

*Eric Toussaint*

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# YOUR MONEY OR YOUR LIFE!

the  
tyranny  
of global  
finance

Translated by  
*Raghu Krishnan*  
with Vicki Briault Manos



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Eric Toussaint

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# Your Money or Your Life!

## The Tyranny of Global Finance

Translated by Raghu Krishnan  
with the collaboration of Vicki Briault Manus

 **Pluto Press**  
LONDON • STERLING, VIRGINIA



**Mkuki na Nyota Publishers**  
DAR ES SALAAM

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First published in French by CADTM (Belgium), CETIM (Switzerland), Editions Luc Pire (Belgium) and Editions Syllepse (France), 1998, as *La bourse ou la vie : La finance contre les peuples*

First English language edition published 1999 by Pluto Press  
345 Archway Road, London N6 5AA  
and 22883 Quicksilver Drive, Sterling, VA 20166–2012, USA  
and by Mkuki na Nyota Publishers, 6 Muhonda Street,  
Kariakoo, PO Box 4246, Dar es Salaam, Tanzania

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This translation © Raghu Krishnan 1999

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British Library Cataloguing in Publication Data  
A catalogue record for this book is available from the British Library

ISBN 0 7453 1417 1 hbk (Pluto Press)  
ISBN 0 7453 1412 0 pbk (Pluto Press)  
ISBN 9976 973 54 3 pbk (Mkuki na Nyota Publishers)

Library of Congress Cataloging in Publication Data  
Toussaint, Eric.

[Bourse ou la vie. English]

Your money or your life! : the tyranny of global finance / Eric Toussaint ; translated by Raghu Krishnan with the collaboration of Vicki Briault Manus.

p. cm.

Includes bibliographical references and index.

ISBN 0-7453-1417-1 hbk

1. Debts, External—Developing countries. 2. International Monetary Fund—Developing countries. I. Title.

HJ8899.T6813 1999

336.3'435'091724—dc21

99-13344

CIP

Designed and produced for Pluto Press by  
Chase Production Services, Chadlington, Oxford, OX7 3LN  
Typeset from disk by Stanford DTP Services, Northampton  
Printed in the EC by T.J. International Ltd, Padstow

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# Contents

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<i>List of Tables and Figures</i>	vii
<i>Acknowledgements</i>	x
<i>Foreword by Christian de Brie</i>	xi
<i>Preface to English Edition</i>	xvii
Introduction	1
1. Globalisation and the Neo-Liberal Offensive	14
2. The Concentration of Capital	31
3. Globalisation and Exclusion: the Marginalisation of the Third World and the Strengthening of the Triad	36
4. Financial Globalisation	47
5. Globalisation and the Growing Debt Burden	65
6. The Debt Crisis in Historical Perspective	70
7. The Third World Debt Crisis in the 1980s and 1990s	80
8. The Transfer of Wealth from the South to the North	93
9. The World Bank and the IMF: 50 Years is Enough!	112
10. The World Bank and the Third World Debt Crisis	127
11. Structural Adjustment Programmes	134
12. The Two Phases of Structural Adjustment	140
13. Neo-Liberal Ideology and Policies in Historical Perspective	170
14. Debt in the 1990s: Latin America and Sub-Saharan Africa	189
15. Case Studies	200
Argentina	200
Mexico	205
Rwanda	212
16. The Asian Crisis and its International Repercussions	218

17. Towards an Alternative	238
18. Globalising Resistance	252
Chronology: The World Bank, the IMF and the Third World	265
Glossary	277
Bibliography	294
Index	314

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# List of Tables and Figures

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## TABLES

Table 1.1	Evolution of the Real Income of US Households	20
Table 1.2	Turnover or GNP in \$ billions	27
Table 2.1	Company Acquisition and Creation by Foreign Capital in the US	32
Table 2.2	Some Examples of Global Concentration at the End of the 1980s and in the 1990s	33
Table 3.1	Origin and Destination of FDI Flows in 1990 (percentage of total world FDI)	37
Table 3.2	1987–92 FDI Flows to Developing Regions	38
Table 3.3	Relative Share of the World Market in Manufactured Goods	39
Table 3.4	The Share in Global Exports of the Three Main Blocs of Developing Countries between 1950 and 1990	43
Table 4.1	Daily Value of Financial Transactions and the Total Annual Value of Global Exports	53
Table 4.2	Finance Expanding More Quickly than GNP: Trade and Foreign Direct Investment in OECD Countries (1988 compared to 1980)	54
Table 5.1	Growth in Financial Assets, 1980–92	67
Table 5.2	Share of Financial Markets in Foreign Debt	67
Table 7.1	Nominal Interest Rates, Real Interest Rates and Inflation	90
Table 8.1	Gross and Net Debt – end of 1995	104
Table 14.1	Evolution of External Debt in Latin America and the Caribbean	190
Table 14.2	Evolution of sub-Saharan Africa's External Debt	195

Table 14.3	Evolution of the Balance of Trade in sub-Saharan Africa	196
Table 14.4	Net Flow of Foreign Direct Investment in sub-Saharan Africa	196
Table 14.5	Profit Repatriation by MNCs Operating in sub-Saharan Africa	197

## FIGURES

Figure 3.1	Distribution of Foreign Direct Investment	36
Figure 4.1	The Evolution of Financial Assets by Investor Type, 1980–94	61
Figure 5.1	Share of Nine Most Indebted Third World Countries in Total Third World Debt, 1995	68

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# Dedication

This work is dedicated to my parents, José Toussaint (1920–97) and Rose Clermont-Toussaint; to Ernest Mandel (1923–95), Marxist activist in word and deed; and to Carl Cesar (age 10) of Muriqui, Rio de Janeiro state, in the hope that he will have both the desire and the right to go to school; and to all those women and men struggling for their emancipation.



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## Acknowledgements

My heartfelt thanks to Denise Comanne, without whom this work would not have been possible. I also wish to thank the following people for their help, their criticism and their encouragement, understanding and patience: Ivan, Tristan and José Toussaint; Rose Clermont-Toussaint; Frans Maggio; France Arets; Annick Honorez; Pierre Galand; Didier Brissa; Brigitte and Isabelle Ponet; Dalhia Luksenburg; Anne-Marie Raison; Luc Pire; Philippe Tombal; Roland Pfefferkorn (Université de Strasbourg); Michel Chossudovsky (Université d'Ottawa); Patricia Camacho (Mexico); Bruno and Nadji Linhares (Brazil); Gustavo Cudas (CUT-Brazil); Ernesto Herrera, Aldo Gili and Marita Silvera (Uruguay); Alejandro Olmos (Argentina); Pierre Cours-Saliès (Université de Paris VIII); Christian de Brie (*Le Monde diplomatique*); Michel Husson (IRES); Jacques Bournay, Gus Massiah (AITEC); Bernard Teissier (ENSSIB, Lyon I); Florian Rochat (CETIM-Switzerland); Robert Went (University of Amsterdam and IIRE); Samir Amin and Amady Ali Dieng (Forum Tiers Monde, Dakar); Binta Sarr (APROFES-Senegal); friends at the AIRS (Algeria); and the entire team at COCAD (Belgium).

This project was assisted by the CEDGVIII/B2. This institution is in no way responsible for the ideas expressed by the author.

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# Foreword

Contemporary history can be described as that of the conquest of the world by an ever smaller number of huge conglomerates organised into multinational corporations. These corporations are engaged in a permanent war with one another to control markets with the shared aim of subordinating all human endeavour to the logic of private profit.

While the processes of capital accumulation and concentration have long been with us, in recent times they have been dramatically accelerated as a result of a number of technological upheavals. Thanks to the transformation of data storage, processing and transmission techniques – computing, robotics, telecommunications – for the first time in the history of human civilisation it is possible to pursue planetary strategies in real time. In other words, it is possible from a given location to track and evaluate continuously the application of decisions anywhere else on the planet – and to adapt the content, location, operating conditions and outputs of any type of activity accordingly.

The effect of this technological revolution has been amplified by two other upheavals, of a political nature.

The first is the challenge by multinational companies – in the name of ‘freedom’ – to the sovereignty of governments and of their regulatory role. This is especially the case in the fields of the economy (currency, exchange, customs, interest rates, capital flows, monetary policy, taxation and fiscal policy, the public sector) and social policy (social programmes and labour laws, from the minimum wage to family benefits, and also trade union rights, pension plans, healthcare and education). This challenge has been legitimised by a particularly aggressive brand of liberal ideology, and backed by the full weight of

those that hold the reins of economic and cultural power. No effort is spared to promote the idea that private initiative is superior to public intervention, contrasting the efficiency and profitability of the former to the incompetence and wastefulness of the latter. Or the idea that humans naturally prefer private initiative over collective solidarity. Or the need to limit the state and government to the sole task of upholding law and order, social control and the defence of personal safety and private property. While this ideological campaign never tires of insisting that a free country is one in which there is freedom to do business, it remains curiously silent about the permanent collusion between the state apparatus and big business lobbies. It has, however, led to the implementation of policies of systematic deregulation that seek to fulfil two wide-ranging objectives.

In the first place, there is the objective of progressively establishing – sector by sector – a global space, or rather a world market, in which the only law is that laid down by multinationals to regulate the competition between them, a kind of chivalrous code for economic warfare. The task of drawing up and overseeing such a code, for example, has been devolved to the World Trade Organisation (WTO) – a gargantuan organisation that renders null and void the legitimacy of national states and governments.

The second objective is that of providing the best possible opportunity for those with the requisite astronomical wealth – that is to say, the multinational corporations – to take full advantage of the potential created by the new technologies. This is especially so in the financial sector – where the split-second transmission of capital and the mushrooming of exchanges, brokerage houses, financial products and speculative instruments have created a massive financial bubble out of all proportion to economic realities. Between \$1,200 and 1,500 billion are traded each day on the markets, the equivalent of one week of US GNP and 60 times the funds needed to settle actual international transactions in goods and services. This bubble could burst at any time and do irreparable damage, as has already been the case in Mexico and, more recently, in Southeast Asia. This financial bubble is the scene of the hottest investments and the most risky speculative operations; it is also the destination of choice for a significant proportion of the savings deposited in mutual and pension funds, and for the liquid assets of banks and companies.

The second political upheaval was the fall of the Berlin Wall in December 1989, an event symbolic of the collapse through implosion

of the bloc of socialist countries led by the Soviet Union. It was also symbolic of the disappearance of an economic and political system that put itself forward as the historic alternative to an increasingly unpopular capitalism. The socialist sphere of influence put up no resistance and displayed a kind of greed-induced naïveté; it was quickly conquered by the Western free market democracy model. This has not been the case for a handful of countries in the process of rapid transformation (such as Vietnam) or reduced to decrepit museums of a long-gone era (such as North Korea). Nor has it been the case of China, which intends to retain its political autonomy behind a wall of market socialism in which there is a great deal more market than there is socialism. The triumph of capitalism resulting from the disintegration of its arch-rival put an end to the East–West conflict, which had overdetermined international relations and the fate of peoples and nations for some 50 years. This triumph also put an end to the ‘Third World’, a term used to describe the often risky attempt by countries of the South as a whole to use the superpower conflict as a means to protect their economic and political independence. Above all else, this capitalist triumph over the Socialist Bloc has confirmed the historic defeat of the working classes and of the world proletariat. Henceforth, they will be condemned to limitless exploitation by a brutal and arrogant capitalism that, at long last, has been delivered from its age-old fear of world revolution.

This is the state of affairs as we embark upon an era in which the world’s new masters seek to establish a universal totalitarianism. Indeed, this is the only possible way for the handful of all-powerful economic warlords, who will soon own most of the planet, to perpetuate their domination over many billions of victims. The progressive establishment of this new order is being carried out in three main areas.

In the first place, there is the near-monopoly of the ideology of the ruling classes and of the neo-liberal discourse that legitimises their rule. Be it the printed press, radio and TV, publishing, academic institutions, think-tanks, or talks and seminars, there is very little in the field of the production and dissemination of mainstream ideas that is not directly or indirectly controlled by those in positions of wealth and power. The scope for manipulation provided by the mass media, their potential for ‘manufacturing consent’ and adapting their message to each audience, gives them unlimited possibilities for subjecting ever greater sectors of the population to their influence,

especially those most likely to become their victims. Fewer and fewer people have the wherewithal to extricate themselves from the dominant discourse. An overwhelming majority of intellectuals has been won to the new dominant ideology. Before, the intelligentsia were mobilised in opposition to the Establishment; now they have become its well-paid guard dogs. A veritable caste of arrogant and cynical intellectuals has emerged to defend the liberal faith, to declare the 'end of history', to hunt down and burn at the stake all those who dare contest the new doctrine. They monopolise the written and spoken word, recite the free market mantra, and pull economic 'miracles' out of thin air. These new theologians and dedicated scientists of the liberal faith do not hesitate to falsify history to erase anything that might contradict their regurgitated 'truths', nor do they balk at manipulating statistics to give their pontificating a scientific gloss. In this, they have continued a proud tradition of totalitarian practices that began with the nationalist bourgeoisies and was perpetuated by fascist and socialist regimes. From a very young age, children are enrolled in the economic war, put forward as the unavoidable choice between life and death – both at school and in their sporting activities, where each is pitted against all and where victors and the powerful are praised and losers and the weak are contemptuously dismissed. For all this, however, no attempt is made to pinpoint the exact purpose of this indefinite and perpetual war of the kind described by George Orwell in 1984. The war's objectives, one's allies and one's conquests are ephemeral, in a constant state of flux.

Secondly, there is the attempt to submit the whole of human activity to the market order and the rule of profit. No sphere can escape this process, neither the protection of privacy, nor the right to breathe unpolluted air, nor the use of human genes. Everything can become a commodity, including spirituality, and enter the circuits of capital in order to be made profitable. The goal is that of granting capital totalitarian control over human and biological life and development. This shameful pillage of humanity's collective inheritance has necessarily been accompanied by wide-ranging and growing criminalisation. While the old order has been destroyed and the rules governing relations between states and between states and multinationals are no longer effective, the resulting vacuum has not been filled by a new set of rules and corresponding sanctions for the new order. Brutal competition between the various economic warlords has, instead, been greased by generalised corruption. Not a

single country, not a single market, remains untouched. Not a single oil contract, public works project or arms deal, not a single significant market study or supply of goods or services, nothing takes place without payment of commission along a complex and variable set of guidelines in which all concerned parties become enmeshed. A chain of offshore tax havens encircles the globe, in close proximity to the major North American, European and Asian powers. Their banks provide the logistical backup and launder misappropriated sums totalling hundreds of billions of dollars. The same network serves to finance the underground economy, in particular drug trafficking. The banking sector is directly involved and makes a handsome profit through this permanent symbiosis between organised crime and the business world – whose natural affinities are legion.

Politics is the third area in which the new order is asserting itself. The obligatory political model has become that of market democracy, in which the legitimacy of government obtained through universal suffrage is subordinate to the sovereignty of markets, always at the ready to punish elected governments. As spaces for the peaceful resolution of social conflicts, political institutions have been reduced to shells of their former selves. They are mere window dressing, keeping up the democratic illusion in governments that are less and less so. Behind this façade of virtual democracy, ever more sophisticated techniques of surveillance and social control are developed and tumble into the hands of those holding the reins of capitalist power. Unbeknownst to most citizens, networks of computerised files, accessible to all for a price, encircle their personal and professional lives. There has been a multiplication and growing specialisation of public and private police services of all kinds. Cameras monitor public and private venues; computers permanently track people's activities and movements; specialised personnel (social workers, police) monitor and control neighbourhood life, communities and age groups considered to be dangerous or at risk. One day soon they will be electronically (genetically?) tagged and tracked, as is already the case in the world of prisons and crime prevention. Wherever social control seems to be a waste of effort and too costly, vast rural and urban zones and their populations are abandoned to the barbarism of those patchwork and disparate zones of the planet where even the heartless standards of 'globalisation' do not hold sway.

There is, however, nothing inevitable about this process of globalisation and the establishment of a totalitarian universe. The



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