

Notes of U8 meeting – 5th December 2007

International financial institutions – barking up the wrong tree?

1. *What are the main stated aims of the World Bank/IMF?*

- Provide economic aid and expertise
- Neo-liberal institutions so work in the interests of the global economy and particularly in the interests of the US economy
- Aim to help develop Third World countries

2. *Do they fulfil aims?*

- Not really – results of Structural Adjustments Programmes etc. have actually increased poverty

3. *Are financial institutions working for Western interests?*

- Yes
- Not necessarily at the expense of the Third World – promote values of democracy, civil rights etc.
- Protecting the strongest economy in the world (US) will always maintain poverty elsewhere

4. *What's the motivation of World Bank workers?*

- The negative outcomes are not reflective of individual workers' agendas but rather are symptomatic of the system
- To protect the US

5. *Are IMF policies purely American?*

- Not completely – different groups from around the world get involved in different development projects
- The IMF (American) plans are merely a starting point
- The privatisation policies of the IMF are not simply privatising for the sake of it but because Third World countries can't afford to do otherwise
- Privatisation plans were implemented as the IMF believed ultimately it would help healthcare, education etc. in the long-term and benefit that particular country, not just America

6. *Are we learning from the mistakes of past 'development' policies?*

- Perhaps yes but it is too early to say
- Mistakes inevitable as there has been no testing ground previously for these policies
- The major mistake continues to be made and that is trying to implement one broad policy for all countries without recognising the very different situations in each individual country

7. *Do SAPs etc. affect national sovereignty of the developing countries?*

- Perhaps – but this is not necessarily a bad thing
- National sovereignty is being eroded in all countries due to globalisation – this is merely one of those areas
- They are still less in control of their own destinies than they should be – but arguably more so than when they were colonies
- It is ultimately that country's decision to sign up to the conditions of a loan
- But then aren't the loans necessary when a country is so poor and can't get a loan anywhere else?

8. *Are Western models being imposed upon developing countries against their will?*

- Maybe – but perhaps it is perfectly legitimate for the US to request democratic institutions be implemented before they give aid – why should they support eg Islamic fundamentalists just because they're in poverty?
- Economic global success (in the view of the World Bank/IMF) requires neo-liberal ideology – which they do not even see as ideology but as truth, and therefore they couldn't possibly give aid without requiring these conditions
- It is not completely forced/imposed – some South American countries have backed out of agreements in favour of more socialist (anti-American) policies so they *do* have a choice

9. *Do developing countries want to be involved with the West?*

- The intellectuals/academics of a developing country often don't want to be involved with the west but at the local, grassroots level they generally do (perhaps due to ignorance?) as they can see the rich luxurious lifestyles of Westerners
- Governments and elites often do

10. *Why do we unite the IMF/World Bank with the US in our minds?*

- The leader of the World Bank has always been an American
- The US set them up
- They are very Western institutions (as is the UN)
- They over-represent richer donor countries in terms of voting power etc. – the more money a country has, the more influence it has in the IMF

11. *Is there a problem with these institutions being incapable of seeing their own faults?*

- Yes and they are not accountable to anyone
- They have an overblown sense that they are always in the right and 'doing good'
- They take too long to recognise mistakes
- Poverty is increasing – so they must be incapable of seeing their faults

- Ideas of Aid etc. are more recent than people realise however, so perhaps we should be less critical of the failings of these financial institutions
- The people involved are quite inexperienced thus far

12. Should we reform or scrap these organisations?

- Scrapping would be too radical – we should reform them

13. How could we reform these institutions?

- Decentralisation of the institutions – have more localised project plans that have a greater understanding of the needs of a particular country
- Address hypocrisy/inequality of international organisations such as the EU whose Common Agricultural Policy is clearly protecting European farmers and therefore not in the neo-liberal free-market vein, nor in fact are many of America's own policies which are very protectionist

14. Do nationals of a developing country that have been educated in the West have more potential to develop their country? Is an understanding of the West necessary to understand the developing world's problems?

- Yes from a Western point of view
- But is a Western education really necessary to be capable of solving their country's needs? Couldn't they come up with their own, more relevant solutions?
- Understanding of the West and global forces are nevertheless necessary to understand Third World problems

15. What defines the 'developed' world?

- Influence on global politics
- Wealth
- Health and education
- Industrialisation
- Civil society
- Human rights

16. What is the West?

- West of Russia and Australia and New Zealand
- Somewhat hard to define exactly