

A Different World Is Possible

Globalization, International Solidarity, Human Rights, and Poverty

How Did We Get Here?

Over the past twenty-five years, a handful of huge multinational companies have quietly, but effectively, moved power away from sovereign nations with the assistance of a variety of right-of-centre governments.

- The 'holy trinity' of corporate globalization is:
 - the International Monetary Fund (IMF),
 - the World Bank, and
 - World Trade Organization (WTO).

All three of these organizations are working to move global economic control away from sovereign nations to multinational corporations;

- With an absolute faith in global free markets, the multinationals and governments are establishing global and regional trade agreements restricting the ability of government to regulate businesses;
- These agreements restrict the policy choices available to governments—for example, governments are often prevented from favouring local companies, or from helping workers adjust to new economic conditions;
- Multinationals use their ability to locate (or relocate) production, to squeeze concessions from countries and workers; and
- Countries compete to offer corporations the most concessions of workers' protection, environmental protection, and even basic democratic rights.

The Results

The results have not been good for the majority of the world's people.

- Globally there has been massive job losses;
- Social programs are cut, downsized, privatized or completely eliminated;
- A global push by governments for weakened labour and environmental standards; and
- The privatization of many necessary services like water, electricity, and health care.

A Brief Global Trade Lexicon

Washington Consensus

- The policy adopted by most governments, international banks, and trade bodies which advocates privatization, free trade, reduced public sector, and deregulation.

International Monetary Fund (IMF)

- The IMF was created in 1944, as a pillar of the post-war economic order. Developing countries borrow huge sums from the IMF. The terms usually require countries to adopt structural adjustment programs that are based on 'free market' principles;
- The evidence shows that IMF policies, supposedly intended to 'stabilize' economies through such prescriptions as cuts in public spending, privatization, and deregulation,

has inflicted damage on many countries, and impoverished many people; and

- The IMF's resources come from the quotas or capital subscriptions of member countries, its capacity to borrow from lenders, and its ability to draw on a line of credit from various countries.

World Bank

- International Bank for Reconstruction and Development, usually called the World Bank, was intended to reduce poverty and improve living standards by promoting sustainable growth and investment in people;
- The World Bank provides loans, technical assistance, and policy guidance to developing-country members;
- The World Bank is accused of being undemocratic in decision-making, ignoring the views of developing countries, funding environmentally unsound projects, and a market-oriented approach strictly applied.

World Trade Organization (WTO)

- Established in 1995, the WTO supposedly helps trade flow smoothly in a system based on rules, settles trade disputes between governments, and organizes trade negotiations;
- The WTO administers the international agreement dealing with trade in goods among countries – the General Agreement on Trade and Tariffs;
- The WTO is attempting to accelerate corporate globalization with the negotiation of: the General Agreement on Trade in Services (GATS) and the Agreement on Trade-Related Aspects of Intellectual Property Rights (TRIPS), which deals with such issues as copyright, trademarks, patents, and trade secrets.

What Is To Be Done?

1 Make the Global Economy Work for People

- The protection of public services, including health care, education, social and environmental services, free from WTO rules;
- The assurance that trade agreements include a commitment to the principles of democracy and full respect for labour and other human rights; and
- A global strategy to fight poverty, hunger, illiteracy, and disease (e.g. providing affordable medicines to fight the AIDS pandemic).

2 Fair Trade NOT Free Trade

- The protection of national sovereignty;
- The reform of the world trading system to benefit the poor in developing countries;
- Better regulation of the international financial system (including a restructuring of the IMF and the World Bank);
- Controls on currency speculation (instituting a 'Tobin Tax');
- Making the international trade process more democratic and transparent (e.g. consultation with unions & other civil society organizations).

The information in this Fact Sheet is based on a presentation by Larry Brown to the National Union's 2003 Equality Leadership School. Larry is the National Secretary-Treasurer of the National Union of Public and General Employees.