only over elements of a stubbornly nationalist private sector in the Global South, but to its 'civil society' as well, because they're both domains of small, influential and troublesome opponents to neo-liberalism. If this interpretation is correct, we might expect to see an increase in the number of transnational engagements between non-state bourgeoisies, public and civil. The word for this is 'partnership'. The International Institute for Sustainable Development has already lined up a 'partnership for knowledge' with civil society and the Bank. The World Bank's attempt to run a similar project – the Development Gateway – has already come in for heavy criticism for its lack of transparency, partiality and waste of resources. The IISD's effort is unlikely to avoid the same traps given the kinds of stakeholders involved. At the Johannesburg summit itself, the (co-opted) civil society secretariat has sourced corporate funding, leading to speculation over whether there will be a Coca-Cola Land Squatting event. The International Chambers of Commerce and the World Business Council for Sustainable Development have, for their part, been exceptionally promiscuous, partnering with the UN, the World Bank, some NGOs and a smattering of academic institutions, keen to demonstrate that, if business is left free of the prophylaxis of state regulation, it can consummate its affairs responsibly.

UNHAPPY MEAD

The orgy of partnerships at the WSSD (and almost every other major multilateral event of late) (13) might make us want to think again about Margaret Mead's oft-quoted soundbite in the activist world: "Never doubt that a small group of thoughtful committed citizens can change the world. Indeed, it's the only thing that ever has." Although this slogan has been recited as a hard-times mantra by embattled progressives the world over, it's important to remember that it's a double-edged slogan. The Bank is, after all, a small group of thoughtful committed citizens. It's just that their politics are repugnant.

And this is where, perhaps, it might be time to jettison Mead as progressive sloganeer. The wisdom of her insight is thoroughly Olsonian. Nothing wrong with that, perhaps, but it is dangerous. It might provide too much succour to those whose tendencies are more centralist than democratic, whose trust in people's

ability to choose action rather than free-riding wavers more than it ought. It is also incorrect – many of the finest moments in history have come not from a group of well organised individuals, but the collective actions of hundreds of thousands. Whether this action has been in the home, in the fields, in the factories or in the classroom, populism and mass action remain important. Capital is trying to professionalise activism, in the darkest sense. In light of the large-scale mobilisations around the Bank, UN and global capitalism over the past five years, the most appropriate response is also demonstrably feasible: not a retreat into the shadows of small-organising, but a blaze of mass politics.

* Raj Patel (rcp9@cornell.edu) recently received his doctorate from Cornell University and now works with Food First, US. Editor's note: This paper was written before his taking up the position at Food First.

Notes:

1. This example is suggested by Richard Hoffman.
2. A concept without which the comedy of farting in a lift would be unthinkable.
3. Of particular interest is the Founex report. Ozorio de Almeida, Miguel, Wilfred Beckerman, Ignacy Sachs, and Gamani Corea. 1972. Environment and development; the Founex report on development and environment. New York: Carnegie Endowment for International Peace. That Wilfred Beckerman, author of the 1995 *Small Is Stupid: Blowing the Whistle on the Greens*, was on the editorial collective reflects a laudably enduring, if wrong-headed, commitment to the environment.
4. Reagan famously argued that "trees cause pollution". It is true that trees do emit some stratospheric ozone-hostile-volatile hydrocarbons. It is unclear, however, that we can credit president Reagan, perhaps at the height of his intellectual powers in 1982, with understanding this.
5. The sums were pledged, but not delivered. Michael Grubb notes that the disparity between the depths of promise and pocket of commitments to the UNCED process left even the World Bank president 'despondent and angry'. Grubb, Michael and Energy and Environmental Programme (Royal Institute of International Affairs). 1993. The "Earth Summit" agreements: a guide and assessment, an analysis of the Rio '92 UN Conference on Environment and Development. London: Earthscan Publications Ltd.
6. Coase, Ronald. 1970. Legal and Economic Aspects of Pollution. Chicago: University of Chicago Center for Policy Study, page 9. See Aslanbeigui, Nahid and Steven G Medema. 1998. "Beyond the dark clouds: Pigou and Coase on social cost." *History of Political Economy* 30:601-625. for a fine discussion on the similarities and differences between the two thinkers.
7. I am grateful to Chris Brooke for observing that this isn't strictly true. In spirit, it echoes Plato's tri-partite model of the soul, in which reason and the spirit forge an alliance to suppress desire, the political analogue being the bond between philosophers and the military to rule a juvenile and easily distracted populace. Or, today, between the wonks at the Bank and a disciplined NGO corps against the protesters.
8. They ask the public to read and comment, but not to quote. This is standard academic practice between friends. Even colleagues who don't necessarily like one another. But not between the powerful and the powerless. Just as we should feel free to quote liberally from war-plans that fall into our laps, even if they are confidential 'drafts', so we must expose the Bank. The Bank is pretending to be an academic institution. It isn't. It's a factory. The role of the reader in the drafting process is as an input.
9. Consider the current state of affairs in, say, Zimbabwe, Southern Africa, India, any number of fascist European states, etc.

10. For two fine examples, see Petras, James F. and Henry Veltmeyer. 2001. *Globalization unmasked: imperialism in the 21st century*. Halifax, N.S. London ; New York: Fernwood Pub. ; Zed Books : Distributed in the USA by Palgrave., esp Ch. 8, and Choudry, Aziz. 2002. *Whose Beat Should We Dance To?* http://www.voiceoftheturtle.org/articles/aziz_beat.shtml
11. This was accompanied by the admission by Eric Swanson, programme manager for the Bank's Development Data Group, that Cuba "is in some sense almost an anti-model".
12. The World Bank's economics hasn't done so well at addressing issues of poverty either. Bank economist William Easterly is puzzled by the economic downturn of those countries, previously in fairly rude health, in which World Bank policy has been applied. See Easterly, William, "The Lost Decades: Developing Countries' Stagnation in Spite of Policy Reform 1980-1998", *Journal of Economic Growth* (forthcoming), for a case of acute analytic aporia.
13. The Corporate Europe Observatory notes that "The partnership approach has infected much of the discourse in the United Nations of late. Hardly a piece of text or speech goes by which doesn't extol the virtues of partnerships. They build upon the concept of 'multistakeholder dialogues' which have become a fixture in modern governance processes. This seemingly benign concept of various 'stakeholders' getting together around a table and hashing out issues has been championed by business groups since the days of the original Earth Summit in Rio. The reason is clear. By institutionalising their role as 'stakeholder' in official fora, corporations gain considerable influence in any outcomes and benefit from an image boost as they are seen to be 'part of the solution'." Corporate Europe Observatory. 2002. "Rio +10 and the Privatisation of Sustainable Development." CEO Observer.

COMING: A RERUN OF THE 1930S?

Walden Bello*

(Talk delivered at meeting of International Council of the World Social Forum, Bangkok, 13-15 August, 2002.)

This meeting of the WSF International Council is taking place against a background of what is shaping up as the worst crisis of global capitalism since the Great Depression seventy years ago. Charting our direction for the future is greatly dependent on understanding the nature and dynamics of this crisis.

Two methodological principles guide this discussion. First, never underestimate the resiliency of capitalism. Second, never underestimate its vulnerability to crisis.

Having said this let me venture that we are entering a crisis that is an intersection of four crises.

CRISIS OF LEGITIMACY

The crisis of legitimacy refers to the increasing inability of the neo-liberal ideology that underpins today's global capitalism to persuade people of its necessity and viability as a system of production, exchange and distribution. The disaster wrought by structural adjustment in Africa and Latin America; the chain reaction of financial crises in Mexico, Asia, Brazil, and Russia; the descent into chaos of free-market Argentina; and the combination of massive fraud and spectacular wiping out of \$7 trillion of investors' wealth—a sum that nearly equals the US's annual GDP—have all eaten away at the credibility of capitalism. The institutions that serve as global capitalism's system of global economic governance—the International Monetary Fund, the World Bank and the World Trade Organization—have been the most negatively affected by this crisis of legitimacy and thus stand exposed as the weak link in the system.

A sure sign of the profound crisis of legitimacy is when the system loses its best ideologues. Among the "best and the brightest" who have deserted are Jeffrey Sachs, author of the "shock treatment" of Eastern Europe in the early nineties who now calls for developing countries not to pay their debts; Joseph Stiglitz, former World Bank chief economist, now the severest critic of the International Monetary Fund; Jagdish Bhagwati, who coined the term "Wall Street-Treasury Complex" to describe the interests that brought on the unending stream of global financial crises since the 1990s; and George Soros, capitalist par excellence who doubles as the enemy of "market fundamentalism."

CRISIS OF OVERPRODUCTION

Intersecting with the crisis of legitimacy is a crisis of overproduction and overcapacity that could portend more than an ordinary recession. Profits stopped

growing in the US industrial sector after 1997, a condition caused by the massive overcapacity that had built up throughout the international economic system during the years of the US boom in the 1990s. The depth of the problem is revealed by the fact that only 2.5 per cent of the global infrastructure in telecommunications is currently utilized. Overcapacity has resulted in investment moving from the real economy to the speculative economy, to the financial sector, a development that was one of the factors behind the stock market bubble, especially in the technology sector. Enormous surplus capacity continues as a global condition and thus the continuing absence of profitability. The global recession is, as a result, deepening. But precisely because severe imbalances had built up for so long in the global economy, this recession is likely to be prolonged, it is likely to be synchronized among the major centers of capitalism, and there is a great chance that it could turn into something worse, like a global depression.

CRISIS OF LIBERAL DEMOCRACY

Running alongside and intersecting with these two crises is a crisis of liberal democracy, which is the typical mode of governance of capitalist economic regimes. In places such as the Philippines and Pakistan, popular disillusion with elite democracies fuelled by money politics is rife among the lower classes and even the middle class, being in the case of the Pakistan one of the factors that allowed General Musharraf to seize political power.

Clearly, from Africa to Latin America, the phenomenon of the spread of Washington-or Westminster-type formal democracies that American political scientist Samuel P. Huntington called the “third wave of democratization” is over. But the crisis of legitimacy is not limited to the South. In the United States, there is widespread popular perception that, owing to massive corporate influence over the two political parties, plutocracy is now the US system of governance, not democracy. Mass disaffection and cynicism have been compounded by the feeling of a vast sector of the electorate that President George W. Bush stole the 2002 elections and, thanks to current revelations about his questionable ethics as a businessman, that he serves mainly as the president of Wall Street rather than of the country. Despite Washington’s current posturing about punishing corporate fraud, the spectacular developments in Wall Street are perceived as a moral collapse in which both economic and political elites are implicated. In Europe, there is also much concern over corporate control of political party finances, but even more threatening is the widespread sense that power has been hijacked from elected national parliaments by unelected, unaccountable Eurobodies such as the European Commission. Electoral revolts like the Le Pen and Pim Fortuyn phenomena in France and the Netherlands respectively are manifestations of deep alienation with technocratic

democracy.

OVEREXTENSION

The fourth crisis might not be immediately discernible, but it is operative as well. The recent expansion of US military influence into Afghanistan, the Philippines, Central Asia and South Asia may communicate strength. Yet, despite all this movement, the United States has not been able to consolidate victory anywhere, certainly not in Afghanistan, where anarchy, and not a stable pro-US regime, reigns. It is arguable that because of the massive disaffection they have created throughout the Muslim world, the US’s politico-military moves, including its pro-Israel policies, have worsened rather than improved the US strategic situation in the Middle East, South Asia and Southeast Asia. Meanwhile, even as Washington is obsessed with terrorism in the Middle East, political rebellions against neo-liberalism are shaking its Latin American backyard.

RISE OF THE ANTI-CORPORATE GLOBALIZATION MOVEMENT

Intersecting crises are unfolding even as the movement against anti-corporate globalization is gaining strength. During the 1990s resistance to neo-liberalism was widespread throughout the South and the North. In few places, however, were they able to become a sufficiently critical mass at a national level to decisively reverse neo-liberal policies. But although they were not a critical mass nationally, they could become a critical mass globally when they came together at certain crucial events. This was what happened in Seattle in December 1999, when massive mobilizations contributed to bringing down the Third Ministerial of the WTO. The other global confrontations of 2000, from Washington to Chiang Mai to Prague, also shook the confidence of the establishment. When the World Social Forum was launched in Porto Alegre in January 2001, with 12,000 people in attendance, the ideological challenge became a very real threat to global capitalism.

Today, we may be witnessing a second moment in the trajectory of the resistance as many anti-neo-liberal movements become a critical mass impacting on politics at the national level. This appears to be the case in Latin America, where espousal of neo-liberal economic policies is now a surefire path to electoral disaster and progressive movements have either won electoral power or are on the cusp of power in Venezuela, Brazil, and Bolivia.

COMPETING WITH THE RIGHT

Nevertheless, the crisis does not guarantee ultimate ascendancy for the forces against neo-liberalism on the left. For the right is also on the move, taking advantage of the crisis of the neo-liberal establishment to concoct ideological mixtures of reaction and populism that stoke the deepest fears of the masses.

Note, for instance, the mass resonance of the fascist Le Pen's slogan "Socially I am left, economically I am right, and politically I am for France." With neo-liberal ideology in retreat, the competition for the disenchanted masses is shaping up as an apocalyptic contest between the left and the right, though at this point one cannot definitively discount an ideological comeback by the global establishment.

COMING: THE BATTLE OF CANCUN

In short, the immediate future promises a very fluid situation. In this regard, the Fifth Ministerial of the World Trade Organization (WTO) in Cancun, Mexico, in September 2003, is shaping up as a confrontation between the old order and its challengers on the left. Because of its decision-making structure, which is based on "consensus" among all member-countries, the WTO is the weak link of the global capitalist system, much as Stalingrad was the weak link in German lines during the Second World War. For the establishment, the aim is to launch another ambitious round of trade liberalization in Cancun that would rival the Uruguay Round. For the opponents, the aim is to reverse globalization by turning Cancun into the Stalingrad of the globalist project.

In the space of just a decade, global capitalism has passed from triumphalist celebration of the passing of the socialist states of Eastern Europe to a fundamental loss of confidence. It is entering a "time of troubles" much like the second and third decades of the 20th century. Its successful emergence from the developing crisis is by no means assured.

*Executive Director, Focus on the Global South.

PRESS RELEASE: ANOTHER WORLD IS POSSIBLE

Synthesis of the World Social Forum International Council Meeting held in Bangkok on 13-15 August 2002.

The World Social Forum (WSF) is an open space created by and for social movements and other civil society organizations opposed to neo-liberal globalization. The WSF is a process that provides opportunities for critical reflection and construction of truly democratic and radical alternatives.

Even though the WSF is above all a process, its most visible expressions have been the two massive events organized in Porto Alegre, Brazil with tens of thousands of participants from all over the world. In the first one, held in January 2001, the criticism of global capitalism was of fundamental importance. In the second, held in February 2002, the emphasis shifted towards formulating alternatives.

In the program of the next global WSF event in Porto Alegre on 23-28 January 2003, strategies of social transformation will play a prominent role. The Bangkok meeting of the WSF International Council has debated and constructed a tentative structure for the program, which will be further developed and open to suggestions from movements and organizations around the world.

Apart from being the focus of the next main event, the questions of strategy have also become increasingly important in the general WSF process. The most important strategic question for the future of the WSF is its geographical expansion and its deepening to reach out to all marginalized people and communities. This can be considered one part of the search for peoples' globalization, as opposed to neo-liberal globalization. Rising fundamentalism, militarism and communalism, and their accentuation by neo-liberalism, have become increasingly important concerns for the WSF process.

The expansion and deepening of the WSF is happening in various dimensions. This Bangkok meeting of the WSF International Council – gathering for the first time in Asia – has been one step in the process. More importantly, the organizing of various regional, national and thematic social forums in different parts of the world is making the WSF a truly global process.

For the WSF the incorporation and contribution of Asian social movements and other social actors is highly important. The organization of the first Asian Social Forum in Hyderabad, India, on 2-7 January 2003, will bring in and reinforce the Asian dimension of the WSF process.

The other important forums constructed within the WSF process include the thematic forum on neo-liberalism, organized in Buenos Aires, Argentina, 22-25 August and the regional European Social Forum against Neo-Liberalism, War And Racism, that will be held on 7-10 November 2002 in Florence, Italy. Other regional and thematic forums, including one for peace and against war and occupation in Palestine, are being planned.

Of the current issues discussed during this Bangkok meeting of the WSF International Council, one that merits further elaboration is the question of war and peace. (See press release below.)

The next meeting of the WSF International Council will take place immediately after the European Social Forum, on November 11-13 in Florence, Italy.

The WSF International Council invites all movements and civil society organizations seeking democratic alternatives to capitalist power to take part in the WSF process. We want to provide a space for critical articulation between democratic struggles engaging the indigenous, women, workers and other excluded groups.

In our fight for a genuinely democratic world, we are opposed to violence and fundamentalism. We are particularly concerned about the ongoing imperialist violence and the preparations for another war on Iraq. For another world to be possible, we must renew our efforts to construct a culture of international peace, solidarity and social inclusion.

The WSF International Council, Bangkok, 15 August 2002

PRESS RELEASE: ON MILITARIZATION AND WAR VERSUS PEACE AND SECURITY

As the US government is imposing on the world its own agenda and definition of the “war on terror” and of the “axis of evil”, it becomes necessary to analyze in depth the real function of these strategic moves. We condemn and rule out the use of terror as a method of political action, but we cannot ignore its breeding grounds, its mechanisms, its use by undemocratic governments and the reasons of its strong hold amongst a large number of dispossessed people in the world. We condemn also any form of State terrorism.

The historical links between capitalism and war have to be recalled at this juncture. This was first the case of mercantile capitalism, with numerous wars in Asia, Africa and Latin America and with slavery, and later on of industrial capitalism with the colonial wars. We cannot forget that these wars have caused more deaths than each of the two world wars which too were also linked to a great extent with the crisis of the economic system.

It is therefore not astonishing that today, the logic of the capitalist system in its neo-liberal phase of expansion, facing crises of accumulation and legitimacy, would lead towards a multiplicity of wars; making use of existing conflicts, or of real socio-political issues like narco-trade and terrorism. As a matter of fact, since the last world war, the so-called “low intensity conflicts” have been causing millions of civilian victims, especially women. Since 1945 the war casualties amongst women went from 5% to 80%. Weapons based or new technologies are putting the whole of humankind in danger, as also the Earth that supports it. The rising world economic imperialism greatly adds to the possibility of their actual use. War is clearly being used to stabilize the neo-liberal structure and the industrial-military complex.

Today, even if many local and internal conflicts are to a large extent related, directly or indirectly, to globalization, concerns exist about specific situations:

- The instrumentalization of struggles against narco-trade and terrorism for the geo-strategic control of the world, with the interventions of the US, particularly in Colombia, and extensions in Latin America, and of course in Afghanistan, and extensions in Central and South East Asia with the relative support of most of the European countries. It needs to be recognized that the war against terrorism in Afghanistan hides the imperialist designs of the US and its oil companies to establish a route for extracting oil and gas from Central Asia.

- The planned war against Iraq by the US government, linked with the control of Middle East petroleum

- The lack of support to the Palestinian cause and the absence of an efficient condemnation of the occupation, together with the economic and military cooperation to the government of Israel by the US are a part of the geo-strategy of the US and some European States.

- The Indo-Pakistani conflict as a base for a growing involvement of the US in the region, with portents of a nuclear war and of increasing violence on religious and ethnic grounds, is related to a broader strategy and also to interests of weapons traders and manufacturers.

- The extension of NATO to new countries of Eastern Europe by the end of 2002 will extend the US military control over Europe, with the collaboration of European allies, in the same logic as that of wars in Yugoslavia. The US government, significantly, wants to use NATO on a case by case basis, reserving the right to act unilaterally if some of its allies express reservations. Simultaneously, Russia is being given carte blanche to conduct its own "war on terror" in Chechnya.

Therefore, the convergence between peace movements and all other movements is of crucial importance — internationally, regionally and locally — and should be accomplished in various forums. The search for political solutions, the promotion of movements against war and in favor of peace, the building of a culture of peace and social inclusion, are part and parcel of the preoccupations of all those who call for a strong mobilization in order to establish the vision that, indeed, "Another world is possible."

(Prepared by a working group of members of the International Council coordinated by Francois Houtart)

DARK CLOUDS AMASSING ON AFGHANISTAN'S POLITICAL HORIZON

A Brief Review of Post-Taliban Afghanistan
by Marco Mezzera*

Voices in Kabul seem to sing in unison "We are so happy that the Taliban have left. Now, we are free again to do what we want - to sing, to listen to music, to cut off our beards..." But as soon as one travels out of the ethnically mixed capital of Afghanistan, opinions on the Taliban and on the period that followed their rout seem to differ quite strongly.

During a meeting in early May with a group of tribal leaders from the district of Pul-i Alam, Logar province (only about 70 km south of Kabul), their leader, Mr. Sheri Khan, cast a different light on one of the most obscure and reclusive periods of Afghan history. In words that elicited expressions of agreement from the gathering of Pashtun elders, he calmly explained, "Security during the Taliban was very good. There were no weapons around at that time, while now the people who are ruling us have reintroduced weapons." He further recalled that women and children would stay outside until late in the evening, along the main road that leads to Kabul, without fearing for their safety. Something unthinkable before the Taliban brought order to the region, and something still to be seen in the current times of political transition.

Sheri Khan was voicing his concern for a possible resurgence of the country's long and deeply rooted history of factional "disorder". Throughout the centuries, internal Afghan conflicts have taken place along ethnic or tribal division lines. Therefore, it should not come as a surprise that in a Pashtun dominated area, people feel at least some sense of sympathy with a movement that, prior to being influenced by foreign influences, drew its main support from this ethnic majority group. On the other hand, when it is the ethnically mixed inhabitants of Kabul that offer judgment over the Taliban, their tone expresses resentment and relief at the departure of a repressive regime.

What has taken over from the Taliban, though, cannot be defined as a non-partisan liberation army. On the contrary, the ethnic composition of the Northern Alliance forces that, against the prescriptions of the Bonn Agreement did not vacate Kabul after the successful military campaign against the Taliban and the Al Qaeda group, rises past fears of ethnically-based abuses and conflicts. Some of the tribal leaders in the Logar province claimed that several of the Alliance's Tajik commanders were already spreading their tentacles outside the capital city. Since they had implemented the disarmament of large sections of the civil population, they were nearly the only Afghans left with weapons that could speak for them, and they

were making sure that the message was getting across loud and clear.

FALSE CALM IN KABUL

Kabul at the beginning of May was a city where an artificial calm reigned. Although the first impression conveyed a sense of security, confirmed by the crowds of people swarming through its streets and the regular sighting of uniformed personnel of various affiliations, more thorough observations would make clear that order prevailed mainly because of the presence of external control mechanisms.

First among these was the International Security Assistance Force (ISAF), which deployed over 5.000 personnel within the capital, in spite of constant calls from both domestic and international actors for an expansion of its mandate beyond city limits. From the onset of its deployment at the end of December 2001, the peace-keeping force faced various logistical and political problems that strongly limited its capability to make a positive impact on the stabilization process throughout the country.

The first problem was that the UN Security Council had deliberately avoided creating a military entity that might have interfered with the anti-Al Qaeda and Taliban operations of the "Coalition Forces".

Consequently, American military advisers were left free to define their strategies on the ground without being held responsible to a broad and politically representative institution such as the UN. For instance, the practice of supporting various warlords to seal useful military alliances, as reported by several sources, would very likely have been met with great resistance from the international community. As a result of this approach, ISAF was left with the sole responsibility of guaranteeing law and order in Kabul until a domestic structure could take over. More precisely, protection of the interim administration and of the overall political process leading to the holding of an emergency Loya Jirga (grand tribal council) in June was also entrusted to ISAF.

In addition to those broad tasks, ISAF has also been trying to help the interim administration reconstitute its security apparatus, namely the national police force and the army. Germany is leading the effort to revive the police forces which, during the Taliban period, had been absorbed by the Ministry for the Promotion of Virtue and Prevention of Vice. The German government has committed funding for training, especially on human rights issues, and vehicles. At the beginning of May many Volkswagen vans in the characteristic green and white colors of the German police were easily recognizable in the streets of Kabul.

The task of building a national army has been shared by different ISAF members, namely Great Britain, Turkey, France, Italy and Germany, although, as previously mentioned, this effort has been accompanied by a seemingly contradictory parallel

process of training and empowering of warlords' armies by the Coalition Forces.

In the meantime, though, ISAF has helped to form what could be a nucleus of the future Afghan national army. About five months ago, the first batch of 600 members of an "Afghanistan National Guard" were installed and tasked with being a kind of Presidential Guard. In order to respect the fundamental principle of broad representation, members of the battalion have been drawn from 29 of the country's 32 provinces.

Notwithstanding these attempts to safeguard the (ethnic) representation principle, especially in highly sensitive institutions such as the security bodies, in the months preceding the Loya Jirga ISAF was already being associated with the Northern Alliance, mainly because the Alliance forces were the ones actually controlling Kabul and most of the country.

Just to mention a few examples, three key positions within the Karzai interim government were in the hands of members of the Jamiat-i-Islami party, to which also the late anti-Taliban resistance leader Ahmad Shah Massoud belonged. They were the Defense Ministry, under General Mohammed Fahim, a former lieutenant of Massoud; the Interior Ministry, in the hands of Younis Qanooni; and the Foreign Ministry, controlled by Dr. Abdullah Abdullah. The three ministers are often referred to as the "Panjshiri Troika", after the Panjshir valley north of Kabul from where they originally came. Ethnically speaking, they control a largely Tajik army in a country that is predominantly Pashtun.

Finally, ISAF has also been severely hampered in its operations by the nature of its multinational composition. At the beginning of May nineteen different countries were contributing personnel and material to the mission, resulting in the usual organizational nightmare of having to coordinate the activities of many contingents that could not even communicate in the same language with each other.

On top of that, ISAF's mandate had tremendous limitations not only in territorial terms, but also in its capacity to effectively monitor the security situation on the ground. According to one civil military officer of ISAF, the international force, for example, was not allowed to gather any intelligence on the ground.

PLAYING INTO THE HANDS OF THE WARLORDS

On 4 May, while returning to Kabul from a trip to the Logar province to meet with some district assemblies of tribal leaders involved in the Loya Jirga process, the commissioner I was traveling with decided to stop in the small enclave of General Atiqullah Lodeen, situated in the district of Mohammad Agha. As our car left the primary road and travelled slowly to the place of the meeting, we witnessed an unfamiliar scene. Standing

on the side of the small rural road, there were two lines of disciplined soldiers in immaculate camouflage uniforms, presenting their impeccable military salute to the passing vehicle. Their neat and ordered appearance was a dramatic contrast to the scenes in Kabul of groups of rag-tagged Northern Alliance soldiers bivouacking at their positions around the city. These soldiers were different, and there were many of them, spread out in the fields around a fortified compound, which was also equipped with a couple of anti-aircraft batteries.

As soon as we got the chance to talk to one of the lieutenants of General Atiq, as he is familiarly called by his men, we finally understood the kind of scenario we had just entered. General Atiqullah was introduced as the “Chief of Southern Zone Compion”, which in practical terms implied an army of about 4.000 soldiers covering, and supposedly controlling, the areas of Paktya and Gardez, South-East of Kabul.

The same staff member did not try to hide the fact that most of the high-tech military equipment in the hands of the soldiers was American. On the contrary, he was boasting the good ties that their army had with US military advisers, who had also provided their men with most of the military training. The biggest share of General Atiq’s army was at that time allegedly engaged with skirmishes with remaining pockets of Taliban and Al Qaeda forces alongside the Pakistani border. Most probably, the truth was that the skirmishes were taking place with rival warlords, fighting for territorial control and political positioning in view of the coming emergency Loya Jirga. It was in fact clear that the stronghold we had entered, with its civilian population, was also functioning as a reservoir of votes and support for the general’s political aspirations.

General Atiq’s story is probably just one of the many similar situations that one would encounter outside Kabul if allowed to investigate freely. Factional warlordism – often encouraged by foreign interests — has been a permanent characteristic of Afghanistan’s troubled history. The US “contribution” is just the more recent but it comes at a very critical moment, when the international community is openly declaring that it is trying to help the country to rediscover the path towards true democracy.

According to the few news reports on the issue coming out of Afghanistan, the various aspirant warlords spread around the country immediately understood the huge potential for their military and territorial growth of a strategic anti-Taliban alliance with the international forces. And in fact, while that military campaign was still at its height, rumors were already filtering of ethnic cleansing operations aimed at the Pashtun minorities in the north of the country. Later there were reports that a Tajik commander of the Northern Alliance, General Mohammed Atta, was

attempting to regain territory from Uzbek and Hazara rivals. At the beginning of May, skirmishes were erupting south of Kabul, although it was quite complicated to assess their exact nature due to strong limitations in the flow of information. More to the south and to the east of the capital, other warlords, allegedly with armies of over 12.000 men and probably equipped by US assistance, were undermining the power of their fellow Pashtun leader Hamid Karzai in the cities of Kandahar and Jalalabad. And finally, one of the worst examples of warlordism in the country and of the way alliances permanently shift according to the necessity of the moment, Gulbuddin Hikmetyar was still at large ready to join the big game once the right opportunity arose.

AWAITING THE LOYA JIRGA

One month before the great event it seemed that almost everyone in Afghanistan, and all for different reasons, was monitoring (and probably interfering in) the results of the Emergency Loya Jirga.

This traditional Afghan decision-making process had been chosen by all the parties present at the UN-brokered Bonn Agreement at the end of 2001, as the most suitable means to build up a as wide as possible political accord and thereby advance the country’s efforts towards a stable and democratic environment. Through the work of the Loya Jirga Commission, a group of 21 Afghans in charge of drafting the selection and operational rules of the grand council, and with the help of the United Nations Special Mission to Afghanistan (UNSMIA), which dispatched around eight of its members as advisors to the Commission, the first phase of the “electoral” process started around 15 April in the district of Mardyan, Jawzjan province, in the north of the country. Two-thirds of the 1,501 delegates were due to be indirectly elected through a two-stage process taking place at the district level. In the first stage, between 20 and 60 electors would be chosen by representatives of communities, who then had to agree on the final selection of between one and four candidates to be sent to the Loya Jirga on behalf of the district. The candidates were to be chosen between 21 May and 5 June and the process was based on the principle of one representative for every 25,000 people. The remaining third of the grand council was to be appointed by the Commission itself.

All the chosen candidates were then expected in Kabul on the night of 7 June, and after two days of preliminary sessions, the regular meeting was due to take place between 10 and 16 June. There were three main tasks waiting for the Loya Jirga: 1) the election of the head of state; 2) the election of a cabinet; and 3) the decision of a basic structure of the new administration. Together, those tasks were expected to determine the configuration of a new Transitional Administration to replace the Afghan Interim Administration (AIA) agreed in Bonn. The new interim government was given a life-span of two years in

order to convene a Constitutional Loya Jirga for the drafting of a new constitution (after 18 months) and to hold elections for a new government.

In spite of the huge expectations both Afghans and the international community placed on the Loya Jirga, a little more than one month before it major challenges were still to overcome. The main one was the threat of a resurgence of factionalism and by the widespread perception that the Interim Authority was dominated by the ethnic minorities (Tajik, Uzbek and Hazara) that formed the Northern Alliance. For instance, according to a UNSMA officer, 24 out of 25 department heads at the Defence Ministry of Muhammed Qassem Fahim were from the same clan.

The second major problem was the Commission's lack of resources to properly administer the process, especially in terms of the huge task of providing the necessary information to all the communities involved. When attending a couple of tribal leaders' meetings in the Logar province, the extent of the need for information on all the basic aspects of the Loya Jirga process became very clear. Besides, for the people attending those meetings it was very important to feel that they were not left alone, often to the mercy of a local warlord, in their task of selecting the right electors. However, despite its great efforts, it was also clear that the Commission could not possibly extend its direct guidance to all the 363 districts of the country. Even its idea to appoint a volunteer for each district to spread information to all eligible residents had obvious limitations. Realistically such a person could barely be expected to communicate the date and place of a district assembly, let alone inform the people about the election rules and the format and purpose of the Loya Jirga itself.

THE WINDING ROAD TOWARDS STABILITY

When the Loya Jirga started, the main contentious issues surfaced immediately, especially the choice of the head of state. Divisions among ethnic and political lines concentrated around two key candidates for that position. On the one hand, the Pashtun majority supported the 87-year-old former king, Zahir Shah, while on the other the Northern Alliance gave its support to the interim prime minister Hamid Karzai. The Alliance's backing for the Pashtun Karzai can be explained by the fact that he represented a neutral solution. He did not belong to any of the ethnic groups of the Alliance, and although he was from the Pashtun majority, the level of (armed) support that he could command from his own people was deemed as irrelevant.

The nomination controversy was eventually solved before the council could reach a dangerous stalemate. After a couple of other contenders withdrew their candidacies, Zahir Shah followed suit and publicly endorsed Karzai as president. Then it was the turn of the Interior Minister, Yunis Quanooni, to resign,

allegedly to allow a more inclusive process in the formation of the new government. Nevertheless, the whole process continued to be marred by reports of intimidation and bribery and by the presence of warlords who had not even been elected at the Loya Jirga sessions.

The final result could hardly be considered the result of a successful democratic and participatory exercise. Karzai was indeed elected as the head of state for the following 18 months, but his cabinet did not reflect the longed-for reshuffle and sharing of power among the various ethnic groups. With the exception of the Interior Ministry, all the other major power posts in the government continued to be firmly held by people close to the Northern Alliance.

Sidelining the former king may have guaranteed a quick political victory in the initial battle for the presidency, but it may prove to be no more than a postponement of the bigger war that will come once the Pashtun majority realizes that it has been completely left out of the game.

*Marco Mezzera is a Research Associate with Focus on the Global South.