GlobalResearch
Center for Research on Globalization

World Bank 'Development' Driving – Not Solving – Inequality, Poverty and Concentration of Wealth

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Global Research, April 09, 2014
Common Dreams

Theme: Global Economy, Media Disinformation

The thing about "international development" is that it's a bit of a murky, catch-all term. It's got a good feel to it – if you're involved in international development, you're more often than not seen as one of the good guys. It's swirling about in a bucket of meaning alongside "foreign aid" and "disaster relief". It's about "doing good", which is about helping people improve their situation, right? It could be helping people escape from the ruins of an earthquake or the ruins of economic mismanagement but that's what "international development" is generally understood to be about.

How would you feel, then, if you could be convinced that "international development" was a term hiding something darker, less altruistic and far more self-interested? What if the people charged with leading global the development were actually doing more for the 1% than the 99%?

Because the World Bank, with its $30 billion annually budget, is doing just that, and causing misery and environmental destruction along the way.

The Bank's mission is to "[E]nd poverty within a generation and boost shared prosperity." Like almost all governments and multilateral institutions, the Bank subscribes to the current economic orthodoxy in as much as all of its models for poverty reduction have economic growth as a prerequisite. For the purposes of this argument, whether they are right or not is a secondary, albeit not irrelevant point. The primary point is that it is such a given that almost any sort of growth is considered positive. If it can go on a country's books as growth – in the form of GDP – it's good.

The next pillar of belief is that for developing countries to develop, they must be connected to global markets. They must be able to sell what they have to the people who want it. Oil, grain, rare earth, cotton, diamonds . . . in fact practically any natural resource, preferably in its raw form. And these days, one of the things that developing countries have that others want is arable land. Rich and powerful people aren't stupid; much as political leaders may prevaricate over climate change politically, the 1% know what's coming. They know that land – especially land connected to water – is going to become increasingly rare, and therefore increasingly valuable. It is already in huge demand, both by those looking to build industrial, often monoculture operations, and those looking to turn a quick buck by playing the market.

The thing is, practically all of the land being traded is already owned, mostly by smallholder farmers, pastoralists and Indigenous People; exactly the sort of people "international development" is supposed to be about. Unfortunately, for millions of such people, from

Cambodia to Ethiopia to Guatemala, however, they don't have the right paperwork. The fact that they have been tending the same land for generations, or that they are already feeding 80% of the developing world, or that their methods are environmentally sustainable where industrial agriculture is hugely toxic, is irrelevant. No paperwork, no claim. Or, more to the point, no paperwork, therefore their land must belong to the government, and therefore it becomes visible to the world as a tradable asset.

Enter the World Bank.

Through a system called the *Doing Business* (DB)rankings, the Bank uses its considerable financial and political power to make it as easy as possible for these now visible and tradable assets to, well, be traded, in huge plots. And the only people with the capital to buy assets on that scale are the 1%, in the guise of foreign corporations or local elites. So the people the World Bank is helping are the 1%. But wait, you may well cry, investment brings jobs and tax revenue and expertise to a country; that is development! It would be if it did. In far to many cases, however, corporations are given tax breaks, and jobs and expertise are firstly often scant, because industrial farming is designed to operate with minimal human input, and secondly because even those few jobs that do exist are more often than not kept in a relatively closed loop of expat workers or a handful of local people. It does do one critical thing, though. It brings more economic activity into the country than previously existed, which registers as growth. Never mind that little or none of it actually benefits the country, as it is whisked away through tax havens as soon as it appears. It is, briefly, there. And so it seems perfectly logical to the World Bank because they are, in theory, helping developing countries connect to global markets, and thereby achieve economic – GDP – growth.

It works by technocrats in Washington awarding points to countries when they act in favor of the "ease of doing business" and then publishing an annual ranking in a report they are very proud to claim, "has served as an incomparable catalyst for business reform initiatives". In other words, reforms that service the needs of intensive, large-scale international business are rewarded and ones judged to stand in its way are punished.

For example, the fewer regulations there are on the purchase land, the higher the rating, with maximum points being awarded to countries with total freedom of purchase. More modest corporate taxation gets some reward; most points are awarded for zero corporate taxation. Countries are even punished for offering their workers minimum wages. It is the neoliberal blueprint for economic development: low corporate taxation, low worker wages and protection, maximum privitisation and minimal standards of environmental protection. Everything, in other words, to maximize wealth extraction and concentration.

The World Bank claims that the rankings are merely about minimising bureaucracy, but even a brief look at what happens to countries as they move up and down the rankings clearly shows that they are little more than a bulldozer used to clear the path of smallholder farmers, and whatever local labour or environmental protections exist so that large western corporations or local elites can move in and start extracting the wealth of the country.

For example, in the 2012 rankings, Cameroon jumped four spots (from 165 to 161) because it made it easier to "start a business" by allowing company founders to produce only a sworn declaration instead of a hard copy of their criminal records.

Liberia was placed in the top ten DB reformers in 2008-2009 because of the measures it took (with the help of the doing Business reform advisory Team) in the areas of "starting a business," "dealing with construction permits," and "trading across borders." an improvement in the DB ranking resulted in increased FDI from including investments from palm oil giants such as the British equatorial palm Oil in 2008, Malaysian Sime Darby in 2009, and Singaporean golden agri-resources in 2010, resulting in the corporate takeover of millions of acres of land and local populations' loss of farms, resources, and livelihoods.

Sierra Leone has also been praised as a good reformer. Its DB ranking increased by 15 points between 2008 and 2010, with key steps taken in the area of "protecting investors" (up 22 points). Sierra Leone's improvements in 2008 nonetheless mainly consisted of reducing companies' tax burden and introducing flexible tax rates for investors, none of which helps Sierra Leone's citizens.

Similar stories can be told about Guatemala, Sri Lanka, Nicaragua, Senegal, Honduras and the Philippines. In all cases, the needs of ordinary people have fallen under the tracks of the World Bank's *Doing Business* bulldozer. Around the world, millions of people are being displaced, and their lives ruined, to help create a wealth they will ever see.

We've launched a campaign to try and get them to throw out this ranking system. The Bank has the first of two big meetings this year on April 11 – 13th. With farmers groups and civil society organizations from around the world, we're going to use that moment to introduce them to the Our Land, Our Business campaign, and then work through till the Annual Meeting in October to get as many people, from as many countries as possible to hear about this and stand with us. With lots of signatures, press activity, off line protests and social media, we believe we can generate enough critical and very public attention to force them to abolish the Doing Business system. The Bank hates bad publicity and has changed its ways because of it in the past, so we're going to give them some.

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