

Resolution of the 3rd World Conference of ICOR

To a new paradigm of development

Today the idea of development being put forward by the economists of imperialism is that based on supply-side economics or the “trickle-down” theory. The idea is that if more and more concessions are given to the big corporates and if they are allowed to earn enormous profits then the whole of society will be benefited by the trickle-down effects. Development itself is identified as corporate accumulation.

This theory was put into practise in a big way under Reaganomics and Thatcherism. It was proved to be wrong. Even mainstream economists like J. K. Galbraith and Krugman have severely criticised this theory. However, though it is clearly not in the interest of the workers and other toiling masses, it is clearly in the interest of the preservation of the imperialist system. Therefore it is still being followed in most of the world’s big economies as part of the existing paradigm of development.

In most of these economies, big corporates are being given sops like cuts in taxes and a restructuring of taxes like GST to favour the big corporates. But this supply-side economics is not implemented only in the tax regime. Other measures are being used. Labour laws in most countries are being cut to remove whatever meagre protections for the workers that presently exist and to allow for the unbridled exploitation of the workers. Agriculturists are being exploited by giving further sops to industry all over the world. Laws all over the world are being amended to allow for the unchecked exploitation of the environment so that big corporates can plunder not only the human but also the natural resources, many of which are irreplaceable.

In this context we assert that the development paradigm based on the neo-liberal policies and supply-side economics is a false paradigm. It will not lead to real development but only to allow a temporary reprieve for big imperialist corporates. It will only lead to the rich getting richer and the poor being pushed into further poverty. Today inequality in the world is at its highest. The number of corporate billionaires and their wealth has reached unprecedented levels even when the economy is in crisis. This will only further aggravate the crisis of capitalism.

True development must be development of all the people including the workers and the toiling masses. It must mean better education, better health care and a better quality of life for all. Most importantly it must not be exploitative of the environment and must be sustainable. We therefore call upon all the workers and toiling masses to reject this false paradigm of development based on giving concessions to big corporates and to fight for a genuine development based on lessening the inequality in society and on providing a better quality of life for all.