



MEDIA RELEASE

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African-Australian leader has mixed feeling about G20 results.

African Think Tank Chairperson Dr. Berhan Ahmed had mixed feelings about the G20 announcements today.

"The announcement of a further \$1 trillion stimulus package is a good result," said Dr. Ahmed today, "The fact that G20 leaders were able to agree on a unified strategy is a powerful indication of their ability to work together internationally. This meeting of the G20 has showed global willingness to examine the laissez-faire economic system of the last twenty years that is now shown to have failed catastrophically. It is that failure that has produced one of the most significant landmarks in international cooperation in history.

"This agreement, if well implemented, could mark a historic sea change in the way that governments direct the global economy. Global cooperation is the only way to regulate multinationals that are global economic players. And it is very significant that much more effort will go towards developing countries.

"But questions need to be asked about where the money is to go. More money is to go to the IMF, but will the IMF reverse its policies that force developing countries into disastrous privatization regimes that only bleed them to fill the coffers of a few in the First World? And this is a time of fundamental structural change. If it is spent on propping up unviable industries, and if little goes to grassroots support of the people, it has the potential to cause more harm than good."

"And though this is may be a good start, it is still only a start. The greatest challenge affecting us at present is Climate Change. This is no longer a threat, it is a reality. Every study that is done shows effects worse than the most pessimistic predictions. We can no longer stop it, but it is possible to slow it down and to plan for it. I hope that the willingness of international leaders to work together to address the world's financial woes will be a precursor of equal international effort to develop a deep and far-reaching strategy to tackle Global Warming."

Background

The G20 leaders today announced the results of their two-day meeting. In a result that favoured the outcomes that Germany and France had sought from the meeting, countries agreed to a far-reaching regimen of financial oversight, with a further \$1 trillion stimulus package much of which will go to retiring toxic debt from international financial institutions. The increasing financial power of China and its desire for more influence, though, is yet to be resolved. The G20 also agreed to increase funding for the IMF to three times its current level, and to give more support via the IMF to developing countries. However it is unclear what is to be done about countries that will default on crippling international debt repayments, how much support is to be geared to the restructuring of industries to be more ecologically responsible, and to what extent the IMF will back off from its policy of requiring large-scale privatisation in countries that are to receive support. In many countries, both in the Third and in the First world, this policy has seen large-scale failures of important infrastructure industries in a process that undermined their economies and funded a few major players, mainly in the United States.

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