A Critique of Neoliberalism: Alter-globalization, Human Rights and the Genoa G8 Summit

Xinyi Zhou
Guangzhou Foreign Language School, Guangzhou 510000, China.
kathleenchou011014@163.com

Abstract. Critiques emerge as neoliberal globalization progresses. Alternative globalization movements continue to act transnationally to counter the consequences of neoliberalism. Drawing on the case of Genoa Group of Eight Summit Protest with the focus on debt relief issue, this paper analysis how the alter-globalization movements affect the inclusion of principles of greater equality and democracy into the globalization process. The paper compares neoliberalism and alternative underpinnings, offers an overview of the Genoa Group of Eight Summit Protest, and analyzes G8 debt relief approaches presented in the Genoa G8 Summit. The author finds that the Genoa Group of Eight Summit protests shed light on alternative globalization movements limited if important impact the promotion of human rights in the ongoing and unequal processes of globalization the world over.

Keywords: Neoliberalism; Alternative Globalization Movement; Human right; Genoa G8 Group Protest; Debt Relief.

1. Introduction

Alter-globalization movements are concerned with a critique of neo-liberal globalization and its multifaceted consequences. These transnational movements envision alternative forms of globalization by advocating their cause in many areas. As such alter-globalization movements are often misunderstood to propose a view that is against globalization more generally.

This paper will argue, and in the case of the so-called Genoa Group of Eight Summit Protest (GGESP), that alter-globalization movements offer a vision for globalization that is intended to drive principles of equality and greater participation in democracy instead. Specifically, the case of the GGESP, opens up an analysis of alter-globalization by exploring key concepts and through a focus on the impact of the GGESP demands surrounding debt relief.

The paper starts by introducing a reading of the main assumptions of neoliberal versus alternative globalization. In a second step, the GGESP case study will be outlined and which focuses attention on the protest movements, goals, objectives and demand for driving G8 debt reduction strategies. Finally, the paper offers a conclusion and final remarks.

2. Neoliberal Globalization and its Failure to Address Negative Externalities

Neoliberal globalization is controversial both in terms of its economic prescriptions and underlying normative structure. According to David Harvey, the author of A Brief History of Neoliberalism,

“Neoliberalism is the intensification of the influence and dominance of capital; it is the elevation of capitalism, as a mode of production, into an ethic, a set of political imperatives, and a cultural logic [1].”

Neoliberalism’s main emphasis, in other words, focuses on the free market with the minimal intervention of governments and by driving the deregulation of markets. In this paper, two key points of ‘economic neoliberalism’ are included: Free trade and competition. I do so because they shed light on the economic and social effects with regard to inequality across states and for the global workforce. These issues are particularly pressing, in relation to corresponding Global South debt reduction and relief programs. The paper will discuss the latter in subsequent sections. The first key to economic neoliberalism is free trade. According to Adam Smith's argument that

“free exchange of capital, labor force, goods and service was a transaction from which both parties necessarily benefited, since nobody would voluntarily engage in an exchange from which he or she would emerge worse off [2].”
According to this view, free exchange enables market actors to specialize in what they can produce with a comparative advantage, leading to greater market efficiency and thus achieving greater economic growth. Neoliberalism, informed by thinkers like Adam Smith, in a sense pursues this mutual-beneficial exchange without state limitation and barriers, such as laws and regulations. Simon Clarke, a British sociologist put it this way: “Any barriers to the freedom of exchange limit the development of the division of labor and so the growth of the wealth of the nation and the prosperity of each and every one of its citizens [2].” Based on these types of assumptions, as neoliberalism’s proponents would argue, a nation’s power and wealth can be better achieved by the means of free international transaction and through the unregulated exchange of capital, labor, goods and services and products.

Another key for economic neoliberalism is competition. No regulation of markets means a wide and uncontrolled competition in the market. For neoliberalism, competition is both unavoidable and necessary for the functioning of free markets. It is assumed that under the full force of competition, capitalists will concentrate more on consumers’ values on goods. To secure their survival and increasing profits in this competitive field, they consistently devote themselves to innovation and investment, trying to attract more consumers and to continuously reduce costs. The greater the profits they earn, the more advantageous their position vis-a-vis other market actors will be [2].

A central externality arises from such an ideal free market. This externality is due to the pressure of competition, and evident as capitalists tend to reduce wages as well as the number of unskilled labor, and by seeking to eliminate labor rights. To the survived labors, capitalists try to intensify their work requirements, including a greater amount of assignments and longer working hours. They do this to reduce their production cost as much as possible and increase productivity so that they can become more competitive, comparing to others. I agree with David Harvey, who contended that “Neoliberalism is in the first instance a theory of political economic practices that proposes that human well-being can best be advanced by liberating individual entrepreneurial freedoms and skills within an institutional framework characterized by strong property right, free markets, and free trade [1].”

These negative results of the neoliberal competition, including labor reduction, long working hours and low wages, create dissatisfaction by the workforce the world over, and which can be evidenced in a protest such as the GGSP, the focus of this paper.

Neoliberalism is controversial, as actors of the alternative globalization movement would argue, because neoliberalism’s underlying assumptions create proportional societal inequities. As Clark usefully outlined [2], powerful and wealthy parties, including states and Multinational Corporations (MNCs), remain the direct beneficiaries within a free trade market system with laborers and developing nations not receiving these benefits. This gap between powerful states and developing states, in particular, excludes less advanced market actors, resulting in an unequal playing field. For those survived capitalists, they tend to lay off a certain amount of labors to increase their efficiency and survive in the market. As critics of neoliberalism would have it, all this leads to the unequal distribution of wealth and the life and working conditions of unequal labor as well as economic inequality of the less advanced and privileged market actors. With these points surrounding neoliberal globalization in mind, the following section will discuss an outline of the alter-globalization movements.

3. Alter-globalization Movement: Origins, Key Concerns and Goals

As previously noted, neoliberal globalization fails to deal with negative externalities, which tend to create social and economic inequities, including an ever-widening wealth gap, the worsening of people’s living condition, and - amongst others - environmental issues. All of these related issues related to questions of inequality and fairness. In response to these issues, various groups of people who claimed themselves as protesters of neoliberalism globalization, formed a coalition to justify for the society and for themselves. The coalition started from small groups of people in local regions who later began to organize across states forming a transnational coalition. People in the form of forums
or demonstrations active in these transnational coalitions generally resist neoliberal solutions to global problems. Instead, they advocate an alternative form of globalization which ought to be based on greater equality and more democracy. This kind of movement is here understood as what has become known as alternative globalization networks. According to Polanyi’s concept of the “double movement”, alternative globalization movement is “A protectionist counter-movement against the modification and depoliticization of the economy that places society under the subjection of the market rules [3]”.

Alternative globalization movement called for “Another world is possible”. It defends against the domination by the unfettered forces of an unregulated market and, instead, seeks to offer an alternative path to neo-liberal globalization.

Alter-globalization targets at developmental issues on a global scale that creates inequalities or social hardness for certain groups of people, such as poor people, unskilled workers, and less-developed capitalists. According to Iagin, there are five key concerns and goals that alternative globalization activists propose [4]:

1. Transfer privately controlled public goods to public ownership. The public goods, for example, include resources such as water and air, public infrastructure, like roads and energy grids.

2. Development of alternatives to the absolute power of global players, the realization of requirement system of radical socialization, and democratization of regulation system of internationalized processes.

3. Aligning the development levels between developed and developing countries.

4. Creative ideologies and theoretic models of future development.

5. Development of mass democratic movements towards against neo-marketization and desocialization of economic and public life, such as the greater security during the movements, more opportunities to communicate with heads of states.

All of these five main concerns and goals emphasize greater equality and more democracy. In fact, activists of alter-globalization pursue these issues through their coordinated actions. The activists demand more government interventions in the free market to regulate the functioning of the market and redistribute such social economic opportunities as property, availability of education, employment, capital, and labor. These interventions serve as a social protection for marginal or less-developed capitalists, workers, and countries, in an attempt to increase living standards and safety. This draws more lagging individuals and countries into the global economy, thus reaching an alternative world, known as alternative globalization [4].

Transnational coalitions of alter-globalization vary in a lot of forms. These forms can be identified with individuals, groups, forums, organizations or political institutions. They serve as representatives of people who seek a more equal and democratic world with direct goals and planned actions towards alter-globalization. Coalitions provide platforms and meeting places for people to debate and discuss global problems and to claim for the democracy and humanitarian they want [5]. They usually act as a back-up in demonstrations to neoliberalism during important meetings of heads of states, such as Seattle and Genoa Protest. Some organizations or networks, such as Ya Basta! and Drop the Debts, access to communicate with world government to formally express and propose their concerns on neoliberalism and its alternative processing. However, despite these civil groups have their voice heard by the world government, impacts on political decision making are not obvious. According to Scholte Jan Aart, few policies have been made or changed with the impulse of civil groups. And as Mehmet Onur Öncan points out, “While the main purpose of the WTO is still the widest and fastest liberalization of international trade, the financial relations have not been restructured in a way that could take global capital movements under [5]”.

Alternative globalization is not anti-globalization or anti-neoliberalism. It is actually another form, perhaps a better form, of neoliberalism; It is a movement that promotes the inclusion of greater equality and democracy into the globalization process; It is an issue of human right. Alternative globalization movement, composed of different forms of coalitions, solidarizes people who share the common goals and political beliefs across the borders. Alter-globalization movements allow people
to address the justice of overall global process, such as education, economy, environment, and politics, by protests, meetings, and other forms. All these different concerns essentially reveal people’s final desire for greater equality and democracy. Facing the problems brought by neoliberalism, people make claims and protest just for a better life and a better world. They hope to have the same opportunities and to have their rights to develop, to change their lives condition, and to justify for themselves. Although an individual’s strength is tiny compared to the universe, the resemble of each individual forms the great power. And this great power can reimagine another world.

4. G8 Genoa Issues and Outcomes

From July 18-22, 2001, the 27th G8 Summit was held in Genoa, Italy. The G8 summit is an intergovernmental political forum consisting of 8 major countries: France, the United States, Britain, Germany, Japan, Canada, Italy, and Russia. The heads of state or government of these eight major industrial democracies meet annually to discuss major issues or crisis on different scales occurring in the current societies and the world, to achieve greater globalization and international order [6]. The overall theme of the G8 summit in Genoa was world economy [7]. The Summit aimed at making globalization work for all citizens by addressing solutions to poverty reduction and drawing poor developing countries into the global economy in the environmental, economic and political sphere.

The economic issues in the Summit concentrated on poverty reduction strategies. The G8 summit offered two mechanisms for greater equality. One, poverty and debt reduction. Two, DOT-Force. Beyond Debt Relief, an Italian Presidency Documents acted as a significant part in poverty reduction. The summit reported that 23 countries have already reached an overall amount of debt relief of over $53 billion, stating that they would continue this debt relief process and further develop Heavily Indebted Poor Countries Program, so-called HIPC, to a better degree [8].

As the Final G8 communique proposed, beyond the debt relief, the Fund would strengthen efforts:

(1) Achieve greater participation of developing countries in the global trading system by trade expansion, by opening the markets, and by providing bilateral trade assistance.

(2) Increase private investment by urging international bodies to support domestic reform efforts and promote private sector development in the poorest countries.

(3) Promote health, education and food security by taking society-wide action beyond the health sector, by helping countries meet the Dakar Framework for Action goal of universal primary education, and by increasing training in agricultural science and facilitating the use of biotechnology [8].

These three efforts were suggested to reduce the gap in health, education and wealth, drawing the concern of civil people. However, just because debt burdens of poor countries were relieved due to this Italian Presidency Document, it doesn’t mean that the debts were being forgiven as ‘Drop the Debt’, IMF and other institutions and civil people wished.

Digital Opportunity Task Force (DOT-Force), created in Kyushu-Okinawa Summit in July 2000, is another strong economic issue on poverty reduction. The summit updated the mandate for DOT-Force. The DOT-Force proposed Genoa Plan of Action, including points such as [9]:

(1) Update and reinforce strategies.

(2) Promote ICT for education, health, and sustainable economic development.

(3) Encourage local content development.

(4) Enhance coordination of multilateral initiatives.

DOT-Force, with the application of ICT, proposed to enhance digital opportunities for all parts of the world, to narrow the social and economic inequalities, and to help the poor developing countries to achieve greater prosperity. However, Nicholas Bayne, a member of G8 Research Group, referred, “Hardly any leader drew attention to the DOT-Force and its work in press briefings, which suggested some doubt about their personal commitment to it [7].”

Genoa G8 Summit mainly focused on poverty reduction in economic sphere. Debt relief and DOT-Force, as neoliberal approaches, were proposed in the summit to address this issue. However,
although these neoliberal approaches drove people’s concerns, it seems that the G8 leaders did not process them well. In response to the G8 leaders, a large scale of protest movement began.

5. The G8 Genoa Protest: An Overview

During the G8 summit, around 200,000 demonstrators from different parts of the world gathered in Genoa to peacefully protest the economic globalization and debt forgiveness issue discussed in the summit. Security zones were defined during the summit. Most of the demonstrators were willing to follow the rules, protesting in officially designated areas. However, although civil society groups like ‘Drop the Debt’ and ‘Genoa Social Forum’ had made their claims to protest peacefully and had cautioned their supporters to comply with the legal process, there were still some small groups of demonstrators taking actions across the legal line [10].

An unexpectedly massive and terrible violence started after a death of an anarchist. Leaders in the summit expressed their disappointment “we firmly condemn all forms of violence [11].” and sorrow on the death of the person “we have learned with grief that a human life was lost as we were discussing the measures to be taken in practice as a result of our initiative [11].”At the same time, leaders praised the peaceful protesters and expressed willingness to accept the arguments of peaceful protesters who seek to have dialogues with G8 governments and speak out their wants. “We launch an appeal to those who will still be meeting peacefully because their yearning for justice and solidarity in the world may set an example and serve to isolate the troublemakers [11].”

What did the protesters want? The protesters were mostly the Europeans including members of groups Genoa Social Forum, Drop the Debt, Ya Basta, anarchists and others [12]. According to Christine Lucyk from the G8 Research Group, most of the demonstrators focused on debt reduction, education or the environment, others had no clear intention [13]. They hoped to receive more opportunities to address debt forgiveness of poor countries, to fight against epidemics like AIDS/HIV, to improve the educational level and global environment. All these concerns related to the core issues of justice and equality. No matter what aspects of issues the demonstrators protested for, one of their clearest and common objectives was the democratization of globalizing processes. Spokesman of ATTAC, Christophe Agiton told BBC News Online: “We are here to show the people have other ideas about where the world needs to go [12].” The protesters were not against globalization. Instead, they were trying to find an alternative globalization to achieve a greater degree of equality and democracy across the world---the world which could eliminate inequalities between rich and poor could address national power under the present global order and could expand the possibilities of self-determination. The protesters wanted to stand out and to speak for themselves. The demonstration was an important way to draw the G8 member governments attention to their existing concerns. “The protest is important, we need to show we are able to be wherever they are. Our existence if very serious, and we are not a narrow group.” said Christophe Agiton [12].

In conclusion, the whole Genoa G8 Summit consisted of two important part. The first part was the conferences itself. The summit focused on the world economy to seek a greater economic globalization. The summit proposed and addressed solutions on three overall themes: poverty reduction, conflict prevention, and global environment. But we just discussed poverty reduction in this paper. The second part was the protest. The Genoa G8 Summit Protest was an alter-globalization movement. People came here to protest for a more democratic and equal life. However, the peaceful and officially approved protest should be supported and violent means should be avoided. The summit would still confirm the right of peaceful protesters and enhanced preparations such as dialog with civil society groups, security arrangement.

6. Debt Relief: Under the Scrutiny by the G8 Summit Protesters

Debt relief, a partial or total remission of debts, especially those owed by developing countries to external creditors, was a major concerns for the protesters. According to the Italian Presidency
Document, three actions to address debt relief were proposed during the Genoa G8 Summit, including [14]:

(1) Remove trade barriers for the poorest countries
(2) Promote private investment for the poorest countries
(3) Increase the adequacy and effectiveness of aid resources for core social investments in the poorest countries.

As it clear, these proposals reflect neoliberal thinking. G8 members approached the summit through a preference of applying, and in dealing with the economic issues, especially debt relief thorough a neoliberal lens which favors free trade ideals and private ownership. Although debt relief plan was proposed, it did not win protesters’ trust. “They were half way there with debt - this summit is on its way to being a tragic missed opportunity." argued Adrian Lovett, the director of Drop the Debt [15]. Protesters in GGESP suggested that G8 leaders failed to put their promises into practice. World Development Movement said, “Two years ago the G8 promised $100 billion in debt relief, since then less than $3 billion has been provided....G8 leaders must fulfil their old promises before making new ones.” Since debt relief was the top priority to poverty reduction, protesters still hoped G8 leaders could effectively address this debt relief issue. "G8 leaders promised debt cancellation two years ago, but they haven't yet delivered. It's time for them to keep that promise." contented Christian Aid [15].

The practice of Genoa debt relief plan was criticized by protesters. The G8 protesters contented that the scope of debt relief was limited. According to Michael T.Seigel, 41 countries were listed as heavily indebted poor countries [16]. In fact, only 23 of these countries can receive debt cancellation. Michael argued, “The Jubilee 2000 Campaign listed 52 countries that it considered needed debt cancellation. Others have insisted on debt cancellation for the whole developing world. Twenty-two countries is simply too few [16].” In addition, debt relief on the poor countries was not sufficient. According to Michael, the debt reduction per person per year for those HIPC countries amounted to less than four dollars, meaning that the remaining debt still burden an excessive demand when meeting the needs of the countries [16].

Debt relief plan proposed in the summit was not the most effective way to address poverty reduction. The privatization of goods and liberal trade proposed in debt relief plan would not have many beneficial impacts on debt cancellation and efficiency aid delivery. There was no guarantee that private corporations, by seeking maximized profits, would choose to provide much needed support on improving health, education, and the economy. This is because private corporations have shown little interest in these areas where poor nations require most of their development [17]. In addition, the G8’s debt relief action plan was not sufficient because even though government intervened into private investment, the domestic changes caused by these foreign investments, were still shouldered by the receiving nations. Especially environmental damages and the effects of resulting migration from the foreign investment undermined debt relief measures. “Many of these countries that have reached this target are still spending more on debt than health.” argued debt campaigners [18]. The insecurity of the delivery of basic public goods like these would ultimately increase poor nations debt. According to World Bank, total external debt stocks owed by developing countries increased by $437bn over 12 months to stand at $4tn at the end of 2010 [19], [20]. Even though debt relief plan was applied, the external debts still exist, remaining the debt issue unsolved.

In global comparison, the wealth gap between poor and rich countries is, in fact, increasing. According to CountryEconomy, the gap of annual GDP between U.S and Zambia in 2001 was $10,577,706, while the gap in 2017 was $19,459,400. In another case, the gap of annual GDP between Germany and Benin in 2001 was $1,949,298, while the gap in 2017 was $3,690,700. The comparison of U.S and Zambia as well as the comparison of Germany and Benin, as examples, show an increasing gap between the rich and the poor countries in the present of debt relief action [21], [22], [23], [24]. This ever-widening wealth gap infers an exist of increasing inequality.

In response to neoliberal approaches addressed at the G8 summit, protesters offered their own views and remedies for debt relief. A spokesman for Christian Aid stated, for instance, "So far debt
relief has failed the poor - it is time for a new deal on debt that puts poverty reduction first [25]."
Some protesters, like Alison Marshall, advocate for a full debt forgiveness for the poorest countries:
“On third world debt we hoped the G8 would call on the International Monetary Fund and World Bank to cancel 100% of the debts of the highly indebted poor countries (HIPC) [18].” In addition to these calls, protesters sought a more holistic approach to achieve debt cancellation. David Hillman, one of the campaigners, put it this way:
“My own personal hope is that as debt campaigners in the months and years ahead, we will seek to win further progress not through a continued narrow focus on debt itself, but through a much broader approach targeting the elimination of extreme poverty and recognizing the range of fronts on which we must make progress [28].”

Some encouraged more campaigns for debt issues as the issues is under reported. They emphasized the relationship between social issues created by debt and by seeking greater awareness on the connection between debt and the decline in welfare [27]. What was evident was that a multitude of voices called for a new deal on debt relief except. Although proposals varied, they all shared common goals: to respect and justify everyone’s human rights and to further maximize equality and democratic principles in societies across the world. The Committee for the Abolition of Illegitimate Debt (CADTM ) summarized advocates views succinctly arguing that the goal of debt relief must promote “a different social and economic model that puts the full dignity of every person in the center, in complete respect of the life of our planet, our common home [27].”

The issue of debt relief was a major concern during the Genoa G8 summit protests in 2001. People argued that neoliberalism did not offer the benefits it promised and that it negated people’s ability for participating in the world economy as equals and by following the ideals of democratic societies. Protesters wanted to extend equal opportunities to everyone. The sought that have a right to receive education and health care; to pursue their lives and dreams; and to assert and demand their inalienable human rights. During the summit, despite clashes between radical protesters and police, most of the protesters peacefully made their voices heard. They put forward an alternative view of globalization. Their claims were intended to be heard by government representatives and world leaders at the G8 summit. Around two millions of protesters had their voices heard by the heads of states, having chance to communicate with the heads during the summit and deepening the consciousness of the heads to make some changes for the people and for the world.

7. Conclusion

Neoliberalism and Alter-globalization are two ideologies related to understanding the forces of globalization. As this paper argued throughout, neoliberalism emphasizes a free market without governmental intervention. However, neoliberalism fails to address negative externalities effectively. It does not deliver social goods on, and amongst others, the environment, political participation, health care, and labor rights. These adverse effects caused by neoliberalism, are especially pressing for people in less-developed countries. In many cases, people in these countries are not protected by the forces of global capital since the unregulated markets and competition pressure a race to the bottom. This increases the wealth gap between the rich and poor countries as well as the gap of the living standards of people from different regions, resulting in the increasing of inequality and the distance to democratic principles.

Alter-globalization, as a counter-neoliberal movement, defends against the domination by the self-regulating market and seeks to offer an alternative to neo-liberal globalization. This shift, from neoliberal globalization to alternative globalization, is driven by a diverse and democratically organized movement to restore the protection of the society and increase equality and deepen democracy. To address the poverty and global economic issue, debt relief is understood as an important approach to reduce national debt, especially to those owed by developing countries to external creditors. It aims at mitigating the poverty of less-developed countries and pulling them into the world economy by removing trade barriers, promoting private investment and increasing aid resources.
The Genoa G8 Group Summit, the case study of this paper, is one that highlighted the demands by members of the alternative globalization movement. Protesters from different parts of the world, supported by different civic groups such as World Social Forum, Drop the Debts, protested during the summit to have their voice heard by the neoliberal actors and the heads of the G8 member states. One important concern of protesters was debt relief. Still, debt relief issues were not effectively addressed by the G8 summit with protesters making their own proposals, hoping to receive a satisfactory response from G8 leaders. However, the G8 summit did not effectively respond to the protesters: with only few policies having changed.

Protesters engaging in the alternative globalization movement, such as GGESP, desired not just for debt relief or even other issues on environment, education, and health, but for deepening human rights. These protesters want equal opportunities and by further democratizing areas such as education, environment, health, and economic access because these are human rights of all individuals and in all countries.

It has been argued that the Genoa Group of Eight Summit Protest, offers an instance to study Alter-globalization movements. The paper, as such, furthers the discourse for the inclusion of human rights into the globalization process. Still, and in the final analysis the overall impact, by protesters remains limited in terms of policy changes by G8 members.

No matter how many ideologies and theories, like the neoliberal outlooks, liberal understandings, or those falling under alter-globalization; no matter how many protests and summits happened; and no matter how many transnational movements occur, all these things are the efforts every individual in this world made to pursue a better world for themselves, for their families, for their society, and for our Earth.

References


