

The World Bank Report, “Doing Business” A Summary of Neoliberal Policy

In 2009, at the height of a global crisis that sent the number of unemployed shooting skywards, the World Bank continued to advocate the elimination of social protection for workers. In its report, “Doing Business 2010,” its largest circulation annual review published in September 2009, the Bank explains its strategy for fighting the informal economy by emphasizing that “states with more flexible employment regulations saw a 25% larger decrease in informal firms.” The objective is to constantly reinforce the rights of investors and private property to the detriment of social rights. In fact to establish its ranking of most “developed” economies, the World Bank uses an indicator relating to the hiring and firing of workers. The more a country's legislation facilitates firing, the better it places in the ranking.

Rwanda in 2009 showed the greatest progress- employers are no longer obliged to organize prior consultation with employees' representatives (concerning reorganization) or to give notice to the labor inspectorate. On the other hand, Portugal has gone down in the ranking for extending the notice of termination period by two weeks.

The Bank and the Fund go hand in hand.

The IMF and the World Bank were created out of the Bretton Woods agreements in 1944. They were established to help with the reconstruction of Europe after WWII.

The World Bank considerably increased its loans to the Third World from 1968 onward, with Robert McNamara as head of its board.

McNamara's arrival in 1968 marked a change in World Bank policies. It started using debts as a geopolitical weapon. From 1968 to 1973 (five years) the World Bank granted more loans than it had in the past twenty three years (1945 to 1968).

McNamara pushes countries of the South to accept the conditions of these loans, pointless infrastructures, insufficient social budgets, expensive dams erected in destroyed landscapes, and crushing debts. The bait was simple: cash made available to governments without any attempt at curbing corruption and embezzlement.

How the World Bank Functions

The World Bank includes the International Bank for Reconstruction and Development (IBRD), and the International Development Association (IDA). The IBRD's initial objective as to supply public capital for the reconstruction of Europe after WWII. The IDA gives loans to the poorest countries.

From 1945 to 2007, the IBRD lent \$433 billion to its various borrowers, and the IDA committed itself for \$181 Billion. As of 2005, the World Bank had \$200 billion in outstanding credit.

Each member country appoints a governor as its representative. They meet once a year to and decide on things such as accepting new member countries, and preparing the annual budget. A Board of Executive Directors is made up of 24 members. The U.S., Japan, Germany, France, U.K., Saudi Arabia, China, and Russia all get a director to represent them. He remaining 16 are appointed by groups of countries with often surprising boundaries: a rich country is usually associated with a group of developing countries, and the rich country is usually the one who holds a seat at the Board, and votes for the rest.

The World Bank stated in a 1995 report entitled "Workers in an Integrating World" (Authors Emphasis)

Through the obstacles it places to job creation, overly restrictive job-security regulations threaten to protect those in salaried positions **at the expense of excluded sectors, the unemployed and workers in the informal and rural sectors.**

Down with job security! It thrives at the expense of the oppressed!

There is good reason to fear that those who most benefit from social security -- usually well-off workers-- do so **at the expense of other workers.**

Down with social security!

There can be no doubt that trade unions often behave like monopolies to secure improvements in wages and working conditions for their members **at the expense of** holders of capital, consumers and **the non-unionized workforce.**

Down with trade unions!

Citations

A Glance in the Rearview Mirror Eric Toussaint

Debt, The IMF, and the
World Bank
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This small tome cannot hope to elaborate in its entirety the World Bank. It was made to shine more light into one of the darkest corners of global finance, and expose the Bank for the fraud it is. Much has yet to be written, much has yet to be done.

The World Bank

An Introduction

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The author finds himself unable to avoid preconceived notions, and strong bias when writing this, and any other pieces about the World Bank. He finds himself at a loss of objectivity concerning this emotion-laden matter.

