

INTERNATIONAL FINANCIAL INSTITUTIONS AND THE MOVEMENT OF PEOPLE AND CAPITAL

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Development Alternatives with Women for a New Era (DAWN)

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PLENARY I: The Movement of People and Capital

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Good afternoon! Thank you very much for inviting me to participate in this International Conference on Racism and Globalization. I will address myself directly to the topic of this plenary: the movement of people and capital. My specific brief is to examine the role of financial Institutions. I will highlight what I think are the factors that impact on the day-to-day lives of girls, boys, women and men—our children, sisters and brothers here in the US and worldwide--and the forces, from the perspective of economic, social justice gender and racial justice, that we must challenge in order to create meaningful and lasting peace with equality (racial, ethnic and gender) and justice.

Looking from the mid point of the first decade of the third millennium, we can see, from an economic and social perspective, that contemporary human society, as we know it, has progressed on many fronts. Overall, global income has increased (21%, 1990-2002); there has also been a decline of 130 million people from extreme poverty; a decrease in child mortality rate from 103 deaths per 1,000 live births a year to 88 and an increase in life expectancy from 63 years to 65 years in many developing countries. Yet the world is still plagued by many of the same challenges that dominated the landscape of the twentieth century.

In terms of broad social issues there are persistent and entrenched poverty and inequality (gender, racial, indigenous peoples). Hunger, food insecurity, conflicts and violence are still dominant themes in global reality. More urgently, millions of peoples' day to day lives are still dominated by the search for water and food, lack of adequate sanitation, lack of proper housing, lack of employment and pervasive income and livelihood insecurities.

Most noticeably, from this vantage point, are the persistence of racial and gender imbalances and gender and racial inequality across most all societies. People of color continue to constitute a significant proportion of those living in poverty, dying from hunger and malnutrition, civilian casualties in war, violence and conflicts. People of color and especially African women, are disproportionately represented among refugees and those afflicted with the HIV virus. Far too many women of color continue to die in child birth. (Over 530,000 women die each year from child birth). These deaths are easily preventable. Millions of peoples of African, Asian and indigenous descents' day to day lives are still dominated by the search for water and food, lack of inadequate sanitation, lack of proper housing, lack of employment and income and livelihood insecurity.

Here it is important for us to flag the emerging food crisis, for this is intricately related to issue of globalization, international trade and international finance. Yes, some aspects of the food crisis are due to natural causes: drought, ecological challenges contributing to poor yield and small harvest. Some aspects of this crisis can be attributed to rising demand (partly stemming from bio-fuel production). But there are also systemic structural causal factors that are intimately linked to globalization and the policies and practices of international trade and financial institutions.

Trade liberalization and the structural adjustment programs of International Financial Institutions (IFIs) have left many developing countries with very little capacity to tackle this crisis. Trade liberalization led to the dismantling of tariffs and other tools that governments normally utilized to protect food and agricultural production. Governments are increasingly losing or giving up their ability to direct private sector participation in improving the lives of men, women, girls and boys. Price controls as well as subsidies for fertilizers and seeds have been removed as a result of privatization-liberalization and the push to eliminate state owned enterprises. All in favor of agricultural trade liberalization that favors global agricultural businesses and big supermarket chains in the North. Thus food sovereignty and the productivity of the small farmers have been sacrificed. Today 70% of developing countries are net food importers (of the 845 million hungry people in the world, 80% are small farmers). We will talk more later about the links to the global financial complex and the response to this new food crisis.

Whether we view this discussion from the point of view of internal minorities within the developed countries such as the US and Europe or from the perspective of the dominant group of developing countries, populated by peoples of color, this is a debate about social and economic development and a movement towards a new paradigm of development: what it is and how best to achieve it? What are the critical necessary and sufficient modalities of for achieving social and economic progress and economic development? How are these modalities impacted by lack of employment opportunities, the availability of essential services that are critical to daily life to more opaque issues such as ODA, debt, trade related and investment modalities? It is also a debate about the highly contested phenomenon called globalization, its inter-relationship with the rise of finance capital, in this case, international financial institutions and capital market. A significant concern from our perspective is to identify the racial dynamics, racial effects and outcomes of this globalization phenomenon.

The current neo liberal (WTO-IMF-World Bank--G-8 led) globalization has implications at the international level for the political participation of people of color in Africa, Asia, the Caribbean, Latin America and the Pacific countries in negotiating the construction of new global architectures (finance, immigration, trade etc). More importantly for this discussion, it has serious implications for these states' commitment to social cohesion, racial equality, gender equity, social equity and participatory democracy. Therefore, careful attention must be paid to the racial and gender as well as the social impacts of trade and financial policies.

Does the current round of globalism, regionalism, regionalization and the economic, political and social changes these are generating offer opportunities for new and positive sustainable growth for the benefit of indigenous and other peoples of color? Or, do these changes lead to further disenfranchisement and more entrenched features of race and poverty dynamics? The answers will depend on the ability and willingness of citizens and governments to work creatively together to develop strategies, tactics, policies and programs to transcend the limitations of the present model and to promote the rights and well being of the different racial and ethnic groups, especially, those with a history of exclusion and disenfranchisement.

A race aware approach to globalization and international finance must seek to identify the key mechanisms and pathways through which globalization and international finance expose, eliminate or exploit differences in race to the detriment of peoples of color, especially indigenous men and women.

A race aware approach must start by recognizing the following key realities:

- Race continues to influence access to basic human resources, wealth and power.
- In addition, structural racism underlies global economic processes in context in which political institutions and operations are permeated by cultural assumptions about race and does not challenges the existing power relationship. This is overlaid by persistent patterns of international double standards.
- Undeniably, the current international economic system is built upon the legacy of the slave trade, slavery, colonialism, racism and racial discrimination. Therefore active emphasis must be placed on ensuring that the processes and mechanisms of globalization and international financial do not reinforce old asymmetries and injustices.
- Clearly for individual countries such as Haiti and Jamaica as well as for all the peoples and governments of Africa, Asia and the Pacific that are struggling with issues of high indebtedness, government deficit, high and unsustainable unemployment and rising poverty there is a need to examine more proactively the future and re-image ourselves in the context of this current wave of globalization. This raises a number of important questions that we must seek to answer if we are to move forward:

What have been our past experiences with the globalization phenomena?

What is distinctive conceptually and operationally about this current wave of globalization from the past? What are the implications for our future?

What of the success of large nations such as India and China in meeting the challenges of economic development and poverty eradication in the context of this current globalization? What, if any, guidelines and practices can we draw from the experiences of these countries in our specific context?

And, finally, what are the critical keys for unlocking and unblocking the doors to a path of sustainable development that promote the maximum welfare of the greatest majorities of our peoples?

I. Globalization, international finance and racism

There are quite a few myths and misconceptions about globalization. As noted by Economist, Deepak Nayyar, the word globalization is used confusingly in two ways: First, in a positive sense, to describe a process of the increasing integration into the world economy; and second, in the normative sense, to prescribe a strategy of development based on a rapid integration within the world economy. According to Nayyar, some see this as 'salvation', while others see it as 'damnation'.

Globalization is a broadly based historical phenomenon which includes the fundamental transformation in the composition of economies (structural change) such as the shift toward services or high technology (in the North), the re--location of production processes to the developing countries and the lowering of barriers to the movement of goods and services and capital across national and regional boundaries. When I say it is a historical process I mean that it is not a new phenomenon but, rather, in its contemporary manifestations, is the continuation of a process that had its roots in the beginning of European industrialization and hence capitalism.

The necessity for capital to search out cheap labor and cheap raw materials has always engendered the incorporation of non-capitalism forms into its orbit. This resulted in the expansion of Europe into Africa, Asia and the Americas and the creation of the geopolitical entity, the Caribbean. The driving forces behind that earlier expansion included the search for precious metals, commodities and labor. Later cycle provided the escape valve for immigration of excess population (surplus labor) from Europe to the Americas, Brazil, Australia and New Zealand and elsewhere.

Likewise, intense international rivalry, and inter and intra firm competition has given rise to the historical process of technological change for greater and greater labor saving devices as well as the perpetual creation of new products. This is necessary to ensure continuing cycles of profitability. Coupled with these processes there has also been the need to establish rules and institutions, both global and national, to ensure the orderly process of accumulation.

Such rules are also necessary in order to mitigate and offset the potentially destructive effects of internecine rivalry between countries. Some time this fails and the result are outbreaks of violence. Such was the case in the mid-nineteen century, where rivalry between the contending European rivals in the scramble for Africa led to great instability and disorder in the then international political economy. In the twentieth century such tendencies culminated in World War II. Today we are privy to a host of conflicts and engrossed in the midst of a global war on terror which is unleashing its own globalizing dynamics.

The end result of the struggles over the spoils of Africa was the Berlin (1865) conference that officially supervised the division of Africa among the major European powers. The Berlin conference instituted the conditions for a fragile peace, which was disrupted by the first and second world wars. The Berlin Conference and its legacy are the logical prototypes of modern globalization. Thus the spoils of Africa were the basis of the prosperity ushering the twentieth century. In the early twentieth century intense competition between the major powers once again led to World War I and finally World War II.

As we know at the end of the Second World War, a new process of globalization and economic restructuring was set in motion. This process was governed by the establishment of new rules of the game to be institutionalized and enforced by the Bretton Woods Institutions (by 1944): the General Agreement on Tariff and Trade (GATT), the

IMF and the World Bank. This historical period occurring in a number of ways and is facilitated simultaneously by a number of mechanisms and processes some of which are obvious and some of which are not.

The reality is that for us in Africa, Asia, the Caribbean, Latin America and the Pacific Islands, globalization is not a new reality. We have experienced it before even as we continue to experience its transformations today. It has not had a benign impact on our lives. We have certainly lived through at least two phases (what I call pre-modern globalization, modern globalization (20th century) and now are going through a third phase--post modern globalization. It is important to understand the conceptual and operational underpinnings of this phenomenon as it has evolved over the recent past. Time does not permit a proper historical accounting of the globalization of the world economy, nonetheless, I will attempt to a brief sketch of the commonalities and differences of different phases of the globalization process. This is because in spite of the current fascination with 'globalization' and the emphasis on globalization as a development strategy, it is important that we understand that globalization by itself does not ensure poverty eradication, gender equality or ultimately, sustainable development. Rather, previous globalization has led to uneven development, skewed social relations and persistent gender biases.

Globalization is a process involving the integration of international trade, international investment and international finance in the world economy.

This process engenders the restructuring of the global economy it also result in the re-alignment of social and political forces. Hence globalization has social, cultural and political dimensions, including:

- 1) The presence and functioning of a hegemonic power to oversee the process. As noted above, the US assumed that role from Britain. The US would seem to act in concert with G-7 but the primary military power is still American, albeit it now tries to act in concert with multinational force (such as in the war in Kossov and Afghanistan)
- 2) Agreements that foster orderly exchange of production input and output; for example, the multilateral trade system under the WTO agreement;
- 3) Rules to promote the free flow of capital. See for example, the OECD investment Guidelines, the TRIMS and the abortive attempt to establish a multilateral agreement on investment (MAI).
- 4) Segmented labor market via and international division of labor based on unequal exchange between north and south. Northern countries specialized in manufacturing and exporting high value added and expensive labor while the Southern countries specialize in producing and exporting primary commodities, natural resources using cheap labor and now cheap, primarily female labor in value chain processes.

- 5) Gender division of labor based on patriarchal ideology which systematically confines women's to the private (domestic) sphere and when necessary incorporates women in the labor force for exploitation at cheap wages of women's special skills.
- 6) Racial division emanating from conquest

1. Pre-Modern Globalization—Colonialism and Imperialism: Conquest

The establishment of plantation economies in the Americas led to the Atlantic slave trade and massive movement of cheap labor via indentureship from India and Asia into the New World. The key movers were the various European states in partnerships with private entrepreneurs/adventurers which evolved into state sponsored companies such as the Dutch and British East India Companies. This period also witnessed intensive international rivalry between countries and among state and quasi state entities.

The end result was the Berlin (1865) conference that officially supervised the division of Africa among the major European powers. The Berlin Conference and its legacy form a re-occurring pattern in the template of globalization. A critical legacy of that era was that the spoils of Africa and the output from the Caribbean formed part of the material basis of the prosperity ushering the twentieth century. Despite current pre-occupations with the de-materialization production, the need for cheap materials and cheap labor sources is still an enduring feature of the new global economy. Today the need is not to bring the labor to the production process but rather with the flexibilization of production to bring the production to the labor hence there is no need for massive labor flows. But there is great emphasis on the free flow of capital and services.

2. Modern Globalization: Neo-Colonialism & Consolidation Control

Similar to the period leading up to the détente of 1865, the debacle of the great depression of the 1930's led to a re-assessment of international trade and the creation of the GATT which inspired reductions of tariffs and other barriers to the movement of goods, capital and service. This was reinforced by the re-alignment (transfer) of power from Great Britain (pax Britannia) to the US (pax Americana) which gave birth to the Bretton Woods system of managing the international trade and monetary system. The Bretton Wood Monetary Wood era which lasted from 1944 to roughly 1973 created the International Monetary Fund and the World Bank which worked in partnership with the GATT and the US military industrial complex to ensure the orderly process of the expansion of the market worldwide.

Throughout this period a certain level of social cohesion was maintained, in Northern countries, by the Keynesian consensus¹ which engineered a concord between workers and the business sector to redistribute some of the largess of capital accumulation in terms of wages and Social welfare program.

Within this framework Northern governments fine-tuned their economies to ensure full employment and provide a social safety net. That the rampant exploitation of the developing countries as well as the labor of certain sectors within OECD economies (notable women and people of color) was key to much of the largesse of capital accumulation was never fully appreciated. However, in the early 1970s, the prices of many commodities critical to industrial production process, such as oil, hithertofore, available in abundance and at cheap prices, rose as many developing countries sought to restructure the terms at which their commodities were sold on the world market. This fact coupled with rising international competition among multinationals in Europe and Japan and American corporations engendered a slow down in accumulation and the demise of the Bretton Wood System.

Some stylized features of Modern Globalization, 1940's-1970's, Modern globalization—neocolonialism, consolidation and control:

- Expansion of America into European, the Caribbean etc. via the Marshall plan, foreign aid etc.
- Driving force: cheap labor, cheap resources (oil, minerals), U.S. corporations
- Dominant economic form and organization in the Caribbean and the Americas: transition from plantation economy to market economy (still based on agriculture with the development of manufacturing capacity). Complex dynamics in Caribbean political economy from independence to indebtedness and Structural adjustment Program → many economies under IMF supervision → issue of sovereignty and independence of economic policy.
- Major economic activity and economic orientation: manufacturing
- Nature of the competitive process: American corporations rule; but competition tempered by East-West (Cold War) Dynamics.
- Economic policy: Keynesian consensus (on economic, political and social policies).
- Systemic governance/or enforcement mechanism: Bretton Woods monetary system and the Bretton Woods Twin (—the International Monetary Fund and the World Bank), the GATT 1947; → Pax Americana; \$ standard (backed by gold).

3. Post Modern Globalization or ‘Colonialism Redux’? or the Matrix re-loaded?

By the mid 1970s's most rich countries experienced high inflation and low output growth. This led to strategies by the business sector and government to improve profitability by promoting economic growth. These strategies include: reorganization of tax system to lessen taxes on corporations; a switch in focus from full employment policy to a single-minded focus on containing inflation; cut backs in government social and

welfare spending; and de-regulation of financial and labor markets. This was spurred on by revolutions in communication, telecommunication, industrial manufacturing and engineering, as well as, in time management. These forces combined to engender the restructuring of the industrial base of the world economy.

Today the driving force behind current process of intensifying global interdependence of markets and production processes are technological change for greater and greater labor saving devices as well as the perpetual creation of new products. This is necessary in order to ensure continuing cycles of profitability.

Late twentieth century globalization, which is by far the most comprehensive and the only one not preceded by a global hot warⁱⁱ, is occurring in a number of ways and is facilitated simultaneously by a number of mechanisms and processes some of which are common to previous periods and some of which are distinctly different.

For instance, the external debt of Less Developing Countries provided the mechanisms for their re-colonization by transnational corporations. Heavily burdened by onerous debt service payments many governments have been induced to adopt very stringent free market policies and regulations, many of which they had hitherto fore rebelled against. Under the guise of structural adjustment programs, administered by the IMF and the World Bank, developing countries' economies have become compliant to the demands and wishes of international financial and industrial corporations. This has occurred without a significant easing of their debtor status.

Simultaneously, as debtor economies were being reined back into the fold, the less indebted, rapid growth economies of South East Asia, most notably, South Korea, Taiwan and etc. were being enfolded by the World Trade Organization (X G.A.T.T.). Complimentary to this is the pervasive proliferation of regional trade agreements such as NAFTA (the North American Free Trade Agreement), the Single Market in Europe, the European Economic Agreement that extends European Community laws to the European Free Trade Area. Not only are these "new" forms of agreement and institutions reshaping and redefining power relations within and among governments but also they could potentially harmonize wages, benefits and standards of living downwards.

The specific Characteristics of the post modern globalization regime can be characterized by the following seven trends:

- 1) The internationalization of production (global restructuring)—driven by the flexibilization of production—that allows corporations to locate production sites in different geographic locations where parts of the products are produced then assembled elsewhere for distribution;
- 2) rapid technological change in information, micro, bio and telecommunications technologies –which affects the competitive position of countries and induced a shift from manufacturing towards services and high technology;

3) Trade liberalization accompanied by attempts to remove all restrictions on foreign direct investment;

4) the rise and extreme mobility of financial capital as a global player and its resulting strong influence on national policies; One of the most persistent and pervasive feature of the current globalization process is the ascendance of finance capital and its ability to promote and ensure adherence to a financial sector liberalization agenda across countries simultaneously as the market for goods and other services are being liberalized.

5) The increasing power of transnational corporations;

‘A discrete number of key manufacturing, service and financial industries dominate trade and investment: banking, insurance, autos, airplanes, computers, semiconductors, electric appliances, steel and machine tools.’ Mature MNCs in the North want to maintain their dominance of these key industries.

6) The re-structuring of the state (with emphasis on reducing the provision of social welfare, privatization, and de-regulation) and increasingly states are ceding more of their power to multilateral frameworks, regional machinery (i.e. WTO, NAFTA, FTAA) and transnational corporations.

7) The formation of regional trade and economic blocks across many groups of countries;

8) Rising flow of Remittances from migrants and immigrants in the North to the South.

In addition there is the increasing emphasis on the privatization of knowledge via the trade related intellectual property agreement of the WTO (TRIPs), the trade in services and information technology, restrictions on the movement of labor.

Some stylized features of Post-modern Globalization (post 1970's—Present—Colonial Redux? The Matrix reloaded? or the Empire strike back?)

- Rise of Germany and Japan; trade blocs, fall of Berlin Wall; dominance of Market ideology, institutions and processes.
- Driving force: technological innovation in production (flexible production) → globalization of production; information, communications, biotechnology etc; de-materialization of production; cheap labor, cheap resources (oil, minerals); transnational corporations (services, financial and industrial).
- Dominant economic form and organization in the Caribbean and the Americas: transition from market economy to ‘free market, structural change from manufacturing to services (some island economies are still based on agriculture with the development of some manufacturing capacity). Complex dynamics in Caribbean political economy from import substitution strategy to export promotion and trade liberalization; regional economic integration process.

- Major economic activity and economic orientation: services and high technology
- Nature of the competitive process: Transnational corporations—EU, Japanese, US; competition between blocs (the EU, NAFTA etc.). Rise of the Asian tigers (recently tamed by financial crisis); and the rise of China.

Economic policy: Neo-liberal economics /ideology (free market and free trade—the so-called Washington Consensus)ⁱⁱⁱ.

- Systemic governance/or enforcement mechanism: International Financial institutions (IMF & World Bank), the World Trade Organization, G-7/8, Trade blocs;→ Pax Americana continues but in the context of multilateralism; \$ has significant rivals: the Euro, the £; floating exchange rate system.

6) The re-structuring of the state (with emphasis on reducing the provision of social welfare, privatization, and de-regulation) and increasingly states are ceding more of their power to multilateral frameworks, regional machinery (i.e. WTO, NAFTA, FTAA) and transnational corporations.

7) The formation of regional trade and economic blocks across many groups of countries;

II. International financial Institutions and globalization

The current globalization process is being facilitated by the World Trade Organization and the International Financial Institutions (IFIs). These Institutions are the International Monetary Fund and the World Bank and a network of regional development banks: the African Development Bank, the Asian Development Bank, the Inter-American Development Bank etc., all under the auspices of the G-8 (US, Britain, France Italy, Germany, Russia, Japan, Canada). These institutions established the architecture for governing the movement of firms, goods, services and capital across the global. They define the terms condition and governance parameters that are necessary for facilitating globalization.

International financial Institutions

International financial institutions (IFIs) oversee and implement key mechanisms that seek to influence the management of exchange rate, monetary regulations, constraints on fiscal and monetary policies and prohibitions against any national regulations that may impact the ability of capital to move and to ensure the convertibility of investment resources.

Developing countries coming out of the colonial experience required external capital in the form of foreign investment, grants and credits. Private capital markets are one source for meeting these needs, while bilateral relation to rich government offers grants etc or

lending on concessional terms as well as foreign aid. IFIs provide access to credit directly or facilitate or leverage such flows by private capital. Thus over time developing countries have build up a significant accumulation of external debt and dependency in the form of foreign aid, private debt, bilateral debt and multilateral debt. Such debt build up cumulated into the external or third world debt crisis which has been an endemic feature of the global political economy since the 1980s.

Since the Debt Crisis of the 1980s engulfed the economies of many countries in Africa, Latin America and the Caribbean, there has been on going concern with the slow down in the pace of economic development and the adverse impacts of this on poverty and human development. This concern with the lack of development arises non-withstanding the dramatic growth of a few countries in the Asia region, especially the dramatic growth, first, of the newly industrialized countries (Hong Kong, Taiwan, South Korea), and, then, of China and India.

In spite of repeated attempts to deal with the consequences of the debt crisis, most recently in the form of the Heavily Indebted poor Countries (HIPC's, 1996 & 1999) initiatives and the Poverty Reduction Strategy Papers (PRSPs, 1999), the G-8 Debt relief (Gleneagles 2005) it was increasingly clear that this piecemeal approach was not working. It was not providing significant release of the burden of debt services on development financing.

It is also increasingly clear that this debt and its servicing has become a powerful lever of control over the trajectory and growth path of developing countries, primarily in Africa and the Caribbean.

This is so, for example, with the coordination of monetary and financial policies that resulted in usuriously high interest rates globally, in part, contributing to the international debt crisis. It also can be seen in the adoption, since the 1980s, of the neo-liberal economic model that generated less friendly grounds for poverty eradication and a corrosively punitive and onerous debt management system. This so-called Washington Consensus (WC) – a one-side and rigidly implemented prescription of domestic deregulation, minimal government, over reliance on the profit motive to allocate economic resources, highly restrictive constraints on public spending, rampant privatization of services, liberalization of markets and monetary and fiscal restraint - has been implicated in the social and economic retrogression, the so-called 'lost decades', in Africa, the Caribbean and Latin America.

Under girding these policies was the fact they were implemented by a host of rigid undemocratic, unfair and extremely untransparent sets of policy conditionalities imposed by the International financial institutions—IMF and World Bank and G-8 Donor governments.

The arrival of the World Trade Organization (1995) and its emphasis on multilateral trade liberalization (such as tariff reduction and intellectual property rights reform) further intensified the constraints on developing countries' budget. While tariff reform led to

decrease of revenue to developing countries budgets, the likely impact of IPR reform and custom reform is a leakage from the budget. The WTO facilitates globalization by allowing for the removal of restrictions on the movement of goods and services across national border. This includes some aspects of the movement of capital through its trade related investment agreement as well as its coherence agenda with the IMF and the World Bank. The movement of natural persons for temporary employment reason is also explored under its (mode IV of the general agreement on trade in services).

III. Opportunities, challenges and constraints for eliminating racism and racial inequality in the global economy

In present conjuncture, the global economy is facing a rapidly escalating financial crisis with contagion effects through the recessionary impacts it will engender and slowing export growth potential for some countries. There is also the oil and rising food prices and the crisis it is engendered for the most vulnerable in net food deficit and oil importing countries, which are the majority of developing countries. Already the newspapers are reporting of tension and riots over food prices in a few countries.

All of these dynamics pose significant challenges and obstacles for the social and economic advancement of peoples of color. In the US., the rapidly escalating financial crisis raise serious issues for homeownership and access to credit for African America homeowners and consumers. Where will the greatest effects of the credit crunch be felt? How will African Americas who are already low on the wealth empowerment and homeownership scale fare? What will be the penultimate effect on the job market? Internationally, these issues will have serious reverberation on poverty reduction processes as well as impact the food security and nutritional status of millions of families.

Arguably, as noted by many social activists, the defeat of Apartheid was the greatest success against racism at end of the twentieth century. But the anticipated process for engendering the economic and social empowerment of the majority of blacks in South Africa, Zimbabwe and Namibia would seem to be stalled or stillbirthed. Likewise, on the global scale instead of having more say over key economic and social decision, the rest of Sub Saharan Africa and the Caribbean as well as the poorer nations in South East Asian are increasingly losing policy decision making over a wide variety of economic and financial policy decisions. Not only are they subject to the discipline of the International financial institutions, they are vulnerable to decisions and actions of the international capital and money market.

The recent attempts at aid reform under the so-called aid effectiveness umbrella of the Paris Declaration would seem to be once again deploying mechanisms and processes that gives donors much more say over a wide spate of critical aspects of national decision making that are critical to the lives of the men, women, girls and boys in these countries. This is so despite the widely heralded principle of 'national ownership'. The reality is that this is a highly conditional process with implications for participation and democracy challenges that could ultimately be detrimental to the social and economic progress of the women, men girls and boys across the globe.

How all of this plays out, will depend, as noted in the introduction on the creativity and steadfastness of national and global civil society in working to ensure that progress continuum its positive momentum and is not derailed. This means exercising great vigilance and care in monitoring global financial and trade institutions policies and programs in order to ensure that they conform to a globalization that is ecologically, environmentally and racial and gender equality centered.

ⁱ The term Keynesian consensus which underpinned the evolution of the (Welfare State) refers to a an understanding between business, labour and government in (primarily the North) which allowed for government intervention in the economy whereby the state attempts to mitigate the most negative effects of the market system, such as unemployment and insufficient income to certain groups through a complex social policy regime which may include different kinds of government income compensation/assistance, income insurance, and social security. The most advanced of such states have elaborate planning systems that utilise macro policies to promote and ensure full employment (see Epstein et al for more on this point.).

ⁱⁱ Many astute observers have pointed out that though there was not a hot war there has been a third world war but it was a silent war. In the words of a Brazilian Trade Unionist, it “is a silent war in which the interest rate is the main weapon.

ⁱⁱⁱ Washington consensus: neo-liberal macroeconomic policies and domestic deregulation; minimal government free market and profit motive to allocate economic resources, constraints on public spending; privatization of services, deregulation of finance and labor markets, liberalization of market, monetary and fiscal restrains-->.deepen social and economic inequality and reinforce marginalization; redistribution has no place; government compromise the interests of citizens to accommodate global forces. Post WC: WC+ good governance agenda, of democracy, participation and community ownership, poverty, exclude gender and racial equality.