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Newsletter 91 - page 1(1)
Please circulate and distribute.

Sand in the wheels

Weekly newsletter - n°91 – Wednesday 15 august 2001.

WE ARE BACK

Content

Apologies.

Right after Genoa we couldn't publish the Newsletter. Several reasons, some technical, would explain this. Anyhow we are back to provide you with a weekly issue.

1- Thumbs up for globalization

When you are coming back this is generally a real story. This one is an encounter. I met with the OECD General Secretary after spending some time trying to forget police violence and brutality.

2- Who shot Argentina? The finger prints on the smoking gun read 'IMF'

The crisis in Argentina is more a plane crash than a landing. But unlike accidents this situation was built up and in fact is a consequence of IMF orthodoxy on the side of the Argentinean government. Just one more incident would explain the experts in Corporate Globalization. Nothing to worry about business is as usual. Several millions of people are seeing their life and work jeopardized totally.

3- Another Europe for another globalization

We wish to bring together representatives of European social and associative movements. The Citizens' European Congress is open to all interested members of trade unions, citizens' associations, NGOs, students' organisations, publishing houses, universities, and more generally to any citizen who wants to participate in any one of the four workshops (which will be on taxation, public services, world trade, North-South relationship).

4- Mobilization for Global Justice

The International Monetary Fund (IMF) and World Bank will be holding their Joint Annual General Meetings in Washington, DC from September 29-30, 2001. We call on activists from all over the world to come to Washington during that week to protest and expose the illegitimacy of the institutions and officials who continue to claim the right to determine the course of the world economy.

Thumbs up for globalization

By Laurent Jesover

A coming back, even after a short-time leave, is always an action that makes sense. The Summer university of ATTAC in France will reunite hundreds of 'students' during five days in Arles starting August 24. But a coming back could be also a very personal story. This story might not match all the stories that could be told about coming backs. I am not Ulysses and I have no dog after all. My coming back is an encounter: I met with Donald Johnston, OECD General Secretary.

After running away from police oppression in Genoa, from the Media Center and GSF Secretariat attack by the police, violence of any type, the death of one young man, the horror for the detainees, brutal arrests, yells, shouts and hits, after running away from the large and long black banderole that ATTAC Italy activists held in silence during the July 21 huge demonstration, the large and long black banderole without a word, simply black, black in sign of mourning, after running away all of a sudden I found myself in a different world. The same in fact but somewhere else is making the difference. And we fought for this difference and we will. This non-violent battle, if the police here to protect order do not receive orders to organize chaos, starts right now. Now I



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am meeting with M Johnston. In fact I will come to this part.

Under a tree, on an island, this is my getting-away from the police furors. Under a tree to lay a piece of clothe to have some more shade. On an island to be quiet and by the sea, in fact more for the sea. On a tiny island not really a lost one, but to me it is. Under a tree I met goats. They love to be in the shade during a hot summer day. With the goats you can dream of sharing the tree and the shade but that is ignoring goats. It is bad to ignore goats when you try to stay under a tree with them. You can dream of making yourself a place, a type of territory by the sea, under the shade of a tree with goats. Once again you are ignoring goats. The goat is very stubborn, very obstinate, mulish, pigheaded (is there one more word in English?)... it is a bit animal like if you see what I mean. Well I have to move of course, and I wait for the shepherd to call them back. And off they go slowly, slowly, up the mountain. Then I can steal a place in the shade and spend the night there.

After some days like this, a shower, walls and a roof, a bed, a tavern lost in the countryside (where you can eat roasted goat, uh!) are all it takes to make a civilization of luxury and abundance. The tables are getting crowded. Wine is arriving and makes it easier to talk many languages. Then you happen to meet with a woman that was part of the Committee for Genoa 2001 and a group of Italians who where there or not, but who take everybody hasta la Victoria with guitars and some improvise drums.

Then of course I must go back. You know time flies and the whole story. Therefore I have to go back, but slowly. The first stop is a larger harbor where I buy a newspaper. Liberation, Tuesday August 7: "Humanize Globalization", interview with Donald Johnston, OECD General Secretary.

Humanize globalization: The MAI is still on the working table, a new WTO Round is a good thing, helping developing countries is a mistake because the wealthier countries did it always according to their own best interest, the transnational corporations are better because more discreet, trade will save the planet, the health system in France is working better than in the US for some unknown reasons, education is our future wealth, there are good and bad opponents.

That rings a bell. The pope, just before the Genoa mobilizations, declared that we must have a more

human globalization. But something is missing somewhere. Globalization is human. It is human first because some humans for their own profit built it: It is a construction. It is human or it is not. In fact globalization is diverse, multisided, full of differences and diversities. There you are touching complexity. It is bad for important man subtlety.

Humanize globalization: Not a word on the debt, on Structural Adjustment Plans, on the Argentina crisis, a good 'student' this country, on alternate solutions, plans or expertise, not a word. The OECD is employing around 1,000 experts. A growing number of them are precarious employees. This is the fashion nowadays. This growing number of international organization experts has to work also on finding financing for the programs they run. So things are going according to some countries or institutions donations, a one to one type deal. Sometimes for bigger events it is corporations, banks or investors you are looking for, because also they are looking for you to sponsor. Not a word, not a word! In fact one word: Trade. Maybe it is a new word that stands for abracadabra.

Poor countries will get out of poverty because the rich ones will trade with them. This will happen under the sole WTO authority and will be ruled by one single rule. It is a win-win plan.

Goats have been under the shade of a tree for some time now and probably shepherd also to call them back. It has been only for a little time that foolish tourists have been trying to share some shade in the spot where goats have decided to lay and be. Nevertheless Mr Johnston is not a goat, neither a shepherd, neither a tourist, he is one powerful man who unique thought is to believe all exchanges are trade, and all trade the token to enter a better life. Where is globalization?

This one as a single face and the new fashion is have it wearing a mask. The globalization is human and it is against the established order.

European Citizens' Congress in Liege (September), The Fair for the Resistances in Luxembourg (October), Mobilization for Global Justice in Washington during the IMF World Bank meeting, scaled down to two days now (between us for what new they have to say, they could have cancelled the whole gathering as they did in Barcelona in June), hundreds of mobilizations everywhere in the world on the 9 or the 10 November for the WTO Qatar Ministerial, are



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rendezvous to which we invite all the Mr Johnston of the world for them to be globalize a little.

Laurent Jesover. Editor journal@attac.org

Who shot Argentina? The finger prints on the smoking gun read 'IMF'

By Greg Palast
Guardian (London) August 11, 2001

And news this week in South America is that Argentina died, or at least its economy. One in six workers were unemployed even before the beginning of this grim austral winter. Millions more have lost work as industrial production, already down 25% for the year, fell into a coma induced by interest rates which, by one measure, have jumped to over 90% on dollar-denominated borrowings.

This is an easy case to crack. Next to the still warm corpse of Argentina's economy, the killer had left a smoking gun with his fingerprints all over it.

The murder weapon is called, "Technical Memorandum of Understanding," dated September 5, 2000. It signed by Pedro Pou, President of the Central Bank of Argentina for transmission to Horst Kohler, Managing Director of the International Monetary Fund.

'Inside Corporate America' received a complete copy of the 'Understanding' along with attachments and a companion letter from the Argentine Economics Ministry to the IMF from ... well, let's just say the envelope had no return address.

Close inspection leaves no doubt that this 'Understanding' fired fatal bullets into Argentina's defenseless body.

To begin with, the Understanding requires Argentina cut the government budget deficit from US\$5.3 billion in 2000 to \$4.1 billion in 2001. Think about that. Last September, Argentina was already on the cliff-edge of a deep recession. Even the half-baked economists at the IMF should know that holding back government spending in a contracting economy is like turning off the engines on an airplane in stall. Cut the deficit? As my 4-year old daughter would say, "That's stoopid."

The IMF is never wrong without being cruel as well. And so we read, under the boldface heading,

"improving the conditions of the poor," agreement to drop salaries under the government's emergency employment program by 20%, from \$200 a month to \$160.

But you can't save much by taking \$40 a month from the poor. For further savings, the Understanding also promised, "a 12-15 percent cut in salaries" of civil servants and "rationalization of certain privileged pension benefits."

In case you haven't a clue what the IMF means by "rationalization" - it means cutting payments to the aged by 13% under both public and private plans. Cut, cut, cut in the midst of a recession. Stoopid.

Salted in with the IMF's bone head recommendations and mean-spirited plans for pensioners and the poor are economic forecasts which border on the delusional. In the Understanding, the globalization geniuses project that, if Argentina carries out their plans to snuff consumer spending power, somehow the nation's economic production will leap by 3.7% and unemployment decline. In fact, by the end of March, the nation's GDP had already dropped 2.1% below the year earlier mark, and nosedived since.

What on Earth would induce Argentina to embrace the IMF's goofy program? The payoff, if Argentina does as it's told, is that this week the IMF lend \$1.2 billion in aid. This is part of an emergency loan package of \$26 billion for 2001 put together by the IMF, World Bank and private lenders announced at the end of last year.

But there is less to this generosity than meets the eye. The Understanding also assumes Argentina will "peg" its currency, the peso, to the dollar at an exchange rate of one to one. The currency peg doesn't come cheap. American banks and speculators are charging a whopping 16% risk premium above normal in return for the dollars needed to back this currency scheme.

Now do the arithmetic. On Argentina's \$128 billion in debt, normal interest plus the 16% surcharge by lenders comes to about \$27 billion a year. In other words, Argentina's people don't net one penny from the \$26 million loan package. Little of the bail-out money escapes New York where it lingers to pay interest to US creditors holding the debt, big fish like Citibank and little biters like Steve Hanke.

Hanke is President of Toronto Trust Argentina, an 'emerging market fund' which loaded up 100% on Argentine bonds during the last currency panic, in 1995. Cry not for Steve, Argentina. His annual return that year of 79.25% put the speculator's trust at the top of the speculation league table. This year he'll do it again.

Hanke profits by betting on the failure of the IMF's policies. But 'vulture' investing is merely Hanke's avocation. In his day job as professor of economics at Johns Hopkins University, Maryland, he freely offers straightforward advice to end Argentina's woe, advice which would put him out of the speculation game: "Abolish the IMF."

To begin with, Hanke would do away with the 'peg' - that one-peso-for-one-dollar exchange rate - which has proven a meat-hook on which the IMF hangs the Argentina's finances.

It's not the peg itself that skewers Argentina - but the peg combined with the Four Horsemen of IMF neoliberal policy: liberalized financial markets, free trade, mass privatization, and government surpluses.

'Liberalizing' financial markets means allowing capital to flow freely across a nation's borders. Indeed, after liberalization five years ago, the capital has flowed freely, with a vengeance. Argentina's panicked rich have dumped their pesos for dollars and sent the hard loot to investment havens abroad. Last month alone, Argentine's withdrew 6% of all bank deposits.

Once upon a time, government-owned national and provincial banks supported the nation's debts. But in the mid 1990s, the government of Carlos Menem sold these off to Citibank of New York, Fleet Bank of Boston and other foreign operators.

Charles Calomiris, a former World Bank advisor, describes these bank privatizations as a "really wonderful story." Wonderful for whom? Argentina has bled out as much as three-quarters of a billion dollars a day in hard currency holdings.

There's more cheer for creditors in the Understanding, including 'reform of the revenue sharing system.' This is the kinder, gentler way of stating that the US banks will be paid by siphoning off tax receipts earmarked for education and other provincial services. The Understanding also finds cash in "reforming" the nation's health insurance system (cut cut cut).

But when cut cut cut isn't enough to pay the debt holders, one can always sell 'la joyas de me abuela,' grandma's jewels, as journalist Mario del Carvil describes his nation's privatization scheme. The French picked up a big hunk of the water system and promptly raised charges in some provinces by 400%.

The Understanding's final bullet is imposition of "an open trade policy." This requires Argentina's exporters, with their products priced via the 'peg' in US dollars, into a pathetic, losing competition against Brazilian goods priced in a devaluing currency. Stoopid.

Still, the IMF's scheme could work. All, that is required is 'flexible' workforce, willing to bend to lower pensions, lower wages or no wages at all. But, to the dismay of Argentina's elite, the worker bees are proving inflexibly obstinate in agreeing to their own impoverishment. One inflexible worker, Anibal Verón, a 37-year-old father of five, lost his job as a bus driver; his company owes him 9 months pay.

Verón joined the 'piqueros,' the angry unemployed who blockade roads (39 blockades began just this week). In clearing a blockade in November, the military police allegedly killed him with a bullet to the head.

The death in Genoa of anti-globalization protestor Carlo Giuliani was Page One news in the US and Europe. Verón's death was page zero. Nor did you read about Carlos Santillán, 27 nor Oscar Barrios, 17, gunned down in a church courtyard in Salta Province when the police fired on a protest against the IMF austerity plan.

Globalization boosters like Tony Blair prefer to portray resistance as a lark of pampered Western youth curing their ennui by "indulging in protest, misguided" by naive notions. The media plays to this theme, focussing on the few thousand marching in Genoa, but not the 80,000 in the streets of Buenos Aires last May, nor the general strike honored by 7 million Argentine workers last June.

In Argentina, President Fernando de la Rúa blames violence on the protesters. But the Peace and Justice Service (SERPAJ) charges de la Rúa's government with using hunger and terror to impose the IMF plans. SERPAJ leader Adolfo Pérez Esquivel told me he is documenting cases of torture of protesters by police in the town where



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Santillán and Barrios died. To Pérez Esquivel who won the Nobel Peace Prize in 1980 repression and liberalization are handmaidens. He told the Observer he has just filed a complaint charging police with recruiting children as young as 5 years old into paramilitary squads, an operation he compares to the Hitler Youth.

But Pérez Esquivel, who led protests against the Free Trade Agreement of the Americas, doesn't agree with my verdict against the IMF in Argentina's death. He notes that the economically fatal 'reforms' are embraced with enthusiasm by the nation's finance minister, Domingo Cavallo, best remembered as the head of the central bank during the military dictatorship. For the aging pacifist, that suggests that the untimely demise of the nation's economy wasn't murder, but suicide.

Award-winning investigative reporter Greg Palast writes, Inside Corporate America, fortnightly in the Observer (London), Sunday paper of Britain's Guardian. At <http://www.GregPalast.com> you can read and subscribe to Greg Palast's columns.

Another Europe for Another Globalization

Programme for the Citizens' European Congress organised by ATTAC Belgium in partnership with the trade unions FGTB and CSC and with the Belgian NGO's coalition

Another Europe for Another Globalisation

Liège - 21/23 September 2001

Context :

In the second semester of 2001, that is just before the introduction of the euro as notes and coins, Belgium will assume the presidency of the European Union. The significance of this position is all the greater as most European institutions are located in Brussels.

Objectives :

We wish to bring together representatives of European social and associative movements. The Citizens' European Congress is open to all interested members of trade unions, citizens' associations, NGOs, students' organisations, publishing houses, universities, and more generally to any citizen who wants to participate in any one of the four workshops (which will be on taxation, public services, world trade, North-South

relationship). A forum for members of various European parliaments will take place simultaneously as a relay between the two World Social Forums in Porto Alegre. The outcome of this open debate between citizens and MPs should be to formulate alternatives for a different kind of globalisation. To this end MPs will be invited to take part in the various workshops, depending on the field in which they work.

Practical information:

The Conference will begin with a plenary session on Saturday morning. In it the four workshops will be introduced by Bernard Cassen, Riccardo Petrella, Susan George and Eric Toussaint. This will be followed by a trade union panel organised by Belgian trade unions ('FGTB', General Federation of Belgian Workers, and 'CSC', Confederation of Christian Trade Unions).

Workshop sessions will be held on Saturday afternoon, Sunday morning and Sunday afternoon. (The number of participants to each workshop is limited to 150.)

The Conference will conclude with plenary session which will be addressed by Denis Robert, Corinne Gobin, Nicola Bullard and Binta Sarr.

Workshops:

In the parallel workshops participants will try to find answers to four specific questions (see workshop programme below) and to prepare contributions to the declaration which will be drafted at the end of the Conference. In each workshop the debate will be introduced by resource people from two partner organisations of ATTAC Belgique/België.

Practical matters:

The congress will begin with a plenary session during which each issue will be introduced. Work will then be carried out in the four workshops (which can accommodate up to 150 participants each). This, we hope, will be an opportunity to bring together representatives from the widest possible range of European citizens' associations and social movements in order to work constructively together on possible ALTERNATIVES. Various artistic and cultural events are scheduled to take place simultaneously in the city and around the University buildings. The secretariat of ATTAC-Liège will look after lodgings for participants. (see registration form).



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PROGRAMME:

Friday 21 September:

10.30: Call to join the demonstration organised by the European Confederation of Trade Unions

Saturday 22 September:

- 9: Registration
- 9.30-10: Opening of the plenary session
- 10-11.30: Open Session with Bernard CASSEN (President of ATTAC France, journalist and general editor of *Le Monde Diplomatique*); Riccardo PETRELLA (President of the Lisboa Group, member of the European centre for political and economic analysis and Professor at UCL); Susan GEORGE (Associate Director of the Transnational Institute and Vice-President of ATTAC France); Eric TOUSSAINT (President of COCAD, Committee for the Cancellation of Third World Debt and researcher in political sciences at the University of Liège).
- 11.30-13: Trade union panel
- 13-14: Lunch
- 14-18: Parallel workshops
- 18: Artistic and cultural events, dinner

Sunday 23 September:

- 9-13: Parallel workshops
- 13-14: Lunch
- 14-16: Parallel workshops
- 16.30-18: Concluding session with Denis ROBERT (writer, initiator of the Geneva Appeal), Corinne GOBIN (Political Scientist at the Free University of Brussels), Nicola BULLARD (economist at Focus on Global South) and Binta SARR (President of APROFES, President of COCAD Senegal and Vice-President of CONGAD).

Programme for the CEC workshops

Workshop 1 : Taxation (led by the two Belgian networks against speculative transactions)

What are the obstacles to the democratic repartition of wealth ? What kind of european taxation policy do we want ? How can tax havens be eliminated ? Is a European taxation of financial transactions politically and economically feasible ? What impact would it have ?

Workshop 2 : The social dimension in Europe and public services (led by the two main Belgian trade unions 'FGTB' and 'CSC')

Is a Europe of full employment possible ? What future is there for public services in Europe (mission and democratisation) ? Is the privatisation of education unstoppable ? What kind of social movement can help the development of a social Europe ?

Workshop 3 : Trade (led by the WTO coordination and the belgian platform for food autonomy)

How can the international trade organisation be democratised? How can the General Agreement on Trade in Services (GATS) be assessed ? And what future does it have ? What farming model should be used ? How can citizens be protected against TRIPS (trade-related aspects of intellectual property rights)?

Workshop 4 : North-South relationships (led by Copenhagen Group and the CETRI, Tricontinental Centre based in Belgium)

How can and should the third world debt be cancelled ? What impact would it have? How can development be financed? What kind of international financial institutions do we want? How can a neoliberal globalisation be superseded by concern for human rights in all areas of human activity – economic, social, cultural and environmental ?

Registration form

Name :
First name :
Organisation :
Country:
Tel.
Fax :
Email :
Address :
q I register for the ECC and wish to take part in the workshop on
q My mother tongue is:
q I also understand the following other languages:
q I would like to stay with a local inhabitant
q I would appreciate a list of hotels and other accommodation.
q I enclose a paper entitled:
(when possible please send us a copy via email) related to the following workshop:
TO BE SENT BACK to ATTAC Liège 48 rue du Beau Mur 4030 Liège

Contact : Arnaud Zacharie (+32.(0)4.237.05.77) -
E mail : belgium@attac.org



Mobilization for Global Justice

1- September 30 2001. Massive grassroots mobilization to protest the World Bank and IMF meetings

The International Monetary Fund (IMF) and World Bank will be holding their Joint Annual General Meetings in Washington, DC from September 29-30, 2001. We call on activists from all over the world to come to Washington during that week to protest and expose the illegitimacy of the institutions and officials who continue to claim the right to determine the course of the world economy.

September 29-30, finance ministers and central bankers from 25 countries, as well as ministers from the International Monetary Fund (IMF) and World Bank, and World Trade Organization (WTO) - a veritable Board of Directors of the global economy - are coming to Washington DC. These institutions "bail out" governments with debt and credit problems, but they only provide money to governments that agree to allow corporations free access to their countries' resources and labor. They fire government employees and slash programs in health and education. In the case of the biggest bail-outs (like South Korea), most of the money goes to foreign investors to restore their "confidence."

Most of the world's most impoverished countries have suffered under IMF/World Bank programs for two decades: they've seen debt levels rise, unemployment skyrocket, poverty increase, and environments devastated. Urged to export, they focus on cash crops like coffee instead of food for their own people, and allow foreign governments to build sweatshops - which also puts pressure on jobs in the US.

More information:

<http://www.globalizethis.org/s30/>

2- A Call to Action to Globalize Justice
Global Justice Week of Action
Sept. 26-Oct. 1, 2001
Washington, D.C.

This fall, America's unions will unite with a broad range of activists from around the world to insist on transforming the rules and institutions of the global economy to ensure that they work for working people.

The international union movement, student organizations, women's groups, human rights advocates, faith-based activists, solidarity groups, immigrants, environmentalists, unemployed people, small farmers and business people will come together in a week of action to reject the global economic system that values profits over people.

As the International Monetary Fund (IMF) and World Bank hold their annual joint meetings in Washington, D.C., during the week of Sept. 26-Oct. 2, 2001, we will come together for a massive march and rally and related events in the nation's capital. As we approach the November meeting of the World Trade Organization in Qatar, we also will be joining together with unions from around the world in global solidarity actions being planned by the International Confederation of Free Trade Unions (ICFTU). And, also in Washington, D.C., from Sept. 24-25, the National Council of Women's Organizations will hold its Women's Equality Summit, Congressional Action Day with a focus on Social Security privatization—another item on the World Bank's agenda.

The fall meetings of the IMF and World Bank will be among the most significant gatherings of the proponents and decision makers of corporate-led globalization in 2001. We cannot stand by as these institutions continue to structure global economic rules for the benefit of corporations and the wealthy and deny basic justice to the majority of the world's people.

The IMF/World Bank are forcing national "structural adjustments" that include privatizing, downsizing and slashing spending by governments; recklessly opening trade doors to exploitative foreign investment; and promotion of so-called "labor flexibility" moves, such as reducing the minimum wage and weakening workers' protections. Some countries are spending more each year trying to repay loan debts to these institutions than they are able to spend to meet the basic health, sanitation and education needs of their people. Both domestically and abroad, the World Bank continues to promote privatization of our public systems with dangerous consequences for the well-being of workers.

The struggle against the IMF and World Bank is about much more than trade. It is the struggle to address the inequalities of the global economy through the institutions that perpetuate them.

Global justice activists are making three demands:



1 Opposition to the granting by the U.S. Congress of "Fast Track" trade negotiating authority to President George W. Bush. Fast Track would bar Congress from more than a minimal review of trade agreements Bush negotiates, and would not require protections for workers' rights and the environment in the core provisions of the trade agreements—despite extensive protections for business interests.

2 Support for the call to unconditionally cancel the debts owed by the poorest countries to the IMF and the World Bank, using the institutions' own resources.

3 Opposition to the Free Trade Area of the Americas (FTAA) agreement aimed at extending the terms of the disastrous North American Free Trade Agreement (NAFTA) throughout the Western Hemisphere.

We call on people of conscience and good will to Be There for a Global Justice Week of Action:

- Women's Equality Summit, Congressional Action Day: Sept. 24-25
- March in defense of the rights of immigrants: Wednesday, Sept. 26

- Teach-in on the World Bank, IMF and the Global Economy: Thursday evening, Sept. 27 through Saturday, Sept. 29

- Forum on the impacts of international financial institution policies on women in the global economy

- "Behind the Label" retailer actions with UNITE, protesting sweatshop conditions: Friday, Sept. 28

- Interfaith Service for debt cancellation and global justice: Saturday, Sept. 29

- Massive rally and march Sunday, Sept. 30, demanding:

IMF/World Bank debt cancellation

A fair trade agenda and no Fast Track/FTAA

Priority treatment for combating HIV/AIDS

- Support for local labor struggles (including parking lot attendants' fight for the right to organize with Hotel Employees & Restaurant Employees Local 27)

- Preparation for the ICFTU's Global Unions' Day of Action by the Workplaces of the World to be held Nov. 9 around the meeting of the WTO in Qatar.

More information:

http://www.aflcio.org/globaleconomy/global_justice.htm