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General Position of the Initiative against Economic Globalization - Prague 2000

- issued on the occasion of the World Bank and the International Monetary Fund summit in Prague

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About twenty thousand of the world's bankers, economists and investors will arrive on 26. - 28. September 2000 to Prague in order to take part in the 55th Annual Meetings of the World Bank Group (WB) and the Board of Governors of the International Monetary Fund (IMF). This prestigious event of the global economic elite, the first one of its kind in the Central East Europe, is of a special importance. The delegates will gather so as to propose the scheme of the complete liberalization of the global economy, which they present as a single instrument for the solution of the world's problems. We do not endorse this opinion. On the contrary, we consider the economic globalization as well as the policy of WB and IMF as a major cause of the serious problems of today's world and not as a chance for the majority of mankind living in destitute or as an opportunity for the deflection of the global environmental crisis. This summit is a challenge to those who are concerned about the destiny of today's world. For IMF and WB influence it negatively for more than 50 years. In this connection we remind that the summit will cost at least 935 million crowns from the public money which are desperately needed in the social programs, healthcare, education, environmental protection, etc.

In the process of economic globalization which involves progressive curtailment of the state influence upon the circulation of transnational capital play both institutions crucial roles. By means of its economic policy does IMF as well as WB and its groups open the developing countries (among which they count with regard to its GNP also the Czech Republic) to the foreign investors and their speculative interests. IMF and WB openly acknowledge that they are led only by the economic regards and thus willingly support various authoritative or dictatorial regimes. No wonder these institutions are not democratic themselves - the decision rights of single members depend upon amount of invested money according to the principle "more dollars, more votes." Within the framework of the so called Structural Adjustment Programs the IMF and the WB determine strict conditions for providing loans to the developing countries including deregulation, liberalization and privatization. These measures strengthen the position of the transnational capital but worsen the situation of the majority of population in the developing world. The removal of social and environmental regulations (which might "discourage" the investors) and cuts in public spending result in the inaccessibility of health care and education, sharp increases of living costs, job-reductions, unemployment and curtailment of union rights. The impacts on agriculture are especially devastating as productions aimed at local self-sufficiency are suspended and the countries are compelled to raise monocultures for export, which leads to food shortage and in some countries even to famine. The impacts of the IMF and WB activities on the environment are also tragical - the megalomaniac projects of WB result in the destruction of local ecosystems as well as in the enforced relocations of millions of people.

The principal objective of these programs is to allow for the entrance of foreign speculative capital which does not contribute to the creation of any values. It only utilizes the absence of social and environmental regulations, takes control of the markets and sometimes destroys entire industrial branches. The recommendations the IMF and WB thus mostly do not lead to the promised economic growth. The only thing left behind would be a huge debt and in order to check its further increase, the separate countries have to pay considerable sums at least for amortization of interests. Arguments pointing to the influx of foreign investments sound insincere and unconvincing.

Today roughly 40 thousand members of the global financial oligarchy control 80 % of the world's trade. Possessions of 200 richest people is larger than the total income of 41 % of the world's population. More than 250 million children have to work in the most inhuman conditions for bare survival. About 17 million children dies every year from easily curable diseases. The desperate condition of today's world is not natural - it is merely a logical consequence of the system in which heightening of the profits of the most rich is the only respected value.

We do not think that we can oppose this development only through lobbying at the institutions like the IMF and the WB. We rely rather upon the movements from below made up from diverse groups like trade-unions, unemployed, small or

landless peasants, environmental initiatives, radical democratic political organizations, etc. Finding an alternative to the current social model is in our view an urgent necessity. However, we do not think that globalization could be opposed by the protective policy of the national state which has already shown how willingly it succumbs to transnational corporations. We believe that the alternative is a society which is based not on the profit of a few but on the genuine needs of many, on the principles of solidarity, mutual assistance and sustainable development. Although our views on the origins of the serious problems of today's world and their solution differ, we regard the September summit of IMF and WB as such a crucial challenge that we have founded a common platform Initiative Against Economic Globalization - Prague 2000. It is not a new organisation with an independent program, but a democratic instrument of mutual communication and coordination between diverse groups which plan to react to the IMF and WB summit. It should contribute to the wider publicity of actions organized by these groups. Together we want to organize some protest(s), lectures, educational and cultural events. The main event should be a counter-summit during which the specific harmful aspects of the economic globalization as well as the search for alternatives could be discussed.

Initiative Against Economic Globalization - Prague 2000 is open to all liberal-minded individuals and groups that would like to express their opinions regarding the summit of IMF and WB. We propose this initiative as a common platform which, while maintaining the program autonomy of the separate groups, strengthens their voice even more. Similar gatherings of the institutions of economic globalization are attended by increasing resistance of general public. Let the voice of protests echo also in Prague. Let us face the globalization of capital with the globalization of solidarity.

Support or approval with General Position of Initiative Against Economic Globalization - Prague 2000 may be expressed via e.mail address antimf@hotmail.com. We will also welcome any information about the form of cooperation and assistance you can offer. This concerns also distribution of this statement. Other information can be found also on the web page <http://inpeg.ecn.cz>.

Prague, March 1st, 2000

Initiative Against Economic Globalization - Prague 2000

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Neither State Capitalism nor Private Capitalism !

For Freedom, Self-Management and Socialism!

Stalinism and state capitalism - so called communism - enslaved the countries of Eastern Europe for decades. Their Moscow controlled dictatorships plundered these countries for the benefit of an aristocratic class which controlled the state and which was every bit as contemptible as the aristocracies of the former monarchies.

Nowadays another dominating class of capitalists is on top. However the system of domination and exploitation remains the same. The majority of people are excluded from the 'progress' announced by private capitalism and the western leaders.

The current International Monetary Fund and World Bank meeting is a symbol of the control of the international financiers and bosses of global companies over the countries of the former soviet block. This globalisation is based on the globalisation of the exploitation of workers. Capitalism is the system that ensures maximum benefits for a tiny number of the worlds people by imposing misery, joblessness, insecurity and a degraded life on all the rest of us.

We revolutionary anarchists and anarchist communists have no interest in who forms this dominating class. We fight against the very existence of this over privileged class that exists to the cost of the world's population. More and more people believe that capitalism is not inevitable - in London, Seattle, Washington, Davos, Millau and now Prague more and more people reject the rule of the market.

We want a society based on equality, a class less society in which everyone contributes to the overall wealth according to their abilities and from which everyone receives according to their needs. We want a free society that is really democratic in all areas of life. This includes democracy in the workplaces, where decisions must be made by all wage earners. We want a society in which we all stand together, without borders.

Let us all stand together to radically change this current society.

Neither state capitalism nor private capitalism! - Ni capitalisme d'état, ni capitalisme privé! - Weder Staatskapitalismus noch Privatkapitalismus! - Ani státní ani soukrom_ kapitalismus!

This statement is from the anarchist / libertarian communist groups listed below who are taking part in the S26 demonstration in Prague or who are organising solidarity actions in their own countries. These groups include Solidarita - ORA [Czech Republic], Alternative Libertaire [France], Workers Solidarity Movement [Ireland], Federation of Anarchist Communists [Italy], Bikisha Media Collective & Zabalaza Books [South Africa], Northeastern Federation of Anarcho-Communists / Federation des Anarcho-Communistes du Nord-Est (NEFAC) [United States, Canada]

This statement is on the web at <http://flag.blackened.net/revolt/inter/s26.html>

Global Resistance **against** Capitalism, IMF and the World Bank!

What are **International Monetary Fund** and **World Bank**?

IMF (Internationally Monetary Fund) and World Bank (International Bank of Reconstruction and Development) were founded in the Bretton Woods of USA 1944. Their original purpose was to eradicate poverty of the world and to increase world trade. IMF was meant to provide short term loans to countries with temporary balance of payment problems, World bank was meant to give loans to more structural issues (such as infrastructure building).

But actually general role of IMF and WB in the world economy is something completely different. IMF and WB are instruments of the leading countries to integrate whole earth to a single economic system, profitable for global capital.

In the beginning of the eighties, many developing countries of the world runned into financial problems, they couldn't pay anymore their debts. Since rich western countries and banks wanted their money back, IMF and World bank were given the role of world police, to ensure that debts will be paid. Indebted countries were subjected to strict structural adjustment programs planned by WB and IMF, which means devaluation of the national currency, layoffs of millions of workers, privatization and opening of the markets to imports and investments. When the so-called real-socialistic regimes of the East Europe and Asia started to collapse in the eighties, same programs started to be executed here as well. In all the continents of the world socio-economic results of the IMF and World Bank structural adjustments have been devastating, even famines and civil wars as in Rwanda, Somalia and Yugoslavia.

Often getting countries to pay their debt become secondary goal of IMF and WB, where primary goal is ensuring flow of cheap raw materials to west and supply of cheap labour, often also economical destruction of countries which are a potential political risk to 7 most richest world economies controlling almost 40% of the decision power in World bank and the IMF.

Structural adjustment in Russia

IMF and World Bank started pushing for structural adjustment in Russia 1992. They adopted support to "shock therapy model" of the reforms, which means liberalization of the prices, opening the market for imports and free convertibility of the currency in very short period. Their goal was a quick creation of a market in Russia. But IMF and WB were not interested how reforms influence to employment and conditions of living. They did not take into attention the economic realities of the Russia.

In the Soviet economy competition was completely absent, and result of the price liberalization was huge increase in the raw material prices, which was one of the main reasons of destruction of the industry and agriculture.

IMF and World Bank also did not care a lot about the overwhelming corruption. Thus increased raw material exports did not profit the economy, but corrupted government officials who sold export permissions illegally, and greedy corporate bosses who used them to pump raw materials to world market with almost unexisting Russian production prices. Since quick privatization pushed by IMF and WB often meant bosses distributing assets to themselves right away, windfall profits ended up quickly to same tax heavens as IMF and WB financial support to the privatization schemes.

Since there is always almost as much savings as loans in the domestic economy, inflation is in practice a wealth transfer. Since workers save more where corporates and states borrow, superinflation is a huge transfer of wealth from workers to state and corporations. Agenda of IMF and the World Bank is to control the inflation, but their analysis of Russian superinflation is cynical - savings of Russian pensioners earned by decades of hard work are "just result of soviet market distortions" and are doomed to disappear - to bank accounts of corporate oligarchs and western debtors.

High inflation was pushed to end, stable ruble was in the interest of both rising Russian upper class consuming western luxury imports and western financial speculators investing to Russian financial markets in the era when western economic growth rate was diminishing. Stabilization was financed with loans, cutting the social and wealth spending and unpayment of the wages, 1998 20% of the unpaid wages were in jobs directly financed from the state budget.

Investment to Russia was so risky that only speculators were interested about it, and capital flight from Russia has all the time been higher than western loans. Actually it is Russia subsidizing rest of the world and not vice versa. This bubble came to unavoidable end in 1998 economic crisis. In contrary to IMF theories, state borrowing to stabilize ruble had not created sustainable investments but a bubble. Speculative investments leaved Russia almost overnight, leaving economy paralyzed again.

In fall of 2000, structural adjustment in Russia keeps going on with no end in sight. Most recent reforms proposals are new labor codex "Kzota" where leading "Unity"-party proposes raising the working week to 56 hours and bashing the collective bargaining rights, parallel proposals are exploding prices of railway tickets by tricky bypassing of the monopoly regulation and legalizing evictions of people unable to pay symbolic prices of the social housing. Right after slashing the state committee of environmental protection as an effort to cut government spending after IMF demands, World Bank wants to give \$200 million loan to restructure coal and forestry industry, over which no any independent environmental monitoring exists anymore.

Alternatives to the corporate globalization

It is clear that isolationism proposed by reactionary and nationalist forces like Communist Party of the Russian Federation would only lead to Russia into economic catastrophe similar to the present situation. But promises of World Bank and IMF that poverty could somehow be diminished by market reforms and increasing volume of the world trade are also lies which profit elites of the planet. Only mean to solve injustice of the capitalist system is huge and difficult task of distributing wealth of the rich of the planet to the poor. But the unforeseen international movement which gathered tens of thousands of people to Seattle of USA 1999 and Washington DC and Prague this year is day by day getting more prepared to take this task.

Global resistance

26th-28th september IMF and WB will organise annual meetings in Prague, Czech republic. In the same time there will be demonstrations in all the continents of world, from USA to Russia, from Australia to Czech republic. Tens of thousands of trade unionists, environmentalists, opposers of the third world debt and everyone whose interest is to fight against corporate world order, of which one of the most important architects are IMF and World bank. With protest actions the construction of opposition of the market forces is going on, giving new alternatives to the present economy. The struggle continues, join us!

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