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Miller, David and Hubbard, G. (2005) *Barbarism inc.* In: Arguments against G8. Pluto Press. ISBN 9780745324203

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Miller, David and Hubbard, G *Barbarism Inc.* Arguments against G8. MediaChannel, July 2005.

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## **Barbarism Inc.**

**Gill Hubbard and David Miller**

[MediaChannel.org](http://MediaChannel.org)

NEW YORK, JULY 1, 2005— The trajectory of the global capitalist economy at the beginning of the twenty first century is on a collision course with nature. Some of us used to joke that if corporations could bottle and sell the air that we breathe they would do it. Well, now nobody is laughing.

The summit of these eight richest countries in the world - Britain, Canada, France, Germany, Italy, Japan, Russia and the United States - will meet in July 2005 in Scotland. The G8 have consistently imposed a neo-liberal economic model that benefits the rich and powerful at the expense of the most destitute people in the world. This type of economics is characterized by privatization, deregulation and trade liberalization.

Take the case of trade liberalization. An increase in international trade for the world's poorest countries has not led to any real reduction in poverty in these countries. The United Nations Conference on Trade and Development reported that the majority of people in countries that opened up their markets for free trade are still surviving on less than US\$1 a day. In other words, the people who gain most from relaxing import and export controls in the developing world are the multinationals.

The G8 continue to demand that poor countries open up their borders so that transnational corporations can swoop down and bleed public services dry. Like vultures, the corporations circle over the developing world, waiting to feed off the profits.

The International Monetary Fund (IMF) and World Bank insist that to qualify for debt relief or loans poor countries must privatize public utilities including water, gas, electricity, transport, hospitals and schools. Privatization has increased the costs of these essential services, which means that poor people can no longer afford them. Privatization of public services has clearly exacerbated the effects of poverty in many developing countries.

Neo-liberal economists from the pulpits of the World Bank and IMF also lay down strict budgetary constraints on public spending as a condition of receiving aid and loans. In doing so, they prevent countries in the developing world from hiring doctors, nurses and health workers and purchasing much needed medicines to fight diseases such as HIV/AIDS.

The G8 expound the gospel of globalization. Like a phalanx they march across the globe, pushing into the gutter anyone or anything that stands in their way.

The term 'globalization' has a specific meaning. It is the accelerated integration of capital, production of goods and services, and markets on a global scale. Globalization is a process that is driven by the logic of corporations competing with one another for natural and human labour resources, and for markets in which to sell goods and services. This logic extends to rivalries between nation states, which is why globalization is also characterized by war.

There are three interconnected international bodies that are forcing through globalization: The IMF, the World Bank, and the World Trade Organization (WTO). Between them they aim to establish 'global governance' based on the principles of unchecked financial flows and speculation on the stock markets, free trade and privatization.

The purpose of the IMF is to make sure that financial speculation, gambling on currencies and the buying and selling of corporate shares, can go on unchecked. It wants this free-for-all to take place irrespective of the consequences. For example, when the world's gamblers started a run on the baht, the Thai currency, it precipitated the Asian financial crisis of 1997. In a matter of weeks over a million people in Thailand and 21 million people in Indonesia were pushed below the poverty line.

Like grand schoolmasters, the IMF and World Bank tell governments in the developing world what they should do with their economies. The developing countries are being taught to abide by 'structural adjustment programmes', which are now disingenuously called 'poverty reduction strategies'. If governments refuse to do as they are told, detention for the pupil is severe. The IMF and World Bank have refused to provide aid and loans to these countries. In the past, debt relief was denied to seven heavily indebted countries because they had not abided by IMF and World Bank neo-liberal economic programs. It is not from lack of money that members of the G8 refuse to cancel Third World debt, it is because debt can be used as a way of coercing developing countries to adopt neo-liberal economic practices.

The purpose of the WTO is to establish free trade so that corporations can do what they want and go where they want without anything or anyone standing in their way. There will be no barbed wire fences or border police blocking the path of transnational corporations. It is the WTO that is imposing Trade-Related Intellectual Property Rights (TRIPS). This is the intellectual equivalent of armed robbery. Our human genes and basic foodstuffs are being patented. Patenting has meant, for example, that the production of cheaper, generic drugs that would keep people with HIV/AIDS alive is being blocked. In other words, pharmaceutical profits are protected and the poor and sick are paying the price.

The 'Battle of Seattle' in 1999 outside the WTO is seen as the beginning of a wave of global protest against the neo-liberal project, although a wave of protest in the developing world had preceded it, from 1994 onwards. It was not only the anti-capitalists who were compelled to protest in Seattle. Governments from developing countries were also outraged by the hypocrisy

of the eight richest nations in the world. For example, while they were expected to open up their country's borders to corporations from abroad, and remove support given to key sectors of the economy, the United States was busy propping up its own agricultural and steel industries through massive subsidies. The United States took a position of 'Don't do what I do, but do as I say.' In other words, it was all right for the United States to flout the free trade rules but not for others.

The crisis of legitimacy of the neo-liberal project was exposed again in Genoa at the G8 summit in 2001. As hundreds of thousands of demonstrators took to the streets to declare that another world is possible, the most powerful leaders of the world met behind huge wire fences, protected by armed personnel. Genoa was a reminder of the power and strength of this social movement. Since Genoa, the G8 has kept away from meeting in major urban conurbations.

The storm clouds gathering over the corporate-driven globalization agenda on the streets of Seattle and Genoa have been joined by a hurricane - the anti-war movement.

On 15 February 2003 millions took to the streets against the then impending war on Iraq. The relationship between neo-liberalism and war has never been starker than in the war against Iraq. This war, which was led by the United States with Britain obediently following, has compounded the crisis of legitimacy of global capitalism in at least three ways. The war and occupation of Iraq showed what the 'Project for a New American Century' actually means in practice. It means control of oil supplies and it means profits for US corporations. Nowhere has this been more blatant than in awarding the main business contracts for the so-called 'rebuilding' of Iraq to US corporations linked to the Bush gang, such as Bechtel and Halliburton. UK corporations were left to peck the crumbs off the table after the hawks had had their fill.

Given the failed history of the G8 it is no surprise that people have protested when they meet. The leaders of the eight richest countries in the world may take their photo opportunities, but there are millions of us ready to point out their hypocrisy and reveal the G8 for what they really are: a rich cabal trying to disguise themselves as pious philanthropists. We will not be fooled.

— David Miller is Professor of Sociology at Strathclyde University. He is the editor of the highly successful *Tell Me Lies: Propaganda and Media Distortion in the Attack on Iraq*, published by Pluto Press in November 2003 and now in its third printing.

— Gill Hubbard is convenor of Globalize Resistance Scotland.