

GRADE 12

HISTORY

GLOBALISATION

ECONOMIC INSTITUTIONS

	WTO	IMF	World Bank
Background	With 150 members and others awaiting membership the WTO accounts for 97% of the world trade. They establish universally recognised rules governing world trade.	Has 183 members, its principal motive is the desire to promote international monetary co-operation, which provides a basis for expansion and balanced growth.	Like the IMF the World Bank was conceived at Bretton Woods immediately after World War Two, making its first loan of 250 million dollars to France in 1947.
Aims	Creates trade systems free of discrimination. Ensures few or no trade barriers. Creates a stable trade environment. Establishes a competitive trading system. Accommodates less developed nations.	Appraises exchange rate policies. Holds consultations with members. Prescribes reform to countries in financial difficulties. Encourages policies among members that would lead to a stable exchange rate.	Reconstruction after wars, natural disasters and other calamities. Reduction of poverty at grass-roots level. IMF and World Bank complement each other. While the World Bank is involved in direct investment in worthwhile policies, the IMF looks at monetary policies of struggling nations
Functionality	The current set of rules of WTO have been derived from the GATT negotiations of 1994. It imposes correct commercial policy on all members and it enforces suspension and expulsion on offending members, for example, a ban on fur trade on grounds of cruelty to animals.	IMF policies are determined democratically, as the members vote is determined by the size of its net contribution. Thus, the G8 countries (USA, UK, Japan, UK, Germany, Italy, France and Canada) hold over 40 % of the votes on the IMF Board	Has been active in the following regions: → Balkans after armed conflicts. → East Asia after a financial crisis. → Central America after hurricanes. → Turkey after the last major earthquake.
Criticism	Rich become richer at the expense of the poor. Shows unfair bias towards multi-national companies Needs of developing countries ignored. Issues such as health, safety and environment ignored.	Critics claim IMF supported military dictatorships friendly to American and European companies. Has little power to democratise sovereign states. Financial aid always bound by conditions which retard social stability and hence inhibit stated goals of the IMF.	Critics claim that the World Bank often undermines the power of the states receiving the loans. It is under the influence of certain countries, notably the United States.



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These examples, and we could cite many more, lead us to the conclusion that the WTO cannot function in a democratic manner - any genuine move towards democratic functioning would prevent the march of the powerful over the weak. General Michael Moore's public contrition (feeling of repentance) and call for a re-evaluation of the WTO's treatment of developing country concerns, following the failure in Seattle to reach consensus, have not pushed the WTO towards more open operations. Instead, there has been a strict and forceful return to old-fashioned arm-twisting. Stuart Harbinson, of the WTO, is illegally chairing the Agreement on Agriculture negotiations - in direct contravention of the WTO's own protocol that prevents secretariat staff from heading negotiations. Meanwhile, the WTO Mini-Ministerial in Sydney is about to begin, to which only 25 members of the WTO's 145 members have been invited. And, all the while, poorer countries that do not comply with trade liberalisation goals, are threatened with the withdrawal of bilateral and multilateral aid. These are the new methods with which the WTO attempts to secure consensus.

Question:

What is the truest definition of Globalization?

Answer:

Princess Diana's death.

Question:

How come?

Answer :

An English princess
with an
Egyptian boyfriend
Crashes in a
French tunnel,
riding in a
German car
with a
Dutch engine,
driven by a
Belgian who was drunk
on
Scottish whisky,

Followed closely by
Italian Paparazzi,
on
Japanese motorcycles,
treated by an
American doctor,
using

Brazilian medicines.
This is sent to you by
a
South African,
using
American Bill Gates'
technology,
and
you're probably reading
this on your computer,
that uses
Taiwanese chips,
and a
Korean monitor,
assembled by
Bangladeshi workers
in a
Singapore plant,
transported by
Zimbabwe
truck drivers,
hijacked by
Somalis,
unloaded by
Mozambique men,
and
trucked to you by
Nigerian illegals!

That, my friends,
is Globalization