

Sand in the wheels

Weekly newsletter - n°93 – Wednesday 29 august 2001.

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2- The World Bank's Attack on Social Security

The World Bank's attack on public Social Security systems has been both direct and indirect. The indirect attacks have been most important for industrialized countries like the United States. The World Bank has vigorously promoted the notion that Social Security systems, such as the one in the United States, are unsustainable. This was done most clearly in a 1994 World Bank book, titled Averting the Old Age Crisis.

3- After Genoa, a few thoughts on violence and the current state of the movement.

Since Seattle, the movement against neo-liberal globalisation has grown considerably. This has affected both the periodicity and extent of mobilisations and has brought increasing radicalisation, amongst the young in particular. But, and this is the main point, these mobilisations are only the precursor of an overall shift in public opinion, at least in capitalistic developed countries. Not only are these movements gaining in strength, but they are also starting to resonate with the concerns of increasing segments of the population.

4- Russian Genoa.

First of all, a feeling of relief that all participants in the Russian and Ukrainian delegation have returned saved and sound. One thing is certain : the shock of the events has been such that the militants, having participated for the first time, came back somewhat distraught, but firmly determined to spread the anti-globalisation movement in Russia.

5- EU's secret network to spy on anti-capitalist protesters

European leaders have ordered police and intelligence agencies to co-ordinate their efforts to identify and track the anti-capitalist demonstrators whose violent protests at recent international summits culminated in the shooting dead by police of a young protester at the Genoa G8 meeting last month.

Zimbabwe's lurch towards a pauper's burial?

by Patrick Bond
(Bvumba mountains, Zimbabwe, 19 June)

Last year, I spent June rambling the roads of Zimbabwe's Eastern Highlands mountains. The human warmth of the Shona people and physical beauty of the rural landscape are world-class. My job should have been inspiring: election-observation for a regional team trying to

document whether the parliamentary vote was free and fair.

But last June was a tragic time (1), because of the decay of Robert Mugabe's once- liberatory nationalist politics. Exhausted, corrupted, desperate and prone to violence, the Zimbabwe African National Union (ZanuPF) barely held off a challenge by the nine-month old Movement for Democratic Change (MDC), winning just over half the 120 contested parliamentary seats.



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Mugabe's socialist vision evaporated long ago, although he calls forth radical rhetoric periodically to confuse matters. "Talk left, act right" is the chosen formula, as Zanu(PF) continually seeks to revive popular memory of a time when the party was indeed a fish in the sea of the masses, while concurrently repressing those who protest vigorously from the Left.

In early June, for example, Zimbabwe National Students' Union president Nkululeko Sibanda was tortured by Mugabe's secret police, the Central Intelligence Organisation, after the CIO accused him of "working with the MDC to topple the government." Sibanda is leading widespread student protest over unaffordable university fees and privatisation of campus facilities and services.

But the topic of the gloomy present was replaced, during a recent weekend visit, by the question of Zimbabwe's very uncertain financial future. I flew two hours from Jo'burg to Harare, drove east for four hours and joined a dozen civil society strategists in a sunny, wintertime seminar up in the mountains bordering Mozambique.

We gathered to debate the country's most durable economic problem, the buildup of foreign and domestic debt: \$5 billion and \$1.5 billion, respectively. Zimbabwe is considered only "moderately" indebted by the World Bank, but the burden of repayment is so brutal that Mugabe finally said no around a year ago.

For two NGO activists, Davie Malungisa of the Zimbabwe Coalition on Debt and Development (Zimcodd) and Eunice Mafundikwa of the African Network on Debt and Development (Afrodad), the protests they joined at the spring meetings of the World Bank and IMF over the past two years took on new meaning as we reviewed a new debt study. The report's author, Masimba Manyanya, was formerly a chief economist for Mugabe's finance ministry but quit to join the trade union movement in 1999.

All three thirty-somethings are progressive professionals who, while differing on party-political affiliations, share the concern that a national debate over economic policy has not yet even really begun, and that resolving the debt crisis has to be central.

Zimcodd was founded last year by the main organisations in the social justice, church, women's, NGO and trade union movements. "Debt is already genocidal in Zimbabwe," insists

Malungisa, "because so few of our urgent social priorities can be met. The last budget saw a 26% crash in health spending, for instance."

Indeed, debt peonage couldn't have come at a worse time, given that life expectancy is falling into the thirties because of HIV/AIDS. By cutting living standards so dramatically, structural adjustment contributed to the opportunistic infections and breakdown of the state health system through which AIDS flourishes.

Continues Malungisa, "Debt is a threat against which all Zimbabweans can and must unite. Otherwise we face a pauper's burial. Zimcodd is even joining the World Bank Bonds Boycott campaign to drive this point home where it counts: Jim Wolfensohn's wallet."

Malungisa and the others are far out ahead of the political curve here. In next April's presidential elections, the MDC will probably win, vindicating the political courage of its founders, the Zimbabwe Congress of Trade Unions and its supporters, the mass of the urban poor, the youth, and the working-classes.

But here arises another hurdle. In February 2000, the impoverished young party also welcomed big business, white farmers and even overseas supporters with imperialist designs, who gave enthusiastic financial and logistical support once the MDC defeated Mugabe by 55% to 45% in a referendum over a new constitution.

If the MDC becomes the ruling party, it is likely to be pressured into adopting hard-core neoliberal economic policies (2). But that won't do the country any good, given the neoliberal roots of the current political tumult.

The disaster of neoliberalism in Zimbabwe is not surprising news, no doubt (3). But it's worth returning to the debt issue because Harare has adopted some interesting emergency policies which any genuinely progressive government would want to consider amplifying.

In particular, three recent government decisions are considered insane by conventional economists: running such a relaxed monetary policy since January that interest rates (15%) are at least 45% below the inflation rate; pegging the currency at 55 Zimdollars to one US\$ when the black market rate is at least double that; and servicing foreign debt only haltingly.



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We need to look at these objectively, and the post-independence context is crucial. My own theory is that the foreign debt burden and the failure of the 1991-95 structural adjustment programme designed by the World Bank together drove Mugabe around the bend, in classical nationalist zig-zag mode, in mid-1997.

Ironically, in 1995, the Bank had judged Mugabe's turn to neoliberalism as "highly satisfactory" (the highest possible ranking). Most macroeconomic, sector and financial objectives were "substantially" achieved (again, the highest mark), said an official Bank evaluation.

In reality, the formerly well-balanced economy became deindustrialised and massively indebted. The social wage collapsed as budget cuts bit deep. Gender, race and class inequity soared. And Zimbabwe became much more vulnerable to international shocks.

Over the period 1990-95, gross domestic product fell by a fifth, from \$8.50 billion to \$6.80 billion, as foreign debt soared 55%, from \$3.25 billion to \$5.05 billion, according to the World Bank's own debt tables.

Meanwhile, grassroots protest was relatively erratic and easily contained. Finally in 1996- 97, trade unions, civil servants and farmworkers all challenged Mugabe from the left.

Simultaneously, Mugabe was berated by several thousand of his former comrades from the 1960s-70s struggle who had received none of the spoils of liberation. In late 1997 he struck a deal with these war veterans, giving them a few thousand dollars as a pension in exchange for allegiance.

Within a year, some of the most aggressive war vets had become a quasi-paramilitary force, harassing trade unionists and others who staged periodic strikes. (And within two and half years, the war vets had staged bloody occupations of more than 1,000 white-owned farms, which aided Mugabe's 2000 election campaign by reviving nationalist memories of the need to rid settlers from the best land.)

But the pincer squeeze on Mugabe was tightening hard during the late 1990s, as local democracy activists and international financiers made contradictory demands. In 1998, the last full year Mugabe authorised repayment of the foreign debt, there was only one other country in the world (Brazil) paying higher debt-servicing charges in

relation to its ability to earn exports. (That fact, embedded deep in the World Bank's latest Global Development Finance report, has never been reported in Zimbabwe.)

After several years of spending \$650 million annually on debt servicing, Zimbabwe coughed up \$981 million in 1998, against just \$2.57 billion earned from exports, an untenable ratio of 38%. But even though over the period 1994-98, Zimbabwe had paid \$910 million more in debt servicing than it received in new loans, the debt actually rose over those five years from \$4.54 to \$4.72 billion. (At the same time, grant aid fell by half, from a peak of \$310 million in 1995 to \$150 million in 1998.)

Because of repayment scheduling and the tyranny of compound interest, Mugabe found himself sliding backwards on the debt treadmill. Finally in early 1999, he jumped off, refusing to pay the IMF and Bank, thereby joining a list of rogue-financial states like Yemen, Iraq and the Democratic Republic of the Congo (DRC).

The costs of short-term IMF "help" now finally outweighed the benefits. Those costs included three main conditions attached to \$200 million in IMF credit promised in 1999. Mugabe was ordered to immediately reverse the only redistributive policies he had adopted in a long time, namely a) a ban on holding foreign exchange accounts in local banks (which immediately halted the easiest form of capital flight by the country's elites); b) a 100% customs tax on imported luxury goods; and c) price controls on staple foods in the wake of several urban riots.

Mugabe resisted the IMF, and was cut off after the first small tranche of the loan. But hatred of the Zanu(PF) leader continued to grow in the cities when he deployed 10,000 troops to the DRC war, partly as an act of solidarity against the US-backed Ugandan/Rwandan invasion of the east of the DRC.

However, Zimbabwe's intervention was soon unveiled as a ghastly mercenary-style arrangement with the soon-to-be-assassinated Laurent Kabila. The deal allows Harare's military and state elites to loot the wretched DRC's cobalt, copper and diamonds.

Tellingly, the IMF permitted Mugabe to continue his DRC adventure at a crucial negotiating stage in mid-1999: "We have had assurances" about Mugabe's plans for further deployment, an IMF

source told Agence France Press. "If there is budgetary overspending, there will be cuts in other budget sectors."

In other words, health, education and other badly-defended sectors would suffer more pressure on behalf of Mugabe's military cronies.

These are some of the reasons Malungisa says Zimbabwe's foreign debt should be considered "odious," not subject to repayment by a democratic successor.

The foreign loans that Robert Mugabe signed for during the 1980s and early 1990s backed the ruling Zanu(PF) party's worst, most self-destructive tendencies, and were contracted in a non-transparent manner contrary to society's interests.

A full audit of Zimbabwe's foreign debt would reveal systemic failure. Not only did loan conditionality throughout the post-independence period screw the poor. The credits also created space for degeneracy by elites, who used the hard currency to import inappropriate luxury goods and unsustainable machinery, to be repaid by the future generations.

But the days of easy foreign credit ended by the mid-1990s, so government turned increasingly to domestic borrowing. The interest bill on local and foreign loans was projected by the finance minister late last year to reach a phenomenal 48% of the annual government budget--of about \$2 billion--in 2001. (And that's even after Mugabe absurdly projected privatisation revenues of \$200 million this year, a promise which no one believes he'll keep since parastatal corporations are vital to his political patronage system.)

The only light I see at the end of the debt tunnel is that whatever party is ruling after the April 2002 election might, perhaps, learn from present circumstances that it's ok to default.

Having failed to make key foreign debt payments since 1999, the government is now \$600 million in arrears. Zimbabwe finance minister Simba Makoni promised the World Bank and IMF he'd spend about that sum this year to repay foreign loans, but it seems that Mugabe won't let him.

Makoni, who is considered a reliably neoliberal technocrat, conceded to the World Economic Forum meeting in Durban a earlier this month, "We are committed to fulfilling these obligations,

but it's clear that our economy is in no state to generate sufficient funds to clear these arrears."

Even if the debt was serviced, the IMF's Stanley Fischer told Makoni that there won't be any new loans until Mugabe fulfills a set of new conditions, including getting war vets off the commercial farms they occupied last year.

With the prospect of net repayment outflow, Mugabe appears justified in ignoring IMF repayment demands and instead hijacking a portion of foreign exchange earned by tobacco and other exports, for emergency purchases, including fuel. Even so, the price of petrol, which has been in very short supply this year, was raised overnight by 70% last Thursday. (A two-day general strike has been called by the unions for the beginning of July to reverse the increase.)

An interesting geopolitical/economic question immediately arises: in the wake of having effectively defaulted on foreign debt and now facing chronic foreign exchange shortages, what further material punishment can the world economy impose on Mugabe?

Aid has been withdrawn by most donors, or redirected to civil society. Trade sanctions proposed by Jesse Helms--which are not supported by the Zimbabwean opposition-- would in any case not bite much harder.

The only country that could really finally push Zimbabwe over the economic cliff if it wanted to, is South Africa, through which most exports and imports flow. But Thabo Mbeki has repeatedly come to Mugabe's aid in various ways (although it appears that Pretoria is now finally ready to recognise the Movement for Democratic Change as the likely next government).

In sum, Zimbabwe is down but not out. Periodic shortages--including essential drugs and California-style electricity load-shedding--contribute to the misery of daily life.

Government justifies maintaining an official exchange rate half that which is available on the black market, on grounds it can't afford to pay for vital imports at the market rate. The private sector reverts to the higher rate for its own imports, while government insists on exchanging a quarter of all the hard currency revenues earned by exporters, but at the lower rate.



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And then there's the 15% rate of interest government decided to pay domestic creditors for short-term loans, at a time inflation is roaring above 60%. The state forces institutional investors to purchase Treasury Bills, and in the process spreads the pain of debt payback to relatively wealthier savers who get a negative rate of return, after discounting inflation.

The upside of the negative real interest rate is that only half the amount that was anticipated (nearly \$1 billion) will be required to service domestic debt this year. And productive investment can be financed more cheaply than at any time in the last decade, for those very rare businesses interested in expanding during the midst of depression.

But because institutional investors aren't getting the return on interest-earning assets that they want, they've pushed unprecedented funding into the Zimbabwe Stock Exchange, which was the fastest rising in the world over the last year. And the stocks they're buying are absurdly overvalued, so they'll lose again when normalcy returns and the market crashes.

These contradictory policies aren't tenable over the medium-term. But if the MDC is ruling Zimbabwe next year it may have to drop the overall neoliberal formula for one simple reason. The debt has become so oppressive that there is only one way out: defaulting the foreign lenders and cheating the local institutional investors (and by extension savers, including some workers whose pension funds are now shrinking quickly).

This leaves three other residual challenges:

- * redirecting financial capital which is now flooding away from interest-bearing assets into the stock market;
- * protecting the pensions of ordinary workers; and
- * shielding the poor from inflation, for instance through well-conceived subsidies on basic needs.

Even if he acted on these forcefully (which he won't), it's hard to envisage Mugabe holding on to power, no matter how much he intimidates the rural electorate to again vote Zanu(PF). Over the past few weeks, he lost three key nationalist militants--defense minister Moven Mahachi, employment minister Border Gezi and war vets leader Chengera Hitler Hunzvi--in unexpected deaths (two accidental car crashes and illness, respectively). Rumours have circulated that a Zanu(PF) military clique is anxious to take over, possibly via a coup, if Mugabe continues to falter.

Other support is also waning for the 77-year old president. Controversial information minister Jonathan Moyo, on whom Mugabe has come to rely for spindoctoring, had his wings clipped this month by cabinet colleagues. The judiciary still leans against the ruling party. And a string of smaller elections coming up will tire Mugabe in the run-up to the presidential race.

But matters are not much rosier for the opposition. Former trade union leader Morgan Tsvangirai is likely to be the MDC's candidate for president, although Mugabe has him awaiting trial for threatening violence last September, which potentially could disqualify Tsvangirai from the election. And even if the MDC wins next April, it would not control parliament immediately, and would have an enormous struggle to establish political stability in such a divided society.

The biggest struggle, though, looks to be about ten months away: if the MDC can extricate itself from the grip of big money and orthodox economic ideas (and right now, I'd bet no), how would they slay the debt monster? Tsvangirai, after all, said in an uncharacteristically slippery way last year, "I still hate the World Bank and IMF, like I hate my doctor."

If the MDC can't shake off neoliberalism, will civil society groups offer as vibrant advocacy on socio-economic rights as they do today on political and civil rights?

Late at night, next to the blazing Bvumba fireplace as our seminar came to an end, Davie Malungisa, Eunice Mafundikwa, Masimba Manyanya and the other folks chatting over local beers swore that in coming months, they'll be at the forefront of linking Zimbabwe's best grassroots activists to the international anti-neoliberal movement.

(For those readers who want to see a democratic Zimbabwe without the burden of a \$5 billion foreign debt, Zimcodd and the Jubilee South movement--<http://aidc.org.za>-- promote 100% cancellation. The best ways to help out are to join Davie, Eunice, Masimba and other Zimbabweans protesting at the Washington annual meetings of the World Bank/IMF in early October, and to support the World Bank Bonds Boycott: <http://www.worldbankboycott.org>)

(1) ZNet, Commentary, 6/22/00: "Zimbabwe's Election: Who's Right, Who's Left?"

(2) I address this dilemma more fully in the Journal of World Systems Research, current issue (<http://csf.colorado.edu/jwsr>).

(3) ZNet Commentary, 4/30/00: "Zimbabwe's Crisis Showcases Reasons for IMF/World Bank Protest"

Patrick Bond

The World Bank's Attack on Social Security

By Dean Baker

Over the last decade, the World Bank has become one of the leading forces for privatizing public sector Social Security systems around the world. These systems, particularly in the industrialized nations, have been remarkably successful at reducing poverty among the elderly and disabled. There are no privatized systems that can boast a comparable track record.

The World Bank's attack on public Social Security systems has been both direct and indirect. The indirect attacks have been most important for industrialized countries like the United States. The World Bank has vigorously promoted the notion that Social Security systems, such as the one in the United States, are unsustainable. This was done most clearly in a 1994 World Bank book, titled *Averting the Old Age Crisis*.

As indicated by the title, this book implies that longer life spans, due to increasing wealth and improved medical technology, are going to impose an unbearable burden on nations, unless their Social Security systems are radically altered. It is easy to show that the basic premise of the book is wrong. Life spans have been increasing rapidly in the industrialized nations for more than a century. In most industrialized countries -- including the United States -- the increase in spending on Social Security programs in the past thirty to forty years was actually larger (measured relative to the size of the economy) than it is projected to be in the next thirty or forty years. In other words, the World Bank could have more appropriately written *Averting the Old Age Crisis* in 1960 than in 1994.

There is no plausible scenario in which the continued growth in the size of the elderly population will prevent future generations of workers from enjoying substantially higher living standards than their parents and grandparents.

On average, living standards for workers in the industrialized nations have improved significantly over the last four decades, even after deducting the taxes needed to support a larger population of retirees. The World Bank studies have produced no evidence that the next four decades will be any different in this respect. (The distribution of income does raise a possibility of declining living standards for the majority of people, as an upward redistribution of income has led to stagnant or declining living standards for many workers in the United States in the last two decades. In spite of the greater threat it poses to the future living standards of the majority of people in the industrialized nations, the distribution of income has received almost no attention from the World Bank.)

The lack of evidence to support its basic premise has not prevented *Averting the Old Age Crisis* from being extremely useful to political groups with an interest in privatizing Social Security systems around the world. It is highly unusual for economists to use the sort of inflammatory rhetoric of the book's title (i.e. referring to an old age "crisis") and in much of the text. Since the World Bank is often regarded as a neutral authority, conservatives opposed to Social Security systems for ideological reasons -- as well as the financial firms that stand to profit from the privatization of Social Security -- have often cited the World Bank's writings to promote their efforts. It is worth noting that Estelle James, who led the research team that authored *Averting the Old Age Crisis*, is now a member of President Bush's Commission for privatizing Social Security, although not in her capacity as a World Bank employee.

The World Bank's role in promoting the privatization of Social Security systems in the developing world has been far more direct. In addition to providing rhetorical support to the ideological and financial interests who support privatization, the World Bank has also provided loans and technical assistance to nations that have privatized their Social Security systems.

The single-mindedness of the World Bank in promoting privatized systems is peculiar, since the evidence -- including data in World Bank publications -- indicates that well-run public sector systems, like the Social Security system in the United States, are far more efficient than privatized systems. The administrative costs in privatized systems, such as the ones in England



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and Chile, are more than 1500 percent higher than those of the U.S. system.

The extra administrative expenses of privatized systems comes directly out of the money that retirees would otherwise receive, lowering their retirement benefits by as much as one-third, compared with a well-run public Social Security system. The administrative expenses that are drained out of workers' savings in a privatized system are the fees and commissions of the financial industry, which explains its interest in promoting privatization in the United States and elsewhere. (U.S. firms like Merrill Lynch have been some of the big beneficiaries of Social Security privatization in developing nations such as Chile.)

The former chief economist at the World Bank, Joseph Stiglitz, sought to alter the Bank's single-minded support for privatized Social Security systems, co-authoring a paper ("Rethinking Pension Reform: Ten Myths About Social Security Systems") which pointed out that many of the reasons given for preferring privatized Social Security systems are not supported by evidence.

Dean Baker is co-director of the Center for Economic and Policy Research.

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After Genoa, a few thoughts on violence and the current state of the movement .

By Pierre Khalfa .

After Gothenburg, the Genoa demonstrations raised the issue of the relationship with violence once again .

Capitalism, like all other systems based on one class's domination over the whole of society, was established using violence. It has built a system of domination that has used violence in different ways according to the period and circumstances: direct violence and attempts at finding a consensus to hide the system's oppressive brutality, each great social advance being won in more or less violent confrontation .

A tactical deadlock .

Historically, the decision to use or refuse violence to fight this system on a daily basis has been determined by an overall "tactical" approach. It is therefore important to take a look at these disputes before re-examining the current situation.

From the outset, the workers' movement was divided as to the kind of response it should give. Two main approaches appeared. One aimed at a gradual build-up of peaceful actions to gain positions of strength throughout society over time, thus coming to power and in this way imposing radical changes on the dominant classes. In this framework, violence could only be defensive, in the event of "bourgeois provocation", or as a final boost if the bourgeoisie could not admit defeat. The other approach was to say that, since the dominant classes had never given up the slightest iota of power without a fight, confrontation was inevitable - all the more so since the State apparatus was growing stronger each day, and they should therefore prepare both it and "the masses" consciously .

Neither of these approaches has worked. The first, applied in a sincere way, has led to tragedy - the most recent case being the Chile of Popular Unity, or has mostly just been a pretext for accepting the system and has even been used to justify repressing the most radical forces. The second approach has also failed, ending in bloodshed, and its successes were short-lived. If the breakdown of the Russian, Chinese, Cuban, etc. revolutions cannot be explained by this single factor alone, their particular relationship with violence played a significant role. In addition, theorising violence, or even acclaiming it, has day-to-day consequences on people's behaviour and on the culture developed in the organisations that use it. It does not co-exist easily with open debate and setting up democratic processes .

Violence is not a neutral technical means. It has consequences on those who use it, on the society that promotes it and unavoidably dominates any other social relationships. It is misguided to believe that it can be contained "elsewhere" and not affect those who use it. The idea that violence can only be used against the dominant classes is largely an illusion and "no violence in the workers' movement" has, historically, been nothing more than a pious hope. In the same way, the Maoist distinction between "contradictions among the people" which are supposed to be solved peacefully and "contradictions between the people and its enemies", where violence could be used does not solve any problems: who decides who belongs to the people? Inevitably the use of violence against the dominant has consequences on the dominated themselves and grows amongst them .



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However, upholding non-violence does not solve our problems. Saying that you are non-violent does not mean that your opponents are too. The Gandhian non-violence experience met with numerous massacres by the British Army and did not prevent the Indians from killing each other subsequently. In addition, everyone knows that many peaceful demonstrations have been and still are subject to government repression, Genoa being the most recent example .

This brief appraisal of the past brings us to the very heart of current problem. We must build up a new tactical outlook, and can only do this on the basis of the current state of movements and by taking onboard the debates of the past. We would be deluding ourselves to believe that capitalism would, without reacting violently, accept having measures imposed on it that radically question how it works. How can we prepare ourselves for this violence, how should we respond? Today there is no clear answer to these questions. This is the tactical deadlock that is complicating today's debates and making them hard to understand .

The current state of the movement as a starting point .

Since Seattle, the movement against neo-liberal globalisation has grown considerably. This has affected both the periodicity and extent of mobilisations and has brought increasing radicalisation, amongst the young in particular. But, and this is the main point, these mobilisations are only the precursor of an overall shift in public opinion, at least in capitalistic developed countries. Not only are these movements gaining in strength, but they are also starting to resonate with the concerns of increasing segments of the population. The risk of a recession, far from undermining this shift, is speeding up awareness (for the time being?), as can be seen from the reaction to "stock-market job cuts". This growing echo to issues borne by the movement has put governments on the ideological defensive and hastened the international institutions' legitimacy crisis, even if it has not made them change course at all. This ever-closer link with public opinion is the biggest danger for governments, the link they want to break .

This is the context, after Gothenburg, in which we must situate Berlusconi's attitude at the Genoa summit. Beyond the foul-ups that any police operation leads to, the Italian government (with the support of other governments?) chose to attack all members of the movement without

distinction. In this way they could both criminalize the whole movement, with the hope of marginalizing it in the public eye, and divide its members in an attempt to integrate its most moderate supporters. It was not the Black Block's attitude that led to police violence, but a political choice made by the Italian government. Had the Black Block not been there, there is no doubt that the government would have found another pretext.

The visible nature of police provocation, however, and the very extent of the repression had the opposite effect to that sought by the Italian government. The government's attitude was condemned by organisations which had not even called their members to Genoa and, far from marginalising the movement, amplified it. This strengthened its impact on public opinion, and even more so when the Italian courts' first charges confirmed the idea of police provocation. The movement's strength led to a change in tone by most governments, forced to condemn police violence and to recognise that the problems raised by the demonstrators were legitimate, even if they do not seem willing to adopt the slightest concrete measure. In France, the Socialist Party (PS) is divided on this issue: MP Jean-Marie Bockel sees no common ground with Genoa demonstrators and is opposed to PS spokesperson Vincent Peillon and government MP Christian Paul, who support them (on the eve of the elections it is best not to alienate public opinion!). With the indirect consequence of the movement now carrying even more weight in public opinion .

Given this situation, we must at the same time fulfil 4 aims. Firstly we must maintain and strengthen the link with public opinion. Secondly we must avoid the movement breaking up. Thirdly we must be capable of assuming its increasingly radical nature. Finally we must continue to organise massive demonstrations to show its strength .

Fulfilling these aims necessarily means avoiding a certain number of stumbling blocks. Firstly we must avoid going to extremes as regards our choice of action that some might justify by governments' autism. This refusal is decisive if we do not want governments to win points in their attempt to destroy the public support we currently enjoy, whence our choice of non-violence. But at the same time this refusal must be accompanied by our taking charge of the increasing radicalisation of part of the movement .



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This means choosing forms of action that incorporate this radicalism symbolically. In the face of the system's violence, the choice of non-violence can be neither synonym to passiveness nor automatic acceptance of its legality, whence the "active" nature of our recourse to non-violence .

The emergence over the last few years of radical non-violent forms of action taken by a number of social movements - unemployed people taking over French unemployment offices, or homeless people taking over empty accommodation, for example - has made it possible for those concerned to express their exasperation powerfully and give their cause visibility whilst at the same time having a positive impact on public opinion. We must take inspiration from this. The more we affirm the non-violent nature of our actions, the more we must present our determination through the appropriate forms of action that must be discussed on a case-by-case basis .

We must position our relationship with the Black Block within this framework. Even if it is not a structured group but rather a faction of varying dimensions, it represents the tactic of choosing systematic violent confrontation with the Police and the destruction of the "symbols of capitalism" (bank branches, cars, etc.). This tactic is justified by "destroying property as a tactical means of direct action", by the aim of creating "liberated autonomous zones" and by the need to waken a sleeping population by unmasking the repressive face of the State. We must say clearly that this tactic is not ours. It can bring only the movement's marginalisation and isolation and favours all types of manipulation .

However, it would be a mistake to reject this current as alien to our movement and consider it as simply a bunch of agitators. Firstly because, whether we like it or not, governments will assimilate us with them and our protestations will do nothing to change that... other than make a radical change to our forms of action by adapting to what governments are willing to accept. That kind of tactic would seal the movement's break-up and sign its death warrant. Secondly since this faction may attract a certain number of people who are sickened by the system and who really think that they can change things in that way. Thirdly and, in particular, because any brutal rejection of this current can only lead to an even greater radicalisation which might lead to a Red-Brigade logic being implemented, which would be

used by governments against all social movements. The experience of Germany and Italy at the end of 70s are illuminating on these points. Finally because their attitude can vary: it was not the same in Washington (April, 2000) and in Quebec as in Genoa (possibly because the groups that bore the name were not the same). We are therefore at a watershed: we must both state clearly that the Black Block's methods and tactics are not ours, and at the same time not reject them but initiate a political dialogue with them .

A few ideas .

The debate on forms of action, of which the use of violence is only part, is running through the whole movement. We must assume and structure it so that it becomes a factor for political homogenisation. In this context, we must work on an international text on these questions that could be adopted after being debated by the various members of our movement. This reference text could be used as a charter for the various movements and include a number of concrete commitments .

In this context, we must discuss how our processions should be protected and ensure our right to demonstrate. We must be aware that the first and most effective protection is that provided by the movement's political force and its legitimacy in public opinion. However, this does not mean that we must underestimate the question. Although we must avoid any militarisation of our processions which, apart from giving an illusion of effectiveness, would fudge our image, we must also be capable of building up a supportive framework sufficiently reassuring to enable massive participation in our initiatives by setting up a contingent with a means of defence .

Proposals are being made that aim to bridge the gap between the movement and the Institutions. French Green Euro-MP Daniel Cohn-Bendit (Le Monde, 11th August, 2001) suggests a sort of compromise for demonstrations during the next European Union Summit. With the belief that this meeting has a democratic legitimacy that the G8 did not have, he proposes giving them the possibility of meeting together without any problems in exchange for there being no red zones and there being a total freedom to demonstrate. A "demilitarised zone" would be created with no police, protected peacefully by 2000 "citizen leaders" (MPs, association leaders, union leaders, etc.) .



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This proposal acknowledges implicitly that summits are not all equally legitimate (whatever one might think of his statement on the EU's democratic legitimacy) and therefore that some are not justified. It questions the bunkerisation of these meetings and acknowledges the negative role of the Police. However, it does raise a number of problems. Firstly, one might doubt that governments will accept the idea of a summit with no police protection or demonstrator-prohibited zones. There is therefore a great risk of these "citizen leaders" becoming police ancillaries to stop demonstrators entering the prohibited zone. Basically, this proposal aims at making us responsible for security at the meetings of institutions whose tactics we oppose. Is that our role? Moreover, who will decide on the legitimacy of such and such summit or institution? .

Beyond the action issue, we must expand our alternative suggestions. Today we have a number of limited suggestions. We must make them coherent as a whole and in particular ensure that they are accepted by public opinion. This approach is all the more important in that the credibility of our actions will largely depend on these concerns, given that governments and international institutions want to confine us to the role of "nice, pleasant people who pose real problems but have no real solutions" .

Finally, we must discuss rapidly the two significant events that are coming up : the WTO meeting in Qatar in November and the new EU Summit in Laeken in Belgium in December .

August 2001 .

Translation by Amanda Brazier-Galbe, volunteer translator coorditrad@attac.org

Russian Genoa.

Testimonies

Genoa, Moscow: Fresh Impressions

Carine Clément (Moscow, member of the ATTAC France International Group, groupe-est@attac.org)

I had expected it would not be easy to manage a group so different in age, political leanings and militant cultures, but I saw my expectation amply surpassed by reality. There were discussions, rows (sometimes strong-armed), endless meetings. Together with Ilia Boudritskis, the other organizer, we tried mainly to calm things down and to bring

the militants to focus on the common goal, fighting globalisation. Almost every time, we finally did reach an agreement, but never without turbulent preludes. Indeed, all participants were not only militants in an association or union, but party members also for the most part. Just imagine a bunch of militant Trotskists, anarchists, communists (from different groups, presenting a different degree of openness and orthodoxy), a union leader worried about restraint and respectability and respectful of the Putin administration, militants trained at the old Leninist school of discipline, young hippies, apolitical members of associations, a few chauvinists and young feminists, put them altogether in a bus three days long, let them sleep in the same room side by side, and with resolutions to be taken, an open letter to Putin to be formulated, a desire – in spite of everything - to yell with one voice. And you get an idea of the atmosphere in which we were living during more than 10 days.

To this, add money problems, the meagre sums brought by our militants rapidly melting away, and the shock of being plunged in a totally unknown internationalist world.

Nonetheless, it has been a very positive experience altogether. Particularly, due to the welcome by ATTAC France and Italy (who gave us shelter in their premises and provided some food). Since many of us speak English, we were able to take part in several initiatives and participate to the discussion.

The original and effective organisation of the Counter Summit has struck the people's minds (sort of « looks shambolic, but it is not that much. »), the militant approach also (radicalism but openness, discipline but liberty, gender equality concerning the task to be executed). Above all, the street fighting techniques have been scrupulously registered and analysed.

On the one side, in addition to show their solidarity with the anti-globalisation movement and to express their opposition to Putin, our militants were anxious above all to observe and to learn. In view of the numerous meetings, the amount of information collected, and the participation to all actions, this objective has been achieved undoubtedly. The other positive aspect of the trip has been the media coverage of the Russian participation in Genoa and the light shed on the mobilisation by the Russian media which, for the first time, have been rather objective. Thus this trip constitutes the important first step in

developing an anti-globalisation movement in Russia and Ukraine.

Elena Starostina (Omsk, Siberian Labour Confederation, with anarchist leanings)

This was a long and difficult journey, both with regard to the material conditions (although resting under the stars and singing late into the night is not without charm) and the often tense atmosphere in the delegation. Too many political leanings, generations, different cultures put together in the same group.

I did not appreciate very much the behaviour of the union leader S. Khramov (president of Sotsprof), worried about his respectability and concerned with his comfort and the partocratic, authoritarian and bureaucratic approach of E.Kozlov (Committee for the Defence of Social rights, leader of a small communist party in Leningrad). But nevertheless, a certain unity finally emerged in the group. We exchanged our addresses on the return bus trip, and we will try to stay in contact.

Regarding the mobilisation itself, I was struck by the number and variety of the protesters, the informal approach to organization and the effective preparation to the street battles. During the day of July 20, I tasted for the first time tear gas which police had sprayed over us as we tried to break down the door giving access to the red zone. The next time, I will be better equipped.

Most of the delegation's members participated to the actions coordinated by ATTAC. All the same, I tried to find the « hotter » spots where the violent clashes with police took place. The tactics and determination were impressive. In my opinion, it is necessary to adopt more radical actions if you really want to influence the leader of the great powers. As opposed to other participants of the coordination, I do not condemn the violence on the part of the protesters, in any case, it was directed against police and against the G8 holding their summit.

Serguei Sytchev (Moscow, Zachtchita Trade Union)

I was fascinated by what I saw. It rose my spirits to see people fighting like this, to see that the class struggle is not over. I learned a lot about street fighting techniques. I saw how the protesters made makeshift protections to cushion the blows by the policemen, how they played cat

and mouse with the police and the carabinieri and set up barrages using wastebins. That can be of use. I am not a beginner regarding clashes with cops, but it is the first time that I see this on such a large scale.

For me who has never been abroad, I was surprised to see the number of countries represented, the presence of people of all ages (and not only young people as the Russian television says), all political orientations, prompted by the same objective. It is a great motivation for us. We must absolutely set up something similar to ATTAC. The association exists already in Russia, it is true, but it is hardly known and does not seem very active. I will make a noise of it around me, I will try to interest people in my manufacture. We must prepare a summit in Russia to organise a viable mobilisation.

Alexandre Nikolaev (President of the Committee of Workers' Soviets of member of the Russian Workers' Communist Party)

I was not involved directly in the street fighting. I am 50 years old and I have some experience in this respect (I was defending the White House in 1993 during Eltsin's putsch). But, delayed by our press conference, I had to walk through the whole demonstration of July 21 to get back to our delegation. And I was struck by its organisation: the teams of stewards set up by all organisations, the pacifist protesters, and - at the head, in the middle and at the rear of the demonstration - the protesters ready to fight and to ward off the provocations by the la police. The fighting always took place at a distance from the demonstration to ensure that it could proceed smoothly. The provocations were on the part of the police.

I did not detect any fascist group. On the contrary, I was touched to hear the Internationale being sung in all languages of the world. I have learned a lot, and I think this experience will help us in Russia. For example, I much appreciated the concert given by the revolutionary group. Several ten thousand spectators were dancing and singing. But there was no incident. Naturally, as party leader, I know that it is only as party that we can prevail. The social movement as form is not sufficient.

In addition, to obtain effectively the dissolution of the G8 or the IMF, more radical actions are indispensable. I do not condemn the violence which took place, even if there were some excesses. Without them, there would not have

been such a media coverage. The pacifist demonstrations and the more physical actions constitute a whole. Altogether, we have shown our strength, our masses. One day, we will force the leaders of the great powers to retreat.

In this struggle, Russia has a role to play since we suffer from the consequences of globalisation which brings us only poverty, suppression of social and professional rights and and desindustrialisation. With time, I think that the anti-globalisation movement will strikes roots at home and grow stronger.

Translation: Stephane Vezina, volunteer translator
coordinat@attac.org

EU's secret network to spy on anti-capitalist protesters

By Stephen Castle

European leaders have ordered police and intelligence agencies to co-ordinate their efforts to identify and track the anti-capitalist demonstrators whose violent protests at recent international summits culminated in the shooting dead by police of a young protester at the Genoa G8 meeting last month.

The new measures clear the way for protesters travelling between European Union countries to be subjected to an unprecedented degree of surveillance.

Confidential details of decisions taken by Europe's interior ministers at talks last month show that the authorities will use a web of police and judicial links to keep tabs on the activities and whereabouts of protesters. Europol, the EU police intelligence-sharing agency based in The Hague that was set up to trap organised criminals and drug traffickers, is likely to be given a key role.

The plan has alarmed civil rights campaigners, who argue that personal information on people who have done no more than take part in a legal demonstration may be entered into a database and exchanged.

Calls for a new Europe-wide police force to tackle the threat from hardline anti-capitalists were led after the Genoa summit by Germany's Interior Minister, Otto Schily. Germany has long pushed for the creation of a Europe-wide crime-fighting agency modelled on the FBI.

Germany's EU partners rejected Mr Schily's call, judging that a new force to combat political protest movements was too controversial, but ministers agreed to extend the measures that can be taken under existing powers. Central to the new push is the secretive Article 36 committee (formerly known as the K4 committee) and the Schengen Information System, both of which allow for extensive contact and data sharing between police forces.

Under the new arrangements, European governments and police chiefs will:

- * Set up permanent contact points in every EU country to collect, analyse and exchange information on protesters;
- * Create a pool of liaison officers before each summit staffed by police from countries from which "risk groups" originate;
- * Use "police or intelligence officers" to identify "persons or groups likely to pose a threat to public order and security";
- * Set up a task force of police chiefs to organise "targeted training" on violent protests.

The new measures will rely on two main ways of exchanging police information. The Schengen Information System, which provides basic information, and a supporting network called Sirene Supplementary Information Request at the National Entry. This network (of which Britain is a member) allows pictures, fingerprints and other information to be sent to police or immigration officials once a suspect enters their territory. Each country already has a Sirene office with established links to EU and Nordic law enforcement agencies.

Civil liberties campaigners are dismayed by the plan. Tony Bunyan, editor of Statewatch magazine, said: "This will give the green light to Special Branch and MI5 to put under surveillance people whose activities are entirely democratic."

Nicholas Busch, co-ordinator of the Fortress Europe network on civil liberties issues, added: "People who have done nothing against the law ought to be able to feel sure they are not under surveillance ... By criminalising whole political and social scenes you fuel confrontation and conflict."

Thomas Mathieson, professor of sociology of law at the University of Oslo, said police could have



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access to "very private information" about people's religion, sex lives and politics. "It is a very dangerous situation from the civil liberties point of view," he said."

By Stephen Castle
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