

Ecological Emergency State
(Presentation prepared for Cultural Studies Now Conference)

Ashley Dawson
Associate Professor
English Department
The Graduate Center
City University of New York
365 Fifth Avenue
New York, NY 10016

Biography: Ashley Dawson is Associate Professor of English at the City University of New York's Graduate Center. He is the author of *Mongrel Nation: Diasporic Culture and the Making of Postcolonial Britain* and co-editor of *Exceptional State: Contemporary U.S. Culture and the New Imperialism*.

Ecological Emergency State

Despite its long commitment to studying the interface of culture and power, cultural studies has not been quick to dissect the institutions and structural forces responsible for the planet's unfolding environmental crisis. The reasons for this are no doubt manifold, although the field's relative diffidence in anatomizing the institutions through which neo-liberal hegemony is secured around the world must rank high among them. Despite cultural studies' long tradition of challenging the purported objectivity of disciplines such as economics, critical analysis of pivotal global organizations such as the World Bank has remained largely the province of progressive social scientists and activists such as Susan George, Vandana Shiva, and Walden Bello. Indeed, if one looks at the roster of critical intellectuals who have played an important role in the global justice movement's "brain trust" over the last decade, cultural studies advocates are notable mostly for their absence. The few exceptions to this rule, such as the contributors to Amitava Kumar's (2002) volume *World Bank Literature*, tend to confirm the failure of cultural studies as a discipline to turn itself into an intellectual arsenal for the global justice movement in any kind of systematic fashion. It is high time that the tools of cultural studies as a discipline be brought to bear in anatomizing and dismantling the institutions responsible for the spiraling economic and ecological crises that mark our times.

The World Bank is a good place to initiate such critical analysis. The Bank played a pivotal role in propping up the global spread of Keynesian-Fordist industrial capitalism, with its attendant culture of mass consumption, over the last half century. It might, therefore, be said to be one of the key institutions in perpetuating the economic infrastructure on which so much popular culture is built. But the Bank's entanglement with cultural issues goes far beyond simply acting as a facilitator of the cultural superstructure. After all, the Bank makes mockery of such mechanical separations of economy and culture through the canny ways that it harnesses culturally embedded values in order to further its economic plans. Thus, for Bret Benjamin (2007), whose book *Invested Interests* offers one of the first detailed examinations of this important organization from a cultural studies perspective, the World Bank is not simply an economic institution but rather a sophisticated and flexible social actor that "engages in rhetorical

acts of public persuasion that rely on cultural formations and appeal to cultural values” (Benjamin 2002, p. xiii). Precisely what sorts of cultural values does the Bank appeal to, we might ask, and how do its rhetorical public performances both draw on and help shape such cultural values?

Probably the cardinal value espoused by the World Bank during its more than fifty year history has been that of *development*. Of course, this concept has a far longer genealogy, arguably extending back before industrial capitalism to theologically inspired notions of European stewardship of the land. As demonstrated by John Locke’s deployment of this notion in his labor theory of property – according to which we acquire a right to property by mixing our labor with it – the concept of development functioned at the onset of the modern world system as a potent ideological weapon for landlords seeking to dispossess purportedly unproductive tenants in Europe and indigenous peoples in colonial territories (Meiksins Wood 2003, p. 97). During what Michael Denning (2004) calls the age of three worlds, the World Bank became one of the primary global arbiters of development, on both a material as well as an ideological plane. As Bret Benjamin explains, after its establishment following World War II, the Bank “sold to the world the *idea of Detroit*, marketing development as an unquestioned faith in industrialization and modernization, and the corresponding utopic image of wealth and plenty” (Benjamin 2007, p. 99). As Benjamin suggests, the Bank’s rhetoric of development was articulated in a future imperfect tense that required an attitude of patient waiting from the majority in the Global South, for whom the elimination of poverty was always about to arrive.

I unfortunately lack the space to analyze the Bank’s rhetorical maneuvers in the face of the critique articulated by radical intellectuals active in anti-colonial nationalist struggles around the world during the 1950s and 1960s. Although such attacks stung the World Bank, however, it was the energy crisis of the 1970s that precipitated the worst crisis ever faced by the Bank and other international financial institutions (IFIs) such as the International Monetary Fund. The OPEC oil embargo of the mid-1970s prompted many cash-strapped Third World nations to engage in heavy borrowing, with the encouragement of institutions such as the World Bank and IMF. When interest rates spiked up at the end of the decade, a global crisis loomed. The loans extended by the Bank and other IFIs to protect the investments of powerful lenders in the Global

North came with draconian “structural adjustment” clauses attached. In order to meet interest payments, in other words, nations in the Global South were forced to slash social spending; as a result, the poorest and most vulnerable members of the world’s population ended up paying the penalty for the global financial system’s unsustainable practices. As John Walton and David Seddon (1997) argue, the upshot was a global wave of austerity riots as the “idea of Detroit” peddled by the World Bank during the development era evaporated under the harsh calculus of neo-liberal economic dogmas.

During the 1990s, criticism of the World Bank’s lending practices and its top-down development policies became increasingly widespread. Powerful social movements arose in the global South to challenge elitist and ecologically disastrous Bank programs such as the Namada Valley dam project in India (Rich 1995). The Bank’s response to these militant movements and the criticism they have articulated has been to place increasing emphasis on so-called social lending, on the “local,” the “micro,” and the “participatory” as modes of development lending (Benjamin 2007, p. 138). In environmental terms, the Bank has embraced the fuzzy but feel-good language of sustainable development in a way that suggests that it is learning from criticism. There is, in other words, a departure from the Bank’s technocratic language of economic expertise and objectivity, a rhetoric that legitimated one-size-fits-all liberalization measures throughout the previous two decades. Typically, however, the Bank’s functionaries move today to co-opt criticism while sounding a tone of moderation that allows for business as usual to continue uninterrupted. For example, in her address to the “Make Markets Work for Climate” conference of 2006, World Bank Vice President for Sustainable Development Katherine Sierra laid out an argument that highlights the Bank’s intention to have its cake and eat it too. According to Sierra, “access to affordable energy access or energy security has become a critical issue in the global agenda. Some in the audience will argue that this means a safe and certain supply of oil, gas, and coal. Others may be inclined to link energy access to climate security, and therefore they will prefer other forms of energy – clean energy, such as solar, wind, biomass, etc. *Let me emphasize at the outset it is not an either/or proposition. It is both*” (Sierra 2006). The rather ironically named Sierra creates the impression throughout this speech that the Bank is according

equal weight to policies based on existing fossil fuel infrastructure and those based on conversion to renewable resources. This rhetoric of pragmatic and judiciously balanced interests is, however, a wild distortion of the World Bank's true priorities, both historically and at present.

For decades, the World Bank's energy lending policies have helped open developing countries to Northern-based fossil fuel corporations. For example, the Reagan-era US Treasury insisted that the Bank play a leading role in "the expansion and diversification of global energy supplies to enhance security of supplies and reduce OPEC market power over oil prices" (Office of International Energy Policy 1981). Instead of supporting diminished fossil fuel consumption and a switch to renewable energy, in other words, the Bank led the drive to expand resource extraction to new geographical locales following the energy crises of the 1970s. Nor did this role end after the crisis wound down; \$11 billion in financing was approved by the Bank for 128 fossil-fuel extraction projects in 45 countries in the period from 1992 to 2004 (Sustainable Energy and Economy Network 2007). More than 82% of Bank financing for oil extraction has gone to projects that export oil back to the rich countries of the global North. Investment in fossil fuels outstrips that in renewable forms of energy by a ratio of 17 to 1. The Bank has thus played a crucial role in securing access for the unsustainable consumerist economies of the industrialized nations to the natural resources of the South. In addition, energy lending in non-fossil fuel-related areas such as thermal and hydro-power has hinged on large-scale, grid-based, and therefore centralized projects that have contributed to highly inegalitarian concentrations of power in both senses of the term in developing nations. Bank policies, tied to Big Oil cronyism in the rich nations, thus helps to foster authoritarianism and corruption in the global South.

Stung by criticism of its lending practices, the World Bank has repeatedly promised, and failed, to do the right thing. During the 1992 Earth Summit in Rio, for instance, the Global Environmental Facility (GEF) was created within the World Bank with a mandate to compensate developing countries for their efforts to protect the Earth's climate and its flora and fauna. Yet GEF funding suggests that it is a thin green fig leaf designed to divert attention from the Bank's true priorities since financing of the GEF amounts to a relatively scant \$10 million per year, while fossil fuel projects are funded to the tune of \$2-3 billion annually. Moreover, true to form, the

Bank has helped deflect pressure for a concerted switch to renewable energy by offering to take the lead in pursuing green initiatives and then quietly conducting business as usual. At the 2005 G8 meeting in Gleneagles, Scotland, leaders of the industrialized nations turned to the Bank once again, charging it with developing a framework for clean energy. The resulting policy, the "Investment Framework for Clean Energy," projects greenhouse gas emissions so high that they would unleash catastrophic climate change (Sustainable Energy and Economy Network 2007). Although the Bank admits that carbon dioxide concentrations above 450 parts per million would be disastrous for the planet, the "Investment Framework" adopts a 60% growth of emissions by 2030 as a reference case, and predicts atmospheric concentrations of carbon dioxide ranging from 450-1,000ppm. A revised version of the Bank's policy statement dropped any reference to carbon levels, as if global warming will go away if we simply ignore it.

In addition to lining the pockets of fossil fuel corporations, the World Bank is embroiled in its own serious conflicts of interest around the issue of carbon mitigation. Through the Clean Development Mechanism (CDM), the Bank allows polluters in the industrialized North to offset their greenhouse gas emissions through the purchase of "emissions credits" that are intended to promote forms of carbon sequestration, typically in the poor countries of the global South. As a result of these twenty-first century pardons for ecological sins, the North can continue in its profligate consumerist behavior. In addition, the World Bank gets a commission of up to 10% on all the carbon credits it purchases. With over \$1 billion in its carbon credit portfolio, the Bank has become the world's largest public broker of carbon purchases, profiting from while also influencing the CDM's rules. Thus far, CDM funds have succeeded in producing emissions reductions that constitute only a fraction of the pollution produced by its predominantly fossil fuel-based energy investment portfolio, accounting for less than 0.5% of global investments in renewable energy according to the World Wildlife Fund. Moreover, just as is true in the Bank's so-called renewable energy portfolio, CDM projects tend to foster inequality and corruption in the Global South. In the eucalyptus farms established as carbon sinks in places like Minas Gerais, Brazil, for example, local indigenous people are displaced to make way for large single-crop

plantations that destroy biodiversity, suck up ground water, pollute what remains with fertilizers and pesticides, and undermine national food sovereignty.

More than any other political crisis we face today, climate change requires a global solution. The institutions we have at our disposal at a global level are, however, singularly unsuited to resolving this problem. Foremost among these institutions is the World Bank. It is by now quite common knowledge that the Bank has a long history of furthering the interests of the powerful at the expense of the weak in the global economy. Nowhere is this more true than in the Bank's energy policies. The language of liberal inclusion and social lending that the Bank has adopted in the face of criticism from the global justice movement over the last several decades is a powerful weapon in co-opting dissent, a weapon that the Bank has cannily deployed not simply in its pronouncements concerning climate change but in institutional innovations such as the Clean Development Mechanism. I hope to have demonstrated the salience and urgency of dismantling this greenwashing rhetoric and, in the process, to lodge a significant argument for the dismantling of the Bank itself. If ever there was an institution unfit to wear the mantle of global environmental steward, it is the World Bank.

References

- Benjamin, B. (2007). *Invested Interests: Capital, Culture, and the World Bank*. Minneapolis, MN: University of Minnesota Press.
- Denning, M. (2004). *Culture in the Age of Three Worlds*. New York: Verso.
- Kumar, A. (2002). *World Bank Literature*. Minneapolis, MN: University of Minnesota Press.
- Meiksins Wood, E. (2003). *Empire of Capital*. New York: Verso.
- Office of International Energy Policy (1981). *An Examination of the World Bank Energy Lending Program*. Washington, D.C.: U.S. Department of the Treasury.
- Rich, B. (1995). *Mortgaging the Earth*. Boston: Beacon.
- Sierra, K. (2006). "Make Markets Work for Climate," Conference paper retrieved October 16, 2006 from <http://siteresources.worldbank.org/ESSDNETWORK/Resources/MakeMarketsWorkforClimate.pdf>.
- Sustainable Energy and Economy Network (2007) "How the World Bank's Energy Framework Sells the Climate and Poor People Short," Paper retrieved October 15 from <http://www.seen.org/>.
- Walton, J. and D. Seddon (1994). *Free Markets and Food Riots: The Politics of Global Adjustment*. Cambridge, Massachusetts: Blackwell.