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Many of the protesters in Prague may not have mastered the economics of globalisation, but they certainly understand the politics. Their complaints about

the International Monetary Fund and World Bank destroy any pretence that these are global institutions with more than 180 member countries. The truth, of course, is that they are the instruments of a few rich governments, which hold a majority of the dollar-based votes and would rather pretend that all is well in the world than ask their taxpayers to address the urgent problems of the poor.

The US is the most egregious of the lot. A country that has an annual income of \$10,000bn (£6,850bn) scrapes together about \$1bn of development assistance for sub-Saharan Africa - 100th of 1 per cent of its national income. In Nigeria last month, US President Bill Clinton had the temerity to trumpet the US's token support of \$9.4m - 3 cents per American - for the estimated 2.5m sufferers of HIV/ Aids in Nigeria. If he had stayed at home and spared the expense of the trip, he probably could have doubled the amount.

The IMF and World Bank have been mouthpieces of this deceit, with their charade of analysing the «debt sustainability» of the poorest countries. These analyses have nothing to do with debt sustainability in any real sense, since they ignore the needless deaths of millions of people for want of access to basic medicines and nutrition. Money that could be directed towards public health is instead siphoned

off to pay debts owed to western governments and to the IMF and World Bank themselves.

When push comes to shove, the IMF and World Bank side with the creditor interests of the rich countries, even when such policies violate the most basic precepts of market economics. Take the «success» of the Korean bail-out operation. Under the IMF deal, the creditor governments forced Korea to guarantee the repayment of bad debts owed by private Korean banks to private US, European, and Japanese banks. The Korean people are paying billions of dollars in taxes so that their government can make good bad private loans.

The truth is that we need the Bretton Woods institutions - but as truly global institutions representing all of their members, not as creditor collection agencies designed to shield taxpayers in rich countries from bad news about world poverty.

The IMF has a very important role to play in monitoring global financial markets. It even performs the vital function of providing short-term emergency funds to maintain liquidity in international markets and to member countries facing financial panics. It has absolutely no business trying to run dozens of impoverished countries, mainly in Africa, from 19th Street in Washington.

The IMF knows very little about economic development challenges, from disease to tropical agriculture to environmental degradation. Advocates for the poor accept that export-led growth raises incomes of the needy, when based on a steady shift to higher technology goods (as in China and elsewhere in Asia). But the IMF's policy recommendations have left Africa every bit as dependent on primary

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commodities as that impoverished continent was 20 years ago.

The World Bank is equally ineffectual. To shield US taxpayers, it pretended for 20 years that public health disasters in Africa could be solved by «cost recovery» measures imposing higher fees on the poor. It stood by paralysed as HIV/Aids became the greatest pandemic in history and as malaria swept across the continent.

The Bank says poverty alleviation is its main business but directs most of its lending to creditworthy countries not in need of public-sector support. It preaches good governance to the poor countries, but has itself been unable to set meaningful priorities.

The simple truth is that we do not need a public-sector bank at a