

Bristol Dissent! Briefing

INFORMATION FOR ACTION

The G8 - An Introduction

Who is in the G7/8?

- 1975 USA, UK, France, Italy, Germany, Japan
- 1976 Canada (plus the EU has attended since 1977)
- 1998 Russia (observer since 1991)

What is the G8?

- G8 stands for Group of eight major industrial democracies, although not necessarily the 8 richest countries, nor the most democratic!
- It started life as the G6, in France in 1975, as the world was gripped by an oil crisis (déjà vu anyone?) amid fears of worldwide recession & depression. The UK, in a financial crisis, had just received a major loan from the IMF (International Monetary Fund).
- Canada was invited in 1976 at the USA's request as it felt outnumbered by Europe. In practice the USA, and its corporations, dominate the G8.
- The aim was to deal with the major economic & political issues of the day, to ensure a growing global economy and increasing global profits the management of capitalism, or more bluntly global governance.
- The G8 has no HQ, offices, constitution, rulebook, nor legal standing.
- It is an ad hoc club for the worlds ruling elite, attempting to dictate the course of world events and enforcing its will upon the worlds economy.
- With the collapse of the Soviet Bloc, Russia was allowed in from the cold as an observer from 1991, and full club member in 1998. Russia will take its turn to host the G8 in 2006. Host status among the G8 rotates annually, with the host acting as chair. However it remains excluded from some meetings, hence the G7 still exists.
- Confusingly the G8 has a 9th member, the EU (a 25 country bloc) in recognition of its economic power, although it cannot have host status.

So what is the G20?

- The G20 is an appendage of the G8, and includes the G8 plus the next 11 most economically powerful and/or strategically important nations, for obvious reasons. China, India, Argentina, Brazil, Turkey & Saudi Arabia are in this group.

- It is a forum of finance ministers & central bank governors from the 20 members, that seeks to achieve stable & sustainable world growth that benefits all.
- China and India are the likely next additions to the G8, purely because of their economic power and growth.

How does the G8 work?

- The G8 has an annual showpiece summit located somewhere in the host state hence Gleneagles in the UK, in July 2005. The host to a degree dictates the agenda.
- Blair, as current leader of the UK, is focusing on Africa (via his Commission to Africa), climate change, and sustainability. The Middle East may well crop up too!
- Russias recent ratification of the Kyoto agreement is merely a ploy to gain entry to the WTO (World Trade Organisation). They, along with the US, China & India produce so many harmful emissions that implementation of Kyoto is worthless, so expect



disagreement on climate change.

- Ministers & advisers from the G7/8 meet all year round at Ministerials, along with reps from other countries they want to influence, in attempts to smooth and calm political and economic crisis, and keep the global economy flowing & growing.
- Basically the G8 impresses on everyone that it is in everyone's best interests - to do what the G8 says. Simple as that, best summed up as the carrot and stick approach.

The G8, IMF, WB & WTO

- The G8 operates like an unseen hand through the IMF, WB (World Bank, or International Bank for Reconstruction & Development), and WTO.
- The IMF & WB were formed as part of the Bretton Woods agreement in 1944 to sort out the economic & political mess caused by the second world war and the worldwide depression in the 1930s.
- Presently, the G8 controls about 45% of votes on their boards, as opposed to say the 3% of votes going to the worlds 41 most indebted nations.
- The third major institution at the G8's bidding is the WTO, formed in 1995 to govern international trade relations, in the interests of the then G7 of course.
- All these institutions are massively influenced by the major corporations, who also employ some of the politicians, be it in the past, present or future (ie Dick Cheney at Halliburton)!
- So whilst the G8 does the politicking & outline policy forming, the IMF, WB & WTO are its cash collectors, and along with the United Nations (UN), also its enforcers.
- Their carrot is loans, aid, debt relief, investment, trade agreements, expertise, military & logistical support; their stick is debt collection, trade barriers & tariffs, economic restructuring, political & military intervention, the war on terror, famine & disease.

The G8 & Globalisation

- Globalisation is fundamentally the rule of the market economy via the removal of barriers to free trade and the closer integration of national economies, which is just what the G8 and its enforcers want.
- It accelerated from the late 1970's, pushed by the ideology of neo-liberalisation, and encouraged by its political acolytes Thatcher & Reagan. It worked, the top 20% have got incredibly richer, the top 10% even more so. The rich/poor divide in the west, and the global north/south divide, has been increased.
- Globalisation lies behind most of what happens in the world today. France, Germany & Russia may have appeared opposed to the war in Iraq, but they agree with the principle of opening up Iraq and other Arab states to market forces via globalisation. They just weren't keen on the process, and the sight of the US marching roughshod over their views to gain greater control of the area than them.

The G8 & Bristol?

- The G8 & globalisation in practical terms means opening up every sector of a nations economy to the market economy. In the UK, the post-war consensus on the UK's large public sector was smashed by Thatcher & her Tories, who set out to sell-off and privatise the lot.
- Blair's New Labour has continued this process. His Third Way is a little more subtle, talking about Public/Private Initiatives, internal markets (the NHS), and regeneration, but the result is the same.
- So we have the ongoing privatisation of the public sector, welfare state, public housing, transport networks, utilities (gas, water, leccy); the casualisation of labour (jobs) through insecurity & short-term contracts, and union-bashing; cutbacks in benefits both in real terms and by making them harder to claim (sickness & disability benefits cuts are up next); manipulation of people's savings & pensions funds through speculation by banks, financial institutions & stock markets; the movement of finance, investment & jobs to wherever labour is cheaper & profits greater; and the exploitation of the developing world's resources & labour markets.
- Regeneration schemes of poorer areas - City Challenge, Neighbourhood Renewal, Communities at Heart etc - sound good, but in practice its another way of funnelling money to the private sector. Mainly public money (taxes), coming via local & central government, and the EU, is used to pay private contractors & consultants. It may create some jobs, but at the end of the day the firms involved are in it for a profit.
- The regeneration of former industrial areas, such as Bristol's harbourside, and older commercial centres, such as Broadmead, is facilitated by yet more public money. Along with land deals and tax breaks, this enables private developers, backed by international investors, to move in and cash in.

More info:

www.g7.utoronto.ca
www.g20.org
www.g8.gov.uk
www.corporatewatch.org.uk
www.ifivatchnet.org