

DJPC's Position on Neoliberalism

DJPC dedicates itself to promoting economic justice in Latin America as a means to achieving lasting peace. History has shown that all of Latin America has suffered tremendously under mercantilism, colonialism, neocolonialism and, most recently, neoliberalism. Neoliberalism is the current reality under which countries negotiate trade agreements. More than economic policy, it is the rule of the new world order. Neoliberal policies perpetuate the world system of neocolonialism and economic dependence. Neoliberalism concentrates the economic and political power of the elite and creates systems that maintain gross economic and political imbalances, particularly against women and children.

DJPC views neoliberalism as the antithesis of economic justice and as an inhibitor of the human rights that it seeks to promote in Latin America. DJPC calls for a separate set of standards for international economic interaction that:

- Measures economic 'success' not in terms of gross domestic product but by the affordability of goods and services for individuals, by reducing the income gap, and by increasing living standards through the completion of the U.N. Millennium Development Goals (i.e. eradicate extreme poverty and hunger; achieve universal primary education; promote gender equality and empower women; reduce child mortality; improve maternal health; combat HIV/AIDS, malaria and other diseases; ensure environmental sustainability; and develop a global partnership for development).
- Incorporates transparent and democratic processes that mutually benefit all parties.
- Promotes fiscal responsibility through reduced military spending and the elimination of corruption and profiteering within governments.
- Respects indigenous land and intellectual property rights.
- Promotes equal access to vital public services.
- Mandates livable wages.
- Subscribes to international human and labor rights.
- Supports long-term sustainable development rooted in civil society with locally defined solutions.

DJPC works to establish just economic policy through:

- Education: of our members, our communities, our Congressional delegation on the history and manner in which U.S. foreign trade policy have impacted poverty, labor and humanitarian abuses.
- Solidarity: partnering with local and national groups and international movements to advocate for these policies.
- Nonviolent Activism: calling, writing, visiting and keeping the pressure on members of our Congressional delegation to enact just foreign trade policies and denounce economic oppression and human rights abuses. Participating in rallies, press conferences, public meetings, and nonviolent protests.

Part II: Definition of Neoliberalism

Neoliberalism originated as a reinvigorated extension of liberal economic policy, as originally defined by Adam Smith. Though it is couched in academia as sound economic theory, its implementation by the U.S., the International Monetary Fund (IMF), the World Bank (WB), and other lending institutions forms the basis of neocolonialism and economic oppression.

The economic perspective is based upon the comparative advantage of individual entities and the growth of societal economic capital through uninhibited free trade. Neoliberalism establishes itself as an ideology in which the existence and operation of markets are valued in and of themselves, separate from production of goods and services and without regard for the contributions of labor. That is, market operations and market structure become the ethic, capable of guiding all human action.

In what can be seen as a belief in economic manifest destiny, the U.S., and subsequently the international financial institutions, adopted the neoliberal ideology in the 1980's. As a result neoliberal policies were forced on lesser-developed countries (LDC) through International Monetary Fund and World Bank Structural Adjustment Policies (SAP) and debt relief programs. Though the SAP programs oppress the LDCs and generally prove economically disastrous, neoliberal ideology is still the basis of almost all IMF and World Bank policy, as well as the creating force behind the World Trade Organization and various free trade agreements. If countries wish to engage in economic exchange with the U.S. or other developed nation economic powers, they must subscribe to neoliberal ideology, whose ethos is capital accumulation at any price and the funneling of profits to an elite minority.

While neoliberalism has strong backing from western trained economists, whose rhetoric insists that neoliberalism is economically beneficial to both developed countries and LDCs, neoliberalism has not helped developing economies and has most often resulted in infractions of human rights, labor protections, and environmental protections. Neoliberal economic reforms are most clearly articulated in the Washington Consensus as:

- Fiscal policy discipline
- Reduction in public spending, especially on education, health, and infrastructure
- Tax reforms that lower tax rates on high income brackets
- Market-determined interest rates
- Trade liberalization through the reduction or elimination of quantitative restrictions and tariffs on imports
- Privatization of state enterprises
- Deregulation
- Legal security for foreign property rights