

(re)distributing wealth around the globe



NEOLIBERALISM

- Ideology that favors unregulated market economy.
- Privatization of the world.
- Transform publicly run/owned services to private ownership (post-office, railroads).



NEOLIBERALISM

- Deregulation of state functions and the
- Elimination of the state from the provision of social support
- **The sanctity of private property.**



NEOLIBERALISM

- A global project?
- Redefining our cities and the movement of people and money around the globe.
- Nation-states becoming less recognizable & influential – who is governing?



Refugees on a Privatized Planet

Is the nation-state still the basic unit of **sovereignty** across the globe?

Neoliberalism represents an effort to take the responsibility of governance and control away from the nation-state.

The authority of a group to govern itself.

Neoliberalism places power and control in commercial institutions, as opposed to democratic institutions.

Refugees on a Privatized Planet

Neoliberalists believe human well-being is best assured through means of private property, and the government's sole role is to secure legitimacy of private property claims.

Refugees on a Privatized Planet

Neoliberalists believe human well-being is best assured through means of private property, and the government's sole role is to secure legitimacy of private property claims.



Refugees on a Privatized Planet

Neoliberalists believe human well-being is best assured through means of private property, and the government's sole role is to secure legitimacy of private property claims.

**The positive spin:
Individual liberty and
freedom taken as tenets
of neoliberal ideology.**

Doing Business Globally



Panama

Tax Havens

LOCATIONS IN OFFSHORE TAX JURISDICTIONS

When you hear "tax haven" you probably picture a small island with great weather and accommodating tax and banking systems. While you wouldn't be entirely wrong, you'd only be seeing part of the picture. The IMF identifies over 60 'offshore financial centres' around the world, some of which you might find surprising...

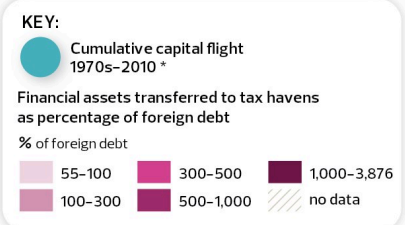
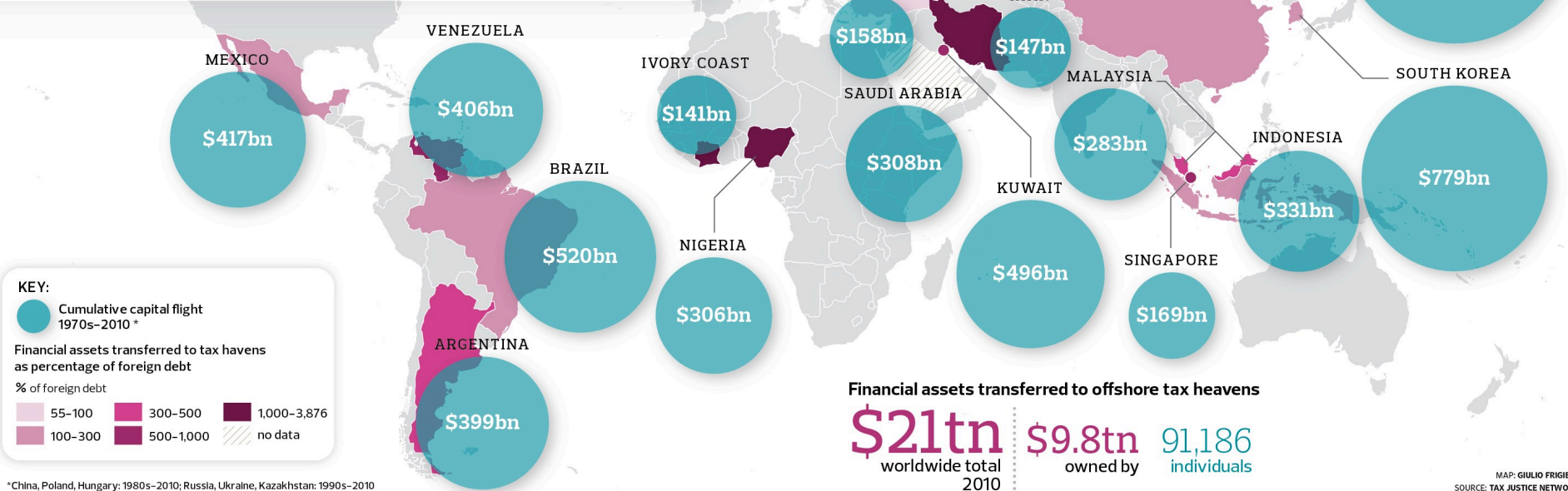
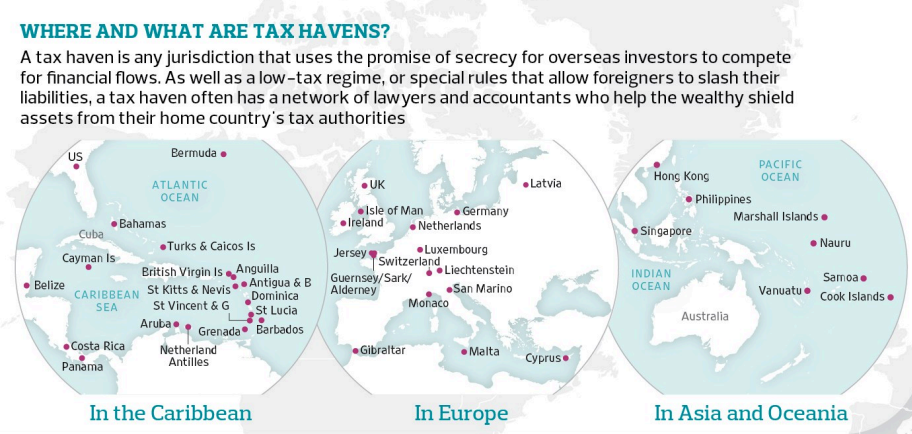


■ COUNTRY
 ■ CITY
 ■ ISLAND/POLITICAL REGION



Tax Havens

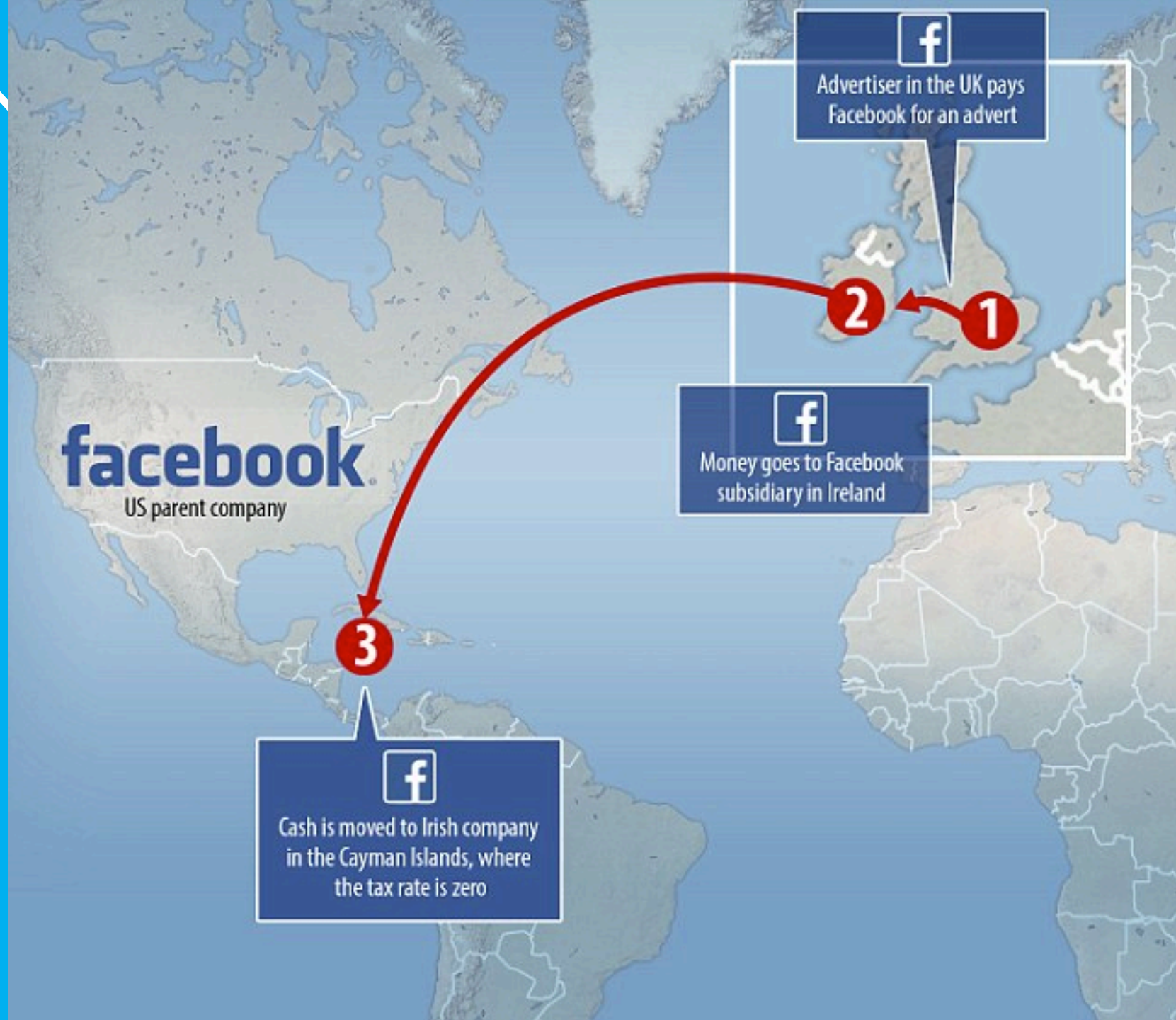
CAPITAL FLIGHT FROM DEVELOPING COUNTRIES: THE TOP 20 LOSERS



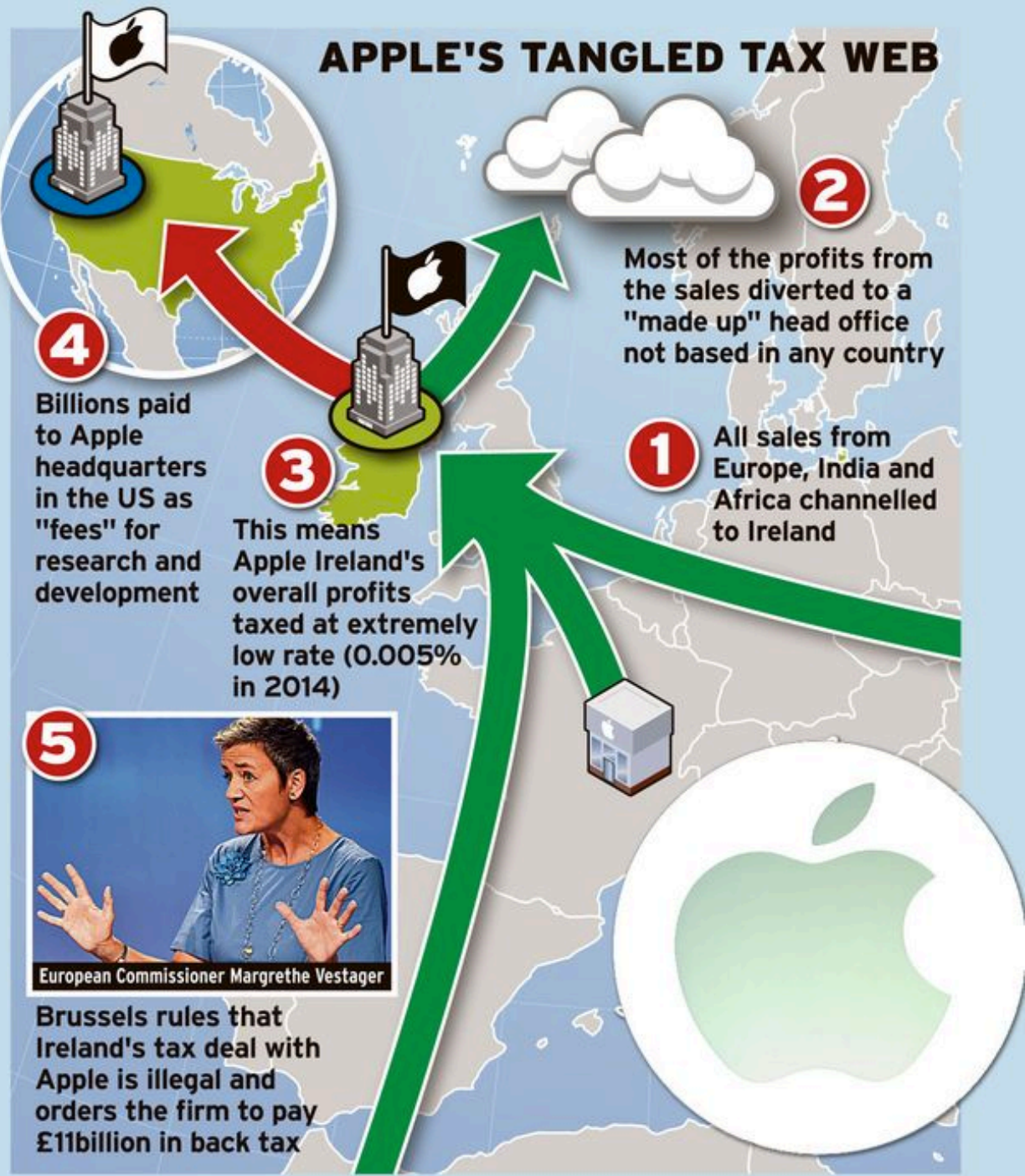
*China, Poland, Hungary: 1980s-2010; Russia, Ukraine, Kazakhstan: 1990s-2010

Tax Havens





APPLE'S TANGLED TAX WEB



4

Billions paid to Apple headquarters in the US as "fees" for research and development

2

Most of the profits from the sales diverted to a "made up" head office not based in any country

3

This means Apple Ireland's overall profits taxed at extremely low rate (0.005% in 2014)

1

All sales from Europe, India and Africa channelled to Ireland

5



European Commissioner Margrethe Vestager

Brussels rules that Ireland's tax deal with Apple is illegal and orders the firm to pay £11billion in back tax



Doing Business Globally



Panama

Doing Business Globally



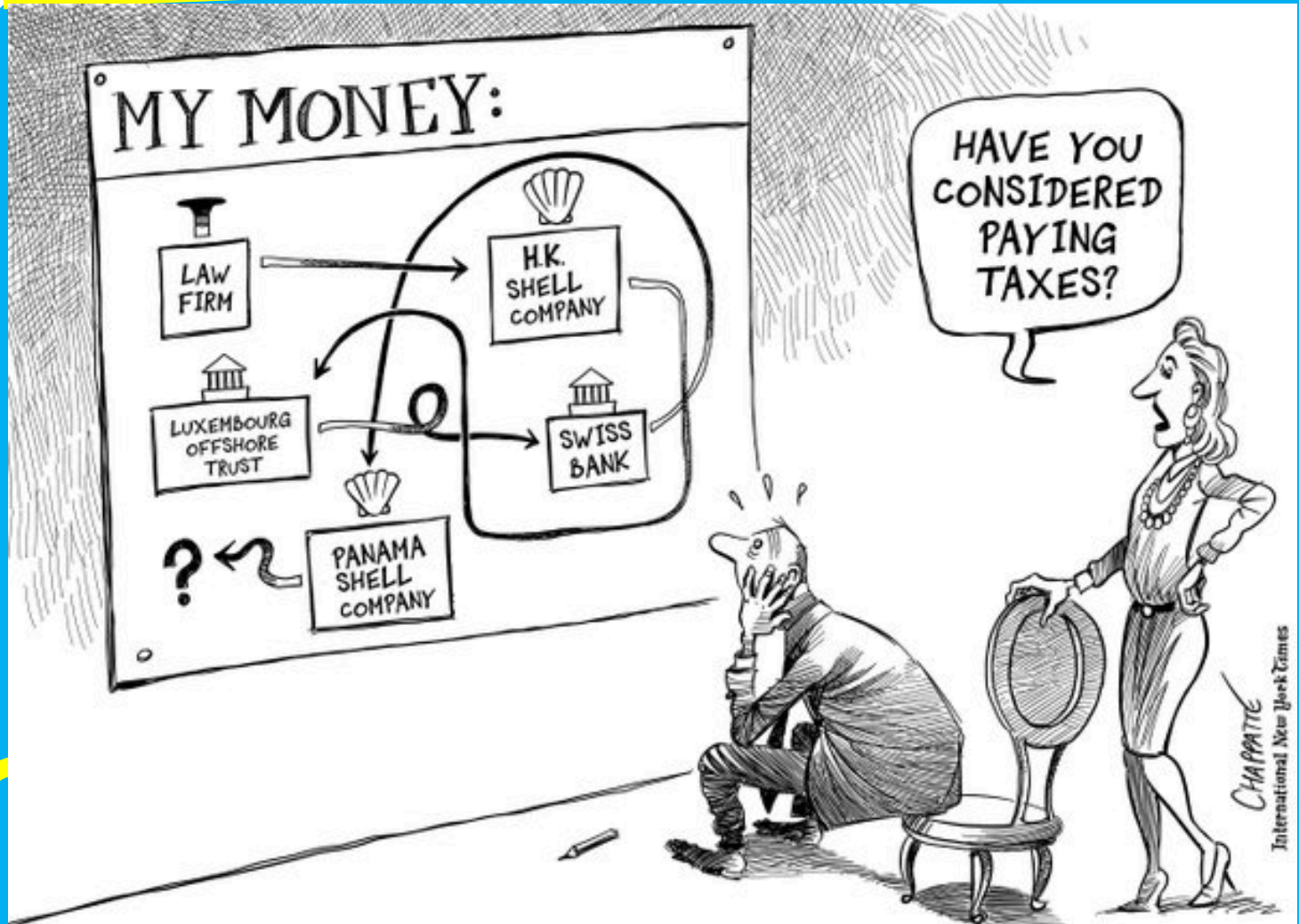
**PARADISE
PAPERS**

ICIJ



Paradise!

Doing Business Globally



Par

Refugees on a Privatized Planet

IMF (International Monetary Fund)

- Governs international finance.
- Serves as international debt collector (enforcer).
- The IMF mandates the conditions of loan refinancing and repayment.
- Thus any nation-state that is in debt has its economic policy dictated by the IMF.
- The IMF is run by neoliberals, thus indebted nations are forced to privatize sectors of their society...

Refugees on a Privatized Planet

IMF (International Monetary Fund)

- ... Which means cutting welfare services, cutting free health care, free education, public utilities, maintenance of food reserves.
- These services become privatized, opening them up for privatization (commercial interest, as opposed to democratic).
- This has led to 30 years of money flowing from poorest countries to richest.

Refugees on a Privatized Planet

IMF (International Monetary Fund)

- ... Which means cutting welfare services, cutting health care, free education, public utilities,
- ***But wait! Why is there so much debt in the first place???***
- up for privatization (vs. nationalized, or state-owned, or state controlled, or state opposed to democratic).
- This has led to 30 years of money flowing from poorest countries to richest.

Refugees on a Privatized Planet

DEBT

“By the 1970s something was needed: the opening of markets, of new spaces for investment, and clear fields where financial powers could operate securely. This entailed a much closer integration of the global economy with a well-defined financial architecture. The IMF and the WTO provided vehicles through which financial and market power could be exercised.”

Refugees on a Privatized Planet

DEBT

“By the 1
of market
fields who
securely.
the global
architecture
vehicles
could be



d: the opening
ment, and clear
operate
integration of
ed financial
provided
market power

Refugees on a Privatized Planet

DEBT

Debt is about opening new
markets for the growth of capital.

*Accumulation by
dispossession*

Refugees on a Privatized Planet

DEBT

Brief history:

- Booming economic growth of post-war years (1945 to 1975) produces wealth, which is by-in-large deposited into Western banks.
- Banks convince developing (non-industrialized) countries to take out loans so they can modernize* their infrastructure.

*modernize = make like America's

Refugees on a Privatized Planet

DEBT

Brief history:

- Shifts in U.S. monetary policy send interest rates on these loans to 20%.
- Unable to payback* loans and forced into bankruptcy, many nations, including Mexico, had to agree to structural adjustment.

*Many nations actually paid back the initial amount several times over, but due to compound interest still owe.

Refugees on a Privatized Planet

DEBT

Brief history:

- This meant privatization, “opening up new fields for capital accumulation in domains formerly regarded off-limits to the calculus of profitability. Public utilities of all kinds (water, telecommunications, transportation), social welfare provision (public housing, education, health care, pensions), public institutions (such as universities, research laboratories, prisons), and even warfare (as illustrated by the army of private contractors operating alongside the armed forces in Iraq) have all been privatized.”

Refugees on a Privatized Planet

DEBT

Brief history:

- “Debt crises in individual countries, uncommon in the 1960s, became frequent during the 1980s and 1990s. Hardly any developing country remained untouched and in some cases, as in Latin America, such crises were frequent enough to be considered endemic. These debt crises were orchestrated, managed, and controlled to redistribute assets during the 1980s and 1990s.”

Refugees on a Privatized Planet

DEBT

Brief history:

- “Debt crises in individual countries uncommon in the

The total daily turnover of financial transactions in international markets that stood at \$2.3 billion in 1983 had risen to \$130 billion by 2001.

managed, and controlled to redistribute assets during the 1980s and 1990s.”

Refugees on a Privatized Planet

DEBT

Brief history:

“Natural resources: earth, forest, water, air – these are the assets that the state holds in trust for the people it represents. . . . To snatch these away and sell them to private companies is a process of barbaric dispossession on a scale that has no parallel in history.”

Private contractors operating alongside the armed forces in Iraq) have all been privatized.”

Refugees on a Privatized Planet

DEBT

Brief History

-

**The wave of creative
destruction neoliberalization
has visited across the globe
is unparalleled.**

illustrated by the army of private contractors (and contractors alongside the armed forces in Iraq) have all been privatized.”

Refugees on a Privatized Planet

DEBT

Brief history:

“The lack of elementary accountability or democratic control over institutions such as the IMF, the WTO, and the World Bank, to say nothing of the great private power of financial institutions, makes a mockery of any credible concern about democratization.”

privatized.”

Refugees on a Privatized Planet

DEBT

Brief history:

“The lack of elementary
or democratic

It gets worse!

...of the
...of the great
...power of financial institutions,
makes a mockery of any credible
concern about democratization.”

privatized.”

Refugees on a Privatized Planet

DEBT

Brief history:

- Many of the initial loans handed out in the late '70s and 80s were accepted by third-world governments run by unelected despots that had been economically and militarily supported by the U.S. (to prevent the spread of competing economic systems).

Refugees on a Privatized Planet

Brief history: **DEBT**

- Should populations who never elected the leaders or chose the conditions of their loans be forced to pay them back?
- Some loans are supposed to go unpaid. Western banks' loans to unstable dictatorships were RISKY loans, if they were smart and prudent the banks wouldn't have made these loans, but international governance through the IMF and G-8 assures that they can collect on these loans indefinitely.

Refugees on a Privatized Planet

Sovereignty

Nation-states and the people they represent have been stripped of their sovereignty through financialization.

Banking and financial institutions control foreign & economic policy.

Refugees on a Privatized Planet

Sovereignty

IRAQ:

The conditions of the hand over of control back to Iraq after U.S. occupation: “the full privatization of public enterprises, full ownership rights by foreign firms, full repatriation of foreign profits . . . the opening of Iraq’s banks to foreign control, national treatment for foreign companies and . . . the elimination of nearly all trade barriers.”

Refugees on a Privatized Planet

Sovereignty

IRAQ:

“What the United States evidently sought to impose upon Iraq was a full-fledged neoliberal state apparatus whose fundamental mission was and is to facilitate conditions for profitable capital accumulation for all comers, Iraqis and foreigners alike.”

Refugees on a Privatized Planet



Refugees on a Privatized Planet

