

March 2001

Contact: Joshua Karliner

415-561-6568

### **Global Reach**

- Fifty-one of the world's top 100 economies are corporations.
- Royal Dutch Shell's revenues are greater than Venezuela's Gross Domestic Product. Using this measurement, WalMart is bigger than Indonesia. General Motors is roughly the same size as Ireland, New Zealand and Hungary combined.
- There are 63,000 transnational corporations worldwide, with 690,000 foreign affiliates.
- Three quarters of all transnational corporations are based in North America, Western Europe and Japan.
- Ninety-nine of the 100 largest transnational corporations are from the industrialized countries.

### **WTO and Global Trade: Who Benefits?**

- Since it was created in 1995, the WTO has ruled that every environmental policy it has reviewed is an illegal trade barrier that must be eliminated or changed. With one exception, the WTO also has ruled against every health or food safety law it has reviewed.
- Nations whose laws were declared trade barriers by the WTO—or that were merely threatened with WTO action—have eliminated or watered down their policies to meet WTO requirements.
- Supposedly each of the WTO's 134 member countries have an equal say in governance. In practice, decision-making is dominated by the "Quad": USA; European Union; Japan and Canada.
- Each member of the Quad represents its corporations' interests at the WTO. These corporations are often directly involved in writing and shaping WTO rules. In the U.S. this is achieved through official "Trade Advisory Committees" which are dominated by the private sector.
- For instance, the US International Trade Administration's Energy Advisory Committee is made up exclusively of representatives of giant oil, mining, gas and utility corporations, including Texaco, Enron, Halliburton and Freeport-McMoran.
- The top fifth of the world's people in the richest countries enjoy 82% of the expanding export trade and 68% of foreign investment—the bottom fifth, receive roughly 1%.
- Women comprise 70 percent of the world's 1.3 billion absolute poor. Worldwide, they bear the brunt of economic and financial transition and crisis caused by market forces and globalization.

### **NAFTA & FTAA: Who Benefits?**

- Seventy-five percent of Mexico's population lives in poverty today, compared with 49 percent in 1981, before Mexico underwent reforms that paved the way for NAFTA—the North American Free Trade Agreement.
- The number of Mexicans living in severe poverty (living on less than \$2 a day) has grown by four million since NAFTA began in 1994.

*continued on back*

- NAFTA has generated booming industrial development but little investment in the environment. As a result, environmental pollution and related public health problems have increased on both sides of the US–Mexico border.
- In the first four years of NAFTA, 15 wood product companies, including International Paper and Boise Cascade, set up shop in Mexico, cutting some of North America’s largest intact forests.
- Hundreds of thousands of US jobs have shifted to Mexico under NAFTA. 260,000 U.S. workers have qualified for a special NAFTA retraining program. Especially hard hit are the apparel and electronics industries, major employers of women and people of color.
- The Free Trade Area of the Americas (FTAA), currently being negotiated by 34 countries, is intended by its architects to be the most far-reaching trade agreement in history.
- Although it is based on the model of NAFTA, the FTAA goes far beyond it in scope and power, potentially granting unequalled new rights to corporations to compete for and even challenge publicly funded government services, including health care, education, social security, culture and environmental protection.

### **The World Bank and IMF: Who Benefits?**

- In the 1980s and early 1990s, the International Monetary Fund imposed structural adjustment programs on more than 70 countries.
- Structural adjustment policies have required 36 countries in sub-Saharan Africa—where more than half of the population lives in absolute poverty—to decrease domestic consumption and shift scarce resources into production of cash crops for export; state-owned companies and many state services have been privatized, and health and education expenditures have been cut and restructured.
- The absolute number of people living in poverty rose in the 1990s in Eastern Europe, South Asia, Latin America and the Caribbean, and sub-Saharan Africa—all areas that came under the sway of adjustment programs.
- Structural adjustment policies have elicited massive protests in countries as far flung as Ecuador, Zambia, the Philippines and Jamaica.
- In 2000 a bipartisan Congressional panel—the Meltzer Commission—found that World Bank Group and IMF failures can be traced to “overlapping missions, ineffectiveness, corruption, and waste of resources, and failure to develop successful regional programs in agriculture, forestry, environment and health care,” among other problems.
- Each year, the World Bank awards some 40,000 contracts to private firms.
- US Treasury Department calculates that for every US\$1 the U.S. contributes to international development banks, US corporations receive more than double that amount in bank-financed procurement contracts.
- The World Bank has an astounding 65–70 per cent failure rate of its projects in the poorest countries.