

Alphabet Soup: The Institutions of Globalization

Following, or contesting, the progress of global corporate capitalism can be like wading through a thick soup of acronyms and code words. Here's a short explanation of a few of the most important ones:

NAFTA -- The North American Free Trade Agreement, linking the U.S., Mexico and Canada. The U.S. has lost over half a million manufacturing jobs since its passage in 1994. Its impact on the indigenous communities of Mexico has been devastating as it allows the U.S. to dump cheap products on the market that undercut the traditional agriculture of indigenous communities. Displaced farm workers migrate to the border which has become militarized even before 911. 'Maquiladoras', factories at the border are exempted from environmental and labor regulations. NAFTA, under its Chapter 11, also allows corporations to sue governments for loss of projected profits if governments pass labor or environmental laws. Under NAFTA, a Canadian corporation has sued the State of California for banning an additive in gasoline that pollutes groundwater. A U.S. corporation has sued Canada for banning another gasoline additive which causes cancer and birth defects.

FTAA -- The Free Trade Area of the Americas would extend NAFTA throughout the hemisphere, excluding only Cuba. It contains all the provisions that make NAFTA problematic, and as well would remove countries' rights to control foreign investment.

G8 -- the G8 are the eight most powerful, industrialized nations: The U.S., Canada, Great Britain, Germany, Italy, France, Japan, and Russia. In their summits, they create policies and set agendas that affect everything from the WTO to the U.N.

WTO -- the World Trade Organization (which has nothing to do with the World Trade Towers that were destroyed in New York. They were not its headquarters-nor did the WTO have any offices there.) Nor does it have anything to do with the United Nations. The World Trade Organization is an international body set up in 1995 under the Uruguay Round of GATT-the General Agreement on Tariffs and Trade. Under its auspices, member countries can sue other countries for laws and regulations that 'restrict trade', again by imposing environmental or labor standards. Disputes are settled by a tribunal presided over by three judges who are not elected, named, or accountable to the public, who come from the world of business and finance. Proceedings are secret, and their judgments can override laws passed by citizens of the countries involved. For example, the WTO has disallowed laws that would have protected endangered sea turtles from being killed in shrimping nets and laws that would have banned products made with child labor.

World Bank/IMF -- the World Bank and International Monetary Fund are sister institutions. Set up after World War II, originally to loan money for Europe's reconstruction, the World Bank found its loans weren't necessary because the Marshall

Plan provided interest-free money. It turned to the Third World, where it has become notorious for making loans for huge, environmentally destructive projects that primarily benefit large transnational corporations. The Narmada Dam project in India which would displace hundreds of thousands of traditional farming families is a current example.

The International Monetary Fund is primarily know for its imposition of Structural Adjustment Programs (SAPs) on Third World countries. By the eighties, the less developed countries were finding that World Bank loans had not, in fact, stimulated their economies, and they were unable to pay the interest on their large international loans. The IMF stepped in, offering to loan more money to service the debts on outstanding loans, but imposing policies on the countries in question that required them to orient their economies to earning foreign exchange rather than providing for the needs of their people. They were to open their resources to foreign investment and cut programs in education, health care, or social welfare. The U.N. estimates that six million children a year die because of policies imposed by the IMF and World Bank.

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