

# Total Banker!



## World Bank President Delivers on Poverty Agenda During Visit to Ireland

**On Sunday, the 30th of January the president of the World Bank visits Dublin. The President, Mr. James Wolfensohn is here to talk to the World Council of Churches. The Meeting is part of the on going talks between the bank and the council of churches about "faith and development" in the third world.**

### What is the World Bank?

The World Bank works in tandem with the International Monetary Fund to "readjust" third world economies to suit the neo-liberal view of world economics. Their "readjustments" although sounding pretty harmless has involved the forced relocation of thousands of people in India when their readjustments advised on the construction of dams on Naramada River. The World Bank is the organization that loans money to carry-out readjustments. These loans become what most of us know as the crippling Third World Debt. Over the past decades some of the poorest countries world has paid up to half their yearly GNP to the World Bank. Perhaps one of the most sickening figures is that in 1997-1998 the World Bank extracted over £1 billion from Africa whilst the continent is desperate for money to fend off starvation and try and halt the aids epidemic. Now they come to Dublin to consult religious organizations on development which is contemptuous to the people like those living on the Naramada River considering they weren't even consulted.

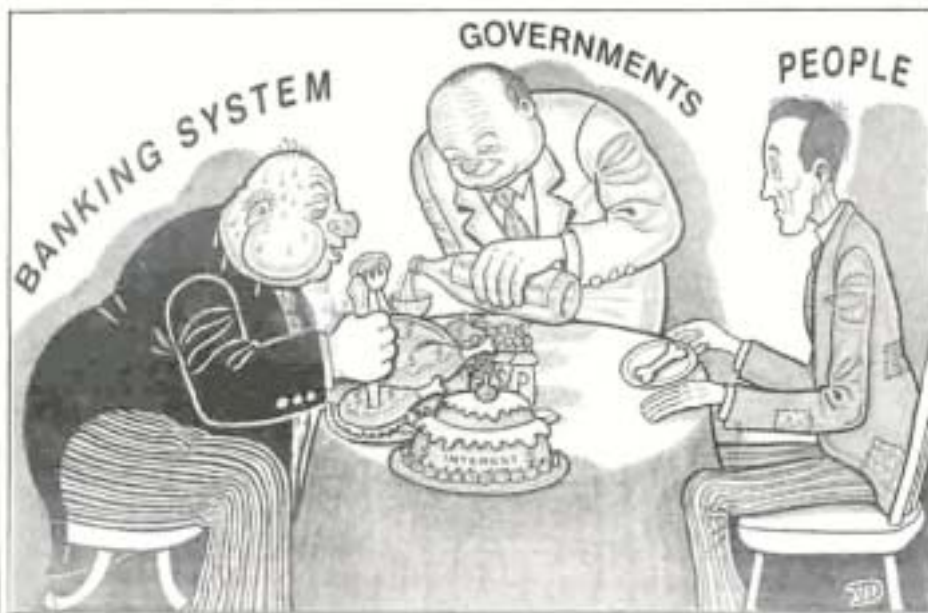
### International Effects

The effects of the policies pursued by the

*"Their [IMF and World Bank] policies have not only failed to bridge the gap between rich and poor and achieve greater equality, but rather contributed to a widening gap, the virtual exclusion of an increasing number of the poor and widespread social disintegration."*

Rev. Dr. Konrad Raiser, General Secretary, World Council of Churches; Letter to Kofi Annan, June 28, 2000

World Bank and the International Monetary Fund on the lives of people living in the 'developing world' have been nothing short of catastrophic. It is sobering to realise that even now in 2005, huge numbers of people live in dire poverty. In India, for example, more than half of all children do



not have enough to eat while in Sierra Leone, 28 percent of all children die before the age of 5.

In talking of many poorer countries, it is in fact wrong to describe them as 'developing' because in fact no real development or progress is taking place in the lives of ordinary people. Of the 50 countries where per capita income was lowest in 1990, 23 actually had lower average incomes in 1999 than they did in 1990.

'Structural Adjustment Programmes', insisted upon by the International Monetary Fund in order for countries to be advanced loans by the World Bank, are the principal cause of this. In his book "Globalization And Its Discontents", Joseph Stiglitz - a former Chief economist with the World Bank - argues convincingly that these SAPs and other policies pursued by the IMF/World Bank systematically act in the interests of the rich so-called 'donor' nations and against the interests of workers, peasants and other poor people.

Stiglitz points out in his book that food subsidies and other ways of cushioning the hardships suffered by the poor are among the first programmes that the IMF/World Bank tells countries to cut when they need to 'balance their budgets'. The IMF/WB policies, he argues always follow the same agenda - that of the rich

"Stabilization is on the agenda; job creation is off. Taxation, and its adverse effects, are on the agenda; land reform is off. There is money to bail out banks but not to pay for improved education and health services, let alone bail out workers who are thrown out of their jobs as a result of the IMF's macroeconomic mismanagement."

Since the mid 1980s over 70 countries in the world have been forced to adopt these 'Structural Adjustment Programmes'. They have led to disaster and massive poverty. Because of SAPs, local economies and wages have collapsed; basic services like sanitation, water, education and health have fallen apart. Meanwhile the burden of debt has been forced onto the poorest of the poor with the result that poverty has increased, life expectancy has deteriorated and infant mortality has soared.

While it's not difficult to see why the SAPs



have done so much damage (instead of promoting investment they sucked the money supply from local economies), it is important to remember that they were never intended to be anything other than harsh. SAPs have actually played a very important role in the long-term economic strategy of Western capitalism. This strategy is all about making the economies of the 'developing world' more dependent (more 'integrated' in IMF/WB-speak) on Western needs and thus more open to exploitation by western multinationals, while at the same time opening up a massive supply of cheap labour for Western capitalism.

For the poorest nations in the world, the IMF and World Bank are the largest creditors. Because these institutions are 'preferred creditors', they have first call on repayments. The external debt of sub-Saharan Africa has increased by nearly 400% since 1980 - to more than \$200billion. Many of these 'debts' have already been repaid again and again. The 'debt crisis' set in when interest rates skyrocketed and compound interest made repayment impossible. For example, Nigeria borrowed \$5billion from official and private creditors, paid \$16billion to date, and still owes \$32billion. (source: "The World Bank: Lending In Whose Interest? By Centre for Economic Justice - www.econjustice.net)

### The Thief calls it help - We call it stealth

"I would like to use my time to highlight the respective roles of the Fund and the Bank in the development process and the extent to which we are delivering on the poverty agenda in the developing world " so said Charlie Mc Creavey when he was minister for finance. He was speaking about the World Bank and the IMF. The World Bank and thanks to the SAP's (Structural Adjustment Programs) which are the strings that come attached to the loans it can be said they they deliver on the poverty agenda 'by INCREASING IT'.

In Ireland we have been members of the World Bank since 1957. In that time we have theoretically contributed \$636 million but of course this being the high falluting world of accountancy it means that we really only contributed 6% of that. A little bit of creative accounting for you. So we must support this organisation. One that is blatantly undemocratic and that has come in for a storm of criticism for the last decade or more.

At home we can see their tricks by their championing of the partnership agreements between trade unions, bosses and the governments. We know how that hasn't greatly benefitted workers whilst many companies have gone on to make astounding profits. Meanwhile the WBO and the IMF push the GATT line via the EU. The General Agreements on Tarrifs and Trade (GATT) cover 160 services' sectors including telecoms, transport, distribution, postal services, real estate, insurance, construction, environment, tourism and entertainment. Just as poorer countries end up having to open up their economies when they get an IMF loan, in Ireland our leaders are pushing us down the nightmare of GATT.

What few people realised when the deal was first done is that the GATTS also includes healthcare, education, housing, water, waste management and other basic services usually run by government agencies. The agenda of the GATS agreement is quite simple: to privatise as many services as possible opening them to international competition. This is the brainchild of the invisible boffins behind the closed doors of the World Bank. Privatisation leads to an increase in wealth for the bosses and a increase in the peoples poverty. Our former public services, which we pay taxes for already are stolen via the public-private partnership iniatiives. So we can be like the citizens of Ghana who

thanks to the IMF saw their water supply privatised.

Watching the World Bank operate is like watching the FBI in a siege. The Fed's cut the water and the electircity supply. The World Bank uses the IMF's stipulations for loads to carry out the following four things

1. Open's the economy
2. Fiscal austerity - reduce government spending which leads us to the next point
3. Balance Budgets though cuts - we've seen this before, remember McCreevy's was once known as the butcher of social welfare before he went on to Finance
4. Privatise Public Entities - Bin's, Dublin Bus, Aer Rianta, and soon water I would guess.




The world bank delivers on the poverty agenda alright, it widens the gap between the poor and the rich. Make sure to thank that banker when you see him! He's making capitalism work for the bosses.

**Stand up for yourself - but you can't do it alone**

## Workers Solidarity Movement

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The Workers Solidarity Movement is an anarchist organisation which fights for an end of the division of society into classes, into a small minority of rulers who control all the resources and wealth and the rest of us. We want to bring about a society based on real grassroots democracy. We do not want to become rulers nor do we want to seize power "on behalf of the working class". We have no interest in replacing one set of bosses with another. Instead we work for a free socialist society where everyone can have a direct say in making the decisions that will affect them.

**Get in touch with the anarchists in your area**