
INTERNATIONAL
FORUM ON
GLOBALIZATION

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WHICH WAY WSSD? CORPORATE RULE OR SOCIAL AND ECOLOGICAL SUSTAINABILITY?
JOHANNESBURG, SOUTH AFRICA 24 AUGUST — 4 SEPTEMBER

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THE INTERNATIONAL FORUM ON GLOBALIZATION
PRESENTS A TEACH-IN ON:

**Which Way WSSD?
Corporate Rule or Ecological Sustainability?**

This event is co-sponsored by the Graduate School of Public and Development Management of Wits University

August 24th and 25th 10 a.m. — 10 p.m.

University of the Witwatersrand Great Hall
Wits East Campus (entrance Jorriison Street)
Johannesburg, South Africa
Free Event — Come Early for Guaranteed Seating

From 26 August - 6 September, heads of state and tens of thousands of people from across Africa and the world will come together in Johannesburg for the United Nations World Summit on Sustainable Development (WSSD). Two days before the Summit, the International Forum on Globalization will host a Teach-In that will bring together leaders of citizen movements from around the globe who reject the corporate-led globalisation policies enforced by the World Bank, the International Monetary Fund, the World Trade Organization and other such institutions. The event will amplify the crucial issues of the Summit and review the WSSD agenda, which many fear is modeled on the same failed globalisation system of the last few decades.

Join us and be part of the celebration of international citizen movements offering alternative visions that are just, equitable, and ecological sustainable. We believe a better world is possible!

SPEAKERS INCLUDE:

Tewelde Egziabher – Institute for Sustainable Development, *Ethiopia*
Trevor Ngwane – Anti-Privatisation Forum, *South Africa*
Wangari Maathai – Greenbelt MVT, *Kenya*
Oronto Douglas – Environmental Rights Action, *Nigeria*
Bobby Peek – GroundWork, *South Africa*
Dennis Brutus – Jubilee South Africa, *South Africa*
Ela Gandhi – Member of Parliament, *South Africa*
Naomi Klein – Author; “No Logo,” *Canada*
Vandana Shiva – Research Foundation for Science, Technology and Ecology, *India*
Martin Khor – Third World Network, *Malaysia*
Nobel Laureate Climatologists
Virginia Setshedi – Anti-Privatisation Forum, *South Africa*
Maude Barlow – Council of Canadians, *Canada*
Tony Clarke – Polaris Institute, *Canada*
Sara Larrain – Chile Sustainable, *Chile*
Owens Sara-Wiwa – Movement for Survival of the Ogoni People, *Nigeria*

For more information please check www.ifg.org

THE INTERNATIONAL FORUM ON GLOBALIZATION, 1009 GENERAL KENNEDY AVE., 2, SAN FRANCISCO, CA 94129 USA

Programme subject to change

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Background of the IFG

“the most important international organization opposing globalization.”

—France’s leading newspaper, *Le Monde*, speaking about the IFG in October 2000.

“the brain trust of the [anti-globalization] movement”

—*The Nation* magazine’s Naomi Klein, referring to the IFG, March 19, 2001

The IFG is an alliance of leading activists, economists, scholars, and researchers formed to stimulate new thinking, joint activity and public education in response to the current paradigm known as economic globalization. Comprised of over 100 organizations in 24 countries, the IFG associates come together out of a shared concern that the world’s corporate and political leadership is undertaking a restructuring of global politics and economics that may prove as historically significant as any event since the Industrial Revolution. We are dedicated to educating activists, policy makers, the general public, and the media about the myriad negative effects of economic globalization and to advocating policies that are more equitable, democratic, and ecologically sustainable. IFG teach-ins, newsletters, publications, seminars, advertisements, and declarations have spelled out, in great detail, the dangers of the recent shift in global rules in favor of global corporations and against people and the environment.

The IFG was formed in 1994 in the wake of the passage of North American Free Trade Agreement (NAFTA) and the conclusion of the Uruguay Round of the General Agreement on Tariffs and Trade (GATT). For the groups and leaders who had worked tirelessly to explain to the public, policymakers and the media that the proposed trade agreements would lead to multiple, compounding negative consequences, it was time to regroup. At first the IFG functioned as a think tank to discuss these issues and develop alternative strategies that might reverse the globalization trend and redirect actions toward revitalizing local economies. Although many of those gathered did not know each other previously, after an initial series of private meetings, this group who would become IFG Associates, pronounced the urgent need for a new organization that would provide a public counter-voice to the magnitude of global forces that promote economic globalization.

For the last several years the IFG has organized large, public teach-ins around the globe where thousands have gathered to discuss the cultural, social, political, and environmental impacts of globalization. These events and IFG publications provide critiques, analyses and alternatives to the engines driving globalization – the World Trade Organization (WTO), International Monetary Fund (IMF), World Bank, NAFTA and others.

over

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The critiques and analyses developed by the IFG and the alliances formed with a broad array of constituencies played a key role in the events and protests that took place in Seattle at the WTO's Ministerial Meeting in December 1999. Our activities helped create a strong collaborative relationship among leaders and grassroots organizations in Asia, Europe, Africa, Latin America, and North America, which led to alliances and a powerful peoples' critique of globalization that could not be denied. Since that time, we have also had a strong presence in subsequent events that took place in Washington D.C. and Prague against the IMF and the World Bank, and Quebec City against the Free Trade Area of the Americas (FTAA).

We are organizing a teach-in in Johannesburg, South Africa, just prior to the World Summit on Sustainable Development (WSSD). The event, "The WSSD; Which Way? Corporate Rule or Social and Ecological Sustainability?", will bring together leaders of citizen movements who are organizing to halt a WSSD agenda modeled after the same failed globalization policies of the last decade. The teach-in will offer alternative visions that are just, equitable, and ecologically sustainable.

The IFG is unique in the diversity, depth, and breadth of its Board and Associates. They represent most continents and regions, and they express their work through very diverse sectors—labor, the environment, consumers, human rights, and indigenous peoples, while working for social and environmental justice and democracy. Some are leaders of grassroots groups; others work in policy organizations or research institutes; some are in academia. Though less well known in the U.S., many are leading spokespeople for developing countries on these issues.

IFG Publications

Does Globalization Help the Poor?; Authors: John Cavanagh, Walden Bello, Martin Khor, Vandana Shiva, Anuradha Mittal, Carol Welch, Michel Chossudovsky and others.

Views From the South: The Effects of Globalization and the WTO on Third World Countries; Authors: Martin Khor, Vandana Shiva, Walden Bello, Oronto Douglas, and others.

Invisible Government: The World Trade Organization—Global Government for the New Millennium?; Authors: Debi Barker and Jerry Mander.

Blue Gold: The Global Water Crisis and the Commodification of the World's Water Supply; Author: Maude Barlow

The Free Trade Area of the Americas: The Threat to Social Programs, Environmental Sustainability and Social Justice; Author: Maude Barlow

Free Trade, Free Logging: How the World Trade Organization Undermines Global Forest Conservation; Author: Victor Menotti

By What Authority! Unmasking and Challenging the Global Corporations' Assault on Democracy Through the World Trade Organization; Author: Tony Clarke

(Forthcoming) *Alternatives to Economic Globalization: A Better World is Possible*; Editor: John Cavanagh

(Forthcoming) *Intrinsic Consequences of Economic Globalization on the Environment*; Editor: Simon Retallack

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Globalization Versus the Environment

The governments negotiating at the World Summit on Sustainable Development (WSSD) are doomed to failure if they do not acknowledge that globalization and ecological sustainability are fundamentally incompatible. Economic globalization itself—the ideologies and structures that drive it, and the institutions that promote it—global corporations and bureaucracies like the World Trade Organization (WTO), the International Monetary Fund (IMF), and the World Bank—are inherently destructive to the environment and to the social and economic welfare of all communities that share the planet’s common resources. As long as governments and institutions work toward globalization, no realistic goals for a healthy planet, or equity and justice for people are remotely achievable.

The Double-Bind

Nations and institutions are caught in a double bind, from which there is only one way out: to recognize and articulate that globalization is in fundamental contradiction with sustainability and equity; that it is leading to rapid global ecological breakdown, and that alternative models, free of corporate domination and based on moving power away from central global institutions and toward regional and local empowerment, offer far greater promise for sustainability.

The success of global corporations depends directly on the always expanding over-use of natural resources; avoiding the costs of environmental controls; and exploiting labor. An economy that is designed to promote export-specialized production—the basis of globalization—inevitably destroys local economies and communities, while bringing massive environmental damage. Such problems are intrinsic to the form. It is necessary to change the form.

Globalization, as now designed, works to integrate and merge all economic activity on the planet within a single homogenized model of development that directly serves the efficiency needs of the largest corporations by allowing them to duplicate their production and marketing efforts on an ever expanding terrain. Primary importance is given to the achievement of ever more rapid, and never ending economic hypergrowth, fueled by the constant search for access to new resources, new and cheaper labor sources, and new markets. It is the job of instruments of globalization such as the WTO, the World Bank, and the IMF to assist these processes by creating rules that require nations to conform to these principles, while eliminating domestic impediments that might restrict corporate access to markets, labor, and resources. In practice, unfortunately, most of these so-called impediments to the system are laws created by governments. These laws, no matter how popular or democratically enacted, are viewed as “non-tariff barriers to trade” and as obstacles to be eliminated.

At the ideological heart of the model is free trade, accompanied by deregulation of corporate activity, increased flow of investment, privatization and commodification. All of the “commons” – water, seeds, and others – are being rapidly privatized, enclosed, and commodified as part of the globalization project, to bring even more raw material, more territory (geographic and biological), into play for corporate access, investment, development and trade. Unfortunately, the Bush

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Administrations' and United Nations' new approach to "partnerships" with corporations is aiding this negative trend.

Export-Oriented Production and Environmental Destruction

It is inherent in this export-oriented model to increase transport and shipping activity. Minneapolis economist, David Morris, uses the example of a toothpick, which comes wrapped in plastic, and is marked, "Made in Japan." Japan is skilled in industrial production—that's one of its "comparative advantages" – but it has very few trees, and no oil. But in a global economy, it is somehow thought efficient to ship wood from a country that grows it—Chile, Canada, the U.S.—and also to ship barrels of oil to Japan, then wrap the one in the other, package them in serviceable commodity units, and ship them back across oceans to consumers. That toothpick, by the time it is finally used, might have traveled 50,000 miles. Similarly, ingredients in the average plate of food on American dinner tables these days is estimated to travel on the average about 1,500 miles from source to plate. As global transport increases, it requires massive increase in global infrastructure development. This is good for large corporations like Bechtel, who get to do the construction work. But it's bad news for the environments where new airports, seaports, oilfields, pipelines for the oil, rail lines and high-speed highways are needed. Many of these things are built in wilderness or forested areas with previously intact biodiversity, coral reefs, rural areas, etc.

Perhaps, even more damaging is the increase of fossil fuel use. Ocean shipping carries nearly 80 percent of the world's international trade in goods, and projections indicate major growth over the next few years. The fuel that's commonly used is a mixture of diesel and low quality oil known as "Bunker C," which is particularly polluting: very high in carbon and sulfur. Increased air transport is even worse than shipping. A physicist at Boeing once described the pollution from the take-off of a single 747 as like "setting the local gas station on fire and flying it over your neighborhood." It's now estimated that the increase of global transport is one of the largest contributors to the growing crisis of climate change. A study released in early August 2002 found that temperatures decreased in the days immediately following the tragedies of September 11 when all commercial air transport activities were ceased. This rare "perfect sample" demonstrates the direct harmful impact of air travel on global warming.

Connected to global transport, is the epidemic increase of bioinvasions, a major cause of species extinction. With the growth of global transport, billions of creatures are on the move. From viruses to rats; from bacteria to mosquitoes; from nematodes to exotic seeds; all are getting free transport in the global economy, and many are thriving in their new homes, often out-competing native species, and bringing pollution or health crises. There is no way around the problem. If you are going to design a system built on the premise that dramatically increased global trade is good, you are going to increase transport activity and you are guaranteed to bring on these kinds of problems, and many more. They are intrinsic to the model.

Industrial Agriculture: Creating Hunger and Ecological Destruction

Industrial agriculture is another core component of the economic globalization model because it is said to be more efficient and to produce cheaper food than traditional agriculture. Such claims are false. This is a kind of efficiency that ignores the costs of air, water, and soil pollution; toxic rivers and dead fish; the loss of topsoil from heavy pesticide and machine intensive production, and the increased use of fossil fuels.

Although their numbers are dwindling, nearly half of the world's population are small farmers. With their intimate knowledge of local crops and how to cultivate seeds for local soils and climate, how to minimize insect blights and keep soil productive, they feed their families, communities and local and regional markets. However, with industrial agriculture, most often run by multinational corporations, farms are bought up and merged into huge industrial plantations. Diverse crops are substituted with single-crop monocultures destined for export markets where commodity prices are controlled by a handful of corporations rather than regulated by governments. Eventually, farmers and their families are forced to flee to crowded urban slums where they compete for rare, poorly paid jobs. Families that once fed themselves become society's burden, while multinational agribusiness profits.

By definition, monocultural production reduces biodiversity, not only by killing the microscopic life within the soils through heavy chemical use, but also by reducing production of commodities to one or two export varieties. Where indigenous Filipinos, for example, once grew thousands of varieties of rice, now two varieties account for 98 percent of production, and the other varieties are disappearing. According to the UN Food and Agriculture Organization, the world has already lost up to 75 percent of its crop diversity because of the globalization of industrialized agriculture. Taking all these external social and environmental costs into account, is it not preposterous to call this system efficient? Maybe you can get a tomato from Mexico at a few cents less at the store, but we all pay more in higher taxes in future years to clean up the messes this system causes. In the end, however, the environment pays the most.

Now companies offer biotech as a “clean” solution. Corporations patent indigenous varieties of seeds that communities of farmers have developed for millennia, and genetically alter seeds so that either: (1) the seeds will not reproduce – so-called “terminator” seeds – assuring that farmers must buy new seeds annually from the corporation; or (2) the seeds will not grow without chemical inputs such as herbicides and pesticides. Does anyone really believe this has something to do with feeding the hungry? That’s just their advertising slogan.

The Commodification of Water

The world is running out of fresh water. The UN reports that now more than one billion people on the earth lack access to clean drinking water. Where most people see a human and ecological crisis, multinational corporations see an investment opportunity. Thus, every economic globalization institution from the World Bank, to the IMF, to the WTO – and now even the UN if the Bush Administration has its way – are advocating the privatization of water delivery systems and commodification of everything from lakes to streams and oceans. The results around the world have been devastating: increased prices, forcing the poorest of users to lose access to water; increased health crises and death as people turn to polluted water-ways; decreased water quality as regulation and oversight are weakened; increased risks to consumers in the case of bankruptcy on the part of the privatizer (the example of Enron is instructive); and reduced employment for public sector employees (see enclosed document “Public-Private Partnerships”).

This same story can be played-out for all of our natural resource sectors and areas of human need: increased environmental and social destruction being “addressed” through the economic globalization model to disastrous effects.

Conclusion

Sometimes, those in the anti-globalization movement are called utopianists—but here the critics have got things backwards. To keep arguing that a system that homogenizes global economic activity and culture just to benefit multinational corporations, that removes power from communities and puts it into unaccountable and undemocratic global bureaucracies, that marginalizes and makes homeless millions of farmers and workers, and that devastates nature in entirely unprecedented ways and that such a system can survive for long is *corporate utopianism*. How long before we have to directly face the limits of a finite planet? Where will the resources, the minerals, the wood, the water, the power come from to feed an exponential expansion of demand, without killing the planet? How many fish can be industrially vacuumed from the sea before the ecosystem fails, and the species disappear? How much pollution, global warming or ozone depletion can we live with before the social and environmental costs become too great?

The good news is that it doesn’t need to be this way. There is nothing inevitable about it. It’s just a set of rules and institutions that can be changed if we want to. The WSSD presents an important opportunity to chose between the same failed economic globalization policies or following and surpassing the path drawn-out at the Rio Earth Summit for ecological and social sustainability. The choice is ours.

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The WSSD: Views from the South

The 1992 United Nations Conference on Environment and Development (UNCED) in Rio (commonly referred to as the Rio Earth Summit) was a historic watershed. It placed the environment crisis at the top of the international agenda, and linked environment with development in a new paradigm of sustainable development. Worldwide, hopes were high that a new global alliance had emerged from the “Spirit of Rio” which would lead to practical programs and policies that would deal with both the environment and development crises. North-South relations would tackle the growing global environment crisis and simultaneously strive for more equitable international economic relations that would be the basis for promoting sustainable development.

The reason for failure is not to be found in the sustainable development paradigm. Rather, the paradigm was not given the chance to be implemented. Instead, intense competition came from a rival: the countervailing paradigm of globalization, driven by the North and its corporations that has swept the world in recent years. This is perhaps the most basic factor behind the failures to realize the UNCED objectives. The Bush Administration’s opposition to implementing the core principals of Rio discussed below and instead using the United Nations as a vehicle to push even further adoption of globalization policies may be the greatest threat to developing countries at the World Summit on Sustainable Development (WSSD).

The framework for implementing the commitments of Rio is the principle of “Common but Differentiated Responsibilities” and the two arms of technology transfer, and new and additional financial resources. All three of these elements are opposed by the Bush Administration at the WSSD.

Common but Differentiated Responsibilities

At the heart of the Rio compact or core political agreement was the principle of Common but Differentiated Responsibilities. This recognized that the global ecological crisis had to be solved in an equitable way. It acknowledged that the North has historically and at present been more responsible for the global ecological crisis, has more financial resources due to the uneven distribution of the world economy, and thus has a proportionately greater responsibility in resolving environmental problems. The Kyoto Protocol, for example, is a legal instrument that operationalized the principle, but the tremendous resistance by some northern countries, and the outright rejection by the Bush Administration of the Protocol is a denial of the principle.

Technology Transfer

There has been no tangible progress in the transfer of technology, either in general or in environmentally sound technology. Instead, since Rio, there has been much greater emphasis on increasing the rights of holders of intellectual property (mainly corporations of the North) and a corresponding downgrading of the rights of the public (and developing countries) in technology

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transfer and diffusion. This is mainly the result of the World Trade Organization's (WTO) Trade-Related Aspects of Intellectual Property Rights (TRIPs) Agreement, which requires member states to tighten their national intellectual property right (IPR) regimes in favor of IPR holders, with detrimental effects on technology transfer or local development of technology. There is already evidence of how such patent regimes hinder transfer of environmental technology to the South.

Financing for Development

The developed countries' commitment to contribute Overseas Development Aid (ODA) targeted at 0.7 percent of their Gross National Product (GNP) for ODA and to provide new and additional funds to implement Agenda 21 and the "Rio Conventions" has not materialized. In fact, ODA has fallen drastically since Rio. For example, U.S. ODA spending has stagnated at about \$10 billion since the end of the cold war. As a percentage of the American economy, it has fallen from nearly 3 percent in 1946 to 0.1 percent today. Instead, private sector investment has overtaken public financing and with this, profit maximization has driven financial flows. This leaves most developing countries out of the recipient list altogether. Furthermore, after growing furiously through the early 1990s, annual private capital flows to the developing world fell from \$300 billion in 1997 to just over half that level in 2001. Stock and bond markets went into reverse after the 1997 Asian financial crisis, drawing more money out of developing countries than they put in. Corporate foreign investment declined only modestly, but is still below its 1997 peak. Finally, the tremendous increase in speculative and short-term financial flows facilitated by the financial liberalization policies of the WTO, the IMF and the World Bank have introduced new instabilities into the financial system, as experienced in the Asian crisis.

While the UN International Conference on Financing for Development held in Monterrey, Mexico, in March 2002 was supposed to yield increased ODA from the developed world, commitments made by governments, including President Bush's Millennium Challenge Account (MCA) proposal to increase U.S. ODA to \$15 billion over a three year period, fell well short of 0.7 percent of GNP (see enclosed document "MCA"). President Bush told Monterrey conference participants that trade and foreign investment are far more important to the economic health of poor nations than any level of foreign aid. Not surprisingly, therefore, the U.S. government has been firm that the WSSD should not provide additional financial resources beyond those pledged in Monterrey.

Key Developing Country Recommendations for the WSSD:

- Reaffirm the commitment to Common but Differentiated Responsibilities and the Precautionary Principle (see enclosed document "The WTO Trumps the UN").
- Reaffirm the commitment to the enactment, implementation and necessary funding for MEAs, Agenda 21 and other UN sustainability programs; especially the Rio commitment by developed countries to provide 0.7 percent of their GNP for ODA.
- Reaffirm the commitment to transfer technology on special and preferential terms.
- Establish an international mechanism to stabilize commodity prices for coping with the instability of commodity prices and declining terms of trade.
- Establish a Convention on Corporate Accountability, a binding code of conduct and regulations for corporate behavior.
- Strengthen the Committee on Sustainable Development (CSD) to take on the role of reviewing the policies of the Bretton Woods institutions (World Bank, IMF and WTO) from the perspective of sustainable development. A regular review could be done at the annual CSD sessions.
- Ensure full and meaningful participation of developing countries in the development of policy and law in environment and development and in the governance structure of financial institutions and mechanisms.

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New Partnership for African Development (NEPAD): Foothold for Corporate Globalization in Africa

The “New Partnership for Africa’s Development” (NEPAD) was introduced to the world on October 23, 2001. The NEPAD is already included in the chairman’s text of the World Summit on Sustainable Development (WSSD) and will likely be a centerpiece of discussions there. However, NEPAD is not, as its authors claim, supported by the African people, nor is it likely to bring environmental and social sustainability to the continent. Rather, it submits to the economic globalization “development” model, poised to over take the Summit, based on free trade, market liberalization, private investment and privatization of vital services. Past experience in Africa and around the world with such policies reveals NEPAD’s most likely impact: increased environmental devastation, poverty and social instability.

NEPAD’s main author and champion, South African President Thabo Mbeki, began writing a development plan for South Africa to attract both foreign aid and foreign investment in 1999. He circulated it among heads of state at meetings of the G-8, transnational corporations at the World Economic Forum (WEF), and at the Seattle and Doha Ministerial meetings of the World Trade Organization (WTO). It was not circulated, however, among African civil society. It is therefore not surprising that once the text of NEPAD was made public, statements and protests opposing it emerged from all sectors of South African society, including the South African Catholic Bishops’ Conference, the Congress of South African Trade Unions, and the Wildlife and Environment Society of South Africa. The first public protest against NEPAD was led by Jubilee South Africa in June 2002, at the WEF’s southern African regional meeting in Durban.

Civil Society Excluded

According to Patrick Bond, professor at the University of the Witwatersrand in Johannesburg, “During the formulation of NEPAD, no civil society, church, political-party, parliamentary, or other potentially democratic or progressive forces were consulted.” Furthermore, “NEPAD contains no concrete actions to be taken by the African peoples, no offer of organizational resources, and no civil-society implementation plan. The document itself was available to African civil society only through internet websites,” which are, in turn, available to few Africans.

The lack of African civil society input is reflected in the fact that NEPAD rejects the multitude of alternative African development strategies that have emerged from civil society and academic movements over the past two decades. These include the Lagos Plan of Action (1980) and the Abuja Treaty (1991), African Alternative Framework to Structural Adjustment Programmes (1989), the African Charter for Popular Participation and Development (Arusha Charter, 1990) and the Cairo Agenda (1994). The rejection of these initiatives is reflected in NEPAD’s economic globalization policy prescriptions derived from the World Bank, the International Monetary Fund (IMF), the WTO, the African Growth and Opportunities Act (AGOA) and others. Moreover, it also fits neatly

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within the guidelines of the newly proposed Bush Administration Millennium Challenge Account (MCA) (see enclosed document "MCA") for U.S. development aid. One of the most obvious disconnects with civil society is NEPAD's rejection of the demands for total debt cancellation – the starting point for most African models of development. While the citizens of Africa have sacrificed their lives to rise up in protest against the economic globalization model, NEPAD whole-heartedly and uncritically adopts it.

According to the "African Civil Society Statement on NEPAD," authored by several groups, including the Economic Justice Network, Third World Network Africa, the Secretariat of the Gender & Trade Network in Africa, and the Alternative Information and Development Centre, "In essence, the document is an attempt to negotiate with Northern powers the terms of Africa's integration into the world economy without challenging the systemic and structural dynamics by which globalization has further marginalized and created polarization within Africa, both within individual African countries and between them."

Focus on Privatization

NEPAD's policies focus on privatization, particularly of infrastructures such as water, electricity, telecommunications, and transport, largely in the form of "Public-Private Partnerships" between private industry and government – as does the World Bank, the Bush Administration's MCA, and, potentially, the WSSD itself (see enclosed document "Public-Private Partnerships"). Privatization in Africa, however, has been marked by deadly failure in some of the most vital areas of environmental and human-need, including water and sanitation. For example, after the World Bank forced KwaZulu-Natal province to privatize its water, those who were too poor to pay were cut off. They were then forced to resort to using polluted river water, resulting in an outbreak of cholera that has claimed at least 32 lives. In fact, due to privatization and other forces, cholera outbreaks affecting more than 140,000 people occurred in South Africa between the years 2000 and 2002.

The "African Civil Society Declaration on NEPAD" outlines, among others, the following specific problematic elements of NEPAD's economic globalization policies: "[NEPAD] accepts export-led growth and the expansion of Africa's traditional exports which has already aggravated the deteriorating terms of trade for Africa; endorses the aims of reciprocal free trade and other policy conditionalities demanded by the EU and U.S., such as privatization, labor deregulation, and investment liberalization in the Cotonou Agreement and the AGOA, respectively; and accepts the erroneous depiction of the 'marginalization' of Africa, whereas Africa has long been deeply and disadvantageously integrated into the global economy...."

Civil society groups are concerned that NEPAD's focus on expanded export-led development will increase natural resource depletion without offering new environmental protections. Groups such as the Wildlife and Environment Society of South Africa (WESSA), write that there is a lack of importance given to the ecological leg of sustainable development in the NEPAD, and that it "puts Africa on the path to destruction... What is needed is a development path which enables people to enjoy a good quality of life without destroying our life support systems such as clean water and air."

Protest Planned

There will be at least one formal day of protest against the NEPAD during the WSSD led by African civil society groups and joined by citizens of the world in the name of meaningful democratic policy making for sustainable environmental and social development.

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From Doha to Johannesburg: The Bush Administration's Economic Globalization Plans for the WSSD.

“Over the past nine months, a series of major conferences and negotiations have helped to map the way forward. The Doha Development Round of World Trade Organization negotiations, the World Food Summit Review conference in Rome, and the G-8 Summit on Canada all forged stronger agreement on the path to development. It also proclaimed the Monterrey consensus as an historic affirmation of the need to mobilize all sources of development financing, and the Monterrey consensus also proclaimed the importance of sound policies, good governance at all levels, and the rules of law to sustainable development.... The next step on this long road is the World Summit in Johannesburg.” – July 12, 2002, Secretary of State, Colin Powell

The United Nations World Summit on Sustainable Development (WSSD) is supposed to herald a new global commitment to environmental and social sustainability. Unfortunately, the Bush Administration is positioning itself to be the greatest obstacle to its success. Worse still, it appears that the Administration will use the Summit to fulfill a year long global quest to provide corporate America with greater rights and freedoms from government oversight in the name of “development.”

While the American public, and even – apparently, the Bush Administration, have learned the hard way that corporations are not to be trusted without appropriate government regulation, we are demanding that the international community trust corporations with our most vital human needs and most threatened natural resources in international fora. We call it “exporting Enron environmentalism.”

As Secretary Powell describes above, over the last year, beginning with Doha, Qatar, ministerial meeting of the World Trade Organization (WTO) in November, 2001, the Administration has focused on two primary aspects of a corporate deregulatory agenda: (1) services and (2) investment. The Administration is pursuing this same agenda in Johannesburg at the WSSD.

November 2001: World Trade Organization Ministerial, Doha, Qatar

(1) Services: The shift from government to privately provided services is being pursued at WTO negotiations on the General Agreement on Trade in Services (GATS). The GATS was adopted in 1994 as part of the newly established WTO system. It is an agreement to reduce the role of governments in the provision and oversight of services such as water, banking, education, health care and social welfare programs. As recently as July 1, 2002, U.S. Trade Representative Robert Zoellick announced that the Administration would be pressing other members of the WTO to further liberalize their service industries in expanded GATS negotiations. When the Bush Administration talks about “public-private partnerships” at the WSSD (see enclosed document “Public-Private Partnerships”), they are referring to this same service liberalization/privatization agenda.

(2) Investment. The U.S. government has been pursuing an agreement to expand the rights of corporations and investors when they invest money or commercial property overseas at the WTO and other international fora for at least six years. Most recently in Doha, the Bush Administration was successful in its drive to have investment liberalization included in the “new issues” to be on the agenda of the upcoming Ministerial in Cancun, Mexico, in September 2003. The Administration has been clear in the WSSD preparatory meetings that it prefers increased rights for private investors to increased aid for governments and communities as an

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official outcome of the Summit.

March 2002: UN International Conference on Financing for Development, Monterrey, Mexico

The goal of this conference was to determine how the world's wealthy nations would meet UN Secretary General Kofi Annan's Millennium Development Goal of doubling development aid to \$100 billion a year in order to halve world poverty by 2015. There were two key outcomes for the United States: (1) foreign direct investment and public private partnerships were officially endorsed by the government delegations as the main strategies and sources for poverty alleviation, referred to as the "Monterrey Consensus;" and (2) President Bush announced his Millennium Challenge Account (MCA) (see enclosed document "MCA"). President Bush did not agree to raise U.S. aid giving to the amount pledged by Bush senior in Rio, nor by the amount proposed by Kofi Annan. Instead, in a speech delivered on March 22 at the conference, President Bush proposed to increase U.S. aid spending by 50 percent over three years – raising U.S. aid to \$15 billion, from \$10 billion by 2006 administered through a new account, the MCA.

According to public statements and insider leaks by the Administration, it appears that countries will be eligible to receive aid under the MCA if they pass "sound policies" along the lines of two existing Bush Administration initiatives focused on private sector investment and privatization: (1) the World Bank's Private Sector Development (PSD) strategy promoted by the Bush Administration, that requires countries to "expand" and "safeguard" the rights of investors; and (2) the Global Development Alliance launched under the Bush Administration at the US Agency for International Development (USAID) to promote public-private partnership generally between U.S. corporations and USAID-assisted countries.

August 2002: UN World Summit on Sustainable Development, Johannesburg, South Africa

In the name of poverty alleviation and environmental sustainability, the Bush Administration is proposing that these same economic globalization policies – investment liberalization and privatization, be the "deliverables" from the WSSD. The Administration is pushing for two concrete outcomes from the WSSD, the first is what the Administration is calling "effective domestic policies," largely in the form of creating an investor-friendly policy environment in developing countries. The second is referred to as "public-private partnerships" which are voluntary (Type II), rather than obligatory (Type I), Summit outcomes (see enclosed document "Public-Private Partnerships").

The primary threat posed by the partnership model is that it will be used as an alternative to enforceable regulatory outcomes on key sustainable development and corporate accountability initiatives at the Summit. Yet, historically, it is binding regulation that has obliged business and government to act in ways more compatible with sustainable and social development. Partnerships are likely to be used to transfer the responsibility of achieving sustainable development goals from governments to the private sector. The role of governments would then be not to control corporate excesses, but to create the "enabling environments" for multinational corporations. Focusing on partnerships may also allow governments to reject a Corporate Accountability Convention advocated by international civil society organizations and representatives of some governments and UN agencies.

Rather than commit to enforce the agreements of Rio, strengthen the United Nations and adhere to the commitments for aid, technology transfer, and other commitments made at Rio, the United States government is positioned to turn the WSSD into nothing more than yet another venue to create increased rights for multinational corporations at the expense of people and the planet.

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WHICH WAY WSSD? CORPORATE RULE OR SOCIAL AND ECOLOGICAL SUSTAINABILITY?
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The WTO Trumps the UN: The Bush Administration's Economic Globalization Agenda for the WSSD.

The Bush Administration's negotiating positions for the upcoming World Summit on Sustainable Development (WSSD) threaten to incapacitate the United Nations (UN) as an institution to meaningfully address the twin crises of global poverty and ecological decline. The Administration hopes to make UN rules either subservient to those of the WTO, or literally replace UN principals with WTO rules. The end result will be to completely incapacitate the UN or, worse still, turn it into yet another failed economic globalization institution.

The UN 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 the tip of the iceberg. The Administration's plan includes at least three main strategies:

- Subordinate the MEAs to World Trade Organization (WTO) rules;
- Subordinate at least two fundamental principles agreed to at Rio to WTO rules; and
- Pursue voluntary, rather than obligatory, outcomes to the Summit, versus WTO rules that are legally binding and upheld by million-dollar trade sanctions.

Subordinate MEAs to the WTO

In November 2001, the WTO held its fourth Ministerial meeting in Doha, Qatar. The final declaration agreed to in Doha expands the WTO's mandate to unilaterally "clarify" its relationship to MEAs, including the Montreal Protocol on Ozone Depleting Chemicals, the Kyoto Protocol on Climate Change, the Convention on the International Trade in Endangered Species (CITES), the Basel Convention on the Trade in Hazardous Waste, the Convention on Biodiversity (CBD), and the Treaty on Persistent Organic Pollutants (POPs).

"Clarify" means to determine which international system of law will take precedent: the WTO trade rules or the UN's environmental protections. The Doha declaration states that negotiations regarding the clarification between the MEAs and the WTO will take place under WTO auspices only – indicating that trade, rather than environment ministers, will be leading the negotiations. The declaration also states that MEA secretariats will have only "observer" status, meaning they can not participate in the discussions involving the agreements that they administer. Finally, while the declaration states at one point that the outcomes are not to be "prejudged," later the text states that the outcomes "shall not add to or diminish the rights and obligations of Members under existing WTO agreements." Thus, if WTO trade rules can be changed, it must be the MEAs that will be modified under the "clarification."

To ensure that environment ministers meeting at the WSSD do not take it upon themselves to address the need for this clarification, the U.S. government was particularly adamant that the WSSD Plan of Action should not go beyond the Doha Ministerial Declaration and that there should be no attempts to renegotiate the provisions therein. The Administration also pushed for generalized references in the WSSD text to implement the provisions of the Doha Ministerial Declaration – including the commitment to begin negotiations on the "new issues" of investment, competition policy, transparency in government procurement and trade facilitation. Furthermore, the U.S. and other governments have proposed to "ensure coherence and

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mutual supportiveness between rules of WTO rules and the rules of MEAs....” In WSSD negotiations, the U.S. has explained that “coherence” means that WTO rules would trump the MEAs if a conflict between the two arose.

Subordinate Fundamental Principles Agreed to at Rio to WTO Rules

The Bush Administration is specifically trying to subordinate at least two key negotiating principles agreed to in Rio to WTO rules:

- **The Precautionary Principle.** At Rio, governments made a commitment to uphold the principal of erring on the side of caution when they regulate if there is the possibility of environmental, health or social harm. The Precautionary Principle is the cornerstone of one of Rio’s most important products, the CBD, which establishes the rights of nations to regulate the import of genetically modified organisms (GMOs). Under the principle, industry is required to prove a product’s long-term safety before it is approved for the market. The WTO, on the other hand, puts the burden of proof on governments who must use "sound science" by presenting conclusive scientific evidence of harm *before* enacting any measures that might restrict trade. In addition, they must prove that they have chosen the “least trade restrictive” manner in which to regulate – an undefined and virtually insurmountable restriction. 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 Differentiated Responsibilities.** This recognized that the global ecological crisis had to be solved in an equitable way. It acknowledged that the North has historically and at present been more responsible for the global ecological crisis, has more financial resources due to the uneven distribution of the world economy, and thus has a proportionately greater responsibility in resolving environmental problems. Many developing nations view climate change, for example, as something caused by the industrialized nations and believe 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. The Kyoto Protocol, for example, is a legal instrument that operationalized this principle, but the tremendous resistance by some northern countries, and the outright rejection by the Bush Administration of the Protocol is a denial of the principle. Rejecting this principle would undermine years of inter-governmental negotiations to arrive at general agreements on how to approach the problem. The WTO, on the other hand, requires “non-discrimination” through its National Treatment and Most Favored Nation provisions. A government’s trade and investment rules can not be differentiated between countries or between itself and foreign governments. Therefore, “differentiated responsibilities” between nations are rejected.

Pursue Voluntary, Rather than Obligatory, Outcomes to the Summit

The one area in which the Bush Administration is seeking an outcome that contradicts WTO rules is in its pursuit of voluntary, rather than obligatory, Summit outcomes. According to Under Secretary of State for Global Affairs Paula Dobriansky, “The world community does not need to negotiate new goals or create new global bureaucracies [at the WSSD]” (see enclosed document “Public-Private Partnerships”). At the WTO, on the other hand, rules are strictly enforced through trade sanctions that can reach into the millions of dollars.

While citizens from around the world and many developing country governments are calling for the outcome of the WSSD to be a renewed commitment to the agreements of Rio, a strengthening of the UN system and increased financial resources for development, the U.S. government is pursuing an economic globalization agenda that takes power away from the UN and turns it over to the WTO.

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Public-Private Partnerships: The Privatization of Development

The Bush Administration is pursuing two concrete outcomes from the WSSD, the first is what the Administration is calling “effective domestic policies,” largely in the form of creating an investor-friendly policy environment in developing countries; the second is referred to as “public-private partnerships.” There is great concern that rather than pursuing a model of partnerships between service-oriented non-governmental organizations (NGOs) and governments or the UN, that the partnerships proposed by the Bush Administration and others are part of a larger privatization agenda. An agenda to give the already multibillion dollar global business of providing necessary basic services (like water and electricity) to multinational corporations. Privatization of once public services has been pursued at the World Bank, the International Monetary Fund (IMF) and the World Trade Organization (WTO) for nearly a decade. Examples of the failure of this model are discussed below.

Partnerships pose the greatest risk when taking the place of government regulation and increased development aid. Around the world, governments have been stripped of their financial resources through debt, economic restructuring and a global economy designed to favor multinational corporate interests over human needs. When governments have the necessary resources to provide public goods with tough regulations and democratic participation of the effected communities, public services are provided well (for example, access to water services in the United States). Around the world, the call is not for more corporate participation in the provision of services, but rather for increased aid to developing country governments working directly with effected communities and increased regulations on corporations in the form of a binding Corporate Accountability Convention at the UN.

Partnerships as Privatization

The Administration has stressed its interest in voluntary, non-binding outcomes to the Summit that would entail no new commitments. According to Under Secretary of State for Global Affairs Paula Dobriansky, “The world community does not need to negotiate new goals or create new global bureaucracies [at the WSSD].” The partnership model proposed by the U.S. is a “Type-II” or voluntary – as opposed to Type-I or obligatory, official outcome.

The partnership model will therefore become an alternative to enforceable outcomes negotiated by governments on key sustainable development and corporate accountability initiatives at the Summit. For example, the UN’s Responsible Care Program, a partnership long criticized as “greenwash” by civil society groups and policy experts, was established by the chemical industry after the Bhopal, India, disaster where a Union Carbide plant leaked poisonous gas killing 4,000 people and injuring hundreds of thousands. The move effectively killed efforts to toughen regulation that would have forced the industry to comply with safer and cleaner standards. Historically, it is binding regulation

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that has obliged business and government to act in ways more compatible with sustainable and social development. Partnerships are likely to be used to transfer the responsibility of achieving sustainable development goals from governments to the private sector. The role of governments would then be not to control corporate excesses, but to create the “enabling environments” for multinational corporations.

Public-private partnerships in the delivery of services in the five priority areas of the WSSD Plan of Action – water, energy, health, agriculture and biodiversity – stands directly at odds with peoples movements around the world, and particularly in South Africa, to stop private delivery of these vital services. Such movements have been born out of direct experience with privatization policies that have brought poverty, environmental destruction and death. A letter to the UN from citizens across the developing world states, “to invite the polluter and exploiter to deliver sustainable development and to be part of decision-making is to jeopardize the ability of the State to be the arbiter in the interests of ‘We the Peoples.’”

Stealing the Water

While the privatization of water for drinking and sanitation purposes has taken place all over the world, it is most prevalent in developing countries where the World Bank and IMF have made water privatization a condition of loan receipt and debt reduction. In fact, most wealthy countries, such as the United States, take just the opposite approach, providing a range of government subsidies for water and sanitation services in accordance with statutory requirements including the Clean Water and Safe Drinking Water Acts to ensure that water is safe and affordable for the vast majority of people.

The process of water privatization has followed a similar pattern worldwide: (1) water privatization is a condition of World Bank and/or IMF loan receipt; (2) a multinational corporation is brought in to a country to provide the water services; (3) the corporation enters with a contract setting a guaranteed rate of return on their investment; (4) the corporation enters a country that has already deregulated its environmental, health and safety and labor provisions under World Bank and IMF Structural Adjustment Program (SAP) requirements, thereby lacking the regulatory framework necessary to ensure the local population benefits from the privatization; (4) in order to reap profits, the privatizers fire workers and/or lessen pay scales and worker protections, raise prices, cut off services to poor areas, and pollute water ways. These results were witnessed in a particularly brutal fashion in the now infamous story of Cochabamba, Bolivia.

Taking Back the Water: the People of Cochabamba, Bolivia Rise Up

The World Bank and IMF made water privatization of Bolivia’s third largest city, Cochabamba, a condition for continued receipt of loans. There was just one bidder on the privatization contract – Aguas Del Tunari, a subsidiary of the San Francisco-based Bechtel Corporation. After Aguas Del Tunari began providing the city’s water, it raised rates overall and as much as tripled them for some of the poorest customers. In a country where the minimum wage was less than \$60 per month, many users received water bills of and above \$20 per month. All of the water supplies were privatized. As a consequence, people who had built and used community water wells or irrigation systems for decades had to pay Aguas Del Tunari for this water.

The people of Cochabamba formed an alliance of farmers, peasants, workers, environmentalists, human rights activists, and community called "La Coordinadora de Defensa del Agua y de la Vida" (the Coalition in Defense of Water and Life), to lead a new people’s movement to take back their water. After attempts at discourse with the government and the water company were ignored, and peaceful marches were met with violence, the people shut down the city through nonviolent protests, strikes and blockades. The government declared a State of Siege - arresting protest leaders in their beds, shutting down radio stations and sending more than 1000 soldiers into the streets with live ammunition. Victor Hugo Diaz, a 17-year-old boy, was killed and dozens of others were wounded. After weeks of confrontation, the “water warriors” refused to back down and on April 10, 2000, the government conceded, agreeing to end its contract with Aguas del Tunari and Bechtel. The

workers, citizens, and local officials of Cochabamba are now running the water system themselves, while not perfectly, far more equitably and universally than before. They using a model, “usos y costumbres,” or traditional or customary usage, based on traditional water practices that are in severe contrast to the water for profit model of Bechtel. For its part, Bechtel has turned to the World Bank’s International Centre for the Settlement of Investment Disputes to sue the Bolivian government for \$25 million.

There are peoples’ movements all over the world to take back their water from privatizers. For example, the people of South Africa are battling to end a water privatization contract forced upon them by the World Bank. When the South African province of KwaZulu-Natal had to privatize its water, those who were too poor to pay were simply cut off. They were then forced to resort to using polluted river water, resulting in an outbreak of cholera that has claimed at least 32 lives. In fact, due to privatization and other forces, cholera outbreaks affecting more than 140,000 people occurred in South Africa between the years 2000 and 2002.

While the demand to privatize water is on the rise, there is little evidence that privatization improves the access to, or affordability, of water – especially for the poorest sectors of the population. Too often water price hikes and water quality problems follow privatization. In addition, public water providers worldwide have demonstrated that when given the necessary resources, they operate at even greater cost effectiveness than private corporations because they do not have the added financial drain of the need to earn a profit.

Stealing Electricity: Energy Privatization and the Case of Enron

Energy is a priority sector for partnerships. For example, one current Bush Administration partnership, the U.S. Energy Assistance Partnership Program, was established by about 80 utilities and regulatory partnerships in 32 U.S.-assisted countries. Among other things, it accelerates the restructuring and commercialisation of state-owned utilities in developing countries. The impact of privatization on a nation’s energy sector by a large U.S. multinational corporation, however, can be deadly.

For example, Enron, before its collapse, regularly “partnered” with the World Bank or the U.S. government (in the form of receiving loans and payments to operate overseas) in the deregulation and privatization of utilities. Enron’s overseas operations rewarded shareholders temporarily but often punished the people and governments of foreign countries with price hikes and blackouts worse than what California suffered in 2001 and causing social unrest and riots that were sometimes brutally repressed. Energy deregulation resulted in the energy needs of the vast majority of citizens – the poorest as well as those in need of power for businesses, hospitals, schools and other public services to function – being routinely sacrificed for Enron’s gain.

For example, in 2001, eight people were killed when police were brought in to quell riots in the Dominican Republic after blackouts lasting up to 20 hours followed a power price hike that Enron and other private firms initiated. In 1993, the president of Guatemala tried to dissolve the Congress and declare martial law after rioting ensued, following a price hike that the government deemed necessary after selling the power sector to Enron. In India in 1997, police hired by the power consortium, of which Enron was a part, beat non-violent protestors who challenged the \$30 billion agreement (the largest deal in Indian history) struck between local politicians and Enron.

Partnerships can work when they are between participants that share a common goal, have relatively equal power and have mutual respect. Rarely do these criteria fit multinational corporations in partnership with governments, international agencies or local communities affected by their programs. The WSSD should not be used as an opportunity to satisfy the profit-motives of multinational corporations, but rather the ecological and development needs of the planet.

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Setting the Stage for Partnerships and Privatization: The Bush Administration's Millennium Challenge Account.

In March 2002, the UN held the International Conference on Financing for Development in Monterrey, Mexico. The Conference yielded two key outcomes for the United States: (1) foreign direct investment and public private partnerships were officially endorsed by the government delegations as the main strategies and sources for poverty alleviation, referred to as the "Monterrey Consensus;" and (2) President Bush announced his Millennium Challenge Account (MCA). The Conference brought the U.S. one step closer to achieving its investment liberalization and privatization goals set-out at the World Trade Organization (WTO) Ministerial in Doha, Qatar, and now on its agenda for the World Summit on Sustainable Development (WSSD) (see enclosed document "From Doha to Johannesburg").

The Third Wave

Officials from the Bush Administration characterize the MCA as the third great development assistance initiative during the century, following Truman's Marshall Plan and Kennedy's Alliance for Progress. In a speech delivered on March 22 in Monterrey, Bush proposed to increase U.S. aid by 50 percent over three years beginning in 2004, raising assistance to \$15 billion, from \$10 billion by 2006. This aid falls well short of the Rio Overseas Development Aid goals of 0.7 percent of a country's Gross National Product. The Administration has made clear its opposition to any attempts to force governments to move beyond their "Monterrey commitments" for development aid at the WSSD.

President Bush proposed that U.S. aid would be dispersed through the MCA which, if approved by Congress, would "tie greater aid to political and legal and economic reforms." Unfortunately, those reforms are more of the same failed economic globalization policies, including expanded free trade, investment liberalization and privatization. According to the President, "to be serious about fighting poverty, we must be serious about expanding trade." He also told Monterrey participants that trade and foreign investment are far more important to the economic health of poor nations than any level of foreign aid. Responsibility for defining the terms of aid was delegated to the State and Treasury departments, potentially placing U.S. security and economic interests above the development needs of recipient countries.

According to public statements and insider leaks by the Administration, it appears that countries will be eligible to receive aid under the MCA if they pass "sound policies" along the lines of two existing Bush Administration initiatives focused on private sector investment and privatization:

Private Sector Development (PSD) strategy. Promoted by the Bush Administration, this World Bank initiative was launched in February 2002. The PSD is considered the third generation of structural

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adjustment programs (SAPs) that will require countries to “expand” and “safeguard” the rights of investors. It would also accelerate the private and non-governmental organization provision of basic services (health, education, water) on a commercial basis – that is, with user fees. The PSD dovetails neatly with the ongoing WTO negotiations on investment liberalization.

- **Global Development Alliance (GDA).** Launched by US Agency for International Development (USAID) under the Bush administration, GDA is a public-private partnership linking U.S. corporate interests with developing country “needs” for “technology transfer, trade and investment.” One GDA initiative, US Energy Assistance Partnership Program, was established by about 80 utilities and regulatory partnerships in 32 USAID-assisted countries. Among other things, it accelerates the restructuring and commercialisation of state-owned utilities in developing countries. Other U.S. corporations are partnering with USAID in education, health, family planning and environment initiatives. According to Deputy Assistant Treasury Secretary Bill Scheurch, the U.S. “will take a partnership approach to development.” According to a recent White House update on the MCA, it will “seek to broaden development partnerships.”

Critics have pointed out that there is a contradiction between the MCA's stated goal of supporting democratic reforms and the practice of rewarding only those countries that play by the MCA's rules – namely, promoting unprecedented protection for foreign investors and private provision of services. The guidelines of the MCA have already influenced one country's development strategy, South Africa's proposed New Partnership for African Development (see enclosed document “NEPAD”).

Governments of the South and citizens around the world have tried to use the Rio-WSSD process to express their opposition to the economic globalization model of development embodied in the MCA.

Specifically, they do not believe that increased investment liberalization and privatization of public services bring economic or ecological sustainability (see enclosed document “Public-Private Partnerships”). For example, Third World Network, an organization representing people throughout the developing world, writes that “Attempts by developed countries to shift the governance of international trade and finance away from the UN system towards the Bretton Woods institutions [IMF and World Bank] and the WTO, and efforts to transfer the responsibility of achieving sustainable development goals to private corporations through public-private partnerships will further limit southern governments' capacity to determine their development paths, both nationally and internationally.”

Furthermore, a letter from people across the developing world to the UN, states their objection to the “new rules and polices [that] are made that create more rights and obligations, privileges and access to the corporate sector. The ten years between Rio 1992 and Johannesburg 2002 have been a triumph for corporate-driven globalization, driven by mercantile forces and economic liberalization. It is alarming for many citizens groups to see the downgrading and weakening of the UN, and the escalating influence of the international financial and trade organizations that do not hold to the sprit and principals of `We the Peoples.’”

Finally, there is a global outcry from civil society and both developing and developed country governments against the Bush Administration's refusal to consider increased development assistance and funding for the implementation of the products of Rio as an obligatory outcome to the WSSD.

Thus far, the Bush Administration – among others – does not appear to be listening.

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Introducing a New Report by the International Forum on Globalization (IFG):

Interim Report—The Effects of Economic Globalization on the Environment.

Free copies available in Johannesburg at the IFG WSSD Teach-In, August 24 & 25 at Wits University;
or contact the IFG at the Grace Hotel in Rosebank, (27) 11 280 7200.

The central message of this report is that environmental and social sustainability cannot be achieved while governments, bureaucracies and global economic forces simultaneously pursue a global corporate development model: economic globalization. Environmental sustainability and corporate globalization are in direct contradiction. We cannot have both. As this report describes, the ideologies and structures of economic globalization itself and the institutions that promote it—the World Trade Organization (WTO), the International Monetary Fund (IMF), the World Bank, multinational corporations, and others— are inherently destructive to the environment and to the social and economic welfare of all communities that share the planet's common resources. Recently, because of its new interest in global corporate "compacts" and "partnerships," it appears that the United Nations may join the list of institutions that are accelerating environmental and social problems. The IFG is very involved in the process of defining alternative systems, and engineering an international consultation process to develop and refine them. This report will explain and amplify these points.

Overview of Report

Part One focuses on the World Summit on Sustainable Development (WSSD). It describes the subversive role of two "shadow players" – the WTO and the United States – in attempting to undermine any possibilities for truly ecologically and socially sustainable outcomes from the meetings. It then explains why the corporate-public partnerships being proposed at the WSSD are little more than corporate greenwash and corporate welfare ploys. One scheme being pushed by corporations and some heads of state – the New Partnership for Africa's Development (NEPAD) – is discussed in detail. Finally, Martin Khor of the Third World Network assesses the failures of Rio from the perspective of the global South.

Part Two is a general report on the negative effects on the environment intrinsic to the economic globalization model. There is a comprehensive analysis of the model itself, and a report on the ways it amplifies the problems of ozone depletion and climate change. Subsequent chapters go into detail about specific impacts upon agriculture, fresh water, fisheries, forests, biodiversity, *et. al.*

Finally, Part Three presents a summary of the International Forum on Globalization's work toward viable alternative options to corporate globalization: ones that place environmental sustainability, social equity and justice ahead of corporate "rights."

This is an interim draft version of a more comprehensive report that will be issued this winter.

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Corporate Accountability

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