The Other Davos

Globalization of resistances and struggles

François Houtart and François Polet
(coordinators)



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The Other Davos

Globalization of Resistances and Struggles

Coordinators: François Houtart and François Polet

- It is time to reclaim the march of history.
- It is time to confront the crisis of our civilization.
- It is time to refuse the dictatorship of money.
- It is time to rebuild and democratise the state.
- It is time to globalize people's struggles.
- It is time to build on people's resistance.
  (from the manifesto of "The World Forum of Alternatives")

This call expresses the spirit and objectives of *The Other Davos*. It is imperative that we discover viable alternatives to neoliberalism and a unilateral globalization which pretends to link and unite, yet seperates and imprisons. So we are urged to construct a new form of globalization, joining forces to build up alternatives based on a celebration of human diversity and creativity.

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AND STRUGGLES

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and struggles

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(co-ordinators)

CHRISTAVA SAHITYA SAMITHI
THIRUVALLA

Joint Initiative of:

ATTAC	*(Association for taxation of financial transactions for the benefit of citizens, originated in France)*
CCAMI	*(Co-ordination against the clones of the Multilateral Agreement on Investment, originated in France)*
WFA	*(World Forum for Alternatives, originated in Cairo)*
SAPRIN	*(Structural Adjustment Participatory Review, originated in USA)*
FUNDE	*(National Foundation for development, from El Salavdor)*

With the participation of:

MST	*(Movement of the Landless, from Brazil)*
FENOP	*(National Federation of the peasant-farmers organisations, from Burkina Faso)*
PICIS	*(Policy and Information Center for International Solidarity, South Korean Trade Union)*

Women Movement *(Canada)*
Movement for the Unemployed *(France)*

And with the collaboration of:

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INTRODUCTION

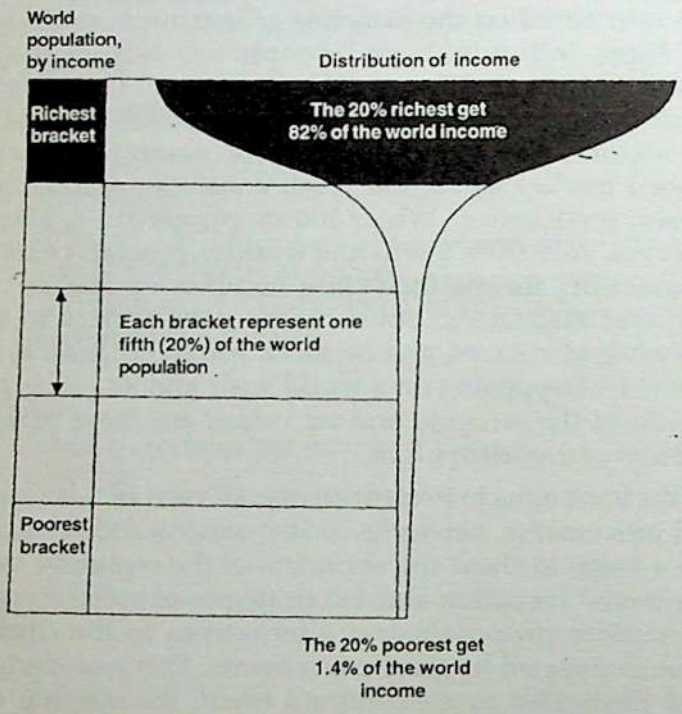
THE PERIOD OF INEQUALITIES

There was a time when economic decisions met the needs of the relevant social groups. This was the case when joining community was the rule rather than the exception. A decision-making process driven by social needs progressively left its place to a cold and blind efficiency, guided by an economic system, the essential value of which is financial gain.

In a world where the future of humanity is directed by the logic of unbridled capital based on its own priorities which are in turn based on the principle of maximum profit in the short term, individuals and people are subjected to the demands of several large global players. The citizen is neglected, and even exploited by a political class having ceded large sectors of sovereignty to an increasingly liberal and alienated market, while the spoilt consumer worries about his own well-being. While harsh competition between companies, countries, towns and workers generates exclusion and insecurity for the increasing numbers of people, in the North and also in the South, there does appear to be an awakening of citizens and of social forces. This awakening seems to be happening on a world scale and its aim is global cohesion of the struggle and its values are those of justice, solidarity and participation.

This book aims to present an overall view of this situation. Social movements, networks of associations and analysts are given a voice to show the evolution of the economic system, the potential for action and the strategies of social forces and to formulate proposals and alternatives to the dominant system, supported by these movements. This new dynamism is well illustrated by a significant event: the meeting of The Other Davos in January 1999. As for the humanitarian situation, it is characterised by the unequal division of salaries, as illustrated by the famous UNDP sketch: the champagne glass.

Distribution of incomes in the world



Chapter - I

ANALYSIS OF THE RECENT EVOLUTION OF THE WORLD ECONOMIC SYSTEM

1. A few figures from the U.N.

We esteem that the main function of economy is to contribute to the blossoming of all the people by ensuring material well-being and dignity. It is the reason why we consider it necessary to question the contemporary capitalist system, of which the different shapes are highlighted by notions such as "neo-liberalism", globalization", "global market".

Some figures, collected by François Polet, give us an idea of the current state of well-being of the human community. They are mainly inspired from the 1996 and 1997 UNDP reports. The social inequality that is indicated by the "champagne glass" of income distribution in the world (UNDP 1992) is also obvious from other statistics...

> *"The United Nations notes that the 358 richest people in the world possess a fortune equivalent in value to the combined income of the poorest 45% of the poorest.."* (UNDP Report, 1996)

... The point here is to refuse to accept the iniquity that these figures indicate as something natural, perpetual and therefore unchangeable but rather as the product of an economic system that itself generates injustice.

> *"Between 1970 and 1985, world GNP has certainly increased 40% but the number of poor people has grown by 17%. Some 200 million people have already witnessed their per capita income fall between*

1965 and 1980. From 1980 to 1983, this was the case for more than a million individuals." (UNDP Report 1996)

"Whereas in 1960 the 20% of the world population living in the richest countries had an income 30 times greater than the 20% of the poorest countries, in 1995 the income of the richest 20% has grown to 82 times greater." (I. Ramonet)

Such poverty therefore should more correctly be characterised as pauperisation. It is not simply a matter of a state of poverty rather it is a process continuously at work at the very heart of global economic functioning.

Looking at issues from a historical perspective, it is evident that certain people are paying dearly for the latest developments of the global system.

"In the past 15-20 years more than 100 developing and transition countries have suffered disastrous failures in growth and deeper and more prolonged cuts in living standards than anything experienced in the industrial countries during the Great Depression of the 1930s." (UNDP Report 1997)

"Growth is a setback for more than a quarter of the world's population" (UNDP Report 1996)

"Between 1987 and 1993 the number of people with incomes of less than $1 per day increased by almost 100 million to 1.3 billion" (UNDP Report 1997)

"In reality, in more than 100 countries, income per inhabitant is lower today than it was 15 years ago. As a result, nearly 1.6 billion individuals now live worse than at the beginning of the 1980s." (James Gustave Speth, UNDP administrator, Le Monde, 11 October 1996)

These latest developments of the world economic system are hardly insignificant. They are the result of growing liberalisation, of privatisation and de-regulation. Hence the notion of neo-liberalism to sum up the evolution of the last 20 years.

The concept of poverty or pauperisation might appear too general or abstract to describe a reality that has many alarming dimensions: food, health, education...

"More than 800 million human beings do not have enough to eat and around 500 million individuals suffer from chronic malnutrition." (*UNDP* Report 1996)

"Each year around 17 million persons die of curable infectious or parasitic diseases such as diarrhoea, malaria or tuberculosis." (UNDP Report 1996)

"Millions of children do not always have access to schools -- 130 million at primary level and more than 275 million at secondary level" (UNDP Report 1996)

"According to the estimates of UN agencies, an additional 30-40 billion dollars per year from here to the end of the decade would be required to meet basic nutrition, educational and health needs as well as providing low cost water, sanitation, obstetric and pediatric care. Such a sum may appear considerable but it only represents a quarter of the annual military budget." (UNDP Report 1996)

"Looking only at OECD member countries in 1993, officially there were 37 million unemployed workers in 1996. This is 3 times as many as at the beginning of the 1970s for a total population whose growth was practically zero."

The populations of the industrialised countries also suffer from the new economic situation.

"In developing countries, growth without job creation means long working hours combined with very low pay for hundreds of millions of persons employed in low productivity jobs in agriculture or the informal sector." (UNDP Report 1996)

The observation that prevailed in the past that "the rich are found in the North and poor in the South" is no longer completely valid: pockets of great poverty are progressively increasing in the industrialised countries of the North.

"In industrial countries more than 100 million people live below the income poverty line, set at half the individual median income." (UNDP Report 1997)

"In the United States more than 47 million people have no health insurance." (*UNDP* Report 1997, p. 29)

"London has about 400,000 registered homeless." (*UNDP* Report 1997)

We also know that, by dismantling large parts of the Welfare State, radical reforms in the United Kingdom and the United States have eroded the necessary solidarity between rich and the poor.

Scenarios for the future are even darker in terms of the social or human cost in the so-called "transition" countries of the East. The brutal change to a market economy had already caused their decline into poverty even before the present crisis of the financial system that has plunged Russia into a catastrophic situation.

> *"In the former Eastern European bloc (following the move to market economies), the average incidence of income poverty for the region increased sevenfold between 1988 and 1994 -- from 4% to 32%. The number of poor people in the region increased from 14 million to more than 119 million. In 1993-94, with almost 60 million poor people, Russia alone accounted for nearly half the income-poor in Eastern Europe and the CIS."* (UNDP Report 1997)

The problem of the debt of the poor countries continues to slow any improvement in the living conditions of hundreds of millions of individuals.

> *"The reimbursement of debt often absorbs between a quarter and a third of public revenues, which are already limited in developing countries. It thus restricts public investment in crucial human development."*
>
> *"The IMF estimates that Mozambique spends $6.20 per person on education and health. Mozambique continues to spend more on debt servicing than on health and education combined. If only half of reimbursements for debt servicing went towards health and education, it would save the lives of 300 children per day and 16 fewer women per day would die following childbirth."*

When the socio-economic situation is deteriorating, it's almost always the women who carry out the additional efforts and sacrifices necessary for the survival of the group.

> *« Poverty is not lived on the same way by men and by women. Victims of large sets of sociological inequalities - different*

opportunities in terms of education, employment and property among other things - women globally have lower perspectives than men. » (UNDP Report 1997)

« *The maternal mortality in developing countries - 384 for 100 000 living births - remains 12 times higher than in the countries of the OECD* » (UNDP Report 1996)

Beyond the human direct costs engendered by the current global economic regime, the blind pressure on the natural environment induces frightening consequences.

« *The unrestrained and uncontrolled growth experienced by many countries is devastating forests, polluting waterways, destroying biodiversity and exhausting natural resources.* » (UNDP Report 1996)

« *The inhabitants of the industrialized countries constitute only a 5th of the world population, but consume - per inhabitant - nearly 9 times more energy of commercial origin than inhabitants of developing countries.* » (UNDP Report 1996)

Conclusion :

Never has humanity disposed of so many resources and technical means for resolving the problems of survival and wellbeing.

2. History and lessons of neo-liberalism

It is not enough to simply look at figures to gain an understanding of how a system functions and of its intrinsic logic. Figures can encourage a reaction, raise awareness and provoke doubts and demands for explanations and for understanding. It is with this in mind that we offer a series of analyses. Each of them has been written by a member of a network of associations or intellectuals working in this area, and each of them emphasises one aspect of today's economic scenario. Each text will be preceded by a short presentation by the organisation or the individual who wrote the text. But before moving on to this analysis of current capitalism, it may be appropriate to look back at its recent evolution.

The first contribution is by Mr. Perry Anderson (USA) who retraces the history of neo-liberalism. We only present here the first part of the text. The second part, which is more of a forward view, will be dealt with in the second part of the book.

Perry Anderson teaches at the University of California in Los Angeles (UCLA). He is the author of many works covering various topics. We quote from some of them: The move from antiquity to federalism, Paris, 1977; The absolutist state, its origins and its paths, Paris, 1978; On Gramski, Paris, 1978. From 1962 Anderson published a review which became highly respected in the intellectual Anglo-Saxon world: The New Left Review, published in London. He recently published Zone and Engagement, Verso, 1992 and Mapping the West European Left (ed.), Verso, 1994. The text on neo-liberalism is taken from the speech written for a conference given to the Faculty of Social Sciences at the University of Buenos Aires in Argentina.

The construction of a unique way

In the beginning, the author examines the origins of what can be defined as neo-liberalism, as a distinct current from the strict classic liberalism of the past century. Then, he establishes the balance of neo-liberalism in power. Finally, he draws some lessons for the left.

Neo-liberalism was born after the Second World War in Western Europe and in North America. It translates a vehement political and theoretical reaction against the interventionism of the State and the *Welfare State*. Friedrich August Von Hayek published in 1944 *The Road to Serfdom*. This work constitutes in a certain way the founding charter of Neo-liberalism. Here is developed a passionate attack against all limitations by the State of the free functioning of the mechanisms of the market. These obstacles are denounced because to his mind they contain a mortal threat against economic and political liberty. In this period, the immediate target of Von Hayek is the English Labor Party. Elections are announced in Great Britain and this party is finally going to win them in July 1945, bringing Clement Attlee into the position of Prime Minister. The message of Von Hayek, clear, can be summarised like this : despite his good intentions, the moderated English social-democracy leads to the same disaster as German Nazism, to the modern serfdom.

The Companions of Mont-Pèlerin

Three years later, in 1947, when the foundations of the Welfare State were effectively built in Europe of the post-war, Von Hayek invited those who shared his ideological orientation. He gathered them in a small holiday place in Switzerland, in the Mont-Pèlerin, above Vevey, in the canton of Vaud. Among the famous participants of this encounter we can find not only the decided adversaries of the Welfare State in Europe, but also fierce enemies of the U.S. New Deal.

In the chosen assistance, gathered in April 1947 in the *Hôtel du Parc*, we will mention *Maurice Went, Milton Friedman,*

Walter Lippman, Salvador de Madariaga, Ludvig von Mises, Michael Pölanyi, Karl Popper, William E. Rappart, Wilhelm Röpke and Lionel Robbins. At the end of this meeting, the Society of *Mont-Pèlerin* is founded, a kind of neo-liberal freemasonry, well organised and devoted to the spread of the neo-liberal theses, with regular international meetings.

The objective of the society of *Mont-Pèlerin* was on the one hand, to combat Keynesianism and the social solidarity measures that prevailed after the Second World War and, on the other hand, to prepare for the future the theoretical foundations of another kind of capitalism, hard and liberated from any rule. During this period, the conditions for such an enterprise were not favorable at all. Indeed, capitalism - that will be called later neocapitalism - comes then in an expansive long wave. It represents its golden age. The growth is particularly rapid and permanent during the '50s and '60s. For this reason, neo-liberals' warning about the danger of any form of control of the market by the State seems hardly believable. Nevertheless, the more specific polemic against a social regulation has quite a big impact. Von Hayek and his friends argue against new egalitarianism - very relative - of this period. For them, this egalitarianism promoted by the *Welfare State* is destructive of the liberty of the citizens and the vitality of abilities, two qualities on which depends the prosperity for all. The organisers of the Society of *Mont - Pèlerin* defy the dominant ideas and the official theories of the period. They profess that inequality has a positive value - in fact indispensable as such - which western societies need. This message has remained in the purely "theoretical" state during more than twenty years.

The turn of 1974

All this changes with the great crisis of the post-war economic model, in 1974. The totality of the developed capitalist countries enters then in a deep recession. For the first time a low growth rate and a high inflation rate

(slumpflation) come together. Taking advantage of this situation, the neo-liberals' ideas begin to advance. Von Hayek and his comrades assert that the roots of the crisis are to be found in the ominous and excessive power of unions, and in a more general way, of the labour movement; according to them, unions have undermined the base of private accumulation (of investment) by their salary claims and by their pressure against the rise by the State of the parasitical social expenses without end.

These two pressures have started to cut the profit of the enterprises and have unleashed inflationary processes (growth of prices) that could only end in a generalized crisis of the market economies. From then on, the remedy is clear : to maintain a strong State, capable to break the power of the unions and to strictly control the evolution of the monetary mass (monetarist policy). This State has, on the other hand, to be frugal in the area of social expenses and has to avoid economic interventions. The monetary stability has to constitute the supreme objective of all governments. For this purpose, a budgetary discipline is necessary, accompanied by a social expenses restriction and the restoration of a so-called natural unemployment rate; in other words the creation of a "reserve army of wage earners" (battalions of unemployed people) that allows to weaken the unions. In addition, fiscal reforms have to be introduced so as to encourage the "economic agents" to save and to invest. In other words, this proposal implies simply a reduction of taxes on the highest incomes and on the profits of corporations.

Thus, a new and healthy inequality will reappear and will give a new dynamism to the economies of developed countries sick of the slumpflation, sickness coming from the combined inheritance of policies inspired by Keynes and Beveridge, i.e. of the anti-cycle intervention of the State (aiming at cushioning) and of the social redistribution. These cushioning measures have deformed in a disastrous way the normal process of the accumulation of capital and the free

functioning of the market. According to this theory, the growth will return naturally when the monetary stability will be reached and when the main incentives will have been reactivated (detaxation, social cost limitation, deregulation, etc.)

Thatcher, Reagan and the others

The hegemony of this program didn't happen overnight. A decade was necessary to achieve it. At first, the majority of countries of the OECD was tempted to apply Keynesist remedies to this crisis opened by the generalized recession of 1974 - 1975. Nevertheless, from the end of the '70s - in 1979 more exactly - a new political situation is established. That year in Great Britain begins the reign of Margaret Thatcher. It is the first government of an advanced capitalist country that is publicly committed to put into practice the neo-liberal programme. One year later, in 1980, Ronald Reagan is elected president of the United States. In 1982 Helmut Kohl and the coalition CDU - CSU (Christian Democrats) beat the social democracy of Helmut Schmidt. In 1982-1984, in Denmark, symbol of he Scandinavian model of the Welfare State, a coalition clearly right-oriented takes over the power under the direction of Paul Schlüter. Thereafter, almost all northern countries of Western Europe, except for Sweden and Austria, are turning towards the right. The wave of "turning to the right" of these years which allowed putting together the necessary political conditions for the application of neo-liberal recipes was supposed to end the economic crisis. In 1978, the "Second Cold War" gets tougher following the Soviet intervention in Afghanistan and the decision taken by the United States to install a new nuclear missile generation (cruise missiles, Pershing II) in Western Europe. Among the pro-capitalist currents of the post-war, the neo-liberal school has always integrated as a central element one of the most virulent forms of anti-communism. The new combat against "the evil empire" - the most complete human slavery from Von Hayek's point of view - strengthens inevitably the power of attraction

of Neo-liberalism as political current. The hegemony of a new right in Europe and in North America is consolidated. Thus, in the course of 80's, one is witnessing the indisputable triumph of the neo-liberal ideology in the advanced capitalist countries.

Neo-liberalism in power

In practice, what are the achievements of the neo-liberal governments of this period ? The British model is the purest and constitutes at the same time a pioneer experience. The different governments lead by Mrs. Thatcher restrain the emission of the monetary mass, raise the rate of interest, reduce in a drastic way the taxes on the highest incomes, abolish the control of the financial flows, strongly raise the rate of unemployment, provoke strikes, put in place an anti-unions legislation and cut the social expenses. Finally, they have run - with a surprising delay if one considers hierarchy in the neo-liberal dogma - a wide program of privatisations, beginning with public housing, then sector of the basic industry such as steel, electricity, oil and the distribution of water... These measures constitute the most systematic and ambitious of all the neo-liberal experiences within an advanced capitalist country.

The North American variation is different. In the United states, where there exists no *Welfare State* similar to the European one, Reagan and his administration give priority to the military competition with the Soviet Union. This competition is conceived as a strategy to under mine the Soviet economy and, by this means, to topple the existing regime in the USSR. In the realm of domestic policy, it is also necessary to notice that Reagan reduces taxes in favour of the rich, raises the rate of interest and crushes the unique serious strike the one of the air controllers that mars his term of office. Nevertheless, practically, Reagan does not respect the budgetary discipline; On the contrary, he goes into an armament race without precedents, that implies huge military expenses provoking a public defficit bigger than those known

under any other President. Furthermore, these expenses constitute an indirect and direct subsidy to a vast industrial sector. The other countries do not follow this use of such a crazy military Keynesianism. Only the United States, because of his weight in the world economy, can afford the luxury of a massive deficit in the balance of payment induced by such a policy.

On the European continent, the governments of the right of this period - often with Christian democratic origins - implemented the neo-liberal program a bit more carefully. They insisted more on the priority of the monetary discipline and fiscal reforms and less on the drastic cuts of social expenses. They did not deliberate search confrontation with unions. Nevertheless, the distance between these policies and those led by the social democracy during previous period is great.

While the majority of countries of Northern Europe elected governments of the right applying various versions of the neo-liberal program, in the south of the continent - it means in countries which were governed by Franco, Salazar, De Gaulle, the Greek colonels - arrived for the first time to power governments of the left. We will talk then about euro-socialism. It is the period of François Mitterrand in France, Felipe Gonzales in Spain, Mario Soares in Portugal, Bettino Craxi in Italy, Andreas Papandreou in Greece. All of them appear as progressive alternatives, taking support from the popular and labour movement and opposed to the reactionary orientation of Reagan, Tatcher, Kohl, and others of Northern Europe. Indeed, at first, Mitterrand and Papandreou at least try to implement a policy of redistribution, full employment and social protection. This attempt fits in the perspective of creating in the south of Europe a model analogous to that put in practice in the post-war period by the social-democracy in Northern Europe. Nevertheless, the project of the French socialist government runs out of the steam at the end of 1982, and fails openly from March 1983 on wards. This

government, under the "international stock market constraint", changes radically its economic course. In its economic orientation it is close to the neo-liberal orthodoxy, with priorities such as monetary stability, public deficit control and fiscal concessions to the orders of capital. The objective of full employment is abandoned. At the end of the '80s, the level of the unemployment in France is higher than in the conservative England, something that Mrs. Thatcher likes to underline.

In Spain, the government of Gonzales has never looked for implementing a Keynesian or redistributive policy. On the contrary, from the beginning of the regime of the PSOE (Spanish Labor Socialist Party), the monetarism is the prevalent position. Linked to the financial capital, in favour of the principles of privatisation, the government of the PSOE demonstrates even a certain serenity facing an unemployment rate that rapidly reaches 20% of the active population, a European record.

On the other side of the world., in Australia and New Zealand, the same neo-liberal scheme is applied with a brutal force. The various labor party governments surpass the conservative right forces in the application of radical neo-liberal programs. New Zealand certainly represents the most extreme case. The Welfare State is dislocated there in a more complete and a more fierce way than Thatcher's in Great Britain.

Impact and limits of the neo-liberal program

These experiences show the hegemony of Neo-liberalism as ideology. In the beginning, just the clearly right oriented have risked to put into practice the neo-liberal orientations. Then, various types of governments, included self-proclaimed left ones, have competed with the previous ones in this neo-liberal fervor.

Neo-liberalism had begun by pointing out social-democracy as its main enemy in the advanced capitalist

countries, which provoked a reaction of hostility from social - democrat forces. Thereafter, the governments claiming to represent social democracy have appeared as the most resolute ones in the application of the neo-liberal policies. There are indeed some exceptions. At the end of the '80s, in Austria and Sweden, a certain resistance to the Neo-liberalism which spread in Europe, was seen.

Nevertheless, in most of the countries of the OECD, the ideas of the Society of the *Mont Pèlerin* had fully triumphed. From then on, it would be convenient to ask a question : what are the effective results of the neo-liberal hegemony in the industrialised countries during the '80s ? Has Neo-liberalism kept its promises? To answer it, we can draw a global panorama. The most immediate priority of Neo-liberalism was aimed at containing the inflation of the '70s. In this field, its success has been real. In the totality of countries of the OECD, the rate of inflation has decreased from 8.8% to 5.2% between the '70s and the '80s. This tendency was confirmed during the '90s. The disinflation, in its turn, had to create conditions for a revival of profits. In this area as well, Neo-liberalism has had real success. If during the '70s the rate of profit in the industry of the countries of the OECD decreases around 4.2%, it increases to 4.7% in the '80s. This rise of the rate of profit is even more impressive if one examines Western Europe as a whole. It passed from -5.4% to + 5.3%. The main reason of this transformation is grounded, without any doubt, on the defeat of the union movement. This last fact was translated in the dramatic recession of the number of strikes during the '80s and in the stagnation or the decline of the salaries. This new situation of the union movement - whose moderation is increasingly manifest - is the result, mainly, of the third victory obtained by Neo-liberalism, in other words the rise of unemployment rates was considered as a necessary and natural mechanism for the efficient functioning of every market economy. The average unemployment rate in countries of the OCED, situated around 4% during the '70s, has at least

doubled during the '80s. This result has been considered satisfactory according to the objectives of the neo-liberals.

Finally, the inequalities of incomes - another very important objective for the neo-liberals - were deepened. While the purchasing power of salaries stagnated or sometimes declined already, depending on the countries, the values in the stock market saw their quotings triple or quadruple. Concerning these goals - decline of inflation, jobs, wages and increase of the rate of profit - we can tell that the neo-liberal program has triumphed. Nevertheless, all these measures had been conceived as instruments to reach a historical objective : the revival of developed capitalist economies on the international scale, the restoration of a stable growth rate such as it existed before the crisis of the '70s. On this terrain, the failure is manifest, without any possible doubt. Between the '70s and the '80s and again more in the beginning of the '90s, a significant change of the average growth rate did not happen. In the totality of the countries of the OCED, the revival has remained weak and unsteady, far away from the rhythms of the expansive wave during the '50s and '60s.

Crises and respite

Why this paradoxical result ? Despite all the new institutional conditions installed in favour of capital, the rate of accumulation - i.e. the effective net investment in the area of productive equipment goods - has grown very little since the '80s. It has even declined if on compares it to the levels of the '70s. In the totality of the advanced capitalist countries, the productive investment rate on the annual average developed thus : 5.5% in the '60s; 3.6% in the '70s; only 2.9% during the '80s. The curve is clearly declining.

Hence, a question rises : for what reasons did the recovery of the profit rate not lead to a revival of the investment ? On the one hand, one can find one important element of reply in the deregulation of the stock markets (liberty of capital movements, sales and purchases of obligations, creation of

new financial products, etc.). This deregulation belongs intrisically to the neo-liberal program. But it leads to the fact that the speculative investments are more profitable than productive investments. Thus, during the '80s, one has assisted to a real explosion of operations on the international exchange of stock markets, monetary transactions have taken such a dimension that they have become a multiple of the trade on real goods. The private and parasitic aspect of the capitalist functioning has strongly been strengthened during these years. On the other hand, and that constitutes a failure for Neo-liberalism, the financial weight of the Welfare State has not decreased considerably, despite all the measures taken to contain the social expenses. Their participation to the gross domestic product (GDP) has remained stable or has even increased in the '80s in the countries of OECD. This situation can be explained by two basic reasons: the social expense growth linked to unemployment, that increases in thousands of millions of dollars in the State social budget, and the increase of the share of pensioners in the population which also contributes to the increase of social expenses. During the '90s, the social security programs will therefore become targets of the new neo-liberal measures.

Finally, when capitalism comes into a new and deep recession in 1991, one can observe with a certain irony that the public debt of almost all western countries reaches alarming levels, including Great Britain and United States, all the more so because the private family debt and one of the enterprises there have reached an unprecedented level since the second world war. With the recession at the beginning of the '90s, all economic clues have appeared more negative in the countries of the OECD. There one counts 38 million persons without a job, which is almost twice the current population of all Scandinavia. In these deep crisis conditions, it was justified to hope for a strong reaction against this Neo-liberalism from the beginning of the '90s. But, on the contrary, even if that looks strange, neoliberalism gets a new lease of

life, at least in its native land, Europe. Thatcherism survives Mrs. Thatcher, with the victory of John Major in the elections of 1992. In Sweden, the social democracy that had resisted the neo-liberal assault in the '80s is beaten by a united right front in 1991. French socialists suffer a clear defeat in 1993. In Italy, in 1994, Silvio Berlusconi gets power at the head of a coalition that includes a neo-fascist force. In Germany, the government of Kohl is renewed and in Spain, José Maria Aznar, at the head of the right wing popular party, is going to beat the PSOE.

Latin America : a laboratory

The impact of the neo-liberal triumph in Eastern Europe has been felt in other parts of the world, particularly in Latin America. It is the third great region of the experimentation of neo-liberal policies. In fact, even if some massive privatisation measures have been taken after those initiated in countries of the OECD or in some countries of Eastern Europe, the Latin-American continent has been the witness of the first neo-liberal experience applied in a systematic way. I refer here to Chile under the dictatorship of Pinochet after the coup of September 1973. This regime has the "merit" to have announced the beginning of the neo-liberal cycle in the present historical phase. The Chile of Pinochet has applied immediately its program, in a very hard way : deregulation, massive unemployment, antiunion repression, redistribution of the wealth in favour of the rich, privatisation of the public sector. All this has begun almost one decade before Thatcher. In Chile, the theoretical inspiration of the Pinochet experience was more directly North American; Milton Friedman was there a more direct reference than the Austrian Von Hayek was. It is convenient to underline that the Chilean experience of the '70s has interested a lot to the English counsellors of Mrs. Thatcher. Excellent relationships have been established between the two regimes during the '80s. The Chilean neoliberalism, of course, presupposed the abolition of democracy and the installation of one of the cruellest post-war dictatorships.

The democracy as such - as it has been repeated without ceasing by Von Hayek - has never been a central value of neoliberalism. The Liberty and democracy, explained he, can easily become irreconcilable if the democratic majority decides to interfere in the unconditional rights of each economic agent to have at its disposal, as it likes, its property and its income. In this sense, M. Friedman and F.A. Von Hayek could admire the Chilean experience without succumbing to an incoherence at the theoretical order and without making compromises with their principles. They could all the more justify their admiration to the Chilean economy that had known a rhythm of relatively rapid growth under the power of Pinochet, unlike the capitalistic advanced countries submitted to the neo-liberal programs. This rhythm has elsewhere continued under post-Pinochet regimes that essentially have applied the same economic orientation. If Chile represents a pilot experience for neoliberalism in the countries of the OCED, Latin America has also served as ground to experiment plans that will be applied in the East. I allude here to the "reforms" applied in Bolivia since 1985. Jeffrey Sachs, the young U.S. economist guru, has developed its shock treatment in Bolivia, before proposing it to Poland and Russia. In Bolivia, the imposition of the structural adjustment plan did not need the crushing of a powerful labour movement, as was the case in Chile. Putting an end to the hyperinflation was the declared objective. The political regime that applied itself to the plan of Jeffrey Sachs did not take the form of dictatorship. It was situated in the inheritance of the populist party that had led the revolution of 1952.

Chile and Bolivia have therefore served as a laboratory for the neo-liberal experiments. But these were exceptions in Latin America until the end of the '80s. The turn towards a profiled neoliberalism begins in 1988 in Mexico with the arrival of President Carlos Salinas de Gortari. It is prolonged with the election in 1989 of Carlos Menem in Argentina and with the beginning of the second presidency of Peru in 1990.

None of these governments made it known to the population elected the content of the policies that they were going to apply once they were elected. Menem, Pérez and Fujimori, on the contrary, had promised exactly the opposite measures of the antipopular ones that they will apply in the '80s. As for Salinas, it is public that he would not have been elected if the institutional revolutionary party (PRI) had not organised a massive electoral fraud.

Of the four experiences, three have known an immediate impressive success against hyperinflation - Mexico, Argentina, and Peru - and a failure -Venezuela. The difference is important. Indeed, necessary political conditions for a deflation, for a brutal deregulation, for the climbing of the unemployment and for privatisations have been provided by the existence of executives concentrating on enormous power. That has always existed in Mexico thanks to what is practically a one - party system. On the other hand Menem and Fujimori have had to innovate this by urgently instituting legislations, constitutional reforms or doing coups d'etat. This type of authoritarian policy could not be applied in Venezuela.

It would nevertheless be risky to conclude that only authoritarian regimes can impose neo-liberal policies in Latin America. The case of Bolivia where all governments elected after 1985 - that of Paz Zamora or Sanchez Losada - have applied the same programs, shows that the dictatorship as such is not necessarily needed, even if antipopular crackdown measures are taken. The Bolivian experience provides a lesson : hyperinflation - with the effect of daily pauperisation for the very large majority of the population - can serve to have people "accept" brutal neo-liberal policy measures, while preserving democratic forms. In 1987, a Brazilian economist, member of an international financial institution, admirer of the Chilean experience of Pinochet, made the confidential statement that the critical problem of Brazil at that moment, under the presidency of Sarney, did not lie on a too high inflation rate, as the officials of the World Bank spread. He

claimed that the rate of inflation was too low and told it openly : let us hope that the dikes will break. Why ? His reply was simple : In Brazil, we need a hyperinflation to create the conditions that push the population to accept a necessary drastic deflationist process for this country. Hyperinflation has begun in Brazil and conditions have been put together to initiate a neo-liberal program without dictatorial instruments...

3. The world strategy of capitalism

A second retrospective analysis has been offered by Mr. Samir Amin in the name of the World Forum for Alternatives. This text is entitled : Globalisation of social struggles. As in Prof. Perry Anderson's text, we will simply take the passages concerning the interpretation of current mutations and reserve the more projective part for the second part of the book.

The World Forum for Alternatives

The idea for the Constitution of a forum bringing together social struggles and intellectuals working on the analysis of situations and the search for alternatives was born in 1996, at the 20th anniversary of the Tricontinental Centre in Louvain-La-Neuve. The idea took form in Cairo in March 1997 where a provisional Executive Board was constituted and a manifesto drawn up. The manifesto was signed by more than one thousand people across the world. In May 1998 it was decided to organise, at the beginning 1999, a meeting and a press conference at the annual meeting of the World Economic Forum in Davos. Several organisations and individuals worked together to bring this project to fruition. The Forum plans to establish links with a series of networks of social movements and also to set up working groups on social Movements and on Alternatives to the capitalist organisation of the economy.

Provisional committee:
President:
Samir Amin, BP 3501, Dakar, Senegal
Tel/Fax: 221/821 11 44. E-mail: ftm@syfed.refer.sn
Executive Secretary:
François Houtart, Ave. St Gertrude 5,
B - 1348 Louvain-La-Neuve, Belgium
Tel: 32/10-45 08 22. Fax: 32/10-45 31 52
E-mail: houtart@espo.ucl.ac.be
Bulletin:
Pierre Beaudet, Rue Jeanne Mance 3680 - 440, H2X 2K5,
Montreal, Quebec
E-mail: pbeaudet@alternatives-action.org

1. False deregulations

At the outset of the Davos initiative, there was significant involvement by the Mont Pèlerin "sect", following the "guru" Von Hayek. The sect advocated total economic liberalism with no reserves or borders, in other words a reactionary utopia of complete submission of societies to the exclusive unilateral logic of capital, their 'adjustment' -- in all its dimensions, political and social -- to the sole rationale of the project. The electoral victories of Margaret Thatcher and Ronald Reagan in 1980 inaugurated the start of that programme. But after 1989-90, with the foreseeable implosion of the Soviet system, the ruling classes of the capitalist world were seized by a formidable revisionist orgy. History has finally achieved its goal, we dared to write. The socialist dream has ended, as has the dream of the independence of nations. We return, but this time on a world scale, to capitalism tried and true. The world media claimed that there were no alternatives to this, capitalism was our inevitable path. Exhausted, the national populist blocs of the Third world that were proposing to deepen their victory against previous colonialism with a modernisation-industrialisation presented in the perspective of "catching up". Third world countries had to submit to plans called structural adjustment, and thus to the exclusive

ambitions of capital expansion dominated by transnationals. Everything that the people had achieved through their struggles over the centuries was to be abrogated. This included the Welfare State in developed countries -- a regulation of a much too 'social' market. The French Revolution itself had to be brought into question. Davos was set up in this climate to be the high mass of the revisionists.

The real content of the programme of these gentlemen (and some ladies) is undeniable because at its base it guarantees maximum profit for capital, at the price of stagnation and growing inequality between the small minorities benefiting from the system and all the working classes, and between the nations of the triad and all the rest. It is a system that fatally engenders poverty, unemployment, and exclusion, often on a continental scale.

The programme therefore had to be dressed up with the strong affirmation of great words: speeches on 'open society', the sign of equality automatically placed between Market and Democracy, the elegy of the so-called deregulation which had come to be the synonym of liberty (without clarifying whose), the anti-state speeches, the state which was considered to be the obvious synonym of bureaucrats, autocrats and idiots, no longer the possible instrument of the management of historic social compromises, founded on democracy. All these found their place in this campaign of orchestrated propaganda. We refuse to be trapped by misleading speeches. They have no scientific basis and are proven ungrounded every day.

There are no deregulated markets except those in the fantastic imaginations of 'pure' economists. The detractors of such markets will not be self-regulated but exploited. In reality markets function because they are regulated. Thus the question is to know by whom, and to the benefit of whom. Deregulation is the fig leaf that covers clandestine regulation (in contradiction therefore to the fundamental rule of democracy that demands transparency) by the dominant

capital of oligopolies. The MAI takes this quasi-mafiosi form of regulation by the transnationals to the extreme, as the project in question gives them the freedom to judge themselves -- to be simultaneously the judges and the judged, again, in contradiction to the fundamental rules of democratic law. The WTO is a black room, charged with rubber-stamping accords secretly concluded in the corridors of the Organisation (in the name of secrecy of private business) by the oligopolies. The precarious state of the salaried is not due to deregulation, but to the regulation of the work market by a single partner -- the bosses, we rarely see accepted rules so similar to those practised by the Mafia.

The implementation of a neo-liberal programme equally coincides - not coincidentally -- with the development of a structural crisis of capitalism of gigantic proportions. This programme therefore becomes the way of handling this crisis. The imbalance between production capacities on the one hand and those of consumption on the other, endlessly deepened by growing inequalities themselves the result of neo-liberal policies, engenders a surplus that cannot be invested in the expansion of productive systems. To avoid the devaluation of capital - what most billionaires fear most -- they need to create alternative means to fund the system. Monetarism, floating exchanges, foreign debt of third world countries and former eastern countries, the American deficit all these together make up the means for the management of this crisis. This explains the apparent paradox that is not one: that the levels of profit (especially those of investments) are increasing, stock market values rise every time 'good news' is announced - an economic stagnation, a dismantling of industry, or the growth of unemployment.

Of course the sole success of this policy has been to deepen the social catastrophe.

Simultaneously the most fanatic supporters of 'deregulation' remain entrenched in the 'regulationist', but there is no question of them allowing the migration of workers.

Whereas if such migration were to be regulated while the trade in goods and the transfer of capital are given free reign, this results in the inevitable aggravation of development inequalities among nations.

2. The degradation of Democracy

Economic globalisation as laid out by neoliberalism necessarily accompanies the degradation of democracy, which, if it does not permit social progress, loses its sense and credibility.

In rich and powerful countries with an established parliamentary tradition neoliberalism feeds a dangerous trend towards what can be called 'low-intensity democracy', the alternative without being one so that, whether you vote white, green, blue or red, your fate no longer depends on the government you have chosen but on the whims of the market, on (secret) strategies of the oligopolies, on decisions of an 'independent' central bank (of citizens, but not financial markets). In other, more fragile, countries people's hopes placed in the virtues of multipartism are systematically destroyed. Victories delivered to these people, at the price of wrong-headed and costly struggles, often too costly in human lives, are precarious. A multipartism, which is manipulable and manipulated risks becoming the only image that 'market democracy', gives to its people.

Under these circumstances it is not surprising that the world system produced through neo-liberal politics should be founded on hegemony, arrogance, military intervention and the cynical manipulation of double standards. Neoliberalism systematically produces social crises and faces permanent revolt and inevitable explosions. This results in the need for a large police force and, among other things, a world police force; it must maintain the individualist strategy espoused by Washington and this is why despite market conflicts which could oppose them and despite declared reservations expressed in the area of defence of culture for

example, the triad countries remain in the wake of the United States. They are incapable of liberating themselves from the logic of neo-liberal globalisation and it remains for the governments of the countries in question to simply encourage the arrogance of the United States. The bombing of Iraq, a decision taken unilaterally by Washington, despite reservations expressed by the UN is the most striking proof of this so far. We are sadly forced to note that never since the presence of Hitler have we seen a government so blatantly compose so false a report to give credence to its premeditated military aggression. Will the UN really suffer the fate of the League of Nations? Will it be considered to be an encumbrance and useless as has been said in the press on the other side of the Atlantic, and expressed in terms that hold a terrible reminder of the terms the power that be wielded against the League of Nations.

Neoliberalism has not produced a "New World order" strengthening the security of people and peace. On the contrary, it has produced chaos and the increase in conflict.

3. The meaning of crisis

This globalisation of neoliberalism has entered the stage of dissolution. In the short space of a few years the absurd myth of freedom of the market which was to resolve social problems and lay the foundations for democracy has crumbled away. Social struggle in the workplace has begun again here and there, in France, Italy, Germany, Korea. The arrogant discourse of neoliberalism has already got lead in its wings. At the same time, the extension of financial globalisation, in which Russia and the south-east Asian countries played a part in the second half of the 90s will lead to the financial bankruptcy of these same countries within a few years, contributing to the dissolution of one whole part of the system, that of a global market. These "economic crises" have been accompanied by political crises, be it Russia or ex-Yugoslavia, central Africa or the Middle East and all have

appeared to be endless and without solution in the framework of political management of the said globalisation.

The crisis of the countries in South-east Asia and Korea was predictable and was foreseen by political analysts form the county in question. In the 80s, these countries, and also China, were able to take advantage of the world crisis by playing a part in globalisation of exchange of goods (through their relative advantage of cheap labour), and calling for foreign investment and by signing up their development projects within a nationally governed strategy (in the case of Korea and Korea, but not the South-east Asian countries). In the 90s Korea and South-east Asia became increasingly open to economic globalisation, while China and India underwent a certain isolation in this sense. Moving foreign capital surpluses were attracted by the high economic growth in these regions and by investing did not contribute to increased growth but rather to inflation in real-estate value and investment. As had been predicted, the financial bubble exploded only a few years later.

Political reactions to this crisis are interesting and new (in the sense that they are fundamentally different to those created by the crisis on Mexico for example). The United States and their supporter, Japan, tried to take advantage of the Korean crisis by dismantling their manufacturing system (on the false pretext that it was controlled by ..... oligarchies!) and to subsume it to the control of .... American and Japanese oligarchies! The powers in the region tried to resist this take-over by questioning their role in economic globalisation (re-establishment of the control of exchange in Malaysia), or in the case of China and India, by completely suppressing their participation in this. It was this financial dissolution which led the G7 to evolve a new strategy, thus opening the door to a crisis in liberal thinking.

The Russian crisis in August 1998 was not the product of a "transposal" of the South-east Asian crisis as has often been

claimed. It could have been foreseen and predicted, as it was the result of the policies, which had been implemented since 1990. These policies allowed the dominant world capital to directly and indirectly through its Russian commercial and financial intermediaries develop a strategy of pillaging the countries' industry (through the massive transfer of surpluses generated by the industry to the intermediaries and to foreign capital). The destruction of the entire productive capacity of the country, and the prospect of being reduced to being an exporter of petrol and mined products played into the world geostrategic aims. Quite apart from the social upheaval this caused, it prepared a favourable base for the potential political dissolution of the country, following on from that of the ex-USSR. For the United States, Russia, like China and India are "too big" (only the US has the right to be a big country) and a threat to their world dominance.

The advance of this system towards crisis was accelerated when Russia entered the world market in 1994-1996. But it is interesting to note here that political reaction to this crisis (the relative neutralisation of the Elsine powers and the choice of Premakov as Prime Minister) possibly softened the return to the strategy of transition to capitalism and the reestablishment of a minimum of national control over this.

The political crises in the Middle East, ex-Yugoslavia and central Africa demonstrate that political management of globalisation associated with the dominance of the United States is increasingly confronted with difficulties.

In the Middle East the American-Israeli project to create a zone which is economically and financially integrated Washington and Tel Aviv has met with problems despite the unconditional support of the autocratic regimes and the US Gulf protectorates (which are themselves under the military occupation of the US). Faced with this defeat Washington opted for resolute support for Israel's expansionist plan, rather than openly contravene the Oslo accord. Simultaneously the

US is using the situation created by the Gulf War in 1990 to legitimise their military control over the biggest oil region in the world. But this means they have to maintain their aggression against Iraq such as witness operation "Desert Fox" (called operation Monika by the Arabs). This operation arrogantly violated all international laws.

In ex-Yugoslavia and central Africa, the chaos created by neo-liberal options are unceasingly encouraging ethnic cleansing and will find no solution, even military solutions, within the framework of global neoliberalism.

4. Arguments for managing the world system

The themes advanced ad nauseam by the massive propaganda machines orchestrated by the dominant media to legitimise this unacceptable world system have lost their credibility whether they are talking about "democracy", "terrorism" or "nuclear danger".

The quality of democracy is either confederated or refused according to the whim of the day of the powers that be who are so devoted to neo-liberal globalisation. Thus, those of the Russian leadership who subscribed to the injunctions of the G7 and the IMF are the "democrats" despite their conquest of Parliament through the use of canons, the Tsarist Constitution drawn up in 1993 and their declaration that they will ignore the election results.

The theme of terrorism, as one knows, gives rise to an unstoppable flow of media commentaries. But never to our knowledge has the role of the government of the United States and its agencies (particularly the CIA) been questioned in this respect as it continues to fund, train, equip and give permanent and continued support to the Taliban terrorists in Afghanistan. It is with a certain wry amusement that we note how many of the staunchest supporters of "women's rights" in the American establishment do not question the US support of the Taliban even though the latter's behaviour in this area is well known! There are, no doubt, other interests at stake,

such as those linked to the oil fiefdoms of central Asia! A certain third world country accused, wrongly or rightly, of having sheltered a group of terrorists suffers severe condemnation and subjected to a blockade which starves its people. Under this harsh light of international law which we claim to have set up to judge the crimes of the highest leaders of state would we ever judge the US whose victims mount up in multiples of those of all the other terrorists.

When Israeli soldiers killed a woman and her six children on Lebanese territory, which they have occupied in violation of all UN resolutions, this is not called terrorism. When the Lebanese citizens take their revenge and kill Israeli soldier this is quite clearly an act of terrorism!

These examples of the cynical use of the double standard could be recounted without end. It would be seen that the only criterion of condemnation or praise is the degree to which the perpetrators refuse or submit to the injunctions of the instruments of neo-liberal globalisation.

The fears of the people faced with the exponential growth of the production of arms of mass destruction, both nuclear and other are quite legitimate. But the dominant system tries to neutralise these fears using a "non-proliferation treaty" of nuclear weapons which imposes what some call nuclear apartheid, that is to say, giving certain countries the right (the five of the Security Council, but also Israel) to hold such arms. As though the main danger is not precisely from these quarters which we know will not hesitate to use these weapons in cases where its "long-distance bombings" (which therefore don't put our boys in danger) are shown to be ineffective.

The rise of social struggle and the disintegration of entire areas of financial globalisation, the loss of credibility of the dominant discourse have already given rise to the crisis in the neo-liberal system and its ideology. It is in the light of this crisis that we must examine the defence plan proposed by

the G7 after the crisis in South-east Asia.

This is why the G7 and its institutions, from one day to the next, change discourse. The term regulation, which has been until now completely forbidden, is non resurrected and it finds its place in the discourse of these leaders: we must "regulate the international financial stakes!" The economist in chief at the World Bank, Mr. Steglitz, proposed opening a debate to define a new "Washington Post consensus". The speculator George Soros, published a study under the eloquent title "The crisis of Global Capitalism." We should be clear that this is a strategy, which is working to the same objectives: to allow the dominant capital of transnationals to remain masters. None of the people concerned are credible. They have all been responsible for the disaster. It affords a somewhat cynical pleasure to watch these people trying to place the responsibility for the failure of their system on others.

But we should not underestimate the danger that this reaction could mean. Many well-intentioned people are in danger of being duped. The World Bank has already been trying over the past few years to engage NGOs in its discourse of the "struggle against poverty".

Faced with these plans to pursue the plan for liberal globalisation, which does not concern the people at all, we must independently develop our own proposals for alternatives, based on social struggle and which only the victims of the system can lead.

4. Expropriated people of the World, let us construct together another Globalisation Part I: The mechanisms of exclusion

Let us look now at a text, produced by the collaboration of Riccardo Petrella (economist at the Catholic University of Louvain), Charles-André Udry (Swiss economist) and Christophe Aguiton (militant trade unionist, secretary of ATTAC). We will only consider the first part of this text, more analytic, leaving the second part for Chapter II.

The International Economic Forum met every year for almost twenty years at Davos, Switzerland, to rethink and re-orientate the world economy according to the interests of capital. It brings together world powers and represents an important, albeit informal, environment to discuss world economic strategy.

Davos is no longer acceptable, it lives in the past

The priorities of the "Men of Davos" are not the ones of the inhabitants of the earth. Their priorities do not take account of the living conditions, needs, aspirations and capabilities of some 5 billion human beings, but are exclusively concerned with the interests of the social groups which, throughout the world, own the property and above all control decision-making regarding the allocation of the planet's material and immaterial resources.

The choices which they have made at the political, economic and social level over the past thirty years, have in fact increased disorder, inequality within and between countries, and violence.

The "system" which they have produced - and which they reproduce with tenacity - is leaking from everywhere. Even

among the "Men of Davos", voices have multiplied demanding urgent reforms - right at the heart of the system, that is to say in current "world financial architecture". The fragility of this – due, among other things, to exchange rate instability, market volatility, the development of derivatives, and to the structural deficiencies of the institutions (IMF and the World Bank) upon which the financial system rests – is now admitted by all. The 1994 Mexican crisis and the Asian crisis since 1997, have been just major confirmations of this, and for which the price has been paid by local populations (more than 200 million people).

It is evident therefore that one cannot construct the future of the world based on the priorities of the "Men of Davos". They represent a past which is unacceptable and intolerable.

The crisis has not just come out of the blue

The crisis is indeed the end-result of their choices. It has not just emerged out of the blue. A decade after having proclaimed the "end of history" and the arrival of a new world order of prosperity based on 'democracy and the market', globalised financial capital has subjected the majority of the planet's working populations to the burden of international recession, which has spread out in leaps and bounds, from Asia: recession and deflation in the world's second economy, Japan; recession and even depression in various east Asian countries, since the first quarter of 1997; the collapse of the Russian economy six years ago and financial bankruptcy in July 1998; brutal recession in the leading economy of Latin America, Brazil; the beginning of the downturn in the economies of the OECD countries.

The mechanisms of this international capitalist recession, the latest of which, to date, some would like to see as the first crisis of world capitalism, are well known: contraction in production and trade; deflationary trends; massive growth in the volume of loans accumulated by international banks on countries or on the major industrial and banking groups, loans which become transformed into irrecoverable debts;

brutal capital withdrawals from countries by the major financial operators, which live from the revenue from parasitical investments in bonds, shares and other derivatives. All these reveal a crisis in the system which has become prolonged and exacerbated since the start of the 1970s.

The constructors of disorder, inequality and violence

Ronald Reagan's "Star Wars" and the technological advance of the OECD countries, along with the resultant productivity differential, accelerated the crisis in the Soviet economy, which was blatantly unhealthy ever since the end of the 1960s, as was confirmed by the first debate launched by the nomenklatura on the urgent need for reform. The reformist efforts made by Mikhail Gorbachev, which emanated from what was called the 'universe of bureaucracy', rested on a fragile base. With the help of pressure from the West, it resulted in the implosion and collapse of the USSR.

The end of the so-called 'cold war' is certainly not to be regretted. The transition from a superpower duopoly, in terms of military power, to a world monopoly, however, has had, among other effects during the 1990s, that of destabilising the fragile balance upon which the international multilateralism of the United Nations had been able to function, well or badly, during the 1960s and 1970s (following the "defrosting" and decolonisation, both the results of social, cultural, democratic and national struggle).

The weakening of the U.N.

In ten years, the United Nations system has been delivered a knock-out blow - ironically the moment when, in 1995, it celebrated the 50th anniversary of its creation and, in 1998, the fifty years anniversary of the Universal Declaration of Human Rights. The "U.N. is dead" exclaimed the Belgian Foreign Affairs Minister on December 26, 1998, following the latest bombardment of Iraq by United States and British aircraft. Apart from UNICEF (the humanitarian agency

whose finances depend on donations), the other "world' institutions from U.N. such as UNESCO, the FAO, WHO, ILO, UNCED have all been considerably weakened. They are battling for their financial survival.

The spirit of international co-operation and solidarity (in the world of linked aid) is at its lowest point (the developed countries contribute less than 0.2% of their GNP whilst in 1980 they committed themselves to allocate at least 0.7 %). "Help yourselves, heaven will help you" or "Forget aid, compete", this is the new doctrine as preached and imposed by the leaders of the most powerful nations. Thus, the only international organisations which have any real influence on world affairs are those economic and financial organisations (the World Bank, the International Monetary Fund, the World Trade Organisation..) where, often, decisions are influenced and even prepared by private organisations such as the International Chamber of Commerce, the Club of London (private lending banks), the multiple committees dealing with norms and standards. These organisations (WB, IMF, WTO) are financially dependent on the developed countries and are placed under their political control.

The reign of finance

The neo-monetarist credo imposed by the United States since 1971, the complete adhesion to "market forces" (which George Soros defined as 'market integration') and the consequent ripples, throughout the world, of liberalisation, deregulation and privatisation measures - have devastated politics, weakened the representative democratic institutions and colonised the state. Through the choices they have made, the "Men of Davos" have dismantled the welfare state and left to wither the mixed economy, the co-operatives, the mutual societies, the social concertation, which were certainly linked up with the strong trade-union presence in the United States and in Europe.

These decision-makers have overturned the enterprise

structures through bursts of mergers, acquisitions and strategic alliances. The industrial and financial landscape is increasingly dominated by networks of giant enterprises which are outside all democratic political control (take, for example, mutual funds, pension funds, hedge funds etc.). They have changed the economic ethos (oikos nomos = rules of the house and oikonomos = the art of well managing the house) by sacrificing the objective of social well-being and full employment to the demands of the rate of profit and thus to increasing shareholder value.

They have overtly transferred power over to finance, and sovereignty over to monetary policy. They have imposed the independence of the central banks vis-à-vis politics but not vis-à-vis the financial markets and the feeble minorities who organise and exploit them in their own interests. They have reduced everything to the status of merchandise, including sport, art, culture, and even human beings (whose emblem is the liberty accorded to a patented human gene). Everything has become a resource to be exploited and made profitable. For the masters of this world, human beings have also become "human resources".

The imposition of a world culture

They claim to have been promoting the emergence of a world culture, since they succeeded in imposing the globalisation of consumer markets for their products and services. In a world where priority is given to monetary accumulation and to the commercial value of 'things', they have helped amplify and globalise the phenomenon of corruption. The liberalisation of the movement of capital since 1974 has greatly facilitated the recycling of 'dirty money' - from the sale of drugs and arms through to that generated by white collar criminality - in legalised tax havens and, thanks to banking secrecy, through the financial and industrial organisations otherwise respected in countries 'of excellence' reputed for their professionalism and democratic institutions.

In a time of predatory trade globalisation, they have even succeeded in corrupting the Olympic Games and their supreme organisation the IOC, which perhaps does not surprise connoisseurs of the history of this institution.

Thus when they purport to be promoting cultural diversity and the joy of living together, their globalisation has in fact - thanks to world television (such as CNN) the internet and global cyberspace, world tourist operators, credit card companies (Visa, American Express..) - succeeded in stirring up fear and rejection of others, intolerance and hatred through conflicts between civilisations which they cynically allow to be presented as a form of conflict which will dominate the future of the world.

The pillage of the ecosystem and the inequality of income

Added to all of this the ecosystem, Earth, is being continually pillaged. One paradox amongst others is that, when they talk of the integrated and desirable management of the planet, they do not mean how to avoid producing increasing amounts of waste and pollution, but how can these same wastes be managed in a profitable and privatised way? From whence come solutions based on the "market of the right to pollute"! These "Men of Davos" adore the objective of "zero inflation" but they mistrust that of "zero pollution". The negative external effects (diseconomies, social costs) do not preoccupy them excessively. It is the cost of progress, they say: "humanity must pay if it is to advance". Social injustice, social inequalities, discrimination towards women, all of which increasingly going hand in hand to the disadvantage of those concerned, together with the degradation of their close environment, have always existed, they say, and we will never succeed in reducing or eliminating them.

In reality, up until the middle of the 1970s, inequalities of income between the inhabitants of the same country tended to decline - excluding those who have a personal fortune or an inheritance - thanks to the redistributive effects of the State

and of *Welfare*. Equally, the rate of growth of the inequalities between countries also declined. From around 1980, the inequalities between people have increased to new heights. According to the 1998 UNDP report on human development, income inequality between the populations of the richest countries and those of the poorest countries has increased since the beginning of the 1990s by a factor of 32 to 70.

World capitalist archipelago: globalisation is not everywhere

In short, speaking of globalisation, as do the 'Men of Davos', is simply a sham. The reality is that there is no real globalisation of society, economy, or human condition. There is no globalisation of political regulation, state or democratic institutions which provide guarantees and exert control over decisions affecting the various regions and populations of the world, in the general interest of the world at large.

What they have constructed, these past thirty years, is not a globalised economy, but *the world archipelago of capitalist islands -large or small - where they have concentrated world scientific and technological capacity (more than 92% of world R&D expenditure, more than 90% of patents and of the installed computer capacity...), financial power, symbolic power and media power of the present time.* The globalisation is taking place in the form of a growing polarisation of the international economy.

Some 30 cities represent the infrastructure, the brain and the heart of this archipelago: New York, Los Angeles, Chicago, San Francisco, Detroit, Miami, Toronto, Montreal, Houston, London, Paris, Frankfurt, Munich, Stuttgart, the Ruhr, the Dutch Ranstad, Copenhagen, Milan, Rome, Madrid, Barcelona, Stockholm, Tokyo, Osaka, Nagoya, Shanghai, Sao Paolo, Hong Kong, Singapore... In these cities lie the major business centres of the world, the hearts of the communication and information networks and the headquarters of the largest industrial, financial and commercial multinationals.

Liberalisation, deregulation, privatisation and competition have tightened yet more the links between them than the links between them and the rest of the world. The famous "world village' is just an archipelago.

The "Men of Davos" say that the innovation which counts, is generated in and produced by these islands, certain of which have been elevated to the level of paradigms to be universalised (such as Silicon Valley). According to them, these islands are at the origin of the "new information society" and are in the process of engendering the "knowledge society", the universe of dematerialised wealth and new knowledge. In this context, the only realistic option for other regions of the world will be to try to attach themselves, at any cost, to one of the islands of the archipelago in the hope of becoming an integral part of it. Those that do not succeed will, according to the "Men of Davos", be inevitably cast adrift, they will not even be peripheral any more but "without a future".

"Internet" teaching of literacy becomes a necessary step for the establishment of channels and bridges with the archipelago. For this reason, the construction of cyberspace pipelines and networks is becoming one of the major priorities everywhere, even more important than the installation of taps with drinking water, which are vitally needed by two billion people even today.

Clearly, current "globalisation" has expropriated life, and the right to basic living.

Expropriation of the future of the world

Expropriation phenomena have multiplied and been amplified everywhere such as, for example:

- *The human being*, has been expropriated of his basic rights: as a "human resource", he/she only has the right to exist as a function of profitability and of what is now known as 'employability', a concept which has replaced that of the 'right to work'.

- *Society* has been expropriated of its *raison d'être* as a system for organising and promoting inter-personal and inter-institutional links with the corresponding interactions and transactions. It has been replaced by the market, elevated to the rank of 'system' and ensuring the optimal nature and organisation for transactions between individuals.
- *Work* has been expropriated in its role as a creator of value and history: "Good" competing with other goods on the global market, his cost must fall continuously, using the leverage of globalised unemployment to achieve this.
- *Social life* has been expropriated of its functions of identity and solidarity: value is only given to individualism, the logic of survival and the application of force in a context of warlike competition;
- *Politics* has been expropriated of its fundamental power role of regulating, representing, controlling and being a democratic legitimising force: this role has been handed over to finance and to technocracy.
- *Culture* has been expropriated of its variety, drama and its divinity: in its place has been put technology, numbing standardisation, violence of instincts and the barbarism of force.
- *The town* has been expropriated of its function as a community area: it has been turned into a place of non-belonging, flux, speed, a place where one fits or one is lost in a permanent nomadic state without memory;
- *Democracy* has been expropriated of its values of liberty, equality and solidarity: effective power has been given to a new world oligarchical class whose characteristic traits, values and methods of operation we are now starting to get a glimpse of.

5. The broken springs of growth

Whilst the preceding text highlights the sovereignty deficit resulting from globalisation, the contribution from the ATTAC, looks at new financial forms of global capitalism. It is written by Dominique Pilhon and François Chesnais, economists and members of ATTAC's Scientific Council.

ATTAC
Association for taxation of financial transactions for the benefit of the citizen

ATTAC was founded in France on June 3, 1998 on the initiative of the Le Monde Diplomatique monthly. In the early stages, to guarantee its long-term existence, it was constituted around a group of founders bringing together publications, associations, trade unions, as well as various well-known personalities. It was then reorganised to accommodate individual members as well as new trade unions, associations, publications, enterprises and local collectives. In May, 1999, ATTAC had some 9,000 members and more than 100 local committees.

The central objective of ATTAC is to produce information - from books to tracts - to counter all aspects of domination by the financial world on political, economic, social and cultural life. The association organises meetings on a local, national and international level, takes part in public debates and lobbies decision-makers at all levels.

ATTAC's principal focus areas at the moment are: the different forms of taxation of financial transactions, in particular the Tobin tax on currency speculation; the creation of new instruments for the regulation and control of finance at the national, European and international levels; the battle against tax havens and financial crime; and the demystification of pension funds.

ATTAC extends these actions at the international level through the contacts it maintains with multiple groups and networks working towards the same goals. ATTAC associations have been created in Italy, Belgium, Switzerland, Brazil and Quebec.

Address:
9 bis, rue de Valence, 75005 Paris
Tel: 33/1/43.36.30.54 - Fax: 22/1/43.36.26.26
E-mail: LIENHYPERTEXTE mailto:attac@attac.orgattac @ attac.org - Internet: http://Attac.org

Since financial globalisation established itself in the world economy, crises have followed at an accelerated rhythm: the 1987 stock market crash, European currency crises in 1992-93, the Mexican crisis of 1994, the crisis in the emerging countries of Asia in 1997 and in Russia in 1998.

The current crisis is doubtless the most serious on account of its gravity and the number of countries affected. Indeed, it started in South-East Asia in 1997, then destabilised Japan, then affected in a more generalised form other emerging countries in Europe (Russia) and soon in Latin America (Brazil). There is no longer any doubt that it will profoundly affect the world economy starting with the United States and the countries of the European Union. It is therefore a global systemic crisis since it cannot be reduced to just a financial accident but affects the underlying springs of world economic growth.

Point of departure: the financial crisis of the Asian 'Dragons'

These countries which had seen exceptional growth rates, were presented by the defenders of the liberal order as development models which demonstrated the benefits of the globalisation of the world economy. By opening up to the outside world, they benefited from the arrival of capital from the industrialised countries. Their growth was accelerated by a rapid increase in exports to industrialised countries with whom they successfully competed thanks to low labour costs.

This 'virtuous' model imploded for three main reasons. First of all there was the exhaustion of the specialised sectors of the emerging countries which manifested itself in the overproduction of low value-added goods by these countries (textiles and electronics in particular). Secondly their exchange rate, which was anchored to the dollar, became overvalued following the rise of the U.S. currency in 1996-97. As a result of this these countries lost their competitivity, which affected their exports, and they became the targets of speculative attacks since their exchange rates no longer appeared credible. Thirdly were the shortcomings of the emerging banking and financial system. The banks were the beneficiaries of the massive influx of international capital and lent money indiscriminately, creating a speculative bubble, particularly in the real-estate sector and on the stock markets. Such poor risk management was aggravated by the deficiencies of the supervisory authorities which were in most cases incompetent and corrupt.

Why is this crisis more serious than the preceding ones?

The current crisis is a direct consequence of the globalisation process. This last, which has become widespread over the past ten years, has led to two principal changes in the world economy. The first is that the markets have become the dominant mode of regulation, which means that the political bodies have lost their importance in the face of private operators (international investors and multinational

enterprises). Secondly, countries involved in this new order are largely open to the world economy, which has reinforced the interdependence of national economies.

The crises preceding globalisation were contained since public authorities still played an important role. Thus the debt crisis at the beginning of the 1980s was a crisis involving the sovereign debt of developing countries. For this reason, they were limited to a small number of borrowers. In this context, it was possible to control it by concerted action between states.

Today, the situation is totally different as the financial crisis involves essentially private players (banks, investors, enterprises). These result from complex interactions between a multitude of players obeying a micro-economic logic. This new complexity of economic crises explains why they can no longer be easily controlled.

The seriousness of the current crisis is exacerbated by the strong interdependence of national economies, the second characteristic of globalisation. This explains why the crisis has spread since 1997, beginning in the emerging countries of Asia which were hit one after the other through a domino effect, and their ailment then being "transmitted" to the rest of the world, starting with Japan, then the United States, then more recently Europe, Russia and the European Union.

Another factor which has helped amplify the crisis is the role played by speculators. International investors play the markets to realise added value, and in this way take part in the creation of financial bubbles. But when they lose confidence, they withdraw brutally from local financial centres, thus contributing to local crises. These movements are even more brutal since speculators tend to act like sheep, all react together, at the same time, and heading in the same direction.

To sum up, the current crisis, that has not finished in making its effects felt, illustrates the inability of the globalised market economy to self-regulate. This is a rude blow to the

dangerous optimism promoted by liberal ideology, according to which the famous 'invisible hand' is there to ensure that markets lead to a harmonious economic order, from which everyone would benefit.

Our analysis shows that it is necessary to propose right now another way of regulating the world economy. We must try to reduce the two negative dimensions of financial globalisation. We need to limit the exorbitant power of the markets by giving importance back to public regulation. We must, in particular, re-regulate and impose a tax on financial operations in order to discourage pure speculation. We also have to reduce the negative effects of the interdependence of economies. It is neither possible nor desirable to question the development of international exchange, but it is necessary, by contrast, to bring about international co-operation to control the international operators and sanction practices which are contrary to national interests, particularly those of developing countries. Clearly, the international bodies today, and the IMF in particular, are incapable of correctly playing this role.

However, these measures would be insufficient to attack the basis of the current crisis which is the manifestation of the deep-rooted malfunctioning of world capitalism, as is explained below.

Crisis of overproduction, crisis in the regime of financial accumulation

This crisis is not simply restricted to the financial sphere, which could be dealt with at this level alone. We need to look at the roots of the financial convulsions. They herald the re-emergence of the classical crisis of generalised overproduction, the basis of which, as Marx showed better than anyone, is to be found at the level of production relationships which are at the same time the relationships of the distribution of wealth.

What is new, however, is that the return of this increasingly intractable economic crisis, is happening in explosive circumstances. There is firstly a globalisation of capital based on liberalisation and deregulation, i.e. the widespread disassembling of the governmental mechanisms which were previously in a position to manage anti-cyclical policies. Moreover, there is a certain blindness and unpreparedness among the dominant capitalist classes, intoxicated by the 'victory over communism' and committed to a neo-liberal utopia about the self-regulating and omniscient nature of the market mechanism.

The crisis is thus one of overproduction in the framework of a new regime of globalised accumulation of the financial capital. This expresses in the impossibility of ensuring to a sufficient quantity of capital, the completion of the cycle of production and commercialisation, of creation and realisation of value and of added value, due to the endemic insufficiency of effective world demand.

Marx did good work on the paradox of overproduction where he underlined its relative nature and said that, far from displaying a surplus of wealth, it is the sign of a system where the fundamentals set limits on accumulation due to the endemic distribution mechanisms. Keynes tried to provide a response without leaving the framework of the private ownership of the means of production. He was devoted to hegemonies. Over the last twenty years the countries of the Third World have seen the re-emergence of the worst scourges of malnutrition, even famine, sickness, often pan-epidemics and, in OECD countries, a rise in the number of unemployed, weak homeless and those without rights. These scourges are not "natural". They affect populations which are marginalised and excluded from satisfying their need for the basic necessities of life, and thus from the basis of civilisation given their incapacity to transform these pressing needs into effective demands, monetary demands.

This exclusion is thus of an economic nature. In certain cases, it is recent and, in all countries, it has worsened seriously compared to the situation in the 1970s. It is the direct product of the system of accumulation born from deregulation, liberalisation and the destruction, not only of jobs, but of entire systems of social production. These were enabled by the submission of technical progress to the most narrow indicators of profit, through the total freedom of movement of capital and to the competitive battle of the forms of social production whose final objective is contradictory: maximising profit on the one hand and, on the other, ensuring the conditions of social reproduction of communities of farmers, fishermen and craftsmen.

It was well thought-of to celebrate the "victory of the consumer over the producer" as well as "revenge on the lenders". They forgot that the "producers" i.e. the wage earners, are also consumers and that by sacking workers in the advanced capitalist countries and taking away, through liberalisation, the livelihood of peasants in Third World countries, the consumer loop closes up.

Consumption by the shareholder groups, those who live completely or partially from financial revenues - interest from bonds or dividends from shares - can support demand and economic activity in the United States or in some other "shareholder countries", the source-countries for massive capital investments. This has been the subject of several theoreticians of imperialism, many of whose analyses became a total reality again. But at the macro-economic level of the world system, no stockholder-consumer can ever compensate for the markets which are being destroyed by massive unemployment or absolute impoverishment imposed on communities which previously could ensure their reproduction and exercise a certain level of effective demand.

The world economy is facing the brutal return of the reality principle: before being able to appropriate value and added value, these have to be created on a sufficient scale.

This supposes that the cycle of capital has been achieved and production commercialised. The managers of the large investment funds - mutual funds or private Anglo-Saxon pension funds - as well as the other major operators in the financial markets, have developed yield norms for their investments. They have imposed these on companies as well as on those financial markets which are reliant on the system and which are the links in the global process of the centralisation of wealth towards the shareholder countries.

In their eyes, these standards, these constant pressures, are the conditions for the flow of revenue transfer towards the financial markets at a pace, and on a scale necessary to satisfy this international shareholder economy. It is beautiful, it appears to function. In fact, it only works provided the returns on the capital which is creating value and added value, the bases of distribution and transfer of wealth towards the creditors of production, has been achieved on a grand enough scale and without shocks or interruptions in the flow of wealth.

The financial markets which have resulted from liberalisation, deregulation and financial globalisation, have their own time-frame which is not that of the value-creation process and less still creation itself, with the slow-downs, or, worse, the interruptions in the returns process. It seems that the operators have no memory of past crises and do not even know, even through vague bookish memories, what happened in 1929 and in the 1930s and thus find themselves totally defenceless. Their behaviour cannot be anything else but "helpless", or even panic, which serves to accelerate the crisis at key moments, by strengthening the subjective dimensions of the propagation mechanisms and propelling them even more rapidly forward.

6. The new debt crisis

As we will see below, the all-powerful multilateral institutions are not concerned about the satisfaction of human and social needs. Keeping poor countries in extreme poverty and using the debt of the poor countries as a means of exerting blackmail is an out-an-out contravention of human rights. The text of CADTM permits us to see the situation in indebted countries more clearly. It was edited by Eric Toussaint.

CADTM

The 'Committee for the Cancellation of Third World Debt'Created in 1990, is an international network based in Brussels working for radical alternatives to the different forms of oppression wherever they take place in the world. CADTM's main focus is Third World debt and the structural adjustment which it is resulting in today. The system of debt constitutes one of the fundamental mechanisms through which the dictates of G7, the multinationals, of the World Bank/IMF/WTO trio are implemented. CADTM calls for the cancellation of Third World debt and the abandonment of the structural adjustment policies imposed on peripheral countries. The realisation of these demands constitutes an insufficient but necessary condition for breaking the chain of oppression on these countries. Other priority demands supported by CADTM are: the expropriation of the wealth kept in the North by the rich of the South in order that it be given back to the people of the Third World; wealth tax; tax on financial transactions; rejection of the MAI and its clones; the right of peripheral countries to protectionism.

In addition to these concrete demands are general demands, of which the most important are: emancipation of women; radical agricultural reform; general reduction in working hours; disarmament; the rejection of all forms or racism; the creation of a planned transfer of wealth from the countries of the North to the countries of the South to compensate for the pillage which these peoples have been and still are subjected to.

CADTM is active in Europe, Africa and Latin America. Recently, collaborative relationships have been established with new popular movements in Asia. CADTM is a network for planning, sensitising and mobilisation. Its members are individuals and movements. For CADTM, lobbying action is incidental. CADTM actively participates in the development of ATTAC.

Address:
Rue Plantin 29, B-1070 Brussels
Tel: 32/2/527.59.90 - Fax: 32/2/522.62.27
E-mail: LIENHYPERTEXTE mailto:cadtm@skynet.be cadtm@skynet.be Website: LIENHYPERTEXTE http://users.skynet.be/cadtm http://users.skynet.be/cadtm

Since 1997/1998, Third World countries, which account for 80% of the world's population, have, outside of a few exceptions, been confronted with a new debt crisis. The immediate causes of this are as follows:

1. an increase in interest rates (whilst interest rates are falling in the North, they have increased for peripheral countries);
2. a reduction in the flow of fresh capital;
3. a sharp fall in their export income (caused by the fall in price of most of the products exported by the countries of the South).

The incidence of debt in the South

The growth in the debt burden has been very rapid in Asia and in Latin America. The amounts to be reimbursed over the short term have increased whilst new loans have been rare and export revenues are falling. Africa is, relatively speaking, less harshly affected by this changing situation: loans and investment by private financial institutions from the North have been almost insignificant since 1980. They can hardly decrease further (except for the Republic of South Africa and Nigeria who receive almost 70% of investment). Africa continues to go through a crisis whose dramatic aspects on a human level are even more accentuated than in Asia and in Latin America.

New loans accorded to Third World countries by private financiers have been rare since the crisis which began in South-East Asia in 1997 rebounded on Eastern Europe and Latin America in 1998. The Third World countries which still had access to international financial markets and which could issue public bonds in London or New York, had to increase the yield payments they guaranteed to purchasers of their bonds. The loan raised by Argentina in October 1998 in the financial centres of the North, guaranteed an interest rate of 15%, or two and a half times that offered at the time by public bodies in the North for their new loans. Nevertheless private lenders in the North and South prefer to buy public bonds of Northern states rather than those of the South (or East).

To sum up, as at the beginning of the 1980s, during the preceding debt crisis, credit became scarce and more expensive for the Third World. Direct foreign investment, aimed at South-East Asia (including China) and towards the principal economies of Latin America (at the cost of a significant privatisation program) rose between 1993 and 1997. After 1998, they experienced a tailing off which risked continuing into 1999 (direct foreign investment in South-East

Asia fell by over 30% in 1998 compared to 1997 and loans fell by 14% in the first semester of 1998).

IMF Action

The measures imposed by the IMF on the economies and populations of the peripheral countries have resulted in recession, a loss of the fundamental elements of national sovereignty, and a dramatic fall in the standard of living. In certain countries, they have aggravated a situation which was already unbearable for a large section of the population. The contrast between the growth of returns to the national owners of capital and the drastic fall in the income of popular households has reached historic proportions for the 20th century. In September-October 1998, the holders of Brazilian domestic debt were rewarded with an almost 50% interest rate whilst the rate of inflation did not exceed 3%. Brazilian capitalists and multinational firms, particularly those based in Brazil could borrow dollars at 6% on Wall Street and lend them within Brazil at rates varying between 20% and 49.75%. At the same time, they hedged a large proportion of their capital from changes in Brazil's economic situation by taking it out of the country en masse.

Some figures

Total Third World debt (excluding the countries of the East) stood at around 1950 billion dollars in 1997. The Third World reimburses each year more than 200 billion dollars. Total public development aid (including loans repayable at below market rates) has not exceeded 45 billion dollars in recent years. Sub-Saharan Africa spends four times more in reimbursing this debt than it does on its total expenditure on health and education. Other figures from 1998 show that the debt of households in the United States stood at 5,500 billion dollars (UNDP 1998). The public debt of the Unites States exceeded 5,500 billion dollars. The public debt of the 15 members of the European Union exceeded 5,500 billion U.S. dollars. Every year, military expenditure in the world

amounts to 780 billion dollars (UNDP 1998, 41) that of advertising stood at 1,000 billion dollars (UNDP, 1998, 70). Each day, more than 2,000 billion dollars are traded on the currency exchange markets and more than 90% of this amount is traded in speculative operations.

Chapter 2

THE SIGNIFICANCE AND PERTINENCE OF A GLOBAL RESPONSE

Following this evaluation of the functioning of the capitalist mechanism, it is clearly apparent that a profound reorientation is necessary. To be able to impose criteria of solidarity and social justice indispensable for the world to 'live together' in a more equitable and viable way, we must think in terms of the power relationships.

The current economic system, functions according to its own laws, it has emancipated itself from the values and norms of the vast majority of humanity. Replacing man and social needs at the centre of the economic game can only be accomplished by affecting the current politico-economic structures. It is by bringing together and co-ordinating the different social forces across the world that we can break the prevalent neo-liberal consensus today and propose other alternatives for society which will enable the whole of humanity to blossom.

The era of crisis and uncertainty which we are going through, can help trigger awareness of the obsolescence of today's dominant economic principles.

All of the texts which follow evaluate the different dimensions of a coherent response at the global level and structured around constructive alternatives.

1. A strategy for the new times

We wish to extend the reflections of the different analysts and associated networks examined in the first section. In this chapter we will continue this reflection. Each contribution has re-examined or re-examining the recent development of the capitalist regime from a particular angle. How do these same analysts propose a solution to bring back more equity? What are the salient traits of a globally organised resistance which should motivate and activate this planetary commitment?

The first article is by Christophe Aguiton, from ATTAC. He helps us understand why the current epoch is favourable for a 'counter-offensive'.

The idea of an alternative Davos has an intrinsic interest: it shows that there is opposition, it shows that other voices exist, of which many represent effective resistance, than those talking in the temple of liberalism. However, if it is not integrated into a more global programme this objective would have evident limits. The ideological climate is beginning to change and it is possible to make oneself heard through other means and to claim the first victories as in the case of the MAI, a victory which is yet to be confirmed. Let us now discuss the different aspects of a more global programme of international action.

1. Our departure point is the structural, economic and financial crisis, with all the practical and ideological consequences which we can draw from it for our action programme. We must first address the ideological changes. Over nearly 20 years, neo-liberalism has continued to score points, but now the wind is changing, and it is our responsibility to make this change as visible as possible and

to make it the focal point of a counter-offensive. The counter-offensive must be developed on practical and concrete issues (MAI etc.), and also on the larger field of social alternatives to the disaster of neo-conservative counter-reforms.

2. This medium- and long-term project is twofold. First, to support and facilitate the development of concrete campaigns with limited objectives. Starting from simple, focused and accessible starting points is a guarantee for campaigns to have mass appeal, as was demonstrated both by the campaign against the MAI and the launch of ATTAC. After MAI (a campaign that will continue with the shift to the WTO where there is a project to coopt, in the framework of the American lobbying system, a part of the opponents) concentration could be focussed on the tax on capital (Tobin tax etc.), the struggle against the plans of the IMF, the struggle against Third World debt.

Next we must promote social alternatives to neo-liberalism. This objective is much more difficult to realise; the debates between the militants opposed to liberalism have only just begun. During the first meetings of ATTAC, we saw the succession of clearly anti-capitalist positions and those, whose priority is the regulation of financial markets and of the world economic system. Agreement was eventually met (but that will not settle everything!) on the necessity for 'empowering the citizen faced with the dictatorship of the market'.

3. A vast international convergence seems possible on such objectives because social forces with a radical critique of liberalism have developed (MST in Brazil, KCTU in Korea, European marches, etc.) and because international and regional demonstrations (above all in Europe, America and Asia) are growing in strength.

To achieve such convergence, we have to take into account the plurality of the preoccupations in the different countries, the verification that the initiatives do not compete with each other and the need for very large alliances, for

numerous networks and movements developing around related themes. All that calls for patient, methodical unitary work so that the different initiatives being proposed in various countries work towards the common goal and within the joint perspective.

2. Alternatives to the neo-liberal model

Different social forces have long-since been engaged not only in a critique of the current model of society, but also in a re-definition of different models of society to the one which is imposed on us and whose sole vision is of a merchant society which is individualist and socially unjust and, above all, cynical. François Houtart (sociologist, director of the Tricontinental Centre and Executive Secretary of the World Forum for Alternatives) suggests that one should study these alternatives carefully. In order to do this he started out from the contributions of the Revue Alternatives Sud during its first three years of existence.

As a beginning, we should quote a pupil of Adam Smith, the Swiss Count Sigmond Sismondi, after he had visited England three times between 1818 and 1826. In 1826 he wrote on the subject of liberal economic theories: "These theories as they are practised have contributed to the growth of material wealth, but have diminished overall satisfaction for the individual; ... they tend to render the rich richer and the poor, poorer, more dependent and more miserable."

If more than 170 years later we are still talking in the same way, both in the Third World and in our society, this is no doubt, to a certain extent because similar situations still exist, but more especially it can be put down to the fact that the same economic logic dominates the society. This is why the search for alternatives is certainly specific to the time in which we live, but retains a sense of continuity with the experiences of the past. In short, we must seek a new language and new techniques with the same objective.

1. Alternatives to capitalism

If neo-liberalism is only one phase of capitalist development, what we are talking about is alternatives to capitalism rather than simply making minor changes; it is alternatives to real capitalism not simply alternatives to liberal, neo-liberal or even neo-classical economic theories, nor it is alternatives to savage or civilised, American or Rhenan capitalism.

In any discussion of alternatives, the obvious first step is the notion of real socialism, which, after 1917, became the antithesis of capitalism. The defeat of real socialism must clearly be analysed from all angles. And in fact, we can learn a lesson from its defeat in terms of the strength of capitalism as a global system, which used all political and military means at its disposal to bring about the downfall of socialism. But there is also a lesson to be learnt about the character of an alternative construct which, quite clearly, defined valid social objectives and gained appreciable results, but which also succumbed to its own internal inflexibility and fell a victim to its own mistakes.

One of the reflections we can make on this subject concerns the transition to another form of production, i.e. another approach to the organisation of the production of goods and services. This is a long-term process. Capitalism has taken over four centuries to construct the material basis of its reproduction, in terms of creating a new way to organise labour, which goes hand in hand with technological development. Socialism had to walk with the legs of capitalism, without having its own material basis and this had many consequences among which is the need for a surfeit of ideology and symbols, the establishment of a crushing bureaucracy and leaving an easy way back to capitalist mentality.

Another point to be made concerns democracy, and was well expressed by Lula, the Brazilian head of the Labour Party

(PT) at a meeting of the Forum de Sao Paulo in San Salvador in 1996: any alternative to capitalism should not only be a goal but must also be the means. A party, which is ahead of its time and espouses the truth, including philosophical truths, in theological language, as Marx would have said, can only end up by suffocating democracy. This is clearly not talking about a form of democracy reserved for those who can pay for it but one, which allows people and social groups to express their needs, their aspirations on various levels of real life.

Finally, we should be aware that the need to establish a power relationship to construct alternatives is also a lesson in contemporary history. We should not forget that it is the very existence of the eastern block, with all its ambiguities, which at least indirectly, incited Western societies to establish the post-war social pacts. These pacts were a defence strategy against the danger posed by the threat of a more aggressive socialism created by the working classes. And the defence strategy had positive results. The agreements were also the fruit of internal social struggles. Keynsianism was not born out of nothing. It came out of national liberation movements in the former colonial countries and of revolutionary movements in countries like those of Central America, which forced the West to seek compromise solutions between a national bourgeoisie and the popular classes.

The fall of the Berlin wall shook this power relationship and the restructuring of the means of accumulating capital, which was at the root of the crisis after the 1970s, bringing with it the subsequent neo-liberal solutions only served to profoundly change the relationship yet further. A new power relationship must therefore be established, to allow for a response to the dismantling of the systems of social protection and the weakening of social movements.

1. How to approach the question of alternatives ?

When the word alternatives is used in the plural it is not in an attempt to give an impression of a diluted mass of small

initiatives. There is one system which must be replaced, but there are also various different levels of change and varying times at which changes need to be implemented, not to mention the very many different places in which the changes will take place and the individuals in each of those places who will be working together to achieve that goal. This is why we must provide a detailed analysis of the subject.

Alternatives based on an analysis of social relations

What characterises neo-liberalism is the absence of consideration given to social relations. The market is presented as self-regulating for all social processes. The invisible hand produces a general balance on condition that the laws of the marketplace can continue to function freely (natural law of the economy). The policies of structural adjustment are aimed at freeing the economy and cover privatisation, the opening of the market, deregulation of labour, etc. All this is conceived in a social vacuum, with no consideration given to the relative weight of social groups. Under these circumstances we should not be surprised when the rich become richer and the poor become poorer, regarding this situation as if it happened by accident and can be rectified by taking various measures en route, when we should see that in reality it is the very logic of the system which is causing the situation.

In any search for alternatives it is imperative to analyse not only the existing social relations, that is the class structure, which is the direct result of the capitalist organisation of the economy, but also the pre-capitalist relationships between castes, different ethnic backgrounds, men and women. Without this analysis we can not understand why, for example, in many countries in the South, neo-liberal policies end up in caste conflicts (Africa, Chiapas) or in the feminisation of poverty in the informal sector. This type of analysis is a vital precursor to any attempt to measure the social and cultural effects of the extension of the capitalist system, especially in its contemporary neo-liberal phase, but

it also permits us to draw up strategies and alliances for resistance.

There is an important phase of de-legitimisation in the neo-liberal system, which must arise simultaneously with the search for alternatives. This phase must be based on the non-functioning of the economy. In fact, in its current organisation, the economy is not fulfilling its essential function of ensuring the availability of goods and services necessary to all human beings for their existence. The economy does not identify with either science and the practice of accumulation or with competitive performance and less still with the exploitation of human beings. If, every five years, the United Nations announces that the number of poor in the world is rising, including in industrialised societies, this is not the result of bad luck but of the deficiencies of a system. Having noted this fact, which is essentially an economic one, one must move on to an analysis of the ethical aspect.

It is ethically unacceptable to allow the majority of human beings to continue living in materially, socially and culturally undignified conditions, while humanity has never known so many possibilities for resolving its problems. However, a critique, which is only based on ethical objections can become an obstacle to true alternatives. Firstly it runs the risk of resulting in the criticism of individuals rather than of the system. And this ends up in social inefficiency of the radical ethical critique. But there is one other point to consider. The critique can be useful for the capitalist system, because it affects visible abuses rather than an invisible logic, and thus contributes to the reproduction of the latter, since no system can indefinitely resist its own corruption. This was perfectly demonstrated in the case of real socialism. Every system needs instances of control, including moral control. And it was in this sense that Marx said that purely ethical criticism was bourgeois.

However, this type of critique is essential in order to achieve delegitimation but it only goes half way to a solution if it does

not integrate an analysis of social relations and a critique of the economic function.

So we need to create a different logic, which was well expressed by K. Polanyi, the American economist of Hungarian origins, who wrote about the need to re-embed the economy in society. In fact, capitalism has rendered society an entity in and of itself, which has ended up by imposing its norms and its objectives on all of society, where everything has a commercial value and we are heading for a state of total market. We have privatised everything right up to social security, not to mention development co-operation and public services.

2. *World capitalism*

What needs to be replaced by these alternatives is a massive construct, which is increasingly concentrated and interconnected, and increasingly little controlled by the adjusted states. But the construct is vulnerable due to its own contradictions: the disproportionate size of financial capital faced with the activities of production and services; pressure on labour income and the resultant crisis of under-consumption; the class divide, the bases of which cross borders. This is the context in which the alternatives must be conceived.

2. Different levels of alternatives

There are many types of alternatives and we have to try to clear the terrain and make out the various different levels.

1. *Utopia*

We can dream of a perfectly balanced society, where the difference between individual initiative and solidarity are reduced to a simple state of tension, where human beings are judged because of what they are rather than the added-value they produce, where cultures are considered to be equally valid expressions of being and where scientific and technical

progress is oriented towards the well-being of all rather than the enrichment of a few.

We must dream of this type of society be it called the Kingdom of God or a socialist society (or why not even both at the same time?), because even if it is not attainable in our topos (place), it does have the force of attraction, which mobilises the spirit and the heart and a dream of the necessary utopia. But unless this utopia starts out from a firm conviction that it is possible to construct another social logic and thus to approach the ideal, it remains a dream.

2. *Some broad outlines*

The search for alternatives passes through more general and realistic perspectives, while nevertheless being inspired by utopian ideals.

New poles of thought and action

After the deconstruction of socialism in the East and the triumph of neo-liberalism came profound disarray in alternative thinking. Some were seduced by the flight of liberalism, hoping that economic gains might result, such as by creating riches to be later re-distributed, or by the idea of the indivisibility of freedoms, market freedom being the forerunner of other freedoms to come.

A further result of this deconstruction was a development of post-modernism, in philosophy, human sciences and in particular in sociology. Starting out from a pertinent critique of modernism, scientism, totalitarianism in all its forms, this trend came to the point of refusing to analyse situations in terms of globablity or the system. Instead it moved towards an over-evaluation of the individual as the unique subject of current history at a time when capitalism had provided for itself the material and technical basis of a real world system. It should be added that there was a simultaneous weakening of the anti-systemic forces: unions, popular organisations, and revolutionary movements.

Little by little, new poles of thought and action saw the light. Many examples of this new trend can be seen, particularly in the field of thought, in many places in the five continents. There is a growth in the critical analysis of Marxist thought and practices. There is also a re-thinking of the political left. The Forum de Sao Paulo in Latin America is one example of this, passing from a critique of neo-liberalism and auto-criticism by the Latin American left to a progressive formulation of alternatives. This was the central theme of the meeting in Porto Alegre in 1997. In Asia, we saw the PP XXI (People's Power for the 21st Century), which brought together social action groups and popular movements from all over Asia and went through a similar evolution.

All over the world we are witnessing social pressure being brought to bear demanding democracy, which is increasingly seen as a methodological requirement which goes far beyond the simple electoral process. This is one of the main thrusts of the teachings of the Zapatists in Mexico. We are also witnessing attempts to globalise resistance on the level of political thought. One example of this is the World Forum for Alternatives, which was created with its headquarters in Dakar. But there have also been new initiatives in action, such as the Europe-wide strikes seen at Renault, in solidarity with the closure of one if the headquarters in Vilvorde in Belgium.

Redefinition of globalisation

Rather than seeking globalisation directed by the needs of capitalist accumulation, we should be aiming for a synthesis of regional groupings working to the service of the people. This implicates groups such as the European Union, Mercosur in Latin America or ASEAN, all of which represent firstly an extension of the dimension of the market, but they can also give real, even shared, power to States to govern their own economy. This would provide States with an increased means of protection against transnational businesses and would place them in an improved negotiating position vis-à-vis other

groups. It would also allow the poorer States in particular to develop negotiating power on an international scale. Finally, these types of groups would form the basis of the organisation of collective security.

Regulatory mechanisms and institutions would accompany this type of reorganisation on a world level, so as to ensure a balance in economic transactions, political co-operation and international security. Thus, The Bretton Woods organisations could exercise new functions whereby they would cease to be instruments of neo-liberalism. This new philosophy would bring about a polycentric world, whose philosophy would be opposed to current globalisation, dominated by transnational businesses and capitalism. This does not in any way imply autocracy and isolation but rather a disconnection from globalisation in its current form, so as to allow for the construction of a new form of globalisation on a different basis.

Regional response to the real needs of the people

On the basis of the regional groups referred to above, the next step would be to work on the basis of auto-centred development, that is development centred around the satisfaction of interdependent local needs rather than based on the current philosophy of everything for export. So these groupings would not just be stops on the path to capitalist globalisation, as is the case of ALENA, the free exchange zone between the United States, Canada and Mexico, but they would act as poles of development responding to the real needs of the local populations. In Africa, for example, this would allow for the promotion of sustainable agriculture supported by industrialisation.

All this presupposes, of course, the development of regional policies, inside each of the groupings, capable of taking the necessary economic and social measures to ensure stabilisation. In particular mechanisms would need to be set up to strengthen the position of the weakest countries or social groups.

Alternative Eco-development

The word 'sustainable' is used today as a quasi-magic term but in official literature, it is used outside the context of social relations. This was the price paid to ensure the continued existence of the concept in a world dominated by neo-liberalism. This is why we prefer to use the expression alternative Eco-development. This term implies the creation of new relationships of social production, responding simultaneously to the impasse created by the destruction of non-renewable natural resources, pollution and ecological deregulation.

New social, popular and democratic alliances

In order to create the power relationships capable of achieving these political goals, we need to establish new social alliances, alternatives to those that have existed until now. In industrialised countries, the time has come to work towards common strategies between the working class, the declining middle class, the intellectuals, immigrants and movements representing specific interests: ecologists, women, children's rights, etc. In countries in the South, faced with the alliance between international capital, the comprador bourgeoisie and part of the middle class, the alternative consisted in using joint programmes and actions to bring together the different grass-roots groups such as workers, peasants, the informal sector, movements of the urban poor, co-operatives, minority ethnic groups, and also the vulnerable middle classes, students, etc. Some initiatives and experiences have already been undertaken in this field, and they prove that it is possible to achieve this goal even if nothing is ever permanent in this area.

Reorientation of international political powers

The move for the creation of regional entities clearly requires political redefinition. European experience shows that the lack of political definition within the regional powers is one of the major obstacles to their efficiency. There is no doubt that this will require a redefinition of the sovereignty of

existing States. But at the same time it will give back to these States a much more real power vis-à-vis the transnational economic powers, which are destroying their sovereignty even more effectively than any regional grouping ever could.

In addition, the political reorganisation of the United Nations and its specialised organisations is essential. Some of these organisations have already been the object of retaliation by the more neo-liberal States. Take for example, the case of UNESCO, from which The United States, the UK and Singapore have withdrawn with accusations of undue favouritism towards the South. Similarly, the role of the ILO has been questioned by the United States Senate on the pretext that the fall of the socialist bloc renders it obsolete. It is true that the neo-liberal dogma of total deregulation of labour is hardly compatible with an organisation, which supports social pacts. The real goal we should be aiming for is the progressive creation of a world state, passing via a real confederation of states.

This is why the demand for a democratisation of the international organisations is an integral part of the alternatives. In particular, this implies the Security Council, which is so dominated by Western interests. As far as the Bretton Woods organisations, the World Bank, the IMF and the WTO, are concerned, they require total transformation, following a philosophy that meets the integral goals of the economy, i.e. the satisfaction of human needs rather than alignment with the satisfaction of capital accumulation.

Forms of democratic organisation on all levels

The very concept of democracy is being rethought and extended today. Democracy is all too often limited to the concepts of multi-party political leadership and the electoral process and is imposed in these terms within the neo-liberal discourse (but not in its practices). However, it takes on another meaning in the context of new social movements and contemporary political reactions. On a political level, it is a ques-

tion of deepening and widening the way in which public powers function democratically. This is particularly true on a super or inter-State level. Furthermore, State decentralisation, the importance given to municipal authorities and linked organisations (e.g. the panchayat in India or CACES in Haiti) are all steps forward provided that they are not conceived simply as forms of dismantling the State.

On an economic level, the various formulae for self-managing democracy are all valuable, particularly on the level of local initiatives or small and medium businesses. When it concerns large-scale production we need to seek other formulae, new forms of social links between the workers going beyond what has been a sort of joint management aimed above all at integrating them into the logic of capitalist accumulation.

On the question of democracy, it is worth adding two thoughts on the subject of terms often used these days and whose meaning or interpretation is profoundly altered through discourse and neo-liberal practices. Firstly there is the notion of civil society. This term is used by democratic institutions as well but often in the sense given to it by the dominant discourse. In reality, civil society is the place of social struggle and the notion is not solely identifiable to democratic organisations and social movements. Lobbies of transnational businesses to national or regional parliaments are also a part of civil society.

So terms must always be used judiciously. As a matter of fact, from a neo-liberal perspective, strengthening civil society can also mean destroying the State, on the pretext of privatisation to strengthen. If it is true that the concept is distinct from everything which relates to the public sector, it cannot be distinct from the reality of concrete social relations existing in a society and, thus, social struggle. So, the promotion of civil society is not a panacea to avoid conflict. On the contrary, it highlights the efforts of the weakest to organise a more just society and to overturn the existing power relations.

The second concept is that of NGOs (one issue of Alternatives Sud was dedicated to this topic in 1997). Within the framework of neo-liberalism, NGOs are considered to be organisations that are capable of finding solutions to social problems. But this positive definition is situated within the context of aid to support the struggle against poverty or as a response to needs not covered by society. As soon as NGOs move out of this perspective and support social or economic movements they are regarded with mistrust and the political and economic powers try to control them or to use them to their own ends.

There are two dangers for NGOs in this context. The first is that they might become, or be made into, palliatives to structural situations caused by the economic system, rather like the St-Vincent de Paul Conferences in the XVIII and XIXth Centuries: fine people but ineffective in the struggle to change social relations. The second danger is that often under the influence of established powers they might become weighed down in bureaucracy and end up becoming centres of power themselves, which are forced little by little to subscribe to the dominant logic in order to reproduce socially.

The role of culture in social emancipation

All large-scale social movements have produced their own cultural expressions, diffusing their movement and their values through poetry. Thus they become entrenched in local culture. This, in turn is renewed by social interaction. Social movements are expressed through poetry, music, painting, songs, theology and liturgy. A striking example of this can be seen in the Sandinista revolution in Nicaragua. But expressions of culture are only real if they grow in a democratic context. They cannot be imposed. This is the sign of popular authenticity.

3. How to achieve the goal

Talking of utopia is necessary and even good. But it is

even better to draw up some broad outlines of an alternative project, even if this always remains provisional. However, the big question mark remains – the method in which to get there and how to define the means.

The start of new perspectives

We should recognise that the debate in this area has only just begun and it is still distinctly secondary to the institutionalised practices of the past: the logic of reproduction of the institutions (political parties, unions, State forms); co-option of individuals or organisations from the popular sector into the dominant system (some unions, NGOs, agricultural co-operatives); corporatism of social groups which risk leading individual struggles without placing them in the context of the overall social objectives; pragmatism of the left which has come into positions of power and which is losing sight of the utopia or is too focussed solely on the interests of its own society. In short, history weighs us down with considerable force, but the importance of what is at stake forces us to take a different approach and, all over the world, we can see the emergence of new reflections, proposals and experiences.

Today, we are seeing the proposal of a series of concrete measures that generally cover the area of regulations and we will look at these later. However, none of these could succeed without a social movement pushing on the democratic and popular forces. Some see this as the only way of saving a regime rendered fragile by the destruction of its agents (notably financial), discredited by its own mistakes and endangered by social divides (internal and North-South). Others, on the other hand, find in it the means of constructing the steps towards fundamental transformation of the economic system and its political expressions. In other words, for some, it is a question of neo-Keynesianism and for others it is the point of departure for a non-capitalist alternative to neo-liberalism.

Concrete areas of regulation

The areas in which regulations are proposed are varied. They cover, naturally, the broad area we have covered above. We will specify these without going into any detail, each of them being the object for detailed analysis and debate, because, they can not only be interpreted totally differently, as we have already said, but also because experts disagree on the concrete mechanisms of their implementation. So in this document we will simply list the various regulations.

1. Economic regulations

Obviously most of the major proposals fall under this category:

- regulation and taxation of international financial operations
- regional and international fiscality
- elimination of tax havens
- reduction of external debt for economically disadvantaged countries
- setting up of the regional base as a place of economic resistance
- transformation of the Bretton Woods institutions into regulatory bodies
- world sharing of technology
- creation of new paradigms of political economy and socialism of the market

2. Ecological regulations

- efficient protection of non-renewable resources
- protection rules for biological resources
- strengthening of the programme of United Nations' Agenda 21

3. Social regulations

- labour legislation on a regional and an international level

- participatory power for social and popular organisations in economic, political and cultural, regional and international institutions

4. Political regulations

- reconstruction of the power of the State to ensure the entirety of the regulations
- constitution of regional powers with regulatory powers
- reorganisation of international organisations: democratisation of the UN, creation of regulatory organs on this level
- world management of natural resources
- institution of a world parliament

5. Cultural regulations

- creation of new cultural consumer models, respectful of the environment and of the equal sharing of world resources
- creation of new models of agricultural production which are non-destructive to the earth and phreatic layers
- conception of new models of industrial production placing technology at the service of labour rather than simply accumulation
- establishment of social code of ethics based on the analysis of local, regional and world social relations.

3. Global or partial social alliances

Nobody will believe that this type of objective on short or medium term can be achieved or even pursued without extreme social struggle. While certain sectors of the dominant economic world realise that the regulations are necessary to avoid the collapse of the system, most of them nevertheless try to support it and defend its integrity, identifying their interests with pure reproduction. This is why alliances must be created between social forces, whether they have long- or short-term perspectives depending on the concrete objectives

in question. And it comes down to creating power relations to obtain precise objectives. One current example is the zapatist movement on Chiapas, which makes no claims for power but which demands an alliance of all social forces to democratise society.

This type of alliance should never lose sight of its ultimate objective or utopia at the risk of becoming a part of the by-products of revolution or being content with reformism. What appears to be happening is that multiple strategies are emerging out of the current trend and contemporary practices, taking into account the urgent need to find solutions given the dramatic situation in which hundreds of millions of people in the world find themselves and which risks ending up in collective suicide.

Conclusions

History is a dialectic process rather than a linear one. On an economic and social level it is the fruit of two contradictions affecting modes of production. The first contradiction is that of the physical limits set by the natural environment and the second is that of the limits of human exploitation. It is out of the synergy of these two points that social struggles emerge to construct another system of production and collective organisation of humanity. The current transition can already be seen in the questioning of social forms of an economy which every day has to struggle harder to reproduce itself or in the emergence of social struggles with repercussions which go beyond their place or origin and also in new forms of organisation. It is a long transition period, but it has begun.

The inheritance left by the past in the area of social analysis, the definition of collective objectives and the power of struggle should definitely not be abandoned. A critical study of this inheritance provides a constant source of new lessons, lessons which, today, place the emphasis on long term transition, on the multiplicity of strategies and on democracy as a means and not only as an objective. This could well mean a second breath for socialism.

3. Beyond neoliberalism

(continuation of the text of Perry Anderson about the History and the Lessons of Neoliberalism)

Following his argument, Mr. Perry Anderson tells us why the domination of the neo-liberal power is not fatal if its opponents are really determined.

1. Three lessons given by neoliberalism

Deliberately, I have emphasised the intellectual as well as the political force of neoliberalism, in other words, its energy and its theoretical intransigence, its dynamism that at the moment is not exhausted. I believe that it is necessary to bring out these lines if we want to reply efficiently to them in a short term. It is dangerous to have the illusion that neoliberalism is an anachronistic or fragile phenomenon. It is a formidable adversary that has obtained many victories in the course of the last years, even if it is not invincible. If we try to draw the perspectives that could emerge beyond the current neoliberalism, if we try to have an orientation in the ideological political, cultural struggle against neoliberalism, we do not have to forget *three essential lessons that neoliberalism itself offers us.*

Do not be afraid of opposing the political dominating current in a certain period. Vo Hayek, Friedman and their friends have had the merit - merit for all intelligent bourgeois today - to do a radical critique of the socio-institutional and economic dominant situation in a moment where doing this critique was absolutely unpopular. They have nevertheless persevered in a position of marginal opposition during a long period while the recognised "wisdom" and "science" treated them as eccentrics, not to say lunatics. They have done it until the moment when the historical conditions have changed and

when the historical possibilities to implement their program have appeared.

Do not make compromises concerning ideas. Do not accept to sweeten principles. The neo-liberal theories have been extreme and characterised by their lack of moderation. They were iconoclastic for good thinkers of that time. Nevertheless, they have not lost their efficiency. On the contrary, the radicalism and the intellectual firmness of the neo-liberal program are precisely what have guaranteed it such a vigorous life and such an overpowering influence. Neoliberalism is the opposite of a weak thought, using a terminology in fashion invented by some post-modern currents ready to swallow eclectic theories.

The fact that no political regime has implemented in its totality the neo-liberal program is not a proof of its practical inefficiency. On the contrary it is precisely because the neo-liberal theory is so intransigent that the governments of the right could implement such drastic policies. The neo-liberal theory provides, in its own foundations, a kind of master program in which the governments can choose the most adapted elements to their circumstances and to their institutional context. The neo-liberal maximalism in this sense is highly functional. It provides a very large repertory of radical measures, possible to be implemented and shaped by the circumstances. At the same time, it shows the very large reach of its ideology, its capacity to cover all aspects of society and to work as a vector of a hegemonic vision of the world.

Do not accept as immutable any established institution. When neoliberalism was a marginal and depreciated current, in the course of the '50s and '60s, it appeared inconceivable in the dominant bourgeois circle of this period, to create an amount of unemployment of 40 million people in the rich countries without provoking social explosions. It appeared unthinkable to be able to say openly that the redistribution of the poor people income of the rich had to be made in the

name of the positive value that the inequality carries for the dynamics of corporations. It appeared as inconceivable to privatise not only the oil, but also the water, the post office, the hospitals, the schools and even prisons.

Nevertheless, as we know, all this became achievable when the social and political correlation of forces changed in the course of a long period of recession. The message of the neo-liberals has shocked in a certain way the capitalist societies. No institution, no matter how holy and familiar it can be, is in principle untouchable. The institutional landscape is much more malleable than one could believe.

2. Beyond neoliberalism

Once the lessons that one can extract from the neo-liberal experience have been drawn, how can one contemplate its overcoming ? The theme is huge. I will indicate here only three elements of a possible post neoliberalism.

Values

It is necessary to lead an aggressive and solid attack on the terrain of values by bringing out the principle of equality as a central criterion for every society truly free. Equality does not mean uniformity as the neo-liberals maintain, but on the contrary, the only authentic diversity.

The formula of Marx preserves all its pluralistic force : *"...when, with the universal development of all the individuals, the productive forces will grow and all sources of the cooperative richness will gush forth, only then we will be able to escape from the narrow-minded horizon of the bourgeois law, and the society will be able to write on its banners : from each one according to his capacities, to each one according to his needs !"* The difference of demands, characters and talents of persons are expressly inscribed in this idea of a fair and egalitarian society.

What can this mean today ? It means a real equalisation

of possibilities of each citizen to live a life according to the chosen model, without deficiencies and disadvantages provoked by the privileges of others. This equalisation begins of course with the equal access to medical care, to education, to housing and to work. In each of these areas, there is no possibility that the market could insure even a minimum of the demand for universal access to these indispensable goods. Only a public authority can guarantee the universal access to a medical care of quality, the development of knowledge and the certainty of a job as well as social protection for all.

In this sense, it is absolutely necessary to defend the principle of the Welfare State. Nevertheless, it is not only necessary to defend the achievements but also to spread the social protection system, not necessarily entrusting its management to a centralized State. To reach this objective, it is necessary to implement a different fiscal system than the one existing today in the developed countries as well as in countries "in process of development". The moral and financial scandal of the fiscal system in countries as Brazil, Argentina or Mexico is known. But the tax evasion practised by fortunate social sectors is not an exclusive phenomenon of Third World countries. It is also -and more and more -a fact in the privileged layers of the so-called First World countries. If it is not always wise to attribute the supply of services to a centralized State, the obtaining of the necessary resources for these services has to remain a function of this State. In that order it is necessary to have a State capable to break the resistance of the privileged and to block the evasion of capital that will provoke the fiscal reform. An anti-State speech that ignores this necessity is demagogic.

The property

The main historical feat of neoliberalism is certainly grounded in the privatisation of the industries and of the service of the State. On this terrain, the anti-socialist crusade has reached its objective. Paradoxically, while launching such

ambitious privatisation projects, it has been necessary to invent new types of private property. One can quote, for example, the gratuitous good distribution to the citizens in the Check Republic of Russia, giving them the right to obtain shares of the new private enterprises. These operations have been and will be a joke. The shares distributed in an equitable way are in fact acquired by foreign speculators or by the local mafia. Nevertheless, these operations show that there exists no such immutability in the traditional form of bourgeois property as it exists in our countries. Then, new forms of popular property can be invented, forms that separate the functions linked to the rigid concentration of power in the typical capitalistic enterprise.

There exists currently, in the left, a discussion within the western countries about the theme of new forms of popular property. But this theme is not limited to the developed countries, it also exists in countries like China or in countries of the Third World.

Democracy

Neoliberalism has the audacity to assert openly : the representative democracy that we have is not the supreme value; on the contrary, intrisically it is an inadequate instrument that can easily become excessive (and in fact becomes it.) The provocative neo-liberal message is : we need less democracy. From there, for instance, comes their insistence on the importance of a central bank legally and totally independent of all governments or again on the inscription in the constitution of the prohibition of any budgetary deficit.

Here, we have also to take and invert this "liberating" lesson. The democracy that we have - as far as we have it - is not an idol to adore as if it would represent the ultimate perfection of human liberty. It is a defective and provisional form that can be reshaped. The direction of the change should be the opposite one of that indicated by neoliberalism. We

need more democracy. That does not mean - and this has to be clear - a supposed simplification of the electoral system, by abolishing the proportional system in favour of majority mechanisms. Similarly, more democracy does not mean to preserve or strengthen presidentialism.

A deepened democracy demands a certain elaboration in the different areas of the direct and semi-direct democracy. It demands a democratisation of the communication means whose concentration in hands of very powerful capitalist groups is incompatible with any electoral justice or real democratic sovereignty. In other words, these three themes can be translated in a classic vocabulary. These are the three modern necessary forms of liberty, equality - we will not say fraternity because the term has a sexist connotation - and solidarity. To implement these options, we need a sure and aggressive attitude, we could say not less cheerfully fierce than neoliberalism was in its origins. One day perhaps one will call it neosocialism.

4. The globalization of social struggles
(the following is the text of Samir Amin)

Mr. Samir Amin already informed us of the dangers constituted by the false deregulations and the degradation of the democracy. He brings here a plea in favour of a globalization of the social struggles.

Increasing conflicts and social struggles

We have entered a new phase in history, which does not have an end; it is a phase where conflicts are exacerbated and social and political struggle is rising. The crisis has already worsened contradictions in the dominant classes within the countries of the European Union, in Russia and in the countries affected by the crisis developing (Korea, South-east Asia, tomorrow it will be Latin America, Africa and the Arab world and India). There are no guarantees that these contradictions will be resolved through democratic means. In a general fashion the dominant classes are trying to avoid a situation where the people take part in debates so that they can manipulate opinion (thus maintaining the appearance of democracy), or by planning outright violence.

These conflicts are beginning to take on international dimensions becoming struggles between states and between groups of states. Already we can see a conflict brewing between the United States, Japan and their faithful Australian ally on the one hand and China and the other Asian countries on the other. The screaming reception awaiting Vice-President Al Gore at the last APEC summit in Kuala Lumpur is sufficient witness of this. It is not difficult to imagine the rebirth of a conflict between the United States and Russia if the latter manages to emerge from the involution, which Eltsine

engaged them. The conflicts between the European Union (or certain of its members), Japan and the United States which have until now been diplomatically managed, will also take on greater importance and to express their unhappiness with those who oppose the Triad, namely Russia, China, India and the third world continents in general. Far from having contributed to reducing chauvinistic nationalism, neo-liberal globalisation has actually contributed to its increase.

At the same time the new phase is already characterised by the rise in the struggle of the working class victims of the system, whether these struggles be limited to particular sectors of these classes or encompass them in their entirety. The list becomes longer every day: the landless farmers in Brazil, salaried workers and the unemployed in some European countries, trade unions uniting the vast majority of salaried workers (such as in Korea or South Africa), the young and students encouraging the people of the towns (like in Indonesia), all are involved in the struggle.

The development of these social struggles is certain. They will certainly be characterised by wide-scale pluralism which is a characteristic of our century (and a positive one for most of us). At the roots of this pluralism we should recognise the accumulation of results gained through what is sometimes called "the new social movements": women, ecologists, democracy. The challenges confronting this development are of various kinds depending on the time and the place but can possibly be classed under a few large rubrics.

We need to define the elements of an alternative that is capable of uniting the struggles on a national level, where the political choices are on the table. Associating aspirations to democratisation of society with those aiming to give the management of the economy accessibility to the popular classes is probably the main concept around which the struggles can unite. This is such an important topic that the opposing forces (the political defenders of neoliberalism) will

not hesitate to use their power to deflect the anger of the people and to lead them into an impasse such as represented by ethnicism or certain religious integrist attitudes.

But we also need to define the elements of popular internationalism, which is capable of giving a world scale to the struggle, and thus too positively contributing to the elaboration of a new globalisation rather than that proposed by liberalism. The framework within which this has to be done is defined by the need to defend the autonomy of the nations, to increase its acceptance and to avoid becoming shut into dead-ends of nationalism. It is clearly on a regional level that this will pose the least problem for such construction, whether is on a pan-African level, Arab unity, a Latin-American front or the European construction; they will be provided with a social progressive agenda and other regional projects.

However, we should not neglect action on a world level. The struggle is different at this level. On a political level the aim is clearly to fight American dominance and its military arrogance. In this perspective reviving the role and the functions of the UN should be one of the common objectives for the struggle of democratic political forces operating on a world level. On the level of reorganisation of the economic systems from negotiated and governed interdependence we should branch out form the old trodden paths and the enclosing corsets created by liberal globalisation (World Bank, IMF, WTO). The challenge consists in articulating in new ways the commercial interdependence (by, for example, giving a major new role in international negotiation of these problems to UNCED), monetary and financial interdependence (with a view to channelling available capital in directions which would allow the expansion of productive systems).

In this framework the construction of particular regional interdependence which could be of interest to the region (Europe, Arab world, Africa) could contribute to the construction of a pluricentral and non-imperialist world,

opening up to the South (considered to be on the margins) and enabling them improved development. This would work on condition that political evolution in the north and the south of the Mediterranean and the Sahara strengthens the potential for democratic and social affirmation of the people concerned.

The objective of our intervention at this Davos (Globalization of social struggle) is not to define action programmes to be set up to achieve human, democratic, social and equal development for the people of the world. The ambition of the World Forum for Alternatives and all the organisations and individuals who wish to be associated with it is to set up working groups on each of these themes, drawing together a great diversity of analysts and social and political leaders.

5. Another globalisation
(continuation of the text of Riccardo Petrella, Christophe Aguiton, Charles-André Udry)

What are the main directions of the alternative program proposed by Riccardo Petrella, Charles-Andé Udry and Christophe Aguiton? This is the subject of the second part of their text.

Let us take control of our future. The world and all of life belong to all the inhabitants of the earth. Faced with the power of the social forces which dominate the global capitalist archipelago, appropriation of the future of the planet by its inhabitants will not be easy and neither will it happen overnight.

The expropriated people of the world have experienced this truth and are progressively becoming aware that they must focus their efforts, experience and innovation on another agenda of priorities to the one followed by the "Men of Davos'. They are realising that they need an autonomous method of thought and action to construct and promote their view of the world, of society, of ethical principles, of the economy, of the social institutions. Finally, they are discovering that they have to prioritise their action, by identifying short-, medium-, and long-term working areas (and objectives to achieve). The authorities don't need to work like this. For them it is simpler: to ensure the longevity of their privileges, it is sufficient for them to be organised to exist.

1. The Priority: the right to life for eight billion human beings who will inhabit the world in 20 years or more from now and for a sustainable global ecosystem; through a globalised welfare system.

The most significant and hardest social struggles taking place throughout the world are those concerned with access

to life, to sources of life for the satisfaction of individual and collective needs for existence. This reality is borne out by the real conditions of the 5.8 billion people currently living on the earth and by the reports published in recent years by UNDP, UNEP, FAO, WHO, the World Bank, Amnesty International, Greenpeace, Oxfam and the ILO.

These struggles are also coping with occupation, use and distribution of the earth, the right to eat, access to drinking water, to be kept warm. They deal with housing, having a habitat fit for human beings. They deal with the right to work, the conditions of work, the level of pay and more generally on the right to an income suitable for a 'citizen'. The struggles include fighting for the rights of the child (International Convention of 1989) and in particular the right to organise and educate the growing number of children in work, for the freedom of trade unions, the right to strike, against company closures due to the search for greater profitability. They seek access to healthcare and to a basic education for all and everybody. They seek with the right to exist and to enjoy a minimum of security in the case of illness and accidents and the right to live in an acceptable fashion in old age.

Other issues fought for are democracy, life within a community, the respect and recognition of the basic human rights of immigrants and refugees. They should fight for the rights of the emancipation of women, against the very many types of discrimination between the sexes (male-female) linked, among other things, to the gender-based division of work and tasks, and for the equality of rights between male and female. And, finally, people are struggling for the protection of the environment and the right of future generations to inherit an inhabitable planet.

In short, this is not an exhaustive list; the priority agenda concerns living, the right to live and the right to life. And within 20 years from now there will be two billion more people in the world than today. There will be eight billion people

inhabiting this earth. But, the population on the islands of the global archipelago will not increase. The two billion extra people will increase the population of the zones and regions outside of the archipelago, i.e. the cast-off, disinherited regions. Even today, the richest 20% of the population of the world accounts for 86% of global consumption compared to 72% in 1970. What percentage will this be in 20 years from now if the priorities of the 'Men of Davos' prevail?

Through the struggles they are engaged in, the expropriated people of the world are creating a definition of a new anthropology for global life in the 21st century. The recognition of water as being of common ownership by humanity is the most immediate and evident symbol of this new definition. It also constitutes the first concrete landmark. In the same logic can be found the capital struggle to put (once again) financial resources at the service of globalised social welfare and the creation of common wealth in terms of goods and services necessary and indispensable for the satisfaction of basic individual and collective needs.

In the framework of the other 'agenda', we can thus see the strategic importance of a profound revision of the debate over intellectual property rights (biotechnology, seeds, informatics) which have become key instruments, through the use of which the owners of capital and particularly finance have succeeded over the past thirty years in taking ownership or control of almost all available material and immaterial resources. It is imperative that we define a new generation of public patrimonial rights covering goods and services considered indispensable for survival and the fair and efficient functioning of society and the earth's ecosystem.

It is clear, therefore that there is one priority, composed of three closely linked components: access to goods and services required for the satisfaction of basic vital needs (water, for example); finance at the service of globalised social welfare and the revision of intellectual property rights and the

definition of public patrimonial rights.

2. The method: start by networking innovative experiences and political, social and economic struggles for another "globalisation".

Some such experiences and actions can be seen in the successful action to reconquer the earth by the farmers in Brazil or Madagascar, the initiatives for education and rural training of women in Senegal or in the exemplary battles of the South-Korean workers who demonstrated the possibility of constituting efficient interprofessional trade union organisations in the so-called emerging countries. They can be seen again in the efficient use of the internet by the Zapatist movement in Chiapas or by Amnesty International or yet again by the wives/mothers/daughters of the 'disappeared' of Pinochet's Chile and by the mothers of Argentina's 'May Square'. They show in the halt which was put to the water privatisation project in Montreal by the water co-ordination and in the foundation of a city of 30,000 inhabitants in the surroundings of Lima (Villa San Salvador), inspired by the principles of full employment, housing for all and a priority for public transport. They are seen in the struggle against the MAI for the cancellation of Third World debt, the struggle against embargoes imposed by an imperial power, the United States, on entire populations who are paying the price. They exist in the campaigns for the elimination of 'tax havens', in new initiatives for a real change in the role of banks (eco-banks, neo-mutual banks). These are just a few examples. All of these initiatives should be joined to work alongside one another. For all of this, it is essential to learn to 'write' the story of globalisation by the expropriated people, by those who are in the process of constructing a future of solidarity and sustainability.

Networks working in this direction are many and diverse in nature, ranging from radical political militancy to forms of moderate, reformist or humanitarian voluntary civil

associations. Each network plays an important role, but it is time to tighten the links, to concentrate the common goal and to reinforce the community of objectives, priorities and modes of action. The development of an effective and democratic world trade union movement constitutes an essential element of the convergence process.

In terms of methodology we should give priority to the pooling of innovative experiences and struggles centred overcoming the capitalist archipelago and implementing a system of world political regulation. This should be entirely new in relation to the United Nations' system of inter-state relations and the economic and technocratic logic of the Bretton Woods system (WB, IMF, GATT-WTO).

Starting from this pooling of synergy (of which The Other Davos is only a start) in a relatively short space of time we can achieve the objective of the definition and implementation of the story of the other globalisation. Within three or four years, it will be possible to operate, with growing political force, ' the planetary première'.

3. Action : short-, medium- and long-term future action areas

1. In line with the priorities of the "Other Agenda", the principle action areas for the short-term on which we should continue to work while strengthening our synergy are:

- *the finance action area*, including mobilisation around projects from the ATTAC network; continuation of the struggle against any return, in any other form, of the MAI; the strengthening of action for the cancellation of Third World debt; the battle against the political independence of the central banks and the sovereignty of monetary policy; the action for the development of a "new bank", local exchange rate systems and against the defiscalisation of enormous wealth concentrations;

- *the work and employment working area* pursues action to help children and working women in Asia, Latin America,

Africa as well as immigrants and the long-term unemployed in the islands of the world archipelago. In this perspective, whilst battling for the radical reduction in working hours, the major objective remains full employment across the world and on a world level;

- *the privatisation working area:* this is a relatively weak group where campaigns remain limited and insufficient. Priority must be given to mobilisation against the privatisation of public transport, electricity, gas and above all water. Opposition must be urgently strengthened against the privatisation of education and social security systems as well as health. Various experiences in many continents of the world show that mobilisation in favour of the reaffirmation or recognition of water, gas and electricity, of education, health, urban transport, rail as common public goods and services, pays off over time.

2. The principal medium- and long-term working areas are: - *The world political regulation working area* or the globalisation of politics, of the state is the logical extension of the working areas on finance and privatisation. The involvement will be required around the United Nations (reorganisation), the role of continental, supranational political integration and possible regional continental economic synergies, responding to the priority needs of the population. In this respect, the risk is that the only veritable supranational continental integration in twenty years time will be European integration, which may well never realise its democratic, supranational political nature. The problem of the sovereignty of the nation state will be at the heart of this working area and, closely linked to sovereignty will arise two other questions: that of citizenship (over and above nationality) and of property (struggle against the private appropriation of material and immaterial resources by 'intellectual property rights'; the redefinition of state property; the development on an inter-national, supra-national and world level of new forms of socialisation, of public ownership,

and of mutualisation of the property).

- *The collective, global social security working area* works on the dissociation between income and work, world taxation, minimum community income and universal allocation: a collection of concepts, choices and orientations which, though all dealing with the same problem, express different realities and solutions, even opposite ones. The variety of local historical situations require respect for diversity, but it demands great clarity on the part of the promoters of the other globalisation. Lack of clarity has never been the basis for coherent and effective action.

- *The media and education working area.* As far as the media is concerned, this is an area where the dominant forces continue to accumulate "victory upon victory" (whether it is TV privatisation and programming, the concentration of shares, the growing commercialisation of the internet...). It is time to get organised. The success of action to guarantee the editorial independence of Le Monde Diplomatique and Alternatives Economiques in France through the creation of two Associations shows that solutions exist. It requires the promotion of increased creation of similar associations for a growing number of newspapers throughout the world. Concerning the link between media and education, it is necessary to prepare to anticipate and direct the changes, which risk exploding in the coming 5 - 10 years. We must not leave it to the logic of industry, trade and/or stato-nationalists to define and govern these changes; it is indispensable to create an alliance of citizen actions between the world of education and the world of media. The future of sustainable development largely depends on this.

- *The denuclearisation, demilitarisation and peace working area*: the peace movements of the 1970s and 1980s have run out of steam. A new generation of pacifists is being born, at a time when the United States is relaunching plans for massive military investment.

We need to promote and strengthen actions supporting denuclearisation, demilitarisation and peace. In this perspective, one of the most significant tasks should deal with the implementation of rules and of peaceful economic behaviour, beyond that of competition/ rivalry/ warfare/ struggle to conquer markets and for survival. The demilitarisation of the economy as a basis for the demilitarisation of states and of society.

6. Simply a question of taking back, together, the future of our world.

The two members of ATTAC's scientific committee describe the global financial system. This last needs to be mastered by the peoples. ATTAC association studies this question. There are pertinent and realistic remedies but it is more a question of the united will of associative movements, citizens and policies exerting their influence on the authorities so that the financial system is forced to respect the elementary rules of harmonious economic development. This is what the representatives of the international movement, ATTAC, will explain below.

Financial globalization increases economic insecurity and social inequalities. It bypasses and undermines popular decision-making, democratic institutions, and sovereign states responsible for the general interest. In their place, it substitutes a purely speculative logic that expresses nothing more than the interests of multinational corporations and financial markets.

In the name of a transformation of the world depicted as a natural law, citizens and their representatives find their decision-making power contested. Such a humiliating proof of impotence encourages the growth of anti-democratic parties. It is urgent to block this process by creating new instruments of regulation and control, at the national, European, and international levels.

Experience clearly shows that governments will not do so without encouragement. Taking up the double challenge of social implosion and political desperation thus requires a dramatic increase in civic activism.

The total freedom of capital circulation, the existence of

tax havens, and the explosion of the volume of speculative transactions have forced governments into a frantic race to win the favor of big investors. Every day, one hundred billion dollars pass through the currency markets in search of instant profits, with no relation to the state of production or to trade in goods and services. The consequences of this state of affairs are the permanent increase of income on capital at the expense of labor, a pervasive economic insecurity, and the growth of poverty.

The social consequences of these developments are even more severe for dependent countries that are directly affected by the financial crisis and are subjected to the dictates of the IMF's adjustment plans. Debt service requires governments to lower social service budgets to a minimum and condemn societies to underdevelopment. Interest rates much higher than in the countries of the North contribute to the destruction of national producers; uncontrolled privatisation and denationalization develop in the search for the resources demanded by investors.

Everywhere social rights are called into question. Where there are public retirement systems, workers are asked to replace them by a pension fund mechanism that subjects their own employers to the sole imperatives of immediate profitability, extends the sphere of influence of finance, and persuades citizens of the obsolescence of institutions of solidarity between nations, peoples, and generations. Deregulation affects the labor market as a whole, and the results include degradation of working conditions, the growth of workplace insecurity and unemployment, and the dismantling of systems of social protection.

Using economic development and job creation as a pretext, the major powers have not given up plans for a Multilateral Agreement on Investments (MAI) which would give the investors all the rights and leave national governments with all the responsibilities. Under the pressure of public opinion

and mobilization of activists, they had to abandon plans to negotiate this agreement in the framework of the OECD, but discussions will resume in the framework of the World Trade Organization. At the same time the USA as well as the European Commission continue their free trade crusade, pushing for the creation of new zones of deregulation at the continental or intercontinental level (the PET project between Europe and North America, the extension of NAFTA into Latin America, etc.)

There is still time to put the brakes on most of these machines for creating inequalities between North and South as well as in the heart of the developed countries themselves. Too often, the argument of inevitability is reinforced by censorship of information about alternatives. Thus international financial institutions and the major media (whose owners are often beneficiaries of globalization) have been silent about the proposal of the American economist and Nobel Laureate James Tobin, to tax speculative transactions on currency markets. Even at the particularly low rate of 0.1%, the Tobin Tax would bring in close to $100 billion every year. Collected for the most part by industrialized countries, where the principal financial markets are located, this money could be used to help struggle against inequalities, to promote education and public health in poor countries, and for food security and sustainable development. Such a measure fits with a clearly antispeculative perspective. It would sustain a logic of resistance, restore man euvoring room to citizens and national governments, and, most of all, would mean that political, rather than financial considerations are returning to the fore.

To this end, signatories propose to participate or to cooperate with the international movement ATTAC to debate, produce and disseminate information, and act together, in their respective countries as well as on the continental and international levels. This joint actions have the following goals: to hamper international speculation, to tax income on capital,

to penalize tax havens, to prevent the generalization of pension funds, to promote transparency in investments in dependent countries, to establish a legal framework for banking and financial operations, in order not to penalize further consumers and citizens; the employees of banking institutions can play an important role in overseeing these operations, to support the demand for the general annulment of the public debt of dependent countries, and the use of the resources thus freed in behalf of populations and sustainable development, which many call paying off the "social and ecological debt. More generally, the goals are: to reconquer space lost by democracy to the sphere of finance, to oppose any new abandonment of national sovereignty on the pretext of the "rights" of investors and merchants, to create a democratic space at the global level.

It is simply a question of taking back, together, the future of our world.

7. Debt cancellation
(continuation of the article of Eric Toussaint)

The burden of debt on fragile economies is also a situation which calls for citizen solidarity movements across the world to say 'No! We will no longer tolerate that our governments legitimate and support a system and institutions which have lost all capacity for respect of social rights and recognition of collective suffering'.

Radical progressive policies are necessary and possible. Part of the world population started to change its opinion starting during 1997-1998 following the setback of the policies imposed jointly by governments applying neo-liberal dogmas, by the owners of national and foreign capital and by multilateral financial institutions. As citizens of South-East Asia, Russia, Brazil, Mexico, Venezuela, Argentina, Central America, Africa, many of these populations experienced a deterioration in their living conditions following the neo-liberal hurricane. For the 400 million inhabitants of the former Asian tigers and dragons, the IMF was tantamount to saying 'I'm fired'. A large percentage of the citizens of the world (including people within Europe) question neo-liberal policies.

Amongst some of these groups the questioning takes contradictory and confused forms. The weakness of the radical left and the submission of the traditional left to the imperatives of the healthy market (i.e. to the owners of capital) in most countries leaves room for parties and movements which divert action and the conscience of the population towards the search for scapegoats from foreign countries or different religions.

Successfully resisting the continuing neo-liberal offensive is certainly difficult but those who undertake this battle are

not short of support and have enjoyed partial successes. The fact that the French government under Lionel Jospin decided in October 1998 to withdraw from negotiations on the Multilateral Accord on Investment (MAI) was the result of a great opposition campaign launched by various movements, trade unions and parties in France, and also in the United States, the Third World and Europe in general.

The multinationals and the United States government will find another way to implement measures to help free movement of capital for those who own it, but they have suffered a significant setback, indicating that by mobilising forces, it is possible to force those in power to change tactic.

Another indication of the change, which began in 1997-1998 was that the United Nations Conference for Trade and Development and the G22 in September 1998 declared their support for the right of countries to declare a moratorium on the payment of their foreign debt. UNCTAD stated: "Countries under attack could decide on a moratorium of debt servicing so as to dissuade "predators" and have a "breathing space" permitting them to arrange a debt rescheduling plan. Article VIII of the IMF Statutes could provide the legal basis necessary for the declaration of a moratorium on debt servicing. The decision to impose a moratorium could be taken unilaterally by countries whose currency is under attack." [UNCTAD, press release, 28/8/98]. These two institutions (UNCTAD and G22) certainly do not carry much weight compared to G7, IMF, WB and WTO, but by turning their backs on the immutable rights of the creditors, they show that governments on the periphery are finding it increasingly difficult to justify their acceptance of the neo-liberal globalisation.

The 1998 UNDP report indicated essentially that a tax of 4% of the wealth of the 225 richest people on the planet would bring in 40 billion dollars. This is the modest sum which needs to be invested each year in "social support" to guarantee universal access to drinking water within ten years (1,300

million individuals did not have access in 1997), universal access to basic education (1,000 million people are illiterate), universal access to basic healthcare (17 million children die each year from easily cured illnesses), universal access to adequate nourishment (2,000 million people suffer from anaemia), universal access to sanitary infrastructures and universal access for women to gynaecological and obstetric care.

This vast programme would only cost the modest sum of 40 billion dollars per year over 10 years [UNDP, 1998, 33]. Compare this also with other figures corresponding to certain expenditures which humanity could do without. In 1997, 17 billion dollars was spent on food for domestic pets in Europe and the United States, 50 billion dollars on cigarette consumption in Europe, 105 billion on alcohol consumption in Europe, 400 billion on drugs, military expenditure amounted to 780 billion and advertising expenditure was running at 1,000 billion (UNDP, 1998, 41 and 70].

The years 1999 and 2000 represent the jubilee in the Jewish and Christian tradition (which dominates the small world of G7 leaders). The jubilee tradition leads to reflections about the need for debt cancellation. Whilst a new debt crisis has exploded, it is more than time to mobilise action to support the complete cancellation of the debt of the peripheral countries.

We need to add as a matter of urgency that it is imperative to impose a tax on international financial transactions (as is called for by ATTAC). We should urgently instigate an inquiry into the resources held abroad by the rich citizens of the peripheral countries and the resultant expropriation, in certain cases, of these resources if they have been gained through means such as theft committed at the expense of the population of the peripheral countries (expropriated wealth should be returned to the people). Furthermore, a one-off 10% tax should be levied on the wealth of the richest 10% of households of each country. Strong measures should be taken

to control the movement of capital, there should be a generalised reduction in working hours with wage guarantees and compensatory employment, there should be a guarantee of universal access to the land for all farmers and male/female equality should be ensured.

These are just some measures, which are incomplete and insufficient but nevertheless necessary if we wish to bring about a positive change in the satisfaction of basic human needs.

Chapter 3

FOR ANOTHER DAVOS

The first two parts of this book guided us through an examination of a certain type of attitude which consists in not limiting ourselves to suspicious glances at the route taken by global capitalism, but in trying to understand and to find solutions and valid alternatives to it and above all to sharing these alternatives with others and to pushing them out onto the public stage so that they compete with and destabilise the dominant consensual discourse. Our message has no meaning unless it is transmitted by actors all over the world. It is through joint campaigns, meetings, marches and counter-summits that we can both forge the weapons of the people's globally coherent counter-offensive and broadcast an essential declaration that "the time has come for an alternative globalisation to emerge, a globalisation of resistance and struggle".

It is in this spirit that the meeting "The Other Davos" was organised. Some of the following texts may help us to understand the nature and the aims of this alternative summit.

Firstly, let us go back to look at the way in which the alternative Davos was planned and presented before its realisation by François Houtart, who took care of the co-ordination.

1. The globalization of resistances and struggles : *Another Davos*

Faced with the globalization of the capitalist economy and the social and cultural consequences this brings with it, opposition and struggle is growing but remains fragmented. It is important to combine efforts both on the level of reflection and that of action. This is the reason why coordinations are sprouting up in various part of the world in the most varied areas, but which all pull together the international initiatives already in existence.

Even though resistance takes many different forms (against the MAI, towards a jubilee year in 2000, for the Tobin tax, seeking alternatives, etc.), and even if the struggles are specific in their aims (farmers, workers, indigenous or coloured people, citizens, ecologists or women, the urban poor, etc.) and though the various co-ordination groups are numerous (Peoples Power for the XXIst Century in Asia, São Paulo Forum in Latin America, etc.), all of these have a common thread: they all work to highlight the unacceptable nature of the current economic system.

Admittedly the heads of the world economy are also becoming worried as they take stock of the situation, and face up particularly to the presence of the Asian tigers, the irrational growth of the financial bubble and the extreme poverty in the world. Some of them are beginning to understand that action must be taken to control the crises, regulate financial transfers and the casino economy and to fight poverty. But the initiatives proposed by the international financial institutions or their powerful economic porte-paroles, far from being motivated by primarily humanitarian

principles, are governed by the need to create new conditions under which to accumulate capital.

After 20 years of neo-liberalism working towards deregulation policies, excess privatisation, structural adjustment programmes, a weakening of the State, the struggle against socialist solutions, marginalisation or eradication of popular movements due to the need for readjustment of the accumulation process, the logic of the economic system is leading towards a neo-keynesian stance. At the same time there are proposals to involve voluntary organisations of all sorts (NGOs, Churches, etc.) in an effort to soften the blow in the most affected areas of social life.

But while all this is taking place, the logic of the system itself is not questioned. This logic aims to liberalise a market whose aim it is to encourage exchange and increase riches. This theoretical vision does not take account of the fact that the partners are not equal and that it is often the weakest who pays the cost of these operations, whether they are vulnerable due to their class, their ethnic background, their gender, their lack of political power or their cultural weakness. What is worse still is that this same logic which wants "the best to win" really means may "the strongest win". Hence the appearance of resistances and struggles the world over.

The answer is certainly not to promote a new "International", but rather to use the means developed and used by the economic system itself to maintain its power base, including the knowledge and information to which one has access using modern technology. This is why networks should be built and maintained and why concerted intervention on precise subjects or during meetings or decision making processes is so important.

This is the background to the formation of a group of four relatively young organisations who have decided to organise a public forum on the topic : "Globalization of the resistances and struggles: another Davos". They will take the

opportunity of the annual meeting of the World Economic Forum, which meets in Davos, Switzerland and at which, every year, the world powers and their economic institutions (transnational and international financial organisations) meet together. The aim is not to get involved in the agenda of this forum, but to take advantage of its presence and its repercussions in the media to sound another tone by giving voice to the social resistance movements and to critical intellectuals, while seeking alternatives to neoliberalism and the new modalities of accumulation.

Five social movements from different parts of the world will meet in Davos 30th of January 99. These organisations are : The movement of landless farmer (MST) from Brazil, a co-ordination of Trade Unions from South Korea, a farmers, movement from Burkina Faso (FENOP), a Womens, movement of Quebec and the Movement of the unemployed in France. There is no desire to represent all the movements in the world, but simply to express in the strongest terms through the voices of those who are present, a point of view held by hundreds of millions of men and women across the world. The distribution of income is becoming like a glass of champagne where 20% of the richest in the world control 82.7% of its wealth and the poorest 60% share 4.5% of income (UNDP report, 1992). This situation must change and it is not the magic wand of the market that is going to do that.

At the meeting with the grass-roots movements will be intellectuals who hold their cause dear and work on analyses of the situation, since in order to provide focussed solutions and offer alternatives it is indispensable to arrive at a diagnostic which can globalize problems. Without minimizing the importance of the micro-dimension which is the focus of the work of so many movements and NGOs, it is nevertheless important to place these in the macro structures and to be capable of making proposals on various levels. Without omitting the conditioning of economic factors, we cannot forget the ecological effects, which should determine our

future behaviour, nor the vital importance of cultural phenomenon, elements of the construction of the superiority of capitalism, but also at the base of resistance and conditions for alternatives.

The Other Davos has thus several objectives. Firstly it aims to make heard the voice of those who are protesting against the structural injustices of the current economic system; secondly it aims to raise awareness that we can plan the future differently and lay down some guidelines for the construction of networks to improve shared information and solidarity action.

2. The Other Davos in action

So as to better grasp the contents of this meeting, to know the participants and understand the significance of the meeting, we invite you to take a closer look at the exchange of ideas which took place during the several days of the meeting. The meeting was only made possible through the work of Charles André Udry and his team, and took place at various levels presented below through the discussions and debates, all of which shaped the content of this meeting of the social, intellectual and citizen forces against the 'Global leader' of the international Economic Forum of Davos. The first four sections contain extracts from contributions and debates which were held in Zurich, January 28-29, 1999, whilst the last section summarises the declarations and responses made to journalists during the press conference at Davos itself, January 30. These are transcriptions of video recordings made by Frank Millo and Victor Cohen-Hadria, during the meetings in the two Swiss cities.

1. The individuals present

- **François Houtart** (session chairman): *"We have here the representatives of the four organisations which have created the "Other Davos" initiative: Susan George with the committee against the MAI, Doug Hellinger of Saprin, Samir Amin of the World Forum of Alternatives and Christophe Aguiton of ATTAC. They are here and available to respond to your questions. I think that we are operating in a sufficiently relaxed environment to be able to work in a 'serious' and organised yet friendly and very informal way. We can now present ourselves to you."*

- **Susan George :** *"François did some very nice introduction. I am Susanne George, I am a writer and I am here as one of the people representing the coordination against the MAI and its clones. The friends, here, from the same coordination, are Jean-Claude Amara, Julien Lusson, Agnès Bertrand and François Chesnais. We immediately felt the need to join this organization. I am personally president of the "Observatoire de la mondialisation" which is one of the members of a coalition against the MAI which now has over 70 members in France and we were also very active in the international coordination against the MAI and we won an initial victory but we have to keep going because the MAI is now springing up again."*

- **Douglas Hellinger:** *"I am Doug Hellinger, working with a group; called the Developing Gap, in Washington. The Developing Gap is promoting the collaboration with partners in the South"*

- **Christophe Aguiton:** *"My name is Christophe Aguiton, I am French, a trade unionist, but I am currently particularly active in movements against unemployment in France, with 'Agir Contre le Chômage' and, at the European level, with the network of European Walks against Unemployment, Employment Instability and Exclusion. And it is with this hat on that I am a member of ATTAC, like a number of other participants who will introduce themselves shortly. It is a new association, originally French, which was recently created by the newspapers (Le Monde Diplomatique - Alternatives Economiques), trade unions and social associations and by NGOs and which have the support of the militants. I would like to say that in France, as in numerous other countries, this association enjoys very close links with other associations present here, in particular the collective against the MAI. What has happened in France has also been experienced in other countries. There is work which has been accomplished together, and for us this is a sure sign of what is about to happen at the international level. We hope that this will be a first step towards the co-ordination of these networks at the international level..."*

- **Ahmed Ben Bella:** *"My name is Ahmed Ben Bella. I am here because I have been in contact with the organisers of this meeting for a long time. Among other things, I am president of the Arab Congress which brings together the Arab parties. I work a great deal on Arab problems but also in a more general way with the world system and North-South relations and I think that my experience enables me to deal with these North-South problems much more effectively. The North-South dialogue is dead and buried. It is at the level of NGOs located in the north and south that contact must be established and the problems of the world system examined. I am one of those who think it was necessary to have an anti-Davos. I virtually live in Switzerland. Every year we take part in this great celebration of capitalism. Every year we have a visit from 2,500 bankers and other economic decision-markers who come to serenade us about the virtues of capitalism. I believed that an anti-Davos was necessary... Now we are on the point of doing it. I am happy to be among you."*

- **Mario Luis Lill:** *"My name is Mario Luis Lill and I represent the Brazil's Movement for the Landless Peasants (MST). I am very happy to be here because this meeting takes place at a very opportune moment and also because it is necessary to question the prevailing model of globalisation which is extremely destructive for the smallest and the weakest in our society and particularly for the small farmers. As a representative of MST, I hope that we will be able to develop some lines of action, to find the means to put an end to this process of destruction engendered by the globalisation phenomenon.."*

- **Vincent Espagne:** *"I am from the French 'Droits Devant' (Rights First) association, member of the co-ordination group against the clones of the MAI. I work with the 'Observatoire de la Mondialisaton' (Globalisation Observatory), namely Susan George and Agnès Bertrand, the secretariat of this co-ordination. We are also here to express the thoughts and the voices of those without rights, that is to say those without*

papers, without resources, without homes, the numbers of which are increasing in number. We are delighted to meet today women from the Maghreb, the land-less from Brazil.."

- **Samir Amin:** *"My name is Samir Amin. I represent a number of different organisations. On the one hand I represent the World Forum for Alternatives, which has, since its inception, wanted to see the inception of an anti-Davos. Behind the World Forum for Alternatives there is also the Forum of the Third World, a much older organisation, which has never believed that globalisation or imperialism was anything new and which has always been active in the battle against imperialism. This is the reason why we think that the debate on globalisation should not only be a debate on economic neo-colonialism but also on the different political aspects of globalisation. And I am very happy that Sid Ahmed has raised some of the problems of hegemonism and of the military arrogance of the United States in particular, as one of the fundamental elements of the constellation which represents the current globalisation".*

- **Ousséni Ouedraogo:** *My name is Ousséni Ouedraogo. It is a name which is not familiar to most of the people here. But I am perhaps the easiest to identify. I come from Burkina Faso, at the heart of West Africa and I represent here a peasant-farmer organisation created in 1996 to build a capability for representation and negotiation, to defend the interests of the farmers faced with certain trends, certain programs, certain policies over which they have no control. Our organisation thinks that the farmer is not a production machine. The farmer is a citizen, a development partner. And agriculture is not only an economic function but also has an ecological and a social role to play. And in this perspective, we work a lot on the conditions of production. We think about the legislative frameworks and about financial questions. We must inform the producers about the programmes and the policies decided upon high up in the administration and help them deal with this information. And we are also called upon to carry their viewpoints on the environment to other partners (...) and to*

defend these points of view. Thus, when this forum was mentioned, we said to ourselves that it has the same perspective, even if we are working at the micro level, we are delighted to be here to share our experience and discover at the same time other climatic conditions [Switzerland in winter]. Thank you..."

- **Riccardo Petrella:** *"At this moment, I am still an adviser to the Commission of the European Union. I am a professor at Catholic University of Louvain and I am also engaged in militant activities including with the Amis du Monde Diplomatique (Friends of Le Monde Diplomatique monthly), as an organiser of the Forum of the Small Villages of the World and the 'Groupe de Lisbonne'..."*

- **François Houtart:** *"I am the Director of the Centre Tricontinental (Tricontinental Centre) at Louvain-la-Neuve, a centre of documentation and study on Asia, Africa and Latin America, which publishes the revue: 'Alternatives Sud'. My discipline is sociology and religion and in this capacity I taught at the Catholic University of Louvain, Belgium. My work and teaching have often taken me out of Europe, to the United States, to Latin America, to Asia and to Africa. I have been heavily involved with the solidarity movements with the struggles of the South and I have worked in collaboration with numerous social movements.*

All the other participants introduced themselves next and the session chairman concluded:

- **François Houtart:** *"I have counted that we have 19 different nationalities here, from various continents. Oceania is unfortunately not present in body but is certainly here in spirit. This shows that we truly represent a very great diversity. The overview that we have given, has allowed us to summarise the different approaches and the different places of which we are speaking. And it is this which, for me, is the fundamental richness of this group. We are talking about different places, but these places are actually complementary. This diversity is*

also the guarantee of the success of the work we will accomplish over these three days and the mutual lessons which we will draw from all this. Clearly we are not aiming all to arrive at a unanimous agreement on a certain number of positions, but to establish the convergence which could result in the long term.

2. The dynamism of the positions

- **Victor Cohen-Hadria:** *"How do you explain this convergence today from all these very different people with their very varied experiences?"*

- **Ahmed Ben Bella:** *"All these people, despite their differences, are affected by the fact that the world system, as it currently operates, does not work. So we all find ourselves on the same wavelength. As a citizen of a Third World country, I think that the development of the Third World is like a shipwreck. We say this with recent developments in Asia in mind. People say to us: act like the tigers, but we are aware that we cannot do so. Firstly, there are the physical limits of the planet. If we consumed so much energy what will become of this planet? And then, these so-called tigers, are now going downhill. And yet, all this affects 85% of the population of the South which will become 90% within twenty years, according to United Nations figures.*

  Given this perspective, something must be done. We have to change the economic system. There are also the wars, the embargoes which continue and the United Nations which is falling apart. We see countries bombarding each other instead of creating common objectives. These are all problems of development, of the future which concern us. Our planet is a little village and even now it is not in a very good state. Unemployment is increasing. The lot of the South today is poverty. There are also migratory flows. This is a matter of inter-connecting vessels. The Third World is a vast shantytown and in front of it is a grassy plain. At any moment, we will see an invasion of the plain! Because these people have no hope, particularly young people, since the Third World is young.

People realise that the problems are the same for the North and the South. People try to contain the invasion. But they won't succeed. The army has already been placed on the Swiss border. You cannot stop someone who is hungry and believes he can help himself."

- **Victor Cohen-Hadria:** *"Do you believe that it is possible for there to be common objectives between those who are in the very restricted zone of well-being and good health, and those who are in the shanty towns of the Third World?"*

- **Ahmed Ben Bella:** *"The proof is that we are here. I believe that we haven't yet found each other (and yet I have known certain of our friends here since 1983). Yes, I believe there is a conjunction, a common approach to try and move certain things. I do not think that we have found the definitive responses. It is by approaching the problem on the long term that we will succeed. But I have no hesitation in saying that we have reached the limits of the liberal system. It has had its moment. It cannot manage the world economy... and in the South, things are going from bad to worse. U.N. figures show that hunger kills 35 million people each year. Debt is increasing. Countries can no longer pay even the interest on this debt. Tropical illnesses affect one and a half million people whilst scientific research does nothing since research is dependent on money expectation. The pharmaceutical company Roche does not do research on malaria: they are insolvent. And then there is the game in the stock exchanges of the financial markets, global speculation, more than 2,000 billion dollars is exchanged every day and scarcely 5% represents the real economy. In other words, it is a vast casino. The small casinos have rules and laws whilst for this one there are none, thanks to the internet. We hear about Brazil falling, perhaps it will be China next... Today there are alternatives and the hunger which kills 35 million people is not fatal.*

The UNDP report appears on the 15th of each September. The last one revealed, among other figures, that 400

billionaires from multinationals, possess half of the wealth of the world. The wealth of only 85 of these billionaires exceeds the output of China: one billion two hundred million inhabitants. The report says that if these billionaires were taxed 4%, it would eliminate all poverty and health problems in the entire world. It is not that the earth cannot feed all the world. It is the management of the available resources, which is catastrophic. Increasingly now it is money which creates the system. In addition, there are no more customs officials, no more policemen and the internet is beyond all control. It is true, we have reached our limits. The Third World is in the process of growing according to the principle that misery creates more population. There is a French proverb which says that the bed of misery is prolific. I am a member of the Third World and I have participated for a long time in conferences on this topic.

The Third World has recuperated a flag, a hymn, but absolutely everything is controlled by the North even down to the simple but essential things. For example, when the North sells to us, it is they who fix the price. When it is us who is selling, it is they who fix the price. For corn, it's Chicago, for copper, it's London, for coffee…. etc. And the price of raw materials has fallen dramatically recently. It is this chasm which is opening up in front of us. And so at Davos, these people, these 2,000 bankers and leaders of the world economy, come to celebrate each year the 'Great Mass' of capitalism. As for us, we want to organise our own little mass. We have to change things, as for example the rules of the United Nations. I am a man of the Third World and I see that the embargoes, such as that imposed on Libya, or during the Iraq war, are all decided in the North! Libya was attacked by bombers, and after that you dare talk of terrorism? Three countries create a no-fly zone in Iraq, without the slightest consultation with the United Nations (the United States, France and the UK)".

- **Jean-Pierre Papart:** *" I would like to add a few things to this since I lived in Nicaragua during the 1980s. The International*

Tribunal in The Hague condemned the guerrilla policy conducted by the United States through the trickery of the CIA. The latter were condemned to pay 11 billion 200 million dollars in damages for the acts of terrorism they committed but they never paid up. Thus we see that the world's policeman makes use of the United Nations whilst it does not respect the verdict of the United Nations when it affects itself".

- **Victor Cohen-Hadria:** *"They don't even pay their subscription..."*

- **Jean-Pierre Papart:** *"That is a secondary point. It is not just them. But they were convicted, they did not respect the judgements of the International Tribunal in the Hague, particularly concerning the use of anti-personnel mines... I would like to say one thing. One day, I was the first to be called to a school where a child had stepped on a mine (there are mines in Nicaragua in several regions, even anti-personnel mines carrying the picture of Mickey Mouse). That is the CIA's gift to the Nicaraguan people, under the pretext of fighting communism..."*

3 The social movements: witnesses from various continents

- **Ousséni Ouedragogo** *of the Federation of co-operative farmers of Burkina Faso. "Burkina Faso is known in West Africa as the country which has a long tradition of peasant-farmer organisation and structure. Effectively, there are 22,000 peasant-farmer organisations at the village level which, since 1967, try to propel economic development from their culture by opposing imported production models. This dynamism has progressively engendered the creation of unions at higher levels. This process continued and then, in 1990, there was a big political and economic change. There was the devaluation of the CFA franc, the structural adjustment programme with the disengagement of the State, the process of decentralisation. All this engendered new challenges for the farmer organisations: challenges which really exceeded their individual capacities.*

There was a willingness, a necessity to join forces, to strengthen collective and individual capabilities and efficiently face this challenge. At the same time, an international association launched a study on the peasant-farmer movement of Burkina Faso, and other three West African countries. This study examined the strength of the associative movement, its weaknesses, its challenges and its changes in the new context. To carry out this study, some peasant-farmer organisations participated in a consultative group. The result was very pertinent for these farmers. The consultative group thought it necessary to share it widely with other farmer organisations and so 5 organisations took the initiative to share the results of this study and managed to mobilise commitment and technical support.

During a meeting in 1994 on the results of the study, the people were informed about the PAS; i.e. the structural adjustment programmes proposed by the IMF in the agricultural sector. At the end, they said: let us create a body which will keep us regularly informed on national policies which affect us. That is how the idea for the creation of a structure was born. There are those who disagreed with the decision saying that we did not have a mandate from our base. They suggested that we organise a committee to study the question further. What would be the functions of this structure: these are not known? Which form of organisation should it take: we don't know?

So we set up a committee which worked for two years, over a wide geographical area, in the various areas of production and who visited other experiments in Africa so as to make proposals as to the proper functioning of the structure and the organisational problems we might encounter. The results formed the basis of the founding assembly of the Federation which I represent here. This was in October, 1996, two years after the beginning.

The Federation thus created has a role of representation,

of defending farmer interests in negotiations. It tries to influence the policies, the legal conditions and the production environment. To this end we try to give lots of information. The power of information! The organisations at the base are regularly informed of policies and the Federation tries to translate their aspirations, their visions to the national level. Like that, we try to influence certain policies and programmes, which are conceived at a national level. And it is true, there is currently a programme funded by the European Union to support the professionalisation of agriculture. Thanks to the interventions of our Federation, we have been able to change a little the approach and the management structure of this programme. We also have a training role in the economic area and on technical aspects.

Currently our Federation intervenes a great deal in economic matters. In all sectors we try to encourage the producers to calculate the cost of production. How much does it cost the farmers of Burkina to produce yams? How much costs the production of such a cereal? That enables them to make strategic decisions, to have a choice. Either I work in this sector, or I change sector. I continue to market here my product or I change my trading partner. This work, in 1997, led rice producers to 'block' their rice, to refuse to deliver it to the national collection company which was buying a kilo of rice at a price lower than the cost of production at 112 francs CFA. Thus they were selling at a loss. This also encouraged the producers of cotton to stop their delivery of cotton, to negotiate better conditions.

This campaign also led the producers of green beans to negotiate new prices and other working conditions with their partners. This did not succeed and there were some farmers who refused to produce green beans for export to France. Burkina will not produce many green beans this year. This is all because there are some farmers who refuse to work at a loss. They say that they would prefer to produce potatoes or tomatoes etc... these

are the sort of battles at our level. It is true that even this is not without its risks.

At the beginning when we started building the Federation, in the framework of the current policy, the State's hand was forced by the financial backers who said: "there needs to be civilian representation and approval of the programmes if you want us to fund them." In this way they used the peasant-farmer organisations as alibis. We invite you to join us, we will put you on the steering committee, we will present you to the newspapers, we will get you on television, and you will have understood nothing. After a day of meetings, they give you a 120 page document which you have to read and upon which you are supposed to take a position. It is impossible.

We have tried to transform this political involvement by seriously preparing our meetings. We began to express an alternative points of view. The State began to reject us, of course and outside co-operation too, since they wanted to validate their approaches, test them, and have them accepted without question, but they saw that, in fact, we were not willing to play that game. We didn't want to be used like opposition parties. We defend interests. If the State defends the interests of the farmers, we agree with the State. If the State works against our interests, we won't oppose the State, but were are prepared to negotiate.

I will give you an example. There was a meeting to discuss a programme. Just before this, a co-operation agency contacted us: we are aware that you are the strongest peasant-farmer organisation and we want to meet you. It was even a Sunday. We arranged for the board to meet them. We met. They opened their briefcases to say: ' look, the meeting tomorrow is about this, that and that. We discussed this with your minister and this is his position, but we think it is not the right one. This is the direction that you should take.' So we said: ' no! That will not work. Tomorrow we will see. If the minister takes a position which does not meet the expectations of the farmers, we will

oppose.' But straight away, they replied : ' no? Ah ! Gentlemen, we have come here to help you.' ' We said no, but let us wait.' They then closed their briefcases and said : ' we thought you would be more open for discussions. It is a pity.' ... We cannot be used to persuade our States to accept decisions from outside. It is exactly these sorts of practices which we see being used to weaken our States in the face of these financial organisations.

I would say that this is not without its risks, because there are measures from time to time against the movement, preventing its activity etc. In my country there is a proverb which says that if the snake gets bigger and older, it is because it is hiding. We are aware of our current weaknesses. It is a new structure, we need to strengthen it. We are aware of our fragility and know what we can negotiate at the moment and what we cannot. We are now trying to make alliances at sub-regional level in Africa and at the international level. It is as a result of this that we have become part of a peasant-farmer platform bringing together ten West African countries. We have also recently had contacts with the European peasant-farmer co-ordination programme. This is thanks to 'Entraide et Fraternité' in Belgium.

And in coming here, I also hope to make contacts. I hope that an information framework will emerge so that we can regularly have information on what is happening at the macro level and which is translated into operational programmes at our level and, of course, so that we can inform other people, analysts and decision-makers, on what is happening at a local level and which could feed their thinking.

That, quickly presented, is what I wanted to say about our Federation. I thank you. .."

- **Mario Luis Lill** *of Brazil's 'Movement of the Landless': "The MST is a movement for those without land, the small peasant-farmers of Brazil who are struggling principally for ownership of land. Brazil is still a country of 'latifundia' or large*

properties. No government has really succeeded in bringing about real agrarian reform and, for the moment, since the neo-liberal period, the situation of the landless peasant-farmers has become increasingly serious because the large properties are beginning to find a certain legitimacy once more.

This year, the MST movement will be 15 years old and it was born out of concrete actions, struggles for occupation of the land of the large properties, the 'latifundia'. At the beginning, this emerged essentially in the south of Brazil. Following its consolidation in the south, it spread to the rest of the country and, today, it is present in 23 states in Brazil out of the 25. Our principal form of struggle is the occupation of the 'latifundia' but also other forms such as, notably, walks. In 1997, one of the largest walks brought together 100,000 people, peasant-farmers without land, in the Brazilian capital.

The MST is both a trade union and a political and popular movement. It is a popular movement because it works without affiliation which means that anyone at all can become a member of MST. It is a trade union movement because it tries to intervene at the national level on governmental policies. The MST is not only a movement which is looking to procure land for peasant-farmers who don't have any, it is also essentially a family movement, ie a movement arising out of the efforts of men, women and children who are seeking to promote an integrated development of the individual. From the moment land is occupied, we try to promote the movement through rural co-operatives and we try also to develop alternative technologies. These forms of production and alternative technologies are not large energy consumers. Through these alternatives, MST tries to promote a form of production which is ecological.

This new form of alternative production is not really established across all the movement. There is still a certain amount of internal dissent on its application and so it is really something which is just at its early stages. One of the other areas of

activity of MST is also peasant-farmer education, ie literacy and schooling, since I should point out that the level of illiteracy in the Brazilian countryside stands at 40-50%. We have established schools in the different camps and we currently have some 1,500 schools and 70,000 pupils. MST also has agreements with the universities, so that courses at university level be given to peasants and to the members of MST who want it. MST also tries to care for health. We have set up health units, and we have health workers, nurses and doctors and pharmacies have also been established as well as an agreement with a Brazilian institution which produces medicines.

- **Robert Crémieux** *of the association of French unemployed: "Firstly I would like to say that since the beginning of winter, numerous homeless have died in the streets in France and this is a situation we have known for several years. I say that because I don't feel myself here as a representative of a rich country - France is considered as one - but on the contrary as the spokesman of the misery which exists and which was, until a certain period, absolutely hidden. I am also here as spokesman of a movement of unemployed and not from an NGO or a charity organisation, but a movement which is fighting for rights.*

  Finally, I would like to state that I speak here as representative of three unemployment associations, AC, APES, MNCP, which have developed a unified approach since a certain number of years, which from my point of view is one of the reasons for the relative successes we have recorded. I speak of what we call the Movement of the Unemployed in France. We need to say something about the movements for the unemployed in France. Our associations were born at the beginning of the 1980s at a time when mass unemployment had become a continuous and large feature of social life. One of the characteristics was that these associations were created - and that is perhaps one of the originalities of France - independently of the trade union movement. The three associations have

developed for some time now a course of unified action with the fourth unemployment organisation in France which is the Committee of the Unemployed- CGT, subsidiary of the leading French trade union, the CGT.

This autonomy which is a characteristic of the movement, does not mean that we are totally independent from the rest of the social movement. Our unitary practices, beyond the unemployment movements, extend to the trade union movement and to other movements. It is true that our development in France would not have been possible if we hadn't been part of a group and if we hadn't been supported by the trade unions and other minority groups like the trade union of teachers, the FSU, the SUD trade union, the Confédération Paysanne which has been at our side since the beginning. This is also the originality of the French movement. Also, since recently, we have been able to count on the support of the CGT.

Beyond the trade union movement, the social movement is also what we call it in France a growing movement which is often based on more specific demands of the type such as fighting for 'right to housing' or supporting the demands of those without official papers. These are struggles, which are supported by movements such as DAL, Droits Devant or the Comité des Sans-Logis. Our movement is unitary and one of its other main characteristics is that it has become very quickly European or international.

Since the 1980s the MNCP has been a member of a network which is called "Urban Network of the Unemployed". This is certainly not a movement for struggle but has been very valuable in building a network at the European level. Since 1996, the associations of the unemployed have been at the origin, in France and in Europe, of what are called the European Marches Against Unemployment, which at the world level have shown the presence of a movement of the European unemployed. In 1997, the European March Against

Unemployment ended with a demonstration of 50,000 people in Amsterdam. This was the first social demonstration representing all of Europe and served to be the departure point for a movement, which has subsequently found resonance in several European countries. The movement, organised in the winter of 1997-1998 into what was called the 'movement of the unemployed', started in France but later had links in Germany, Belgium and Italy, and has established its legitimacy and its organisation in part in the network of European marches about unemployment.

Just why are we here today? There is a logic : in bringing our action to the European level, it is because we think that unemployment is not a strictly national question, that it has its origins in European economic policy and that it is situation at a global level. If the effects of unemployment, such as poverty are a global reality it is not an inevitability. Political leaders are meeting, at this moment, at the International Economic Forum in Davos and I am sorry to note that this Forum also brings together, somewhat haphazardly, some leaders which support a policy we could see as alternative to the policies of unemployment and misery which are currently developing in the world. Our unemployment associations and movements are participants in the network of struggle against the MAI treaty. As the MNCP we are founding members of the ATTAC network and we will also be present and participating in the World March of Women for the year 2000, which is in preparation. At the European level, this World March of Women will be present in Cologne, May 29th since, on the occasion of the European summit, the network of European marches will organise a demonstration of the same type held in Amsterdam.

Regarding the alternatives, I believe that we are here to discuss them. I think that this is a beginning since we cannot come here with a programme. On the contrary, I believe that in the same way that we have seen a delay in the social movement

with regard to the construction of Europe, the liberal construction of Europe, the social movement is way behind schedule regarding globalisation. We have left the field open for too long. And today, it is the point of departure both for resistance and for building an alternative. But how are we going to set about building it? I think that we have to start with our experience at the European level. We certainly need to start with looking towards a convergence of goals. We also have to find common demands. This is all possible, despite our differences. We have found that at European level we have and we can quite easily find a common language. Finally, I think that we must first have a dialogue and find the common points for finding an alternative."

- **Sanggoo Kang** *from PICIS (Policy and Information Center for International Solidarity), Korea : "We work for helping and supporting KCTU and other trade union organisations to make international solidarity. So I will explain that our problem is the liberal adjustment in Korea. KCTU were expected to be here, but as there is some election in March, they were very busy and didn't spare time to think. Beside there is just one person who is in charge of international solidarity. But I know you are very interested in Korean workers' last year's trouble. Various disputes in KCTU are planned for this year. Let's explain the situation. From 1996, in Korea, the government (amongst which 3 members especially) has tried to institutionalize a dramatic neo-liberal programme with privatisation and deregulation in the financial market. They tried to pass some legislation in the national assembly but as you know Korean workers struggled against the bill and it was finally postponed to year 2000. After that decision in 1997 and the departure of one of its members, some detail promoting restoration of this liberal policy. Therefore they still insist that foreign capitalistic investments in Korea was only for economic survival. This is what they always claimed. So eventually they came up with a reform, with liberal laws based on lay-off and dismissal system was agreed in the*

first commission of the assembly.

Even KCTU and FKTU (Federation of Korean Trade Unions), this one being in favour of the government. There was an agreement and there was massive dismissal in the Korean Industry. Unions fought fiercely against the lay-off last year, the strike went on for three months and the workers were violently repressed by the police. 17000 of them broke into Mando Machinery factories and arrested many of them. The main issues last year were the lay off and the security. Korean workers earn their living with only one wage and no social safety net. So they have the urgent need or right for a basic level.

Many workers and people estimated that the struggles of the companies and union organization was not successful. We think the minimum effect of these was giving a running of capitalism. But they couldn't carry out the dismissal and redundancy, that is the minimum effect and the other result is to build the foundation of continuous protest against the depth of unemployment and security need, which raised during the last period.

Concerning the second part of the legislation and the privatisation, the government had announced a plan of public enterprises privatisations and management renovation twice, in July and October. The first plans includes 11 enterprises and 21 affiliated companies, which represent 30% of the total public enterprises but 70% in term of employees and total amount of sales. The key national basic industries such as Poahan, Iron and Steel Corporation, Korean gaz corporation, Korean construction, Korean telecoms... are all included in the plan. Workers have a difficulty to fight against the plan because they have experienced corruption by illicit collusion between the government and capital from military dictatorship. So, people usually think public enterprises were in a bad state and the only way to change this situation was to privatise them. This is the government ideology and many people believe this.

That is why it is so difficult for the workers to fight against it.

The third law was deregularisation on financial market. Shortly, the government opened the market, among others markets like stocks and bonds. So, many foreign investors came to make some profit. This idea was to obey the IMF system, so many people think that the opening of market is very important. Against this administration neo-liberal structural adjustments, many Korean workers have been fighting including the unions, but there are so many problems.

The decision to go on a general strike was postponed, and then decided again, this process has lasted from last year to now because the parliament always persuade very effectively. KCTU insists we've got to dialog to solve the problem, as they won against the government. This year they took the decision to complete structural adjustment in Korea, including the Big Deal. Big deal is a kind of this, Sanson Waters had got to give their motors department to Deo and Deo have to give their electronic department to Sanson but in this process, workers are completely excluded and struggling fiercely against this trend with the help of KCTU. First, they are now just working at obtaining security and stability and second they feel they have got to organise and unify workers to battle against unemployment. The aim is to politicize and strengthen solidarity with other political social groups or activists abroad. So they are planning some meetings in solidarity with others, and certain groups are getting together to protest against free investments agreements and transmission capital during the first half of this year. "

- **François Houtart:** *"After having listened to these statements, there are two things that strike me. The first is that the North-South divide is certainly real in its forms but artificial in its logic. In fact, it is indeed dealing with a world system. The second point which I think it is important to note, is that right now there is a convergence of objectives among very diverse movements, and that there are impressive interactions."*

4. State of struggle and the evolution of capitalism

- **Christophe Aguiton:** *"I would like to make some proposals in the name of ATTAC, and in the knowledge that they are already being discussed in other collectives. We can make a double observation. Firstly, we can observe the embryonic but real beginnings of a co-ordination of struggles and of movements on a continental level and on an international level. For the Europeans, we have seen just now, when talking about European Marches, but also at the level of worker struggles such as those at Renault Vilvorde, with trade union demonstrations, like those organised by the European Trade Union Confederation.*

  On an American level, regular conferences take place every time the heads of state sit down to liberalise the market, from Alaska to Tierre del Fuego. Processes of the same type are taking place in Asia and, we should also note that international co-ordination is being established and is beginning to gain ground. The collective action against the MAI is the latest illustration of this with a first victory, even if only short-lived. But it is symbolic and important for us.

  The second point is that there is evidence of a link, even if it is not mechanical, between this beginning of co-ordinated struggles and movements, and the economic and political evolution of the world in recent years. Medium-term changes, like the general opening of the market, be it the market for goods or services, in particular financial services etc, or even the labour market, all of these are accelerating the transformation of the system and the transformation of capitalism and they are having significant social consequences in all regions of the world.

  In the South, of course, among the peasant-farmers, the battle against living patent and the genetic genie, is one of the most advanced signs. There has been change in the East with the collapse of whole countries such as Russia today. But there is also a negative evolution in the developed countries themselves,

with a double phenomenon. This can be seen in the end of labour contracts or at the very least, a general weakening of the once stable and fixed labour contract - which was the norm in the richest countries - and the general rise in uncertainty and unemployment and, for those still working, a deterioration in working conditions around what is called flexibility.

These are probably the social roots which are at the base of these co-ordinated movements from which stem the willingness of different social movements to take their own affairs in hand and start action at a local level and also at a wider level, continental or international. And yet, to these medium-term evolutions, can be added - and I think that this is reflected in the tenure of this meeting today - short-term evolutions. The start of the crisis a year ago has had direct effects. ATTAC, for example, only exists because a certain number of people and 'Le Monde Diplomatique' which was the initiator, said that, in the face of the economic, political and financial crisis, it was essential to take things in hand.

So, we see a major financial and economic crisis beginning with deflation in a certain number of countries such as Japan, which had major effects on countries such as South Korea and Brazil, and also on developed countries where all the countries of the North and South are starting to move into recession. Faced with this double observation, we would like to float an idea and make a proposal. Is it not time to start co-ordinating our resistance and struggles on an international level and to unite in the face of the social effects, above all those resulting from the crisis. This is what we want to discuss today. We think that this Other Davos is the first sign. But we would like to render this first stage of co-ordination more concrete and more stable. For us, the social aspect is a determining element, more so than that, which would emerge from the political redefinition of the world. Of course we are aware that this aspect is decisive and that, without the American victory in the Gulf War in 1991, the world would not be what it is, since they used their military victory to

impose a redefinition of the world market at the agricultural level and on the level of the so-called the information society.

Yes, we know that politics is behind all this. But the movements, which have been built up on an international level are looking at social questions and we believe that it is important to use this as a starting point. Now, this gives us the power to say straight away what we think is impossible to do and that which we do not wish to do. We do not want to launch into an ideologically determined political 'international", which would turn us into a minority. This is not the proposal at hand nor the objective of large associations, which ATTAC today represents, and which we are trying to build at the national and international level. But we do believe that is useless and a mistake to try to compete with, and replace that which already exists.

There are NGOs that do useful work and there are international structures which are already effective, even if we may debate their direction and their actions. This is the case, for example, in the agricultural sphere of "Via Campesina", or at the level of international trade unionism, whatever the various criticisms that can be made about this or that structure. There are structures which would benefit from change, improvement or revitalisation, but we are not about to compete with them or replace them. What we are proposing is co-ordination which would permit two things. One, for use to understand each and every one of them, to understand what has happened in each of our countries, why particular struggles have developed, what are the factors behind their success or setbacks and to learn from their experience. Secondly, we want to try to act together and we think that it is through joint action that we can really stabilise the type of long-term network co-ordination, which we are looking for. And we would like to propose action in four areas which appear to us to be key and in which it seems possible to act.

The first area: all areas which look at international treaties.

Clearly this includes the MAI as far as its second foreseeable phase is concerned, but also PET, WTO and everything which will be tomorrow's regional or international treaties and whose consequences could be a deterioration in the living and working conditions of the population of the world.

Second area: Third World debt, a topic which has been the theme of activity for some decades but which is becoming very topical today with campaigns being launched by others apart from us. I am thinking here of Jubilee 2000 which was launched by the Christian Churches, in an area many of us would find a little too limited, since they propose debt cancellation only for the poorest countries and not for countries such as Brazil or other economically important countries. That is an area where action appears essential.

Third area: all areas emerging from the activities of the international institutions and, top of the list, the plans of the IMF, the consequences of which we have seen in South Korea, Brazil and in numerous other countries and where it seems to us vital that international support could help the struggle in these countries.

The Fourth area is more the field of ATTAC: all areas of financial deregulation with an aim to tax free-flowing capital or to plan taxes of this type but also to attack pension funds as they become more widespread, or tax havens which play an important role in the world economy. And of course, all this would be with the general aim that all these measures of coercion linked to financial deregulation would help recuperate funds which could go to the victims of the system, the countries of the South and those 'without' or the unemployed in the rich countries.

We could perhaps add a fifth area which could only be a general definition, at this stage, but which gives an idea, not only of the future but also of what we are trying to support. It is the idea of defending all social and democratic progress. It is a sufficiently general theme, I think, to allow consensus without

being over-specific. But it relates to an idea which is close to our hearts and that is that to succeed in our network co-ordination and in the four action areas we are proposing, we need to call upon the social forces.

Evidently, the work of lobbying and convincing people is important. Of course, many NGOs do very good work and this work must be defended and extended. But our strength will come from the trade unions of the farmers, the unions of the wage earners, the movements for the unemployed, the homeless, those without official papers, who are fighting on every continent. And that will be the key in our view for what we can implement together. And right now I highlight this problem because there is a first difficulty we have to overcome. Here we represent two realities, that of the NGOs and their associations, but also that of the social forces. We all know that in northern Europe and in the United States, the trade unions are rarely present in the associations of this type and that this is one of the things that we believe should change, one of the challenges we face. We have to bring together all of the social forces including in those countries where the national traditions mean that it is mainly the associations and NGOs which are active more than the trade unions which tend to be stuck on a professional level rather than in a wider capacity.

My conclusion: what practically should be done? We think that we must announce the launch of this co-ordination movement tomorrow at the press conference. We should use this public event as the day of the birth of this movement - and this is the sense of the text that must be developed - since it is the day for the public launch at the Davos press conference.

And afterwards, we have to have more meetings. Initially we could base this on what already exists. There are initiatives already underway, which, I think, would accept to work with us. I have in mind the "Tribunal Permanent des Peuples' (Standing Tribunal of the People) which will judge the multinationals, starting with Elf, or other initiatives. I am

thinking of the counter-G7 which will organised at Cologne in June of this year. Thus we could plan our work around existing initiatives.

- **Samir Amin:** *"The wish, expressed by Christophe, that our objective should be to help co-ordinate social struggles at the world level, is evidently an extremely ambitious and long-term objective. But it is never too late to start and it would not be a bad thing to start today. Only I do not expect that today or tomorrow we will make much progress in this direction. The problem is more complex than we think. Since the phase we have entered is not only a phase of growing social struggle, or even the struggle of classes in many countries of the world, but already a phase of increasing conflict between ruling classes i.e. between states. And as a result, intervening in these conflicts and supporting social struggles and possibly co-ordinating them, has a political dimension.*

  This is why I think that we should forcefully introduce this political dimension tomorrow at Davos. The people meeting in Davos and the journalists present, are people who represent the powers which are in conflict. And it is faced with these growing conflicts that there is a certain disarray in the opposing camp and a certain number of concessions that are already planned. It is on this basis that I think it useful to bring to your attention, to the discussion and to the editorial committee, a document whose content I would like to see taken into consideration:

  'The global system that we are fighting is not only a neoliberal economic system aiming at subordinating all social interests to the unilateral rule of capital. It has also a political dimension. The politics of the liberal economy aims at maintaining the maximal control of the triad over the rest of the world. To be efficient, this control must be based on reinforcing the US political and military hegemony. It must also maintain the eventual conflicts of interest amongst countries of the triad within the frame of normal mercantile disputes not questioning

their fundamental agreements. That political overall strategy therefore aims at destroying any attempt for any society out of the triad to develop a competitive potential whether economically competitive, politically, militarily or ideologically independent. It does not allow any development other than that one which is fully or maximally controlled by the triad. This focus on politics may throw a light on major recent events such as. One : the attempt of the US and other triad powers to take advantage of the financial crisis of Korea, to dismantle its productive system and submit it. Two: the strategy developed towards the ex USSR and Russia which systematically aims at destroying the industrial capacities and eventually after having succeeded the USSR, dismantled also Russia. Three : the concessions which the G7 is considering now in order to maintain its overall control over the global financial system threatened by the withdrawing of eastern, southern and south east Asian countries from financial globalisation and the possibilities for other countries such as Russia, some countries of Latin America, Africa and western Asia to move in that direction. While such announced concessions such as the regulation of financial transfers should be considered as a defeat of the project of global dominant capital.'

- **Susan George:** *"The Committee against the clones of the MAI, has undeniably enjoyed initial first success. The MAI, at the OECD, is dead and this is the fruit of co-ordinated work, not only in France but also internationally. We held at our meeting at the Cartoucherie of Vincennes at the end of October 1998 and 23 nationalities were represented. There are movements, which have been formed in an astonishingly short time, since our action only began in February of last year. And I believe that this success has brought two things: on the one hand, it opened a breach in the neo-liberal consensus. This caused, I quote: 'a moment of panic' for a certain number of people as they realised that they could no longer make treaties in secret and then have them approved by parliament.*

On the other hand, that has shown us the field of possibilities involving the social movements.

So the priorities for us during this period where there will naturally be a reaction (there has already been one from the neo-liberals) is to fight the clones of MAI which are already springing up. Firstly, at the WTO, i.e. the transfer of negotiations on investment to the WTO, in the Millennium Round, which currently has no legitimacy - this is the dream of Sir Leon Brittan - and constitute it through the agreement known as the Transatlantic Economic Partnership. For us, this is a priority since if these two elements are to be implemented it will be before the end of the year. Everything is already planned by the opposition and we think that if these things are implemented, all types of struggle will be in difficulty. They will secure a certain number of framework laws which will make our struggles very difficult. What we expect from this meeting is firstly work-sharing. It is increasingly difficult to be up-to-date on dossiers of extreme technical complexity. The analyses need to be expressed in the language of the people. We must not be locked up in or by our ideology. We need to link research to social movements.

We believe greatly in this dimension, the sharing of work, research, analysis, social movements, with a constant dialectic movement between the two and we need instruments for what we call the 'pedagogy of the possible', since many things have become possible, but need instruments to enable them to be implemented. We have begun with a document, ASPIR, which combines analysis with a certain number of propositions. An internet website has enabled us to monitor interest in this. On the other hand, we believe greatly in our relationship with the movement of those "without", "those without official papers", "the homeless", "those without rights". This movement provides the strength for what we have done, to show that an international treaty, while appearing abstract and difficult, is in reality in direct contact with the people who are really

suffering. We are extremely behind in this area but we can quickly catch up.

We have developed the habit of working together. The threat is world-wide and so the response must also be world-wide. And, we expect that this meeting will be able to build a consensus just as the men of Davos are doing on the other side in the neo-liberal domain. We hope to be able to sustain the struggles of the various groups and beyond that to show reciprocal support. When we introduce ourselves, for example, as the movement against the clones of the MAI, we want to be able to represent the Brazilians, the Koreans and so forth. in the coalitions. There, too, is a division of work. We don't expect that every one invest time on all the dossiers. We are supporting the June 1999 meeting in Paris as a French co-ordination. This meeting is an instrument of consensus, mutual support and meeting for future action, never forgetting that it is possible. We have already recorded a major victory and we can build upon this.

- **Dario Lopreno** *from the organisation of Swiss churches for the reception of migrants: "One remark which may seem marginal but which seems to me important, is that we should be prudent, even if I fully support what Christophe Aguiton just said. Personally, I frankly doubt very much that the MAI agreement fell due to popular opposition. I think that the MAI agreement fell, partially and marginally (even if it was dramatic this was important) due to popular opposition but more importantly because the governments, the dominant classes and the multinationals are not yet ready to move to such an advanced 'meta-national' level. That is the reason for the setback. We should not be contemplating our navels and patting ourselves on the back by exaggerating our strength....*

  The other problem I think (and this is not the result of the manic depressive side of my profession as someone who works in "Asile" (refuge), an organisation dealing with migrants) is that we must add to the central preoccupations

of our thinking the question of refugees and asylum. This is becoming a crucial issue in Europe. When two thousand Kurds disembark in Italy we have the impression that there are millions of people landing everywhere at the same time, but this is nothing compared to the problem of asylum and refugees in the Third World. Europe only receives a tiny percentage of the refugees in the world. There is a very delicate question which places us face to face with the ambiguity of the situation... the Iraqi refugee who arrives in Switzerland is equally loathed by the population, by the mass of Swiss people as the representative of the Iraqi government.

And a final thing, I think that it is important to come to an agreement on the five points proposed by Christophe Aguiton. But I am not sure that on the fifth point, the defence of all social and democratic advances, we will all easily agree. I think that we could easily find divisions and disagreement. There are people who defend certain systems which are as ambiguous as those they attack and I think that this issue should also be at the centre of our debates. The question of the 'synthesis' for me is as it was expressed by Riccardo Petrella, on the 'common good'. It constitutes the encompassing thinking on these five points. The intervention, which I believe showed this most perfectly, was the presentation of the MST representative, who really showed to what extent the issue of the common good was behind all he presented. It was admirable and I propose that the text tomorrow reflects this aspect, which I think is a priority.

- **Riccardo Petrella:** *"I think that this meeting is important since little by little we are seeing, each in his own context and in his daily action, that we can create stories which are different from those of the dominant system. It seems to me that our strength can be further reinforced through other meetings of the same type which will follow. The dominant system has two extraordinary strengths. The first is the mastery of language, the mastery of analytical discourse, which tells us what is happening and also normative discourse,*

which tells us what to do. Let us take an example: the world is convinced that we are living in the knowledge society. We are told that we live in knowledge economy, that we live in the information society. We are told that we are in the digital economy. And the majority of people, us included, have accepted that. And we use the same language. We are trapped and dominated by their mastery of the story.

The second force, is the mastery of the ownership of means. Little by little, thanks to the system of intellectual property rights, they are in the process of taking everything. They have taken possession of the seed, they have taken the land. Now Microsoft will take the inheritance of the photos of the world. And little by little, they are taking our genes, human genetics, vegetal genetics, animal genetics. So intellectual property rights are the extreme form of acquiring power over all the means and all the resources of the earth that global capitalism has achieved. We must fight against these things. And I expect to be able to help in this area over the coming months, so that we can achieve together this "consensus building" (Susan George) around the story.

Of course, our story should be in the plural, not in the singular like that of the dominant power. And it should be built around three topics. The first is that of common goods and services. Have we, the opponents of capitalism, said something about this? What do the peasants of Brazil and the bureaucrats like me from the European Community have in common,? Can we provide common services to each other? Can we talk of common wealth? Can we justly claim that the historic function of the twenty to thirty years to come, and of the action of the global struggle, is to create common wealth, and common basic goods and services, in terms of water and of food. This is the first topic. Do we have here a different story from that of the dominant people, on this topic, concerning goods and services and wealth? In this framework we should be thinking seriously about the notion of property. What is property today in the contemporary world?

The second main topic is that of political representation. We, too, are in the process of simply accepting that parliaments are dying and losing their power. And yet, in our western societies, perhaps not in other societies, political representation goes through parliaments. Many of us and our opponents laugh when people talk of a world parliament. We do not believe in it. Is it good not to believe in it? Aren't we playing the game of the dominant power if we accept that political, economic and social representation should be difficult to implement at the world level? Are we not accomplices of the dominant system when we think that there is no way to organise democracy with state systems, such as democratic, direct representation etc.

The third topic concerns science and technology. All the forces of the left have left the discourse on science and technology to the dominant powers. There is no real autonomous conception by world opposition groups in the area of science and technology. All analysis dealing with politics, science and technology today, is from the same mould, that of the dominant powers. We, the opposition, speak only of diversity in terms of using science and technology differently. But in terms of economy, sociology, anthropology of knowledge, of science and of technology, we do not have a different discourse from the dominant powers. So, we have three main areas on which can work with the diversity which is our characteristic. And of course we must start on this fundamental approach, by defending all social, democratic advances in the world. This is a fantastic ability. It is our common capital of the history of humanity and we must support it."

- **François Houtart:** *"It is always a pleasure to listen to you Riccardo, even if Italian timing is not the same as the Swiss timing".?*

- **Riccardo Petrella:** *"There is a Rwandan proverb which says: "God gave the watch to the Swiss and the time to the Africans". Let us just say that I am a Swiss-African !".*

- **François Chesnais:** *"I believe that it is important to understand what is behind this process which leads us to "the consistency of interest", for the workers, for the peasants, for the unemployed and for the intellectual workers. We have to take account of the fact that they are increasingly faced with the same problems, in the framework of the globalisation movement which has links in every country. On top of global dualisation is the internal dualisation for each nation to be added. And it is most prominent in the capitalist countries themselves. It is that which drives us to converge more and more.*

  On the topic of democracy and its current re-conquest, I am on the side of those who are prepared to say that the start of democracy is the invasion of those places where decisions are woven. I think that the rehabilitation of democracy will come through the most elementary expression of this desire by those at the bottom who invade such places; and all of this converges to find affirmation faced with the places where decisions are taken. But next, it is not enough to say that we are facing a system of inequality. We are facing a system which, in the name of increasingly concentrated private property is in the process of expropriating, not only the property of other people, but also those things which are more basic and vital and it is doing it in the name of private property.

  We have arrived at a time of the social and political history of humanity, where this property which served to fight the old regime, has now transformed itself into something which we should challenge politically and theoretically, conceptually. We can no longer be equivocal about questioning the private ownership of the means of production, ideas etc., because this private ownership subjects us, in its name, to aggression every day. It is from here, at a fundamental philosophical level, that we must regain mastery of a normative discourse for those who find themselves at the bottom of the pile."

- **François Houtart:** *"What we can conclude from this discussion is the fact that there are diverse values and sensibilities when we face the problems we are dealing with, and seek their solution.*

  Each person reacts in function of his or her own experience. Such diverse sensibilities are not exclusive and this is a richness. It will clearly be impossible to integrate everything that has been said in the press conference tomorrow, and so we should be realistic and draw up an agenda of concrete proposals. We have a schedule of proposals which relate to the medium-term and we have to complete these with the information we gather.

  Concerning the discussion we have had, I think that this could be summarised in four main points. Firstly, the contents of the work: a series of suggestions have been made and I will just give a few examples, not in any particular order. We spoke of the global dimension of the social organisation of society, of the political not only the economic dimension of the problem of the problem of refugees throughout the world, the process of democratisation, the problem of private property, of taxation, of the problem of unemployment, of the state, of oil and its significance for the Gulf War, of the question of the right to live and of nuclear apartheid etc. All that should be put in a certain order, to present it in a logical manner.

  The second point is a question of methodology. The problem is indeed to develop a pedagogy which will allow us to move from an analysis at the micro level to that of the macro level to be able to understand the problem of economic globalisation and its social effects.

  The third element of our discussion dealt with the type of collaboration between the different social movements, NGOs, etc and the different types of alliance which could be established for action.

  The fourth question arises from mobilisation and particularly the five points which Christophe Aguiton outlined, regarding

international treaties, debt, international institutions, regulations, defence and the conquest of democracy.

These are the different points discussed during this session. Evidently we have been able to bring in a large number of ideas and proposals, because each of us has been involved, often for a long time, in the action process. We should find a way to draw certain conclusions for tomorrow and we should also draw up a longer term agenda. As Robert Crémiaux said, we have to be very clear, simple, modest, but incisive in the way we speak. The second aspect, the longer term agenda needs to be worked out afterwards. The best thing now is to read the paper prepared by the committee and to see if it represents what we want to say tomorrow and that which could serve as a basis for longer term joint action. This is also in line with what Riccardo Petrella said regarding actions which could be envisaged together. I propose that a member of the document's editorial committee reads this so we can discuss it." [see page 89].

5. Press Conference at Davos

The press conference took place on Saturday January 28 in a hotel in Davos, close to the Congress Room where the International Economic Forum was being held. It is useful to indicate two things. Firstly that we are not reproducing here the whole of the press conference but the moments we judge to be the most significant. Secondly, the press conference was enlarged through the presence of a giant screen linked to the internet thus permitting thousands of interested people to experience the event live.

- **François Houtart:** *"I would like to remind you that the diversity of people participating in this press conference is very great, and that the unity of the group rests on the struggle against the world capitalist system and against the new strategies being discussed by the men present today at Davos. These strategies are manifold: firstly the acceptance of a new regulation of financial capital so that the whole system*

does not collapse. Secondly, the search for a new social contract where Jean-Jacques Rousseau will be dug out of his grave to help them find new inspiration, and finally, the use of the voluntary NGO organisations, the Church and religious people, to battle against poverty. The Davos discourse carefully avoids saying that poverty is aggravated by the system itself."

- **Question from a journalist:** *"Have you tried to participate in the Forum and if not, why not? Secondly, do you believe in a form of dialogue or will it be inevitably antagonistic?*

- **Bernard Cassen** : *"No, we have absolutely not asked to be invited to the Forum. Doubtless we would have been had we so wished. We do not wish to play bit parts of it, as do, unfortunately, many invitees who are there to bring a bit of spirit to a demonstration which aims at something else, to provide a consensus of the elite on globalisation whether they be financiers, politicians or industrialists, and on the best way to change things so as not to change anything. We have no desire to be involved in this game. But we nevertheless wanted to be present in this town in a symbolic way to hold the discussions we have had.*

  On the second question, of course, there are always different forms of dialogue possible, but they always take place in a certain power relationship. Our project is a civil project, a citizen's project. It is to ensure that the ideas we propose and which are shared by tens of millions of people across the world (we don't know exactly how many) progress in such a way that decision-makers take them into account and that a new power relationship takes its place. If we simply have a modest dialogue with the men of Davos - by analogy with the men of Dublin - I believe that we will be received courteously but that has strictly no interest for us."

  Question from a journalist: "*Regarding the criticism that you formulate about the discussions there, do you have the impression that there has been a change of spirit or tone*

over these past two years and particularly this past year? Do you think that this is anything other than a lowering of a façade or is it due to the crisis which has taken place? What is your analysis of the situation?"

- **Samir Amin:** *" There has been a change of tone, and it is not only a lowering of the façade. It is a fact that there is a crisis, but it is not important that the protagonists of the Davos Forum did not foresee it, whilst others did see it coming. They are confronted with new threats to their point of view. So they have opted for a word, which was previously banned by them: regulation. But there is regulation and regulation. What they are proposing, and they will not go further than this, is regulation as carried out by themselves. That is to say, by the transnationals themselves. Perhaps this would be some organisations and institutions, which are the instruments of transnational policies, such as the WTO, the IMF and the World Bank.*

  But what is totally excluded and what the participants at the Davos International Economic Forum have not introduced into their new-language, is social regulation. That is to say, regulation which is the result of negotiation between the active forces of the different nations, which would involve the trade unions, elected representatives and popular organisations on the one hand, and the bosses and capital on the other. This would lead to an historic compromise involving the state (not only as is often presented in caricature style as a gang of technocrats and stupid autocratic bureaucrats) but as an effective instrument to implement a transparent and democratic social contract. That is a form of regulation which is totally excluded in the perspective of the Davos Forum.

  The only form of regulation that the latter envisages is that operated by the economic powers, in the place of deregulation, which was also a form of clandestine regulation by them, but under other conditions. In this sense, there is something other than a change of tone. There is a new

challenge. But the proposals the participants of the Davos Forum are making will be insufficient. Let me give you an example. A year or two from now they could adopt a type of Tobin tax. But how do they propose to manage it? By themselves, through a consortium of large investors, by institutional formulae that they will invent? Whatever they decide, it will certainly not be to manage it through, for example, a democratic organisation of the international system."

Question from François Laborde, France 2: *"I have two questions to put to you: Concerning globalisation and globality. Don't you make any distinction between the approaches and analyses which might be made by countries or politicians who have spoken here at the Davos Forum? Do you have the feeling that the analysis is the same, whether it is viewed by the Americans or the Germans for example. And finally, regarding the economic perspectives, we have the impression that there is much pessimism at Davos. Some speak of deflation and recession. Do you have the same type of analysis? If so in which sector and in which country?*

- **Bernard Cassen:** *"To reply to the question of divergences of view. It is true that there are divergences, but they are situated within a large area of convergence. The three great "fundamental" liberties of capital which are total freedom of capital movement, the freedom to invest which the MAI cast aside for a short time, and the freedom of free trade, on these main principles - which are the great principles which are destroying our planet - there is total agreement. And this agreement was recalled in the declaration of the social democratic ministers of finance in December, as represented by Mr. Dominique Strass Khann for France and by Mr. Oscar Lafontaine for Germany. They all restated their attachment to these principles. Whilst there could be divergences, it is this framework which we are fighting against."*

Question from a journalist: *"You, the Other Davos, you*

are confronted with an identical problem, it is the increasingly phenomenal power of technology and information. What do you propose for regulating these technologies? "

Susan George: *"I believe that there are fully positive aspects for us. I would like to take the example of the Multilateral Accord on Investment. It is scarcely a year since that was proposed and nevertheless, thanks to computer technology and to contacts which we can establish rapidly across the internet, there are coalitions in over twenty countries which worked together, which have undertaken actions together, on the same day, each one in their country, and which were united around texts worked out jointly over the internet. Without the development of these techniques which are not entirely negative, we would not have achieved the result of killing off the MAI at the OECD. I was very proud when I read in the Financial Times that we are being called the internet guerrillas. And they said 'who are these people anyway?' And when they speak of 'those people', they were in fact talking about many people, of very diverse origins and backgrounds but who had one thing in common. And that is that they saw that MAI was going to kill democracy if it was passed, and so each one got mobilised in his or her home country. Thus, there are extremely positive aspects in the new technologies for movements such as ours that we want to develop, including for the Other Davos."*

Question from a journalist: *"You were speaking of alternatives just now, but are there not some convergences with the official Davos. I have come from a debate where Romano Prodi said: "Basically, Europe is very old now and has nothing to offer its young people, it has no grand challenge to propose". Is this not something you could discuss? The president of Nestlé said; "what is important for me is education, it is essential to learn throughout one's life", even if he added in parallel to this that the euro will help his enterprises relocate more easily."*

- **François Houtart**: *"I believe that it is easy to respond to this type of proposition. A series of directions and some of the measures proposed, could appear identical for defenders of the system as such and for its critics. There is a similar vocabulary, but a fundamentally different philosophy. We are thus facing a semantic problem; we are talking about the use of a vocabulary and even about the adoption of propositions of a cultural or social type by the financial powers which end up by using the same terms and even the same analyses as those on the left, whilst having a point of departure and above all a destination point which are radically opposed."*

- Question from a journalist: *"I agree, but if you allow me I would like to go back to the question from my colleague. If you are using after all the same technologies, you can also use some of the same concepts and effectively take radically different points of view, while the conceptual instrument remains the same? "*

- **François Houtart:** *"I don't believe so. I think rather that it is the content of the proposition that is different, whilst it appears similar."*

- **Bernard Cassen;** *"I think that the Davos leaders have a great capacity for creating terminology, for creating words and for twisting words. They take words in their every day usage and make them say something else. I would like to quote the president of Nestlé. He made some inflammatory statements against the "guerrilla workers" of which Susan George spoke, by denying them all democratic legitimacy. But what democratic legitimacy does the president of Nestlé have? He is here at the World Economic Forum as an important person, but he is also a member of the European Round Table of Industrialists and the International Chamber of Commerce. He is what we call in France a "cumulard" (a job accumulator). But when he says he is interested in education, I say, be cautious. Since you should know that the European Round Table of Industrialists supports the privatisation of educational*

institutions in Europe. It is extremely dangerous when the president of Nestlé is interested in this sector.

As for the proposal from Mr. Prodi, I cannot but go along with it. Once again, is there really a project for Europe? Is the independence of the European Central Bank a project for Europe? Is the 'Grand' Market a great project for Europe? Will you mobilise the young people, will people man the barricades to defend the Central Bank? To defend a strong euro? We are indeed waiting for a project. We are among those who will contribute to it."

- **Riccardo Petrella**: *"I would like to reply quickly to the question of education. There is a difference here. Education today in the industrial environment and in the political and cultural environments consists of: how to ensure that the human resources (since both you and I are now reduced to being human resources rather than human beings) can be trained on a continuing basis, throughout our lives, to be recycled at the right moment, to be a profitable human resource? That is the role given to training. This is not our objective. In fact, be careful yourself that you don't become a human resource. Because once you become a human resource, and you are no longer profitable, people will ask you why you have the right to exist."*

- A journalist: *"Why do you think I am here today?"*

3. The platform of The Other Davos

The meeting of the Other Davos was rich with meetings, contributions and resolutions. But it also had significant repercussions in the media. The outcome of these meetings between people of different origins is given form in a text entitled "Towards The Other Davos". This joint statement is the tangible sign that the process of convergence is possible. This resolution is a concrete milestone amongst others for an ever-growing association of social forces and citizens engaged in the struggle.

For Another Davos

The policies applied in recent years and initiated by the "global leaders" present at the Davos meetings, policies defined by the GATT/WTO (World Trade Organisation), by the IMF (International Monetary Fund) and the World Bank, have led to a distribution of resources which is inefficient, unequal, and unjust. This had led in turn to a hectic race for profits and the appropriation by a few people of most of world's wealth and to the devastation of the planet's eco-system. Today these leaders recognize they were wrong. However, they maintain the current functioning of a capitalist market economy, free and unregulated, is the only option.

The four networks which have initiated this meeting believe that the "globalization" of resistances and struggles is imperative. Everywhere women and men are challenging the supposed inevitability of the present system. Building alternatives is possible today, based on their experiences and creativity.

Faced with the challenges with which the globalization of capital confronts us, we are encouraged and strengthened

by the resistances and movements which we represent and with which we are in solidarity. We shall co-ordinate our efforts and increase the pressures we bring to bear on the system. In different domains.

Commerce and Investment. Building on our initial victory over the MAI (Multi-lateral Agreement on Investment), we oppose the plan to transfer an almost unchanged text to the WTO or the TEP (Trans-Atlantic Economic Partnership), and to the "Millennium Round" of the WTO. All these plans are based on the subordination of political power to transnational capital.

International Financial System. We demand cancellation of the debt of all Third World countries and those of Central and Eastern Europe. The international financial system and its institutions should be completely overturned and be subordinate to political democracy. The "independence" of central banks is unacceptable. We demand the elimination of tax havens, and the application of taxes on financial transactions, for example the " Tobin tax".

Development. We must break with the destructive structural adjustment policies of the international financial institutions such as the IMF, the World Bank, London and Paris clubs, and to rethink and reconstitute a new international financial system based on a fair allocation of resources for the basic needs of peoples, based on justice and freedom.

Peace and security. The overall policy of double standards in international relationships is unacceptable, whether in international law or in the application of United Nations resolutions, or in embargoes imposed on peoples. The system of the United Nations must be democratized.

Rights and liberties. These demands cannot be separated from the guarantee of civil, trade union and political rights, nor from equal rights between women and men, as well as

the extension of individual and collective rights to social, economic and ecological domains, as proposed in the United Nations Universal Declaration of Human Rights.

We propose many alternatives at different levels. They are rooted in social needs and the fair allocation of wealth produced by work. Their aim is to re-embed the economy in society, and to safeguard the future of the biosphere. The principles of social economy, agrarian reforms, collective rights of citizens and workers, freedom to travel and to setting, systems of social protection, public and civic responsibility must prevail. We also demand that health and educational institutions be improved and adapted, spending on armaments be reduced and these industries be converted for civilian use.

To those who speak of the "invisible hand" of the market, we stress the hands and the intelligence of women and men. These hands and these minds are building today's economy, which generations to come will inherit. Against the oppression and arrogance of the powerful, the outlines of a new world are being drawn. In this world, citizens and workers will decide on the distribution of wealth and the organization of work. They will be in charge of the future.

4. Report of the meeting

The World Economic Forum met in Davos at the end of January and simultaneously some sixty people met in Zürich (from 27th to 31st January 1999), called together by four organisations: ATTAC (Association pour une Taxation des Transactions financières pour l'Aide aux citoyens / Association for a tax on financial transactions for citizens), CCAMI (Co-ordination contre l'AMI / the Association against MAI), FMA (Forum Mondial des Alternatives / the World Forum for Alternatives) and SAPRIN (Structural Adjustment Participatory Review International Network). Five social movements were also invited to take part in this meeting. They were the MST (Movimento dos sem terra / Movement of the Landless) from Brazil, PICIS (Policy and Information Center for International Solidarity) from South Korea, FENOP (Fédération Nationale des Organisations Paysannes / National Federation of Farmers Organisations) from Burkina Faso, the Women Movement from Quebec, the Mouvement des Chômeurs (Movement of the Unemployed) from France.

Several analysts of international repute were also present including Samir Amin, Riccardo Petrella, Susan George, François Chesnais, Charles-André Udry. Over twenty nationalities were represented from all continents of the world.

Preceding the press conference in Davos a conference lasting one and a half days was held in Zürich, and on the agenda were four main points :

- a critique of the current world economic order;
- alternatives to be proposed;
- the links between social movements working at grass-roots level and study and reflection centres;
- the future organisation of international co-operation

between social movements and research and reflection centres at the global level.

At the end of the meeting a statement of common intent was issued (see before), and a calendar of planned activities was drawn up, including certain initiatives which the organisers of the alternative Davos will take on. All those present were able to take advantage of the contacts they were able to make to define their medium and long-term objectives and to plan possible co-operation.

On Saturday 30th January, a press conference was held in Davos in a hotel situated 300 metres from the place where the World Economic Forum was being held. Some thirty journalists as well as Swiss television were present at the press conference. Unfortunately, the monopoly exercised by the Forum in Davos on the means of communication were such that our task was difficult.

Opening the press conference Bernard Cassen, General Director of the Monde Diplomatique, presented the participants, and the conference itself was chaired by François Houtart. After the presentations, contributions were made by Samir Amin, explaining why this alternative Davos was taking place, Susan George, with a presentation of the organisers and the movements involved, and Riccardo Petrella who spoke about the action and its future.

After the conference individual interviews were given either on site or by telephone with newspapers or periodicals in Europe, America and the Middle East.

The following day, a further meeting was held involving the organisers and the social movements. This meeting looked at the question of continuity, as this was the main objective: the press conference was an opportunity, which could not be passed up but was not the main aim of the meeting.

The first joint activity will be organised in June in Paris, bringing together several hundred people to discuss the theme

of the omnipresence of financial capital and its control. This fits in with a common logic with the initiatives indicated in the calendar of events.

At the same time as the meetings were being held in Zürich and Davos, several public demonstrations had been organised in Paris, Brussels and Milan to draw attention to one of the aspects of globalisation: the predominance of financial capital. These meetings were organised within the framework of the Zürich and Davos meetings.

An Internet site was set up at the beginning of January. Over the course of the three weeks preceding the Zürich and Davos meetings, 228,000 consultations were made and nearly 110,000 pages were printed in over 60 countries. During the press conference, a screen ran with continuous communication with many people from all over the world, all of whom had taken part in the event via the Internet site.

In conclusion, this initiative was really positive.

1. The press conference found echoes in several international papers and particularly on Swiss television, which made it the main story of the 30th January. The repercussions in the media will continue to be felt over the next months due to the press dossier, which was prepared with various important information documents.

2. This first co-ordination of very differing networks was in itself positive as each of them were able to maintain their own identity and objectives while managing to agree on common action in terms of the content of the problem, the organisational aspects and access to the media.

3. The concrete experience of a task undertaken together with the grass-roots movements, study centres and analysts proved very fruitful. It also showed the need to develop a specific method for this type of contact in order that local needs can be taken into consideration while developing an analytical and global perspective with the heads of the grass roots movements.

4. The importance of continuity of action became clear so that different initiatives should not simply be single events, but rather a tool and a means of enabling an accumulation of knowledge, experiences and analyses, and thus a becoming part of medium and long-term dynamic.

Conclusion:

IT IS TIME TO RECLAIM THE MARCH OF HISTORY

By way of conclusion, we reproduce the manifesto of the World Forum for Alternatives, adopted in Cairo in March 1997, that expresses the spirit and the objectives of the Other Davos.

It is time to reclaim the march of history

Humanity's future is at stake. Scientific progress and technical advances, the supreme achievements of knowledge, fortify the privilege and comfort of a minority. Instead of contributing to the well-being of all, these feats are used to crush, marginalize and exclude countless human beings. Access to natural resources, especially in the South, is monopolized by the few and is subject to political blackmail and threats of war. *It is time to reclaim the march of history.*

It is time to make the economy serve the peoples of the world

The economy provides goods and services mainly to a minority. In its contemporary form, it forces the majority of the human race into strategies for abject survival, denying tens of millions of people even the right to live. Its logic, the produce of neo-liberal capitalism, entrenches and accentuates grotesque inequalities. Propelled by faith in the market's self-regulating virtue, it reinforces the economic power of the rich and exponentially increases the number of the poor. *It is time to make the economy serve the peoples of the world.*

It is time to break down the wall between North and South

Monopolies of knowledge, scientific research, advanced production, credit and information, all guaranteed by international institutions, create a relentless polarization both at the global level and within each country. Trapped in patterns of development that are culturally destructive, physically unsustainable and economically submissive, many people throughout the world can neither define for themselves the stages of their evolution, establish the basis of their own growth, or provide education for their younger generations. *It is time to break down the wall between North and South.*

It is time to confront the crisis of our civilization

The confines of individualism, the closed world of consumption, the supremacy of productivism - and, for many, an obsessive struggle for sheer daily survival obscure humanity's larger objectives : the right to live liberated from oppression and exploitation, the right to equal opportunities, social justice, peace, spiritual fulfilment and solidarity. *It is time to confront the crisis of our civilisation.*

It is time to refuse the dictatorship of money

The concentration of economic power in the hands of transnational corporations weakens, even dismantles, the sovereignty of States. It threatens democracy - within single countries and on global scale. The dominance of financial capital does more than imperil the world's monetary equilibrium. It transforms states into mafias. It proliferates the hidden sources of capitalist accumulation, drug trafficking, the rams trade, child slavery. *It is time to refuse the dictatorship of money.*

It is time to replace cynicism with hope

Stock prices soar when workers are laid off. A competitive edge is gained when mass consumerdom is replaced with elite niche markets. Macro-economics indicators react positively as the ranks of the poor multiply. International economic

institutions coax and compel governments to pursue structural adjustment, widening the chasm between classes and provoking mounting social conflict. International humanitarian aid trickles to those reduced to despair. *It is time to replace cynicism with hope.*

It is time to rebuild and democratize the state

The programme of dismantling the state, reducing its functions, pilfering its resources and launching sweeping privatizations leads to a demoralized public sector, weakened systems of education and health and the eventual usurping of the state by private economic interests. Neoliberal globalization divorces the state from the population and encourages corruption and organized venality on an unprecedented scale. The state becomes a repressive instrument policing the privilege of the few. *It is time to rebuild and democratize the state.*

It is time to recreate the citizenry

Millions of people are deprived of voting rights because they are immigrants. Millions more fail to vote because they are angry or discouraged, because parties are in crisis or because they feel impotent and excluded from political life. Elections are often distorted by influence-mongering and deceit. But democracy is about more than elections. Democracy means participation at every level of economic, political and cultural life. *It is time to recreate the citizenry.*

It is time to salvage collective values

Modernity, conveyed by capitalism and ideologized by neoliberalism, has destroyed or profundly corrupted existing cultures. It has imploded solidarities and dismantled convictions, extolling instead the high-performance individual evaluated on the basis of economic success. Rather than bringing emancipation to the peoples of the world, modernity is generating a crisis in education, fuelling social violence and triggering an explosion of insular movements that seek

salvation and protection in nationalist, ethnic or religious identity politics. *It is time to salvage collective values.*

It is time to globalize social struggles

In all this, it is not the internationalization of the economy per se that is to blame. It could represent a dramatic step forward for material, social and cultural exchanges between human beings. But in its neoliberal form it becomes a nightmare lived by the victims of unemployment, young people traumatized by the future, workers shut out of the productive system and nations subjected to structural adjustment, labour deregulation, the erosion of social security systems and the elimination of networks serving the poor. It purports to link and unite, yet separates and imprisons. *It is time to globalize social struggles.*

It is time to build on peoples' resistance

Across the world, people are organizing resistance, engaging in social struggles and creating alternatives. Women, men , children, unemployed people, excluded and oppressed people, workers, landless peasants, communities suffering from racism, impoverished city dwellers, indigenous peoples, students, intellectuals, migrants, small business people, outcasts, declining middle classes - citizens - are asserting their dignity, demanding respect for their human rights and natural heritages, and practising solidarity. Some have given their lives for theses causes. Others practice heroism in their day-to-day existences. Some are rebuilding knowledge on the basis of the concrete situations, some are trying out new economic forms, some are creating the basis of a new kind of politics, and some are inventing new cultures. *It is time to build on peoples' resistance.*

Now is the time for joining forces

Convergence of struggles, of knowledge, of resistances, of innovations, of minds and hearts for a world of justice and equality, invention and material progress, optimism and

spiritual development. We can build this world by seeking and discovering viable alternatives to neoliberalism and unilateral globalization, alternatives based on the interests of peoples and respect for national, cultural and religious differences. *Now is the time for joining forces.*

A time of creative universal thought has arrived

Honest, probing analysis of the current economic organization and its economic, social, ecological, political and cultural consequences can only delegitimize this phenomenon which is paraded to the world as the paragon of progress. The search for a balance between personal initiative and the pursuit of collective goals - based on a celebration of human diversity and creativity - must open the way to new models. Studies of expanding non-market sectors, productive techniques that respect the well-being of those who use them, and the organization and nature of work will help create more human forms of organization. *A time of creative universal thoughts has arrived.*

The time to rebuild and extend democracy is here

Democracy is no longer merely a goal for the organization of societies. It is also the key for the functioning of communities, social movements, political parties, businesses, institutions, nations and international bodies. It is progressively experienced as an essential contribution to the respect of popular interests, and the preservation of national and international security. By prising open spaces for all cultures - not patronizingly, but because they represent humanity's endowment - we can reverse the retreat into enclaves of narrow self-interest and the seclusion of identity politics. The existence of democratic, competent and transparent states is considered the basis for restoring their power to regulate. Regional economics and political groupings based on international complementary are viable answers to the real needs of the population and a necessary alternative to neoliberal globalization. Strengthening and democratizing

regional and international institutions is a realistic imperative. It is a condition for progress in international law and the indispensable regulation of economic, social and political relations at the global level, particularly in the fields of financial capital, taxation, migration, information and disarmament. *The time to rebuild and extend democracy is here.*