

# Consequences of a neoliberal globalisation

by Thomas Scherr

*In the aftermath of the 2020 lockdown, many economic problems have arisen, as “German Foreign Policy”, among others, reported in an article at the end of September.<sup>1</sup> However, anyone who looks at the current supply crisis only from the perspective of the past five years falls short. It is necessary to look at 30 years of neoliberal globalisation.*

If you don't train enough nursing and care staff in your own country, you just get them from abroad. – their own situation is not “our” problem. – The main thing is to keep wages low. Truck drivers are recruited in Poland or Romania or brought in from Belarus. Low wages is all that counts. This is what the free movement of persons in globalised world trade looks like.

## A temporary crisis ...

But at the moment, supply chains are faltering, the harvest is worse. There is a lack of skilled workers. Prices are rising. Wages should be rising. They say the pandemic is the cause, without it things would have continued. Would they really? Now new questions are emerging in the background: What will happen if we have to raise wages for truck drivers so that someone else will drive for us? And what, if we no longer have the money to pay the Romanian nurses? Maybe they will be better paid in China, Saudi Arabia or Azerbaijan to care for the sick and elderly there?

## ... or 30 years of globalisation?

Open borders, free movement of capital, global markets – 30 years of globalisation. 30 years of US dominance, 30 years of a creeping loss of state sovereignty. Since 2008 “Fiat Money”, “quantitative easing”, low interest rates. Who has profited, who has lost?

Hardly anyone disputes that global trade could be beneficial for all. But it has been known for just as long that this is not necessarily the case. Catchwords like “colonialism”, “imperialism” or “land grabbing” point to this.

## Globalization “top down”

At the end of the 1980s – with the implosion of the Soviet Union – what is now called “globalisation” began. The goal, formulated in a small circle, of introducing worldwide barrier-free trade of all goods and services without regional or state regulations, was implemented step by step, “top down”, in the following decades consistently through various multi- or supranational institutions. With the “Global Compact”, the UN itself became part of this program in 1999. Since then, rich foundations and corporations have a direct influence on the UN.<sup>2</sup> It was promised that everything would become cheaper for everyone and that everyone could benefit from it. Globalisation would even contribute to worldwide peace.

## Early warnings

From the very beginning, the negative consequences were pointed out.<sup>3</sup> Hans-Peter Martin and Harald Schumann already presented the problems of neoliberal world trade in 1996 in their publication, “The Globalization Trap. The Attack on Democracy and Prosperity”, the problems of neoliberal world trade.<sup>4</sup>

The dismantling of the democratic rights of citizens in individual states in favour of supra- or international guidelines is unmistakable, in Switzerland for example the many EU regulations,<sup>5</sup> the free trade agreements<sup>6</sup> or the countless OECD<sup>7</sup> and UN guidelines.<sup>8</sup> Although the agreements have a profound impact on everyday life, those affected can hardly have a say in these requirements.

## An enriching program from the start

Globalisation has not made the distribution of the world's wealth any fairer either, but has concentrated it more and more on a few.<sup>9</sup> It is also obvious that globalisation has not brought more peace – on the contrary, this can be seen in the wars and the worldwide rearmament (cf. SIPRI Report).<sup>10</sup>

## A just globalisation?

Does globalisation have to be stopped? The wheel doesn't have to be turned back. But there can be no "business as usual". For many, the question is where does global trade find its limits and where must the individual state remain capable of acting for its population and where should the citizens in their states be able to determine their own affairs again.

And – those who derive their profits from starvation wages in Asia or Africa and the poor working conditions there, without having to pay social security contributions and taxes comparable to those in Switzerland, are profiting unjustly. At the same time, our own industry is not (or no longer) protected from global social dumping by a balanced customs policy. Many protective provisions were abolished in the euphoria of globalisation.

### Correcting undesirable developments

The Third World countries, which have been forced to open their borders to multinational corporations, are being hit hard. A small local upper class – mostly educated in Oxford, Paris or Harvard – enriches itself from the "growth" while the population is starving.

The focus of neoliberal state action is not the common good – the well-being of its own population – but short-term profit maximization. These undesirable developments must be corrected today.

(Translation "Swiss Standpoint")

<sup>1</sup> German Foreign Policy. Die Versorgungskrise am Horizont. <https://www.german-foreign-policy.com/news/detail/8719/>, 30 September 2021

<sup>2</sup> "Global Compact or United Nations Global Compact is a United Nations pact to encourage businesses and firms

worldwide to make globalisation more social and ecological. [...] On 31 January 1999 the Global Compact was officially launched by UN Secretary Kofi Annan in an address to the World Economic Forum in Davos to all interested leaders of big enterprises." [https://de.wikipedia.org/wiki/Global\\_Compact](https://de.wikipedia.org/wiki/Global_Compact). (accessed on 11 October 21). Z.B. <https://www.swr.de/swr2/wissen/who-am-bet-telstab-was-gesund-ist-bestimmt-bill-gates-100.html>,

<sup>3</sup> z.B: Ritter, Manfred; Zeitler, Klaus. Armut durch Globalisierung – Wohlstand durch Regionalisierung. Graz 2000. Ziegler, Jean. Wie kommt der Hunger in die Welt? Ein Gespräch mit meinem Sohn. München 2000.

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<sup>4</sup> Martin, Hans-Peter, Schumann, Harald. Die Globalisierungsfalle. Der Angriff auf Demokratie und Wohlstand. Reinbek 1996.

<sup>5</sup> The vast majority of EU regulations and rules are tacitly transposed into Swiss national law. They are ultimately followed in order not to come into conflict with the EU. (Guillotine clause).

<sup>6</sup> see de Zayas 2016 in an interview: [https://www.swissinfo.ch/ger/direktedemokratie/alfred-de-zayas\\_macht-des-volkes-ist-gut-fuer-die-durchsetzung-von-menschenrechten/42506312](https://www.swissinfo.ch/ger/direktedemokratie/alfred-de-zayas_macht-des-volkes-ist-gut-fuer-die-durchsetzung-von-menschenrechten/42506312), (accessed on 10 October 2021)

<sup>7</sup> As a member of the OECD, Switzerland adopts the OECD's guidelines in the area of economics, finance and education policy.

<sup>8</sup> As a member of the UN, Switzerland incorporates countless conventions into Swiss law.

<sup>9</sup> <https://de.wikipedia.org/wiki/Verm%C3%B6gensverteilung>, (accessed on 10 October 2021)

<sup>10</sup> <https://www.dw.com/de/sipri-globaler-r%C3%BCstungsboom-trotz-corona-krise/a-57285378>, (accessed on 10 October 2021)