

## **Put People First!**

### **G20, Stop Making People Pay for the Crisis!**

#### **Joint Declaration Concerning the G20 Summit in Seoul(November 10<sup>th</sup>)**

The economic crisis that struck the world in 2007-2009 is evidence of the failure of neoliberal financial globalisation, which has dominated the world for the last several decades, propelling financialisation, labour flexibilisation, market liberalisation, free trade, and privatisation. Large-scale financial capital has using speculation and economic bubbles to accumulate great wealth, making the world its stage. At the same time, social injustice and inequality have increased greatly over the last 20 years. Deregulation of the financial market and financial innovation have only meant growing hazard for the world's people. Neoliberal financial globalisation has caused the continuation and deepening of climate change, the energy crisis, the food supply crisis, unemployment and poverty.

Those responsible for the crisis have not been made to pay for it. This method of recovery is not only unjust, it is also unsustainable. In addition, efforts to eradicate the fundamental causes of the crisis are being ignored or put off.

It must be clearly stated: The only way to truly exit the crisis is to put an end to neoliberal policies and bring about fundamental change.

As soon as the economic crisis spread to the rest of the world, the United States and dominant countries in Europe moved quickly to strengthen the G20 as the body charged with solving the crisis. However, the countries leading the G20--the United States and the rest of the G8--are the ones most responsible for creating poverty and inequality by spreading neoliberalism around the world. Moreover, the G20 excludes the vast majority of developing countries. The G20, therefore, is neither legitimate nor representative.

While the G20 has said it seeks to solve the economic crisis it is not, in fact, confronting the central issues of neoliberal policies, the power of financial capital, and inequality and social crisis around the world. The G20 has no real interest in fundamental transformation of the hegemonic system that has ruled the world for the last 30 years, as can be seen in its reinstatement of the IMF. Far from being able to solve the global economic and financial crises, the G20 Summit is only finding ways to spread the cost of the crisis around.

#### **OUR DEMANDS**

##### **1) Stop making common people pay for the economic crisis!**

As the economic crisis hit, countries around the world responded by devoting massive resources to financial bailouts. Funds were drawn from the pockets of common people without any attention to making the speculators who had caused the crisis shoulder the burden. This theft is explained as “growth friendly consolidation” which we know means reduction of social welfare and the weakening of social protection.

##### **2) Full and immediate regulation and control of financial capital!**

One of the main causes of increasing instability in the global financial system is that banks have abandoned their role of supporting the real economy by meeting the need for credit and have, instead, become dominating actors in financial speculation. The nonbank activities banks engage in must be drastically restricted. Multilateral investment agreements and free trade agreements (FTAs) must be completely reevaluated, as must be the moves towards deregulation in individual countries.

Concrete and direct controls and/or taxes must be imposed on hedge funds, private equity funds, financial commodities that transfer credit risk, tax havens, and offshore financial centres. This regulation of financial sector will not be possible without ending opacity and improving international accounting standards. In order to address capital flights and tax evasion the priority should be to enhance transparency of all multinational companies' activities by endorsing a country-by-country financial reporting standard.

We demand that a tax on financial transactions be imposed throughout the world so that financial markets are no longer playgrounds for speculators but instead made into a system that supports social and community welfare.

In order to deter excessive speculation by large banks, and end the 'privatisation of profit and socialisation of loss' a bank tax must also be implemented worldwide.

International financial institutions such as the IMF and the World Bank must be fundamentally reformed and their power greatly restricted. The slight adjustment of the IMF quota system being pursued has nothing to do with fundamental reform. Fundamental reform has to begin with a thorough re-evaluation of the management and activities of international financial institutions, which have, to this point, been based on neoliberal doctrine and the excessive power of a few dominant countries and technocrats.

For several decades now, international financial institutions have used money as a weapon to impose the same neoliberal structural adjustment program--financial market liberalization, cultivation of cash crops, increase of interest rates, reduction of wages and pensions, increase in the cost of public services and privatisation of public enterprises--on countries around the world. Forced structural adjustment must end immediately.

### **3) Create an Alternative and Socially Just World**

#### **-Labour and Employment**

Unemployment has increased dramatically since the financial crisis and in addition, low-paid precarious jobs have risen as a result of the flexibilisation of labour. The economic crisis is making these problems worse, putting further pressure on employment and wages. Conditions are even worse for the tens of millions of migrants who are being denied basic human rights. We demand decent jobs with stable and appropriate wages and good working conditions.

#### **- Environment and Climate Change**

Climate change is an urgent problem, which requires immediate action. World leaders must come to an agreement on reducing greenhouse gases based on a shared vision. We denounce false solutions such as the expansion of nuclear energy, technologies like carbon capture & storage and carbon trading which only hinder and even aggravate climate change. Solutions must be based on direct reduction of greenhouse gases by ending the overconsumption of the rich and middle class.

Many governments want to use market-based solutions to climate change as a chance for industrial development. In South Korea, the Lee Myung-bak administration is promoting the 4 River Restoration Project as "green growth" even though 70% of citizens oppose it. These harmful policies of "Green Wash to Green Growth" must be stopped.

#### **- Poverty and Development**

The Korean government, as a chair of G20 Seoul Summit, has put development on the official agenda of the Summit. Yet, we are deeply concerned about the government's emphasis on 'economic growth-oriented development' as it does not incorporate the values of democracy, human rights, ecological sustainability and gender equality. Therefore, we cannot but ask the question of 'development for whom'. Such a framework which aims to boost the demands in the developing countries seems to serve more the interests of the developed countries rather than that of the developing countries.

This framework of neoliberalism and corporate globalization are responsible for the worsening of global inequality and poverty. We demand the cancellation of external debt of the global south to allow them to have real sustainable development.

### - Alternatives to neoliberal free trade

For decades, the WTO has forced countries around the world to open their markets. The volume of global trade has increased tremendously, but free trade, which follows the logic of profit, has destroyed local economies, agriculture and people's livelihood. The Doha Development Agenda, which covers not only industrial goods, but also agriculture, services and intellectual property rights, and seeks to expand the area of "free trade" will only worsen this situation, as will FTAs, which aim to abolish all kinds of regulations in order to maximize the rights of corporations and investors.

The G20 intends to protect the existing system, emphasising the logic of free trade and urging a conclusion of the DDA. We reject the free trade ideology, which glorifies the abolition of tariffs and regulatory measures. We need an alternative trade system that recognises universal rights, including labour and civil rights and environmental standards. The right of governments to formulate policies appropriate for regional and national economies, and which protect public interests, must not be violated.

### - Agriculture and Food Sovereignty

In the global food and agriculture regime, the transnational corporations try to take full control of everything from the seed to the food on the table. They also threaten food safety by the promotion of more chemicals in fertilizers and pesticides. Furthermore the big industrial farming TNCs are pushing the small scale farmers and peasants to become agricultural workers. Agrofuel production and speculation on food are seriously deepening the hunger problem adding to the 1 billion who are already suffering from hunger. Bilateral and bi-regional trade agreements like FTAs and EPAs do not value agriculture as a livelihood and way of life and instead treat it as an industry and source of profit. Furthermore, the recent cases of land grabbing and vicious policies have wrested the livelihoods from the small-scale farmers and their families and have occupied their lands.

Our answer to solve these problems is food sovereignty. Food sovereignty is the people's right to decide its own local food and agriculture production systems. Food sovereignty respects the small farmers' right to produce sustainably and the consumers' right to eat safe, healthy, and culturally appropriate food. We demand regulations on transnational food corporations on the national and international level to put an end to the commodification of food, land and agriculture.

### - Peace and Demilitarization

Increasing military spending and vicious wars are main causes of the global economic and financial crisis. Governments should invest, not in weapons and wars that exacerbate conflict and stimulate acts of revenge, but in relief for common people who have fallen victim to the economic crisis. The total amount spent on the destructive wars in Iraq and Afghanistan was more than the \$985 billion allocated by international financial institutions for emergency bailout funds in the wake of global financial crisis. Global military spending for 2009 amounted to \$1.5 trillion. This amount of money could pay off more than 1/3 of the foreign debts owed by countries around the world.

Leading countries in the G20 have supported the wars in Iraq and Afghanistan politically and militarily despite popular public opposition to these wars. They must stop the war and withdraw their troops from Afghanistan.

### - Gender Equality

The Financial crisis is the crisis of women. The G20's sound fiscal policy based on the measure to cut down on welfare spending will lead to increase in women's unpaid care work and exacerbate feminization of poverty, thus resulting in shifting burden of the financial crisis on women. Gender equality issue should be considered as a cross-cutting issue within the G20 discourse. 1) The G20 should include plans to create decent job and social safety net for women and expand public fund investment on care service. 2) The G20 Summit should make an agreement on financial transaction tax and 70% of the FTT should be allocated for antipoverty and empowering measures for women and the group alienated from the financial sector. 3) The

G20 development agenda should integrate gender equality issue and be connected to the UN Millennium Development Goals. 4) The G20 should abolish neoliberal agricultural policies putting more women farmers into poverty. 5) The G20 should stop the wars worsening economic instability and increase women's seats in the peace negotiation table. 6) We, Gender Justice Action group, strongly urge the G20 to establish the Gender Equality Working Group for integration of gender equality issue to the G20 agenda and to monitor its implementation.

#### **4) Respect the right to freedom of assembly and protest, and all civil rights**

We are gravely concerned on the fact that oppressive and violent measures such as those used in the Toronto G20 Summit are being systematised as a new kind of international standard. With each summit and ministerial meeting, efforts to repress people's opposition are becoming more and more widespread.

The situation is the same here in South Korea. The government of Lee Myung-bak, the chair of the upcoming Summit, has been ruthlessly policing street vendors and homeless people, saying that it is 'cleaning up' the streets ahead of the Summit. The government has also been carrying out an indiscriminate crackdown on migrant workers, saying these measures are necessary to prevent acts of terrorism. The government has also passed a Special Law which legalises the mobilisation of the army to ensure the safety of the G20 Summit, and makes possible complete blockage of protests and demonstrations. The government has also prevented the entry of social movement and civil society representatives into the country by the denial of their visas and their deportation from Korea.

We demand that the basic civil rights of freedom of expression, freedom of assembly and freedom of protest must be guaranteed in all circumstances.

#### **Another World is Possible**

Capitalist globalisation and the globalisation of poverty, which have dominated the world for the last 30 years must be transformed into an alternative system that is just and equitable.

Another world--one which has overcome neoliberalism and the power of capital--is possible. Let us move forward towards a fair and ecologically sustainable society through solidarity between national and international social movements. Today, let us show the world that we, the people, and not the G20 governments, are the real alternative.