

Cities, social movements and scale-politics in an era of ‘globalisation’

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1. Introduction

This essay grapples with some conceptual and political problems in the characterisation of and response to globalisation that have received insufficient attention from the Left in particular. It is concerned with a central intellectual and political dilemma, which is the *scale* at which South Africans concerned with global change and social transformation may want to turn their gaze: local processes; provincial (federalist) policy opportunities; transforming the nation-state and national economy; regional subcontinental relations; and/or the global stage of apparently unchallengeable capital accumulation.

But to even begin to tackle the issue of scale, presumes the relevance of classical conceptual categories such as ‘uneven development,’ accumulation crisis, and the rise of a simultaneously powerful and vulnerable financial circuit within the world economy. Demonstrating the continuing validity of these old-fashioned tools of the political economy trade would then allow us to pose the problem of scale from the standpoint of its role within the underlying economic dynamic of geographical expansion and contraction, which — notwithstanding the pop thesis that globalisation is inevitable and irreversible — still characterises the world system.

Once such a position has been developed, it is logical to consider modes of resistance to the effects of globalisation in terms of the system’s primary scalar contradictions, which I take to be manifest most obviously in local — specifically ‘urban’ settings — and in ways that I think are extremely important to the very logic of the ‘localisation of globalisation’ itself: *the switch in scale in the application of ‘structural adjustment’ from the nation-state to the municipality*. And that argument suggests forms of political organisation (beyond traditional ‘vanguard’ parties, social democratic parties and trade unions) that may be appropriate for today’s circumstances. For if we accept — even partially — the proposition that the nation-state (and even a nationally-based working-class political party) is a far weaker instrument to launch policies and programmes that improve the well-being of ordinary citizens, workers, the poor, then it behooves us to consider different scales and different forms of agency than have existed to date.

2. Uneven development of sector, space and scale

‘Unevenness’ is something often associated with *sectors* of the economy, especially in relation to ascendant or descendant ‘circuits of capital’ (a broader notion that accumulation proceeds not merely on the basis of the institutional appearance of power within business, but through the switch of funds out of some crisis-ridden sectors and into others).¹ In contemporary times, intensifying uneven development at the world scale — which is how globalisation should really be described — coincides with unevenness between sectors, and in particular *the rise of financial and commercial circuits of capital and the hegemony of the financial fraction of capital*, to the detriment of productive capital, workers and the world’s poor.² There is no question but that South Africa has suffered such sectoral unevenness since the early 1980s, witnessed in, for example, the dramatic rise of domestic debt and speculation relative to production, the increase in (non-gold) trade as a percentage of GDP, and the consequent hegemony, among South Africa’s elites, of neo-liberalism as the basis for macroeconomic policy,³ no matter how futile this approach appears to be.

But unevenness is also a profoundly *spatial* phenomenon, by which an extremely turbulent ‘see-saw’ of capital alternately pushes and pulls national, sub-national and local economies into either downward slopes or virtuous spirals of capital accumulation. As the ‘post-Keynesian’ school of economics has long noticed, the most basic market processes — supply and demand dynamics, the nature and rate of accumulation, the development of class struggle, etc — do not ‘equilibrate’, but rather *disequilibrate*; that this disequilibration occurs across space is obvious enough.⁴

To illustrate at the global scale, the past decade of intensive world trade integration witnessed nearly half of all developing countries suffering an absolute *decline* in their ratios of trade to GDP, while direct foreign investment has largely been limited to eight developing countries (recipients of two thirds of all such inflows) in a context of deep-seated debt repayment problems in most Third World countries (with only a few emerging markets — including South Africa — ‘benefiting’, in often disastrous ways, from dramatic flows of speculative financial flows since the late 1980s).⁵

At the scale of the continent, it has long been recognised that — as Giovanni Arrighi and John Saul described nearly a quarter-century ago — nation-states have suffered from the

uneven development thrown up by capitalist penetration in Africa. For the underdevelopment of Africa as a whole relative to the industrial centres of the West has been accompanied and mediated by uneven development as between regions, states, tribes, and races *within* Africa itself, and this fact adds important dimensions to the class struggle in Africa and to the character of the resistance of progressive African forces to contemporary imperialism.⁶

Yet in South Africa, aside from specifying ‘colonialism of a special type’ and articulations of modes of production in graphic spatial terms, processes of uneven geographical development within South Africa, and between South Africa and the world economy, require both much more investigation and contemplation for political strategy. However, it is to a different issue that this essay addresses itself, namely the *uneven development of scale*. Because it is only through interrogating how globalisation has come to be the dominant notion of economic arbitration that we can ultimately contest it most effectively.

The issue of scale, Neil Smith insists, provides a ‘crucial window on the uneven development of capital, because it is difficult to comprehend the real meaning of ‘dispersal’, ‘decentralization’, ‘spatial restructuring’ and so forth, without a clear understanding of geographical scale.’ For example, the question often arises as to the relevance of the national scale in a globalising economy. Smith argues that the ‘historical stability’ of the nation-state scale should be seen with respect to ‘political control over the working class. As economically obsolete as it is, the nation-state remains highly functional politically.’⁷ David Harvey’s position is more measured: ‘The nation-state, though seriously weakened as an autonomous power, nevertheless retains important powers of labour disciplining as well as of intervention in financial flows and markets, while becoming itself much more vulnerable to fiscal crisis and the discipline of international money.’⁸

But while the nation-state ultimately acts to facilitate capital accumulation — through carrying out a variety of other ‘functions’ such as ‘guaranteeing property and contracts; standardising currency, weights and measures; ensuring the availability of key inputs of labour, land, finance, technology and infrastructure; general macro-economic orchestration; regulation of conditions of work, consumption and external diseconomies such as pollution; and provision of ideological, educational and communications conditions for production and trade’⁹ — such ‘political’ functionality assumes vastly different forms under a system in which national accumulation is oriented to (domestic) production as opposed to (international) finance. As Robert Cox describes it,

The structural impact on national governments of this centralisation of influence over policy can be called the internationalising of the state. Its common feature is to convert the state into an agency for adjusting national economic practices and policies to the perceived exigencies of the global economy. The state becomes a transmission belt from the global to the national economy, where heretofore it had acted as the bulwark defending domestic welfare from external disturbances. Power within the state becomes concentrated in those agencies in closest touch with the global economy — the offices of presidents and prime ministers, treasuries, central banks. The agencies that are more closely tied with domestic clients — ministries of industries, labour ministries, etc’ — become subordinated.¹⁰

Somewhere intermediate between national and global determinations, are super-regional currency blocs, such as those of the 1920s and 1930s, as well as what appear to be their 1990s revival in the form, initially, of hemispheric trade blocs. Just such variability — whether in the past (such as the 1930s-60s reign of import-substitution industrialisation at a time when production was served, not ruled, by finance), or, as Samir Amin advocates, through the future ‘delinking’ of the Third World from global circuits of trade, investment and finance — reminds us of the need for concrete investigation.¹¹ My hypothesis is that while jumping scales to higher levels of determination occurs under conditions of ascendant financial power, the subsequent collapse of finance allows the issue of development strategy to be broached, again, at lower levels.

In short, *uneven hierarchies of scale are exacerbated during times of relative economic stagnation (capitalist crisis) and financial ascendance*, such as the past two decades, at the same time unevenness in sectoral and spatial patterns of development is being generated. While the national scale of economic development usually occupies financial economists to the neglect of the sub-national, it is the international scale of financial power which turns the heads and quickens the pulse of analysts and practitioners alike. Enormous evidence has accumulated to support the vivid claim of Hillel Ticktin, that as of the late 1970s, international financiers ‘have knowledge, global forms of action and speed on their side. Against them social democracy appears as clumsy peasants attached to one nation and with the horizon of village idiots.’¹² The power of international money over development strategies at the national scale is today reflected across the Third World, as well as in many advanced capitalist countries.

Sub-nationally, the ramifications of international financial power are increasingly evident. For smaller, home-bound manufacturing industries not well-located near air or shipping lanes to serve global markets, the fluctuating interest rates and national currency values dictated from Washington, New York, London, Tokyo, Frankfurt and other sites of international financial control can be debilitating. The size of the national market — which was typically the key consideration in the expansion and contraction of production — now appears nearly irrelevant in the context of trade liberalisation enforced by the major financial institutions (hence the SA Department of Trade and Industry adopts Reagan-style ‘supply-side measures,’ including tax cuts, while completely neglecting the demand-side stimulation characteristic of traditional industrial policy).

Not just nation-states, but cities and regions are also increasingly caught up in the vortex of the international law of value, as more direct — often municipal-level — strategies of restructuring production and reproduction are brought into play, often at the behest of global financiers and aid agencies. In effect, as argued in more detail later in this paper, *the nation-state gives way to the city as a new unit of analysis, implementation and control, and as a means of enhancing the international competitiveness of production, via structural adjustment policies*.

Indeed it sometimes appears that at its peak, financial power has the capacity to level differences of scale altogether. As Dick Bryan insists, ‘the money form of capital most readily converts distinct and spatially diverse activities into a common unit of measurement’ which in turn means that financial power can assert ‘the primacy of an internationally-determined rate of return on economic activity... This calculation therefore operates as a limiting factor — dictating what class relations and what industrial organisation are not sustainable, and specifying the criterion to which they must adapt.’¹³

Yet contradictions are manifest, particularly in relating financial capital to underlying processes of production, and this means that the leveling process could as well represent a tendency to breakdown, not to renewed accumulation.¹⁴ This is understood not only by Michel Camdessus and George Soros — who as early as 1995 cited the fragility of international finance when advocating the \$50 billion bailout of Mexico (and its Wall Street backers) — but by most observers of contemporary financial power and vulnerability. This lethal combination has taken the form of periodic bursting of financial bubbles; extremely high real interest rates (in relation to the historical record and in relation to the return on fixed capital investment); an explosion in stock market share values (now at their highest in recorded history) and real estate prices; an increase in the outstanding debt of consumers, corporations and governments in relation to most measures of economic activity; and the qualitative increase in the political clout of financiers. The ‘emerging markets’ crisis which began in Mexico has not subsided, after all, notwithstanding 30%+ crashes in South Africa (1996), Eastern Europe (1996), Thailand (1997), Malaysia (1997), Indonesia (1997), South Korea (1998), Russia (1998), South Africa (1998), Brazil (1999), Ecuador (1999), Argentina (2000-01) and Turkey (2001), to name only

the most spectacular. Behind this, there is also evidence of a deepening global structural crisis, now two decades old, that in the spirit of Marx can be characterised as ‘the overaccumulation of capital.’¹⁵

The patterns that connect economic crisis, uneven development, rising finance and globalisation are hence comprehensible in contemporary terms, and seem to also emerge in the historical evidence, particularly at times when South Africa’s insertion into the global economy coincided with financial ascendance.

3. Empirical evidence of the historical unevenness of globalisation

Historical evidence of financial ascendance during the accumulation cycle — particularly at the high-points of globalisation — is impressive, and can be reviewed briefly at this stage in the argument. For example, the existence of ‘Kondratieff’-style long-waves of capital accumulation is securely established, with global crises occurring roughly from 1825-45, 1872-92, 1929-48, and 1973-present.¹⁶

We can also verify the rise and fall of finance during the course of these accumulation cycles, especially at the global level. During four particular periods — the late 1820s, 1870s, 1930s and 1980s — at least one third of all nation-states fell into effective default on their external debt following an unsustainable upswing of borrowing at a time of declining foreign-sourced productive sector investment. With the exception of the 1980s (in which there was a significant lag), the onset of global debt crisis was the precursor for the onset of decades-long downswings in the Kondratieff cycles. Drawing on the world-systems perspective pioneered by Immanuel Wallerstein,¹⁷ Christian Suter explains the ‘global debt cycle’ by way of stages in the long-wave, beginning with technological innovation and utilising international product cycle theory.¹⁸

At the upswing of a Kondratieff cycle, as basic technological innovations are introduced in a labour-intensive and unstandardised manner, both the demand for and supply of external financing are typically low, and in any case the residue of financial crisis in the previous long-cycle does not permit rapid expansion of credit or other financial assets into high-risk investments. As innovations gradually spread, however, peripheral geographical areas become more tightly integrated into the world economy, supported by international financial networks. As the power of innovation-led growth subsides, and as the consumer markets of the advanced capitalist countries become saturated, profit rates decline in the core. This pushes waves of financial capital into peripheral areas, where instead of achieving balanced accumulation and growth, low returns on investment plus a variety of other political and economic constraints inexorably lead to sovereign default. In sum, at the global scale there is a three-stage process characterised by, as Suter puts it, ‘first, intense core capital exports and corresponding booms in credit raising activity of peripheries; second, the occurrence of debt service incapacity among peripheral countries; and third, the negotiation of debt settlement agreements between debtors and creditors.’¹⁹

Looking at booms and busts in the history of South (and Southern) Africa, Suter’s theory appears to work well.²⁰ For example, Ian Phimister contends that increasing geopolitical turbulence across Africa during the nation-forming era emanated from ‘capitalism’s uneven development during the last third of the nineteenth century, particularly the City of London’s crucial role in mediating the development of a world economic system.’²¹ As Britain faced industrial decline during the 1870s in both relative and absolute terms, manufacturers unable to compete in European markets joined ascendant London financial and commercial interests in promoting Free Trade philosophy (in contrast to the protectionism of other Europeans and the United States). Cain and Hopkins report that as London financial power increased, and as the prospects for domestic tariff protection waned, ‘industrial interests in Britain shifted, around 1880, into decisive support for the acquisition of new markets in Asia and Africa.’²² Indeed it is here, and in a parallel crisis of French merchant capital in West Africa, that Phimister locates the well-spring of the ‘Scramble for Africa’ which had such an important role in the Southern African region’s subsequent development.

No matter how Africa was partitioned, the funding flows also reflected the last great speculative financial splurge of the 1870s-90s global economic crisis. Some 35% of all nation-states had overborrowed during the 1870s and were in default by 1880. This figure dropped to 10% by 1890 thanks to British international financial coordination, and the 1890s were characterised by unprecedented numbers of debt settlements on defaulted foreign bonds. Nevertheless speculative surges continued during the decade, since the conditions for a new round of accumulation were not yet in place in most of the world. As a result, the percentage of nation-states in default rose again to 20% in the late 1890s.²³

If conditions appeared similar to those that have prevailed over the past fifteen years, the outcome should be no surprise. Many beleaguered Third World countries simply defaulted on their debts, and then during the Great Depression and World War II — when globalisation ebbed dramatically — acquired the space to begin the fruitful exercise of inward industrialisation. For South Africa, the crash of international financial power allowed strong, relatively balanced growth during the relatively autarchic period of the 1930s-1940s (Martin, 1990). As South Africa delinked from the world economy — in terms of foreign direct investment, foreign loans, and manufacturing trade, which were all disrupted by the Great Depression and World War II — its secondary manufacturing industry (beyond the traditionally-strong mining equipment sector) burgeoned. Moreover, the rate of growth of the black wage share rose more than 50% during this period (from 11% to 17% — the black share had reached only 21% by 1970). And the overall GDP growth rate (8%) was the fastest recorded in modern times.²⁴

Indeed, as a corollary, it was the post-war reintegration of South Africa into international economic circuits which fostered the crisis conditions that are so overwhelming today: a near-exhausted raw materials export sector; an overproductive luxury goods sector hosting overprotected local monopoly capital and multinational corporations; an inadequate capital goods sector; and a hopelessly under-resourced basic needs sector. As in many semi-peripheral countries, import-substitution industrialisation was geared to the desires of the local bourgeoisie and ended up generating serious balance of payments tensions. Under such structural conditions, as rising levels of class struggle combined with local processes of uneven development, an accumulation crisis surfaced during the 1970s and became acute during the late 1980s.

The subsequent decision by South African capitalists to ditch apartheid and seek export-led growth strategies needs no review.²⁵ What may be of interest is the degree to which this strategy appears to be undermined by virtue of South Africa's national-scale uncompetitiveness — invariably near worst among the leading fifty or so nations in the annual World Economic Forum surveys — and the impressive power of its labour movement. But a foreboding possibility awaits, namely the possibility that the insertion of South African capital into the global economy could also occur through attempts to transform the *city* as a site of internationally-competitive production.

4. Globalisation's contemporary scale shift: From nation-state to city-state

The contestation of urbanisation is a central component of social struggles against inequality and underdevelopment.²⁶ Such struggles are becoming increasingly difficult for people of Third World cities as a result of what seems to be a shift in the scalar strategy of international capital and aid agencies. In contrast to traditional modernisationists who argued for, 'above all else, acceptance in the political realm of belief that the prime unit of the polity should be the nation-state,' it appears now that the mega-city is becoming a new unit of analysis, control and implementation for the purpose of more efficiently imposing structural adjustment policies (especially in the wake of the destruction of many nation-state capacities).

From such foundations, an entire neoliberal edifice is being constructed. The World Bank's efforts to do so have spanned two decades but have taken on far greater energy since the 1986 launch of the New Urban Management Programme, which was further articulated in an important 1991 policy paper.²⁷ Meanwhile, the UN's Development Programme and Habitat housing division have also been thoroughly co-opted, and the US Agency for International Development, British ODA, Canadian CIDA, the Japanese and other official donor agencies now strictly reinforce urban neoliberalism through cross-conditionality on grants and loans. The overall orientation is nearly identical to the austerity policies at the macro-economic scale, with US AID consultants spelling out the

...important change in policy thinking in the developing world closely linked to the acceptance of market-oriented economies: the growing acceptance of rapid urbanization... An emphasis on national economic growth and export-led development will usually mean that new investment resources must be directed to already successful regions and cities... Governments have considerable control over the entire cost structure of urban areas. Public policy should be directed to lowering these costs.²⁸

This, perhaps, comes closest to the point. Lowering these costs — especially by lowering the social wage — is integral to a more direct insertion of 'competitive' cities into the world economy. The focus here is not

merely on limiting public financing of social services to those deemed to add value (though this is one of the more obvious effects of structural adjustment, and the catalyst for many an IMF riot). Just as importantly, the New Urban Management Programme also highlights the *productivity* of urban capital as it flows through urban land markets (now enhanced by titles and registration), through housing finance systems (featuring solely private sector delivery and an end to state subsidies), through the much-celebrated (but extremely exploitative) informal economy, through (often newly-privatised) urban services such as transport, sewage, water and even primary health care services (via intensified cost-recovery), and the like.

The Government of South Africa's own articulation of this sensibility, in its *Urban Development Strategy*, is familiar: 'Seen through the prism of the global economy, our urban areas are single economic units that either rise, or stagnate and fall together... South Africa's cities are more than ever strategic sites in a transnationalised production system.' It is telling that the most visible evidence of globalisation on South African cities — international migration — is only mentioned once, in the context that immigrants cause 'neglected residential neighbourhoods' to 'buckle.'²⁹

Likewise, however, it is here that urban unevenness spawned by the rule of capital and the intensification of commodification is most vigorously contested by popular movements, which are agitating both around conjunctural social policy decisions (typically, cutbacks in subsidies for food, transport or other services) and also against the structural conditions through which the political life of cities is reproduced. The movements have, in the process, begun to transcend the traditional dichotomy between an inward-looking territorial identity and the rhetoric of a broader emancipation. They have begun exploring a broader set of urban class practices, which in the Latin American case — according to Petras and Morley — entail new alliances that traverse the spheres of production and collective consumption, under conditions of persistent capitalist crisis:

The power of these new social movements comes from the fact that they draw on the vast heterogeneous labour force that populates the main thoroughfares and the alleyways; the marketplaces and street corners; the interstices of the economy and the nerve centres of production; the exchange and finance centres; the university plazas, railway stations and the wharves — all are brought together in complex localized structures which feed into tumultuous homogenizing national movements.³⁰

The main structural factor forging the unity of the urban poor and the formal working-class, Petras and Morley continue, is economic crisis itself. 'The great flows of capital disintegrate the immobile isolated household units, driving millions into the vortex of production and circulation of commodities; this moment of wrenching dislocation and relocation is silently, individually experienced by the mass of people, who struggle to find their place, disciplined by the struggle for basic needs and by the absolute reign of ascending capital.' Under such conditions, the social base for urban movements is continually recreated at the point that the limits to both commodity production and consumption become evident.

With respect to production, Petras and Morley on the one hand view the rise of militant urban social movements as a consequence of the sudden increase in mass unemployment since the 1980s debt crisis began, which 'lifted the control and discipline of capital over labour — making the latter available for, and receptive to, a new kind of discipline: that associated with the structure and action of mass social movements.' On the other hand, a complementary explanation — not grounded in the formal sector labour market (unemployment) — also presents itself. 'It comes down to this. Capital transformed an inert mass of atomized producers into a concentrated army; and the market that it created could not sustain it. The impersonal ties — the cash nexus — are the only link in that anonymous urban labor market. The rupture of that tie sets the stage for the eruption of uprooted people.'

By considering unevenness in both production and consumption, particularly in so many contexts characterised by market failure, this stylized theory breaks free of many of the constraints associated with previous neo-Marxist approaches to development and underdevelopment. It also highlights the scope for alliance-formation between oppressed classes, and across borders. And it brings us back to the self-identity of social movements as a theoretically-relevant factor for ultimately moving beyond uneven urban development.

It is not always feasible to specify the construction of social movement identity in urban settings, where conjunctural features are legion but where overt market processes have torn asunder land relations,

rural ties, indigenous culture, and many forms of pre-existing authority and social control. The identity of social movements can be traced, at least to some extent, through their implicit or explicit strategic orientations in contesting uneven development. From experiences with urban movements in Santiago, Tironi conceptualised two fields of strategic polarization: between a sense of exploitation or exclusion, and between the goals of participation within or breaking from the wider political, economic and cultural system. Four categories — and prototypical modes of political organisation — result across this matrix of characteristics (Table 1).³¹

Table 1: IDENTITIES OF SOCIAL MOVEMENT CONSTITUENTS

status, objectives	excluded	exploited
participation	1	2
revolution	4	3

First, those who feel excluded and are anxious to participate more are often supporters of traditional populism (*pobladores*). Second, those who felt both exploited and anxious to participate more in the system included traditional trade unionists. Third, those who feel exploited by the system and who are interested in its formal rupture include traditional revolutionaries. Fourth, there are those alienated social forces which are excluded from the system and which also desire its rupture — and which are also, in many cases, engaged in collective subsistence activities that aim towards the construction of an alternative life-style based, at least to some extent, on the economy of solidarity. It is in this latter category that most progress seems to be occurring by way of mass mobilising and sustained challenges to neoliberal policies.

If we accept such typologies, South African urban social movements (the civics and other community groups) and their cadre can be seen to have multiple identities. They include both insiders (exploited) and outsiders (excluded), as well as revolutionaries and reformers. Civics may have had a primary identity as traditional anti-apartheid revolutionaries at one stage (Category Three). But at other times, and depending upon local conditions, there are also civics and community structures which represent a profoundly alienated social force (Four); some place today’s black youth and some youth-led civics here. In other categories, some civics and their leaderships are today vulnerable to being captured and denuded via corporatist social contracts (Two). And a good many outsiders who feel excluded are anxious to gain access to state resources, even on essentially neoliberal terms dictated by foreign (and some local) development agencies (One).

Yet at other times — particularly the mid-1980s in places like Alexandra township,³² for example — the combination of national anti-apartheid politics (Two) and local-level ‘dual power’ (Three) was extraordinarily successful. Not only was the apartheid system shaken and the international progressive community conscientised and mobilised through the urban uprisings of 1984-86. In addition, local people’s courts, advice offices, local media, clinics and other institutions were established. Carter (1991) has compared this experience to the Paris Commune (though the lessons are tenuous), and after all, as Marx understood, it was the *process* of self-emancipation from the dictates of capital, not the outcome, that was most important.

The working class did not expect miracles from the Commune. They have no ready-made utopias to introduce par decret du peuple. They know that in order to work out their own emancipation, and along with it that higher form to which present society is irresistibly tending by its own economical agencies, they will have to pass through long struggles, through a series of historic processes, transforming circumstances and men. They have no ideals to realise, but to set free the elements of the new society with which old collapsing bourgeois society itself is pregnant (*The Civil War in France*).

In this spirit, we might next consider the more formal challenge of characterising popular resistance to uneven globalisation, for in part because of the tremendous success of the Zapatista movement in Chiapas, the concept of ‘Thinking Globally, Acting Locally’ and now ‘Acting Globally’ can begin to become a reality.

Although the Zapatista base is rural, the importance of its 'civil society' orientation for urban movement strategy — in Mexico and elsewhere — should be evident.

5. Urban social movements and resistance to globalisation

Much recent resistance to uneven urban development has been defensive, ephemeral, even destructive. Peru, Bolivia, Brazil and Argentina each witnessed a dozen major anti-austerity urban protests during the 1980s; repeated uprisings were experienced in the cities of Chile, Ecuador, the Philippines, Zaire, Jamaica, Morocco, Sudan, and the Dominican Republic; in Venezuela in 1989, security forces killed more than 600 people involved in a single IMF riot; and there were isolated incidents in dozens of other countries. In the 1990s, these countries were joined by India, Albania, Nepal, Iran, Ivory Coast, Niger and Zimbabwe, where large-scale IMF riots broke out. Do or can these uprisings reflect — or perhaps stimulate — the existence of more visionary, creative, and empowering urban social movements? Are they irredeemably populist in nature? And can they avoid being captured by neoliberal conceptions of civil society, the informal economy, self-help and the like?

The leading scholars of the IMF riot, John Walton and David Seddon, have contemplated the transition from the chaos intrinsic in most urban uprisings to the more durable mobilisations required for movement-scale democratic transformation. Given that the most decisive factor in the reproduction of everyday life in many Third World urban settings is the shrinkage of the state under conditions of structural adjustment, 'the broader trend is toward the decline of clientism and, conversely, the growing autonomy of urban low-income groups.'³³ As states lose their patronage capacity to channel social surpluses to supporters, social movements can cast off the worst influences of corporatism and corruption associated with urban civil society under populist regimes. As this becomes a more generalised political process, the urban poor consequently transcend spontaneous and unsustainable reactions to economic crisis such as the classic IMF riot.

The loss of patronage power deserves a moment's further reflection, for it undermines the local state as a target of mobilisation by a progressive political party. Problems regarding municipal-scale politics in South Africa are too extensive to discuss here.³⁴ In Brazil, left municipal strategies in cities like Porto Alegre, Diadema, Vitoria, Santos and Itabuna have been, as Workers Party (PT) leader Lula remarks, 'very successful' (Porto Alegre for its model forms of citizen participation in budgets, and Diadema for eliminating slums). Yet the challenge of both governing Sao Paulo (and its surrounding industrial belt, once the PT's stronghold) and nourishing the progressive base proved virtually impossible given nationally-imposed structural constraints, as reflected in the PT's subsequent electoral losses in the Sao Paulo region. Indeed at one point in the early 1990s the PT's entire local electoral strategy appeared doomed, as half the PT mayors of three dozen major municipalities either resigned or changed their party affiliation. For Lula, the lesson was to concentrate on running the key municipalities (with 400 out of the country's 5,000 cities and towns as future PT electoral targets), but this too will become increasingly difficult under conditions of all-encompassing neoliberalism imposed by President Cardoso.³⁵

But for this to be the case, it would seem, the form of urban organisation, the style of mobilisation, and the durability of the democratic process within the movement must all be carefully considered. South Africa demonstrates important impediments to the maturation of urban social movements as forces for broader socio-economic transformation. Consider the trajectory of an urban movement which has its deepest origins in the form of community cooperation and networking via mutual aid systems (especially among women). As local grievances become the basis for political mobilisation, the group solidifies as a community-based organisation (with or more often without technical NGO involvement, though often taking up unfortunate patriarchal structures and styles). Along the way, it may consciously or subconsciously experiment with decommodified, destratified (and environmentally- and gender-sensitive) forms of what we now loosely term people-centred development to meet basic needs. It experiences repeated conflicts with state bureaucrats over resources and local-level capitalists over investment decisions. And eventually it evolves as an important social force in contesting national economic policy, even linking up to discuss common strategies and tactics with similar forces in other societies.

Impediments along the way are increasingly to be found embedded within the neoliberal version of civil society ideology, particularly the premise that the citizenry must not make demands for state services as entitlements. In South Africa and across the world, therefore, it is now crucial to recognize the ideological lacunae and diversions represented within the many new development organisations that have emerged in response to the broader failure of modernisation and of the state. In dozens of wretched Third World cities (including now Los Angeles) where organisation and democratic traditions of struggle are simply lacking, matters quickly degenerate into desperate IMF riots. In many other situations, the opposite — petty-bourgeois professionalisation — has taken hold. Given the class groundings, the often patriarchal form and the occasionally imperialist sponsorship of some Third World (and many First World) organisations engaged in development work, it should not be surprising that upon closer examination their progressive rhetoric is merely rhetoric and their practices quite consistent with neoliberalism. Drawing out their relationships to establishment actors (foundations, aid agencies, development banks, consultants and lawyers, construction and civil engineering capital, etc) becomes more and more important at levels of both micro-implementation and macro-policy advocacy.

The ideology of ‘neoliberal populism,’ as Vivian puts it, assumes ‘that if diverse interest groups and social structures are able to compete within a strong and open social ‘market,’ efficient — and by implication equitable — social institutions will result.’ Vivian also criticises the radical populist belief in ‘mass-based, grassroots activity’ because its advocates ‘tend to stress the moral dimensions of their activities and to express faith in the essential altruism and moral integrity of people (or at least of the people with whom they work),’ and because ‘Little attempt has been made to directly confront or refute the ‘iron law’ [‘of oligarchy’ of German political theorist Robert Michels: ‘Political organisation leads to power but power is always conservative’], even by those on the political Left.’³⁶

This may have been true with regard to some important urban organising traditions (for example, Alinskyite or Liberation Theology), but in contrast the argument above rests upon economic crisis — market failure at both macro and micro levels — as the primary motivating force for the recent rise of radical social movements, and suggests that ‘power’ is the power of the movements to carve out their own space for people-centred development not necessarily by capturing the (neoliberally-hamstrung) state but instead through demanding access to the resources it mobilises in a manner that refutes orthodox developmental logic.

Nevertheless, it must be conceded that across the world, pliant NGOs are now considered to be an integral component of the modernisation process for the sake of their efficiency and flexibility (even if results to date have been uniformly disappointing even on their own terms), corresponding with the desire of the international agencies to shrink Third World states as part of the overall effort to lower the social wage. Even indigenous NGOs and some CBOs are being drawn into the process, which serves to localise long-standing distinctions between technicist, apolitical development interventions and the people-centred strategies (and militant tactics) of either small-scale CBOs or mass-based social movements of the oppressed.

Thus by the early 1990s, two out of five World Bank projects involved NGOs (including well over half in Africa), and in projects involving population, nutrition, primary health care and small enterprise, the ratio rose to more than four out of five. During the 1970s and 1980s, more than six per cent of Bank operations included some NGO participation, but Paul Nelson found that NGOs were ‘primarily implementors of project components designed by World Bank and government officials.’ Moreover, especially since an upsurge in such participation began in 1988, NGOs have often been used to ‘deliver compensatory services to soften the effects of an adjustment plan’; in some cases the NGOs were not even pre-existing but were ‘custom-built for projects’ and hence could ‘neither sustain themselves nor represent poor people’s interests effectively.’³⁷

South Africa remains a case in point, for the regularisation and professionalisation of development, even among the better CBOs and social movements, was invariably oriented toward the deradicalisation of the grassroots. Too often, civic association strategies became more negotiations-centred than people-centred, and time and energy were wasted on arcane details of technical agreements rather than popular, democratic mobilisation for the planning and implementation of people-centred development. The role of NGOs — which during the early 1990s were largely guided by white, middle-class staff (mainly with very strong student anti-apartheid credentials) — was ostensibly to iron out the technical details, but disagreements between NGOs and civics about strategy also flowed from professional arrogance and community vulnerability.

This leads us, now, to consider whether the current upsurge of protest against various forms of corporate globalisation are translatable into urban reforms of a more durable sort (e.g., achieving a genuine lifeline policy in relation to water and electricity, as many urban protest groups demand, against the interest of French and British water companies or future Eskom privatisers). There is such a diversity of activism, and so many important roleplayers to consider, that the first task must be a rudimentary typology of the forces at work in the grand debate over globalisation.

6. Contemporary social movements and their opponents

Let us take as a starting point that the broadly consensual strategy and basis for self-activity in what we can term 'Global Justice Movements' is *to promote the globalization of people and halt or at minimum radically modify the globalization of capital*. But this conflicts with the objectives of at least four other movements that also appear to have solidified in recent years. Since the full-blown emergence of international financial crisis around mid-1997, the world has witnessed a revival of 'Third World Nationalism,' a 'Post-Washington Consensus' reform option, obstinacy on the part of 'Washington Consensus' power-brokers, and a formidable 'Rightwing Resurgence.' Table 2 attempts to characterise the main arguments, institutions and personalities associated with the various currents.

Table 2: FIVE REACTIONS TO THE GLOBAL CRISIS

Tendency:> Issue:	Global Justice Movements	Third World Nationalism	Post-Wash. Consensus	Washington Consensus	Resurgent Rightwing
Main argument	Against globalization of <i>capital</i> (not <i>people</i>), for 'people-centred development'	Join the system, but on much fairer terms	Reform 'imperfect markets' + 'sustainable development'	Slightly adjust the <i>status quo</i> (transparency, supervision & regulation)	Restore US isolationism, punish banks' mistakes
Key institutions	social/labour movements; environment advocacy groups; radical activist networks; regional and national coalitions; leftwing think-tanks; academic settings; [many SA groups]	Self-selecting Third World nation-states (Algeria, Argentina, Brazil, China, Cuba, Egypt, Haiti, India, Malaysia, Mexico, Pakistan, Russia, Venezuela, Zimbabwe); [SA government?]	Most United Nations agencies, governments of France & Japan; [SA government?]	US agencies (Treasury, Federal Reserve, USAID), Bretton Woods Institutions, WTO, centrist Washington think-tanks, British & German governments; [SA government?]	populist & libertarian wings of Republican Party, American Enterprise Institute, Cato Institute, Manhattan Institute, Heritage Foundation
Key proponents	Amin, Bello, Bendana, Bordieu, Bove, Brutus, Chalmers, Chomsky, Danaher, Galeano, George, Kagarlitsky, Khor, Klein, Lula, Maathai, Marcos, Nader, Ndungane, Njehu, Patkar, Pilger, Shiva, Trumka?	Aristide, Castro, Chavez, Mahathir, Mbeki?, Mugabe, Obasanjo, Putin	Ann an, Jospin, Lafontaine?, Krugman, Sachs, Soros, Stiglitz	Blair, Brown, Bush?, Camdessus, Clinton, Fischer, Greenspan, Koehler, Moore, O'Neill?, Rubin, Schroeder, Summers, Wolfensohn	Buchanan, Bush?, Haider, Helms, le Pen, Lindsay?, Lott, Kissinger, Meltzer?, Shultz

Granted, these boundaries are sometimes fluid — key personalities, like South African president Thabo Mbeki, sometimes flit from one to another camp. But there has been a startling degree of coherence within the five currents, over the past four years or so, and very few examples of durable alliances between them. What, then, are the debates surrounding the Global Justice Movements, and how might they relate to the broader decommodification of South African cities? Regardless of how the broader economic crisis unfolds, these groups are, after all, setting the agenda of much debate and concrete action.

We next consider the difficulty — and inappropriateness — of alliance-building with and between the other camps, and then explore some of the central contradictions within the Global Justice Movements. Finally, of enormous importance is the oft-overlooked question of whether in coming years there exists room for strong Third World leadership, particularly on strategic issues like whether to 'fix or nix' the international institutions, and whether Social Clauses are appropriate appendages to the World Trade Organisation and trade deals.

7. The futility of alliances

To contextualise the importance of the Global Justice Movements as an independent force for change, we can dwell briefly on how difficult it is for this current, and others, to establish lasting alliances. A few initiatives to break down barriers have certainly emerged, but just as quickly petered out, and the five competing blocks have grown more divided than ever.

The Washington Consensus heavies, for example, practically exterminated their intellectual opponents on the Post-WashCon left beginning in September 1999. After World Bank chief economist Joseph Stiglitz raved against IMF incompetence in Russia, he was effectively dismissed — as Columbia university Jagdish Bhagwati put it in the *Financial Times* — ‘with a fig leaf, a sorry episode.’ Bank president James Wolfensohn first censured and then censored Stiglitz, weakly rebutting his critique of the IMF and then apparently prohibiting him from press comment. Stiglitz named his WashCon enemies in a scathing *New Republic* attack in April 2000: ‘third-rank economists from first-rate universities.’³⁸ But according to a reliable Bank insider quoted in the *Left Business Observer* (February 2000), US treasury secretary Lawrence ‘Summers made it clear that if Wolfensohn wanted a second term as World Bank president — to start on June 1, 2000 — Stiglitz had to go.’ Soon thereafter, Ravi Kanbur — the Bank’s redistribution-minded consultant who was to be lead author of *World Development Report: Poverty 2000* — also resigned due to explicit censorship by Summers. Reform of the Bretton Woods Institutions from within appeared doomed.

Still, there exists a tendency amongst some Global Justice Movement players to reach out to Washington/Geneva/Davos, as if persuasion would change matters. Jubilee 2000 UK, for example, sought the approval of the Pope for its extremely circumscribed debt campaigning, while the Pope sought ex-IMF managing director Michel Camdessus as an advisor. Jubilee’s UK and US chapters also called for help to outspoken economist Jeffrey Sachs on a regular basis, notwithstanding the Russian financial scandal that festered at his Harvard institute and his tendency to still preach the virtues of sweatshops in Third World countries. In a similar reflection of untenable alliance-building, rock star Bono met Wolfensohn at the September 2000 Prague meeting and inexplicably rewarded the Bank president with the title ‘the Elvis of economics’ (referring, some wits could only presume, to the bloated, vain, self-destructive and hallucinatory state in which the singer found himself on the eve of his demise). There was no apparent benefit to Jubilee, just more Bank stonewalling on debt.

Washington’s hegemony continued. Minor reforms to global financial market regulation announced at the Cologne G-8 meeting and 1999 IMF/World Bank annual meetings were not sufficient to prevent a future wave of financial panics (as Turkey and Argentina now demonstrate). Debt relief promised in Cologne was simply ignored by most of the G-8 finance ministers. Only the rightwing threat required an occasional modification here or there, especially when Sachs temporarily allied with conservative economists on the Meltzer Commission that in 1999-2000 recommended the Bank and IMF be downsized (instead of with the commission’s Washington-Consensus liberal-internationalists, whom the Democratic Party had deployed to win the arguments).

Meanwhile, the conservative members of the US Congress and right-wing populists everywhere enviously realised that when it came to mass mobilisation around international financial and trade matters, the Right had nothing like the capacity shown by the Left in Seattle, Washington and Prague. One deal that brought the protesters’ Washington technocrats together with creative Republicans was a successful effort in October 2000 to prevent the World Bank and IMF from imposing user-fees on healthcare and education amongst future loan conditions. But the dangers of anything more than momentary convergences of interest with the Right are too obvious to belabour.

As their power to disrupt and raise consciousness grew, the Global Justice Movements earned glances from Post-WashCon reformers, now and again. On the verge of leaving the Bank in early April 2000, Stiglitz praised the incoming street protesters. But that too was a stillborn friendship, as Stiglitz was quickly drawn into an elite-intellectual exercise on ‘the alternative’ (funded, predictably, by Ford) at Brookings, Stanford and Ottawa’s North-South Institute, which didn’t give the Global Justice Movements a second thought. But likewise, few on the Left saw Stiglitz’s contorted rebuilding of neoclassical economics through ‘information-theoretic’ augmentations as a worthwhile exercise, when their champion was so obviously now out of the power loop.

Some Global Justice Movement strategists tried reaching out a bit to the Third World Nationalists, in part because of the influence of Third World Network in Penang, Malaysia. Other internationalist activists — from Global Exchange, Ruckus Society and other organisations (organised by a small group with excellent e-mail contacts, United Peoples) — concluded in mid-2000 that alliances with Southern rulers are possible:

With regard to the fundamental debt cancellation and fair trade issues, the G-77 summit in Havana once again confirmed the accordance between the views of the G-77 and the new worldwide anti-globalization movement that protested WTO/IMF/WB in Seattle and Washington. A cooperation between the two parties therefore would seem appropriate in order to achieve our common goals in the most efficient and speedy way.³⁹

The well-meaning but naive effort came to naught, as Nationalists looked for relief instead to sites of power, not to disruptive leftwing groups with which they too experienced regular friction at home. Some Third Worldists were heartened by grudging elite acknowledgements in September 1999 (led by Stiglitz but joined too by IMF researchers) that the previous year's Malaysian currency controls were effective medicine. However, efforts by Mahathir Mohamad to gather likeminded world leaders both at home and, by invitation of Robert Mugabe, at Zimbabwe's Victoria Falls, had no apparent success in expanding the nationalist current. (South Africa, for example, was distinctly uninterested in nationalist-type financial boat-rocking.)

But from the perspective of radical critics, the failure of the varied alliance initiatives in recent months and years is no tragedy. It not only leaves open the option of more systemic, thorough-going challenge, but also confirms that within the Global Justice Movement, greater internal coherence must also now be sought. Forging a general interest from numerous particular challenges to neoliberalism will not be easy in the face of sometimes debilitating strategic incongruencies. Most importantly, 'reform' of the overarching Washington Consensus — including its urban manifestations as described earlier — appears unlikely, if not impossible. More radical, insurgent strategies are required from the Global Justice Movements. But they must overcome their own internal contradictions, first.

8. Movement contradictions

Within and around the Global Justice Movements exist various subcurrents, after all, which deserve consideration. One recent book, by Amory Starr, identifies the three main tendencies as 'Contestation and Reform,' 'Globalisation from Below' and 'Delinking, Relocalisation, Sovereignty.'⁴⁰ Somewhere between Post-WashCon and the Global Justice Movements is a well-resourced grouping of relatively conservative Washington NGOs, labour leaders, environmental lobbies and development think-tanks will probably continue to provide friction to the Justice Movements' leftward progress. A few sites of struggle can be surveyed even briefly.

Co-opted NGOs. Perhaps most notable as a symbol of what is wrong with the 'inside-the-Beltway' mentality, an 'Interaction 22' grouping of US-based NGOs, all funded by the neoliberal US Agency for International Development, wrote a letter to World Bank president James Wolfensohn on April 14, 2000, two days before the main protest at the spring meetings. They expressed 'deep concern at the impression created by some of our NGO colleagues in the streets this week that the World Bank and the IMF are at serious loggerheads with the entire not-for-profit community... We have a very different perspective on recent positive directions taken by the Bank.'⁴¹

Inside the Bank, chief NGO liaison John Clark — formerly a leading Bank critic based at Oxfam UK — issued an e-mail memo to colleagues a few days later, ridiculing the Interaction 22 for being 'much less skeptical about these reforms than most of us inside the Bank!' However, pursuing triage, he also identified what he termed a 'dilemma' for a middle-ground group of NGOs, namely,

how to respond to the demo organisers' request to all NGOs to boycott all meetings with the Bank and Fund... For some the compromise was to take part in meetings with Bank staff off the premises (some said this was because they didn't want to be seen and identified by demonstrators and be accused of co-option); but others — notably Jubilee 2000 [US] — were quite open that they intended to ignore the request.

Such divisions and even ruptures are probably inevitable not only amongst petit-bourgeois NGO cadres, but across the political spectrum, as the world economy continues along its volatile, apparently self-destructive trajectory. Still, it must be conceded, the strategists in Washington 'CoNGOs' are still defining much of the terrain, the slogans and the 'alternative' imaginaries. Worse, NGO-stalinism has made open and frank disagreement terribly difficult at times. During most of the 1990s, for example, those advocating the closure of

the IMF and World Bank — which is now a commonplace Global Justice Movement discourse — had no opportunity to really make their case, even at the parallel NGO sessions protesting the annual IMF/WB summits.

Labour lurches. In addition, a residual bloc of big-labour officials and moderate debt-campaign bureaucrats remain ambivalent or even opposed to the radical agenda, in a conflict that deserves review. The Seattle protests had raised great hopes that organised labour would join a permanent coalition of progressive groups desiring much more than the then-fading Post-WashCon had on offer, and intent on paralysing WashCon initiatives. The mood was angry in early 2000, when two controversial Clinton administration trade deals (the US-China permanent most favoured trading nation agreement and Africa Growth and Opportunity Act) faced stiff opposition — some based, albeit, on yellow-peril xenophobia — from domestic constituencies.

Clinton's corporatist Advisory Committee for Trade Policy and Negotiations soon broke apart thanks to a walkout by justifiably-frustrated AFL-CIO leaders. *Business Week* reported that nine out of ten US residents polled labeled themselves either 'fair traders' or 'protectionist,' with just one in ten self-identifying as a 'free trader.'⁴² Clinton's trade policy was generally understood, according to the main public opinion survey on the topic, to serve the interests of multinational corporations 'too much' (so said 54% of respondents) and working Americans 'too little' (72%).⁴³

Seattle protest logistics meant that while militants from front-line labour, social and environmental movements locked down in front of the convention centre, a few blocks away at a rally and march, their stodgy, suited leaders aimed only for 'a seat at the table.' But whether the World Trade Organisation should be a site of 'reform' — usually through introducing social, labour and environmental conditions, known as 'Social Clauses,' to trade agreements — came under fierce debate. For although some Southern trade unions backed the strategy through their (often subordinate) role in the International Confederation of Free Trade Unions, many influential Southern social-movement leftists condemned Social Clauses for leaving in place the existing anti-democratic structure of the international trading system.

To improve the WTO, they argued, will simply amplify imperialist power relations.⁴⁴ The point, instead, should be to attack the power that the WTO has to overrule and undermine international agreements and national laws that protect human rights and the environment (for example, a selective-procurement law in Massachusetts, directed against Burma and ruled WTO-illegal), and to find effective means to defend these rights.

Because his administration's efforts to politically rehabilitate the 'free trade' agenda were to some extent blocked by organised labour and environmentalists, Clinton announced his own faux support for the Social Clause in the wake of the Seattle protests (trade officials immediately rebutted that Clinton 'misspoke' on the issue, however). Some groups, including conservative leadership factions within Northern trade unions, would no doubt have been happy to settle for lip service to an unenforceable Social Clause in exchange for allowing a new WTO Millennium Round to go forward. But these forces were successfully marginalised, and found themselves neither strong enough to sell the strategy to the broader movement nor to inject Clauses into the Clinton Administration's Africa and China trade pacts.

For US labour, there fortunately emerged a preferable strategy to tinkering with trade deals and the WTO: attacking either particular corporations consistent with solidarity-campaigning principles, and passing restraining legislation against transnational corporations, similar in scope to the 1977 US Foreign Corrupt Practices Act, which penalises specific firms — not the countries they victimise — for explicitly anti-social behaviour.⁴⁵

Debt debates. Similarly, the international movement against Third World debt was divided through the late 1990s between reformers in Jubilee 2000's US, British, German and Japanese networks who largely accepted the framework imposed by the IMF, Bank and G-8 countries on the one hand, and on the other, radicals in 'Jubilee South' and allied Northern groups (especially Jubilee Canada) who attempted to break open that framework. The latter camp included critics who viewed campaigns against debt as inextricably linked to fighting structural adjustment — whether at national policy level or in very direct forms such as municipal utilities privatisation — in general, and the power of the IMF and World Bank in particular.

Leading African Jubilee proponents tended to be more structuralist and also more militant, especially chapters in South Africa, Zimbabwe, Nigeria and Malawi. When the Jubilee 2000 'South Summit' convened

in Johannesburg in November 1999 and Dakar, Senegal in December 2000, the best social movement leaders and activists from Africa met partners from around the Third World, and resolved to pressure their respective national leaders to collectively repudiate the debt.⁴⁶ The Jubilee South Summit also called for the closure of the IMF and World Bank.

In contrast, some Jubilee chapters in the North were directed by NGO and mainstream church staff who preferred keeping economic policies out of the discussion, and who consciously acceded to the frames of reference of the IMF, World Bank, and G-8 finance ministers. They persistently compromised on partial debt forgiveness/relief — the *'unrepayable'* debt of the *poorest* countries — not cancellation or reparations. They conceded that even meagre portions of 'Highly Indebted Poor Country' (HIPC) relief — termed by Jubilee South a 'cruel hoax' — must be linked to structural adjustment policies which left the IMF and Bank in control of Southern economies, and barely blinked at the IMF's renaming of these policies as 'poverty reduction.' Worst of all, they embraced the false claim that the IMF and the Bank needed more funding from taxpayers in the G-8 countries in order to compensate for the fraudulent, highly-conditioned debt relief. And if the strategy was a disaster, so too was the conservative Jubilee faction's sense of tactics: no threat of any kind, particularly on the funding front. Finally, in February 2001, progressive forces in Jubilee US won the movement over to the idea that they should take direction from Jubilee South, which meant a deprioritisation of the failed HIPC strategy.

The limits of reformism. What would reformers claim to have achieved with their mild-mannered approach to the Bank and IMF, and what are the limits of the gains won to date? In areas including environment, gender, transparency, participation and 'post-Washington Consensus' economics, it is important to evaluate the balance sheet.

Some reforms, like transparency and participation with civil society were easily ignored or manipulated. After a critical mass of problems in projects were exposed, the Bank set up the 'World Bank Inspection Panel' within the institution. Its skimpy oversight power was soon whittled back after it made a few telling criticisms of South governments, and in any case the Panel failed to critically examine key projects in which Bank malfeasance was obvious.

Other apparent gains in the environmental and gender-and-development spheres were corrupted immediately by neoliberalism, whether in pushing women's microcredit as a safety-net for defunded social policy, or in commodifying natural ecological processes. Environmental impact assessments might be added to projects at the last minute, but rarely halted the approval of new hydrocarbon power plants which soon made the Bank the world's leading contributor to global warming. Lawrence Summers as Bank chief economist was ironic, perhaps, but spot on when remarking in the infamous internal memo leaked just prior to the 1992 Rio Earth Summit, 'I think the economic logic of dumping a load of toxic waste on the lowest-wage country is impeccable and we should face up that.'⁴⁷

Another telling experience was that of Herman Daly, the creative environmental economist who left the Bank's employ greatly disgruntled.⁴⁸ Still, empowered by the Bank's plagiarism of NGO rhetoric, some inside-the-Beltway policy wonks (e.g., in the often admirable international advocacy office of Friends of the Earth) even suggested a dramatic switch in Bank lending towards sectors like basic education. The slogan thus invoked — 'Public funds for public good' — was fundamentally misguided, as it implied that funding a local-currency development project (e.g., construction of a rural school or payment of a teacher's salary or a microcredit scheme) should be done through a hard-currency loan: a recipe for more external debt dependence and by logical extension, a buy-in to the export-led growth model so as to assure repayment in hard-currency.

In sum, as the Stiglitz/Kanbur episodes demonstrated most convincingly, IMF/Bank reforms haven't worked. The latest gambit, the October 1999 announcement of the 'Poverty Reduction Strategy Paper' (PRSP) as central to future IMF/Bank activity in any developing country, was revealed as a scam in May 2000, in the institution's own main pilot case, Bolivia. According to an NGO report-back,

The IMF resident representative in Bolivia remarked that although the PRSP would take civil society's recommendations into account, the macroeconomic targets previously agreed to by the Bolivian government were by no means open to negotiation... The presenters of this macroeconomic model did not adequately respond to questions from the audience on how their approach differs at all from the past.⁴⁹

A month earlier, at the height of the Bolivian water privatisation crisis (generated by explicit Bank advice which sent water prices soaring to more than a quarter of a typical household wage packet), Wolfensohn himself unveiled his own lack of comprehension. ‘The biggest problem with water is the wastage of water through lack of charging,’ he pronounced on April 12 at a press conference when asked about the Bank’s role in the Cochabamba crisis. ‘In the riots that you had in Bolivia — which, I’m happy to say, are now quieting down — it was about a new dam, a new power, in which the Bank on this occasion had nothing to do’ (*sic*). All components of his answer were fallacious, and the leader of the Cochabamba protests, trade unionist Oscar Olivera, took the opportunity in October 2000, in the wake of a new round of protest, to join several South Africans in a North American tour to support the World Bank Bonds Boycott initiative.

9. The Third World in the movement

If the Global Justice Movements have transcended futile and unsatisfying reforms in Washington/Geneva, are African and other Third World progressive activists necessarily left behind, ‘marginalised’ from globalisation, or are they instead near or at the cutting edge of the process?

In fact, diverse social forces, north and south, east and west, are feeding into international and local demonstrations with increasing militancy, and with comparable values, norms, discourses. There are even parallel strategies and tactics emerging. The January 2001 World Social Summit in Porto Alegre has begun an important process of sketching alternative visions for genuinely sustainable development, far-reaching human empowerment, and serious eco-stewardship. One thing that the Global Justice Movements can claim as a unifying force, is a familiar set of enemies.

Common opponents. Whether located in obscure Third World cities or the centres of global commerce, the Global Justice Movements struggles increasingly intersect, because they focus on virtually identical opponents: the agencies and representatives of neoliberal capitalism — global, regional, national or local. If there is, therefore, a genuine movement of Justice Movements afoot, and *if that movement aims not to further exacerbate uneven global development*, it is reasonable to posit the need for a greater recognition of and influence by varied Third World grassroots organisations — community-based groups, trade unions, cooperatives and mutual aid systems, traditional and ethnic-based organisations, church networks, women’s and youth clubs, environmental groups and many others.

What, then, can be said about these organisations’ current role, their potential for participating in local and global alliances, their relations with their own states and ruling parties? What opportunities are emerging for the parallel heightening of consciousness, politicisation and democratisation that will flow, South-North and North-South, through the greater involvement of grassroots African activists and strategists?

Most importantly, many of the key Third World grassroots organisations have a common *experience*, facing not only an anonymous force-field of international capital flows and policies shaped by persistent ‘advice’ from Washington, but also concrete institutions responsible for the most direct source of austerity: the IMF, World Bank and World Trade Organisation.

How, then, do the Movements respond to those from the Post-WashCon and Third World Nationalist camps, who insist upon the expansion, not contraction, of the Bretton Woods and similar institutions? ‘Without the international financial institutions, things would be even worse for poor countries,’ claimed South African finance minister Trevor Manuel, at the Prague debate in late September 2000. This is, indeed, the core argument Manuel — then the chairperson of the IMF/WB Board of Governors — and many Third World leaders resort to: access to capital markets is impossible for poor African countries, hence the Bank and IMF are crucial sources of hard-currency financing.⁵⁰

There are many technical responses to such an assertion, which should be mentioned at least in passing. The main argument is that by restructuring international financial architecture in the interests of the world’s majority, there would be no need for Bank/IMF loans (which even for impoverished countries when provided at a ‘soft’ rate of less than 1%, are extremely expensive when currencies crash, and when hard currency is required to repay the lender). Instead of hard-currency loans, an ideal-type, alternative development finance strategy at global and national scales would have the following elements:

- Third World debt should be completely canceled once and for all;

- capital controls should be permitted, to allow states to adopt pro-poor policies without fear of a run by the rich;
- local basic -developmental needs with no foreign inputs should only be paid for with local currency (not on the basis of loans denominated in dollars, yen or marks);
- development loans should carry subsidised interest rates where needed (even if that ‘distorts’ local and global financial markets);
- to the extent that redistributive North-South funding flows can be established — drawn, for example, from financial-speculation taxes or strings-free Overseas Development Assistance — they should occur on a grant (not loan) basis;
- finance-agency economists are not allowed to whimsically impose neoliberal conditionality; and
- for vital imports, trade finance should be freely available from export credit agencies for progressive input-requirements (instead of just for inappropriate megaprojects and luxury good imports).

Active struggles. But far more important than technical blueprinting, what are grassroots organisations actively involved in these issues arguing? Much can be gleaned from specific social struggles associated with local campaigns. For example, in mid-2000, when the US EximBank offered \$1 billion in loans for African countries to import anti-retroviral drugs (to combat HIV-AIDS), Africans involved in grassroots campaigning and advocacy (especially South Africa’s Treatment Action Campaign) recommended that their nation-states reject the advice, and instead import parallel, generic drugs at as little as 5% of the US corporate price from countries like Thailand, India and Brazil.

Another African example is the grassroots campaign to campaign for the return of Nigerian dictator Sani Abacha’s billions in looted funds in Swiss and London banks. Early success has helped to break open Swiss secrecy (following similar campaigns over fifteen years waged by citizens’ groups and governments in the Philippines and Haiti in relation to the Duvallier and Marcos hoards).

Specific World Bank projects in Africa have come under attack by progressive local and international groups, including the Chad-Cameroon pipeline, the Lesotho Highlands Water Project and Namibia’s Epupa Dam. Aside from events such as September 26, 2000 solidarity activism against the IMF/Bank, other growing campaigns that link African and international civil society organisations include the environmental debt that the industrial North owes the South, and the campaign to ban ‘conflict-diamond’ trade that contributes to civil war in Sierre Leone and Angola.

Converging rhetorics of resistance. African networks that build these campaigns are evolving continually, and several are worth citing at this juncture.

- The ‘Lusaka Declaration’ was signed in May 2000 by the leading African social movement and church organisations working on debt.⁵¹ Dozens of Lusaka meeting participants launched a process for drafting a mass-popular ‘Africa People’s Consensus’ to transcend the development orthodoxy of the Washington Consensus and the slightly reformed Post-Washington Consensus, and to do so by building upon similar regional meetings in Accra, Lome and Gauteng in 1998-99.
- The Africa People’s Consensus went to West Africa in December 2000, via the ‘Dakar 2000’ Coordinating Committee. This initiative took on momentum in a Yaounde conference in January 2000, and by May the Organising Committee released a major statement condemning the *status quo* debt reduction strategy: ‘The new slavery in Africa, which results from the burden of the debt and the enforcement of structural adjustment policies, is an unprecedented shame at the beginning of the 21st century... Like all previous gestures, the initiatives taken in Cologne (June 1999) and in Cairo (April 2000) do not offer any actual solution.’⁵²
- In Dakar, a variety of organisations united behind a tough analysis, that ‘Third World debt to the North is at once fraudulent, odious, illegal, immoral, illegitimate, obscene and genocidal’ and that instead,

Countries of the North owe Third World countries, particularly Africa, a manifold debt: blood debt with slavery; economic debt with colonization, and the looting of human and mineral

resources and unequal exchange; ecological debt with the destruction and the looting of its natural resources; social debt (unemployment; mass poverty) and cultural debt (debasement of African civilizations to justify colonization)...⁵³

- The Accra-based Africa Trade and Development Network⁵⁴ was similarly active in opposing the United States free-trade legislation known as the Africa Growth and Opportunity Act. Its member organisations pledged in October 2000 to lobby their governments to refuse entry into the deal, which provides a slight amount of market access to those countries that Washington (this time, the US State and Commerce Departments) deems economically responsible. This follows similar work by the network to promote Africa-Caribbean-Pacific unity in relation to Lome and European Union trade negotiations more generally, and early critiques of the Poverty Reduction Strategy Paper initiative of the IMF and Bank.

- Free trade within a given region is also problematic, particularly under the influence of Washington, the Southern African Peoples Solidarity Network argues.⁵⁵ Meeting in Windhoek in August 2000, the Network resolved ‘that the governments of our countries’

- have for long mainly engaged in rhetorical declarations about national development, and development cooperation and regional integration, with few effective achievements;
- are mainly concerned with preserving and promoting their own individual and group status, power and privileges, and their personal and aspirant-class appropriation of our nations’ resources; and, for these reasons, are frequently engaged in divisive competition and even dangerous conflicts amongst themselves at the expense of the interests of the people at national and regional levels;
- are, at the same time, committed to supporting and defending each other whenever the interests and power of the ruling elites come into conflict with the human rights, and the democratic and development aspirations of their own populations; and are using SADC as a self-serving ‘old boys’ club’ for such mutual support;
- are increasingly responsive and subordinate to external inducements and pressures from governmental agencies in the richest industrialised countries, and their global corporations, banks and other financial organisations, and the ‘multilateral’ institutions dominated and used by them.

After a series of demands — in favour of inward-oriented, basic-needs development strategies that promote regional integration rather than disintegration (as is happening through free trade under South Africa’s domination) — the Network warned,

Whether or not our governments accept and act on the above vitally important demands, we as members of peoples organisations from the whole of Southern Africa will continue to pursue these aims and deepen our work in and with existing and emerging mass movements to challenge and change our governments’ policies and strategies; and — if that fails — to change our governments.⁵⁶

The main point to make here, is not that these and other important networks (e.g., labour-related, health equity specialists, numerous types of environmentalists, and so on) are advancing strong, mature, explicitly ‘post-nationalist’ ideological statements about the debt, trade and related economic oppression they face. What is perhaps of greater interest is that instead of working merely through NGO-type circuits, they are increasingly tying their work to militant street action.

Beyond ‘civil society’ co-option. In the past, in contrast, instead of synthesising with mass protest, some local activities undertaken by grassroots groups too easily fall into the trap of neoliberal economic policies. This was a logical corollary to the rise of ‘civil society’ discourses, and was not unique to Africa by any means. Since the 1980s, Claude Ake warned in a book completed just prior to his death in 1996,

there has been an explosion of associational life in rural Africa. By all indications, this is a by-product of a general acceptance of the necessity of self-reliance, yielding a proliferation of institutions such as craft centres, rural credit unions, farmers’ associations, community-run skill development centres, community banks, cooperatives, community-financed schools and hospitals and civic centres, local credit unions,

even community vigilante groups for security. Some have welcomed this development as a sign of a vibrant civil society in Africa. It may well be that. However, before we begin to idealise this phenomenon, it is well to remind ourselves that whatever else it is, it is first and foremost a child of necessity, of desperation even.⁵⁷

The rise of Community-Based Organisations (CBOs) and associated development NGOs closely corresponds with the desire of the international agencies to shrink Third World states as part of the overall effort to lower the social wage. The result is an ongoing conflict between technicist, apolitical development interventions on the one hand, and the people-centered strategies (and militant tactics) of mass-oriented social movements of the oppressed on the other hand.

Thus by the early 1990s, two out of five World Bank projects involved NGOs (including well over half in Africa), and in projects involving population, nutrition, primary health care, and small enterprise, the ratio rose to more than four out of five. In his seminal 1995 study, Paul Nelson found that NGOs were 'primarily implementors of project components designed by World Bank and government officials.' Moreover, especially since an upsurge in such participation began in 1988, NGOs have often been used to 'deliver compensatory services to soften the effects of an adjustment plan'; in some cases the NGOs were not even pre-existing but were 'custom-built for projects' and hence could 'neither sustain themselves nor represent poor people's interests effectively.'⁵⁸ But from a recent era in which Co-Opted NGOs happily picked up crumbs from the neoliberal table, we may be on the verge of a return to dominance by radical, people's-movement NGOs.

The greatest potential in all of this, however, is the increasing correlation of issue-development by social, environmental and labour organisations, with mass, lumpen-proletarian protest. The main scholars of the IMF Riot, John Walton and David Seddon, argue that the shrinkage of the state under conditions of structural adjustment generates a 'broader trend toward the decline of clientism and, conversely, the growing autonomy of urban low-income groups.'⁵⁹ As states lose their patronage capacity to channel social surpluses to supporters, social movements can cast off influences of corporatism and corruption associated with urban and rural civil society under populist regimes.

Such autonomy contributes to more generalised political processes of self-enlightenment, with the potential for transcending spontaneous and unsustainable reactions to economic crisis, such as the IMF Riot. It is here that the 'rural-urban' and worker/lumpen, male/female and other vital alliances can be built.

Movements marking the millennium. It is here that a variety of protests in the year following Seattle conclusively demonstrated the possibilities of mass-democratic Third World mobilisations, which were even more impressive than those in the main Northern cities, even if they received little or no media attention:

- An indigenous people's uprising against neoliberal policies in Ecuador in January generated a momentarily-successful alliance with military coup-makers in January 2000.
- A few days later, halfway across the world, high up in the Alps, another burst was witnessed when hundreds of young leftwing protesters from across Europe crashed barriers at the World Economic Forum in Davos — and was codified when the world's richest men inside the conference centre furnished high-profile radical commentators with respectful platforms.
- The movement's energy shifted to steamy Bangkok in February, where a formidable Thai network of unemployed rural and urban activists protested daily at the semi-decennial meeting of the United Nations Conference on Trade and Development.
- In early April, grassroots anti-globalization protest intensified in the main square of Cochabamba, Bolivia, where thousands of residents forced water-privatiser Bechtel out of the country (and precipitated a national state of emergency in the process).
- Washington, DC then came under unprecedented attack from 30,000 militants who paralysed a large area surrounding the International Monetary Fund (IMF) and World Bank headquarters for two days. At the same time, solidarity protests and public events jarred Johannesburg, Cape Town, San Francisco, Seattle, Paris, Jerusalem, Vancouver, and Winnipeg. Especially notable, under harsh circumstances, were anti-IMF demonstrations mainly by women in Lusaka and Nairobi which were broken up by police.
- Millions of people turned out in global anti-capitalist demonstrations on May 1, perhaps most visibly (even if unsuccessfully in logistical and PR terms) in the City of London.

- A few days later, the small Thai city of Chiang Mai was awoken by 5,000 angry students, unemployed workers, environmentalists and displaced rural people, who overwhelmed police lines protecting an Asian Development Bank meeting.
- On May 10, South Africa was the site of a national general strike by half the country's workforce, furious over job-killing neoliberal policies adopted at the behest of the World Bank, and protest marches brought 200,000 out into the streets in several cities.
- The next day, twenty million Indian workers went on strike explicitly to protest the surrender of national sovereignty to the IMF and Bank.
- Smaller but still very sharp anti-IMF demonstrations quickly led to police crackdowns in Argentina in mid-May, followed by a mass protest of 80,000.
- Turkish police also repressed anti-austerity demonstrations in May.
- In Port-au-Prince, Haiti in June, thousands turned out in June for anti-debt activities.
- In Paraguay, a two-day general strike was called against IMF-mandated privatisation.
- Also in June, Nigeria's trade unions allied with Lagos residents in a mass strike aimed at reversing an IMF-mandated oil price increase, which also had the effect of cutting short US treasury secretary Laurence Summers' visit.
- Meanwhile in Washington, protesters unsuccessfully tried to halt the infamous World Bank Chad-Cameroon pipeline loan, but their vigils at Bank headquarters did force China to withdraw a proposal for a Bank loan that would have increased Beijing's grip on Tibet.
- In July, South Korean workers repeatedly demonstrated against IMF-mandated austerity policies.
- Protests continued against international elite gatherings, including Windsor at the Organisation of American States summit and the Okinawa G-8 meeting in July. The latter further radicalised Jubilee 2000 chapters (who realised the mistake made a year earlier in Cologne when British, US and German chapters endorsed the meagre debt relief on offer from Summers and his colleagues, only to discover it was a sham).
- In the US, the political party conventions — in Philadelphia and Los Angeles — were sites of confrontation in August.
- The Brazilian left hosted a plebiscite in August on whether the society should accept an IMF austerity programme, and more than six million people voted, nearly all against.
- In September, large crowds gathered in New York, many in protest, to mark the United Nations Millennium Summit; more thousands protested at the Melbourne meeting of the World Economic Forum; and later in the month, an estimated 15,000 mainly-European demonstrators converged on the IMF/Bank annual meetings in Prague, generating a small, violent confrontation and forcing closure a day early. Across the world, many other protesters staged solidarity events.
- Shortly afterwards, Bolivia exploded with varied urban and rural protests against neoliberal policies.
- Tens of thousands of Korean workers, students and social-movement protesters prepared for a day of confrontation in late October, at a Seoul gathering of European and Asian leaders.
- Nice, France, was the target of tens of thousands of demonstrators against EU leaders in December.
- Many dozens of other protests occurred over the period, from Argentina to Zimbabwe.⁶⁰

10. South-south-north alliances against global finance/commerce

Alliances between the strands of the Global Justice Movements will rely, in part, upon common targets. As the institutional expressions of international financial and commercial capital (led by Wall Street), the IMF, Bank and WTO provide the movements with an opportunity to both confront power in a concentrated form, and to unmask their deeper institutional meanings within world capitalism.

Africa demonstrates this in many ways, from macroeconomics, to conditionality associated with debt relief, to local issues such as cost-recovery on basic-needs services and access to HIV/AIDS drugs. In addition to providing a big, visible focus for protesters working from a myriad of locations and situations, the IMF and Bank also generate feedback mechanisms that can amplify the local struggles through their connectivity to the rest of the movement.

The need for solidarity around local IMF/Bank/WTO campaigns will grow, the more that South struggles evolve into full-fledged attacks on the international institutions. Already, calls for the Bank/IMF to quit Seoul, New Delhi, Pretoria, Brasilia, Mexico City and the like are made regularly by local activists, and are rebuffed by the comprador elites who hold local power. In somewhat more marginalised capitals, like Kuala Lumpur, Harare, Port-au-Prince, Havana and Caracas, government leaders echo the activists' distaste for Northern bankers and Washington economists — although often for reasons that have to be carefully and critically considered (virtually no democratic, progressive civil society forces in Zimbabwe have any truck with Mugabe).

Even within the struggle to expand national democratic sovereignty, the progressive position is to fight for the most internationally-solidaristic framing of national concerns. This has become clear in the impressive, ongoing anti-corporate activism associated with South Africans' rights to pharmaceutical products that combat HIV/AIDS. In 1997, a well-meaning health minister with tough advisors and an international technical support network promoted and passed legislation that gives South Africa the chance to import or even manufacture generic versions of the branded HIV/AIDS drugs that are denied to millions of ill people, by virtue of discriminatory pricing by drug companies in search of monopolistic profit. When the leadership of the US government, acting on behalf of those companies, opposed the law in 1998-99, activists from ACT UP punished vice-president Al Gore, through public protest, to the point that he surrendered. When drug companies continued to pursue the matter through a court challenge in 2000, protests were amplified, culminating in a day of action in early 2001 with demonstrations in dozens of cities across the world. Although at this writing there is no resolution, the blockages — including the South African trade and industry minister, scared of offending international corporations by permitting violations of drug-patent rights — are being identified and addressed. After widespread protest during 2000, South African president Mbeki even retreated from an untenable position, through which he refused to consider implementing the drugs legislation on spurious grounds.

In sum, in this case study we discover an appropriate formula for broader action: the combination of inspired, sustained, internationalist activist protest against global apartheid, on the one hand, and on the other, the mainly-dormant but still viable technical capability of nation-states to intervene against a powerful bloc of global capital, on behalf of their citizenries, once social struggle has achieved a critical mass of attention and pressure.

In most such cases, effective political alliances have been far stronger between local activists and international allies (including technocrats from inside-the-Beltway NGOs) than they have with local officials. It is because class conflict in national settings suffering neoliberalism is far more likely than a momentary convergence of interests between radical grassroots organisations and local elites, that the Global Justice Movements must reach out even further, while maintaining an air of skepticism even when pleased with the likes of the Havana statement by G-77 elites.

In search of a formula that can progressively unite the Global Justice Movements with the technical basis to make their demands real, one of the world's most far-sighted political scientists, York University professor Leo Panitch, poses the challenge for social progress in these terms:

The key long-term condition for an alternative to globalisation is democratic investment control within each state — the opposite goal to that of today's multilateral international negotiations. This must mean going beyond the type of quantitative controls on the inflow and outflow of capital allowed under Bretton Woods, let alone beyond the Tobin Tax on capital flows now being advanced by many on the left. A campaign for qualitative democratic capital controls is required...⁶¹

Any such development strategy, in conflict with WashCon and even Post-WashCon economic theory, as well as with much *undemocratic* Third World Nationalism and Resurgent Rightwing politics, will necessarily rely far more on resources drawn from domestic sources. These will include halting capital flight through tough exchange controls; firm regulation of credit, and perhaps even nationalised banks; interest rate subsidies to promote key branches of production and consumption; and various other forms of what economists term 'financial repression.' Beyond such nationally-grounded projects, as noted above, lies the idea of progressive regionalisation.⁶²

How to get from here to there through genuine shopfloor/grassroots empowerment rather than through standard modes of populist regime-building is subject to enormous debate, and there remains reasonable doubt as to whether such 'people's movement,' NGO-influenced strategies will ever substitute for traditional revolutionary class-oriented approaches to socialism-from-below.⁶³ Nevertheless, the syntheses of so many anti-neoliberal outbursts across the world suggests that the Global Justice Movements are achieving sufficient maturity to no longer become confused or coopted by reformism at the global, national or local scales.

The political strategy advocated here, in sum, entails both intensified attacks by the Global Justice Movements against financial/commercial capital's nerve centres in Washington/Geneva ('deglobalisation' in Asian strategist Walden Bello's vocabulary), combined with local, national (and then regional) struggles to reestablish radical 'development' visions. If indeed this strategy has merit, the Seattle, Washington and Prague demonstrations — and many other moments in the movement's recent growth — helped break the hammerlock of the greatest tool of repression: the belief that nothing can be done. The same belief is now being broken in various urban (and rural) struggles over basic needs, back in South Africa.

Bringing it back home. The case of water also illustrates the ability of South Africa's progressive movement to think globally and fight both locally and globally. A traditional 'lifeline' demand, dating to before the ANC's 1994 adoption of the Reconstruction and Development Programme, was that the first fifty litres of water consumed per person per day be provided free to all. In 1996, the Constitution held that access to water should be a human right.

Advocacy groups for free lifeline water include

- the Johannesburg Anti-Privatisation Forum of community, worker and student groups;
- the Rural Development Services Network, with its dozen affiliate organisations delivering water/sanitation to impoverished communities across the country;
- the SA Non-Governmental Organisation Coalition and its 3,000 member groups; and
- the 100,000-member SA Municipal Workers Union.

In addition, most major South African cities, as well as smaller towns, have witnessed periodic rioting and protest against water cutoffs that are due mainly to communities' inability to pay for water at the price municipalities charge. One reason for high-priced Johannesburg water was the construction of billion-dollar Lesotho dams promoted by the World Bank. Johannesburg-area water authorities acknowledge the second dam, begun in 1998, was unnecessary for two decades had conservation measures been imposed upon wealthy white people who waste most of the water, and had apartheid-era township infrastructure leaks been fixed.

Water redirected from Lesotho has created enormous social and ecological problems upstream. Moreover, Soweto and Alexandra township residents protested that they were unable to afford water because of the cost of the dams. A corruption case was also filed against the dam's chief executive officer, who received millions of dollars in apparent kickbacks from a dozen large multinational construction firms. The World Bank kept the official in his job when in 1994 he was on the verge of being fired. Yet in 1998, the township activists' appeal to investigate and halt work on the dams was rejected by the World Bank Inspection Panel, a position endorsed by the recently-appointed head of the World Commission on Dams (WCD), South Africa's water minister Kader Asmal. The World Bank was a cofounder of the WCD, but ironically when the commission's report was made public last November, Bank staff allegedly lobbied borrower governments to reject it, which they did.

Notwithstanding formidable barriers to social and environmental justice, South African water advocacy groups claimed a partial victory when, in September 2000, Mbeki addressed a major conference of the Congress of South African Trade Unions, promising that all households would get 6,000 litres of water per month free (slightly over half the advocacy groups' demand). Mbeki's desperate reversal — just prior to country-wide municipal elections, which showed ANC support down by 6% over 18 months — followed a period of brutal neoliberalism in water policy. 'Get the prices right' meant government demanded 100% recovery of operation, maintenance and replacement costs on water projects, thanks to what World Bank personnel once termed their 'instrumental' role in shaping policy.

The damage associated with water-neoliberalism is incalculable. Casualties include economic spinoffs from water (such as productivity), gender equity, environmental problems and public health. As one reflection,

cut-offs of what had been a 17-year long free water supply in August 2000 forced thousands of residents in rural KwaZulu-Natal province to fetch water from contaminated sources. Within a month, a cholera outbreak occurred which, within a year, had affected more than 100,000 people — the worst epidemic ever recorded in Africa.

Cross-subsidisation of water and provision of a free lifeline supply would, by all accounts, have prevented the tragedy. But in the urge to privatise water, bureaucrats in both rural district councils and large-scale municipalities felt compelled to commercialise. By transforming municipal water departments into arms-length utilities — so they are no longer integrated with local health offices — authorities aim to avoid ‘non-economic’ pricing, with the goal of preparing for full-fledged privatisation. Several British and French companies already have prototype contracts, most of which are failing in practice. Incessant, hard-sell promotion of privatisation — instead of public service capacity-building — comes from British and US official aid agencies.

Provision of cross-subsidies and lifeline water tariffs was also explicitly opposed by World Bank staff in South Africa, when they warned water minister Asmal in 1995 that sliding-scale tariffs favouring low-volume users ‘may limit options with respect to tertiary providers... in particular private concessions [would be] much harder to establish.’ The conflict between privatisation and cross-subsidisation finally led to a two-day mass strike by South Africa’s trade union movement in August 2001. Privatisation remains the main bone of contention within the alliance of the ANC and labour, while cost-recovery is the main sore-point between the ruling party and its former community supporters. Even the free lifeline promise was made moot this year, when most of the impoverished people who are desperate for water faced cutoffs due to inability to pay outstanding arrears on prior accounts.

Throughout, the World Bank has remained dogmatic that African governments must charge full cost for water supplies. As explained in the Bank’s misleadingly-titled March 2000 ‘Sourcebook on Community Driven Development in the Africa Region’:

Water Supply in Villages, Towns and Urban Centers:

...We need to ensure that all countries have clearly defined policies... work is still needed with political leaders in some national governments to move away from the concept of free water for all... Ensure 100% recovery of operation and maintenance costs...

The World Bank has long been a bete noir for South African activists like Trevor Ngwane⁶⁴ because of neoliberal policies, projects like the Lesotho dams, and a history of support for racism and colonialism. Within three years of the official 1948 launch of apartheid, a Bank mission visited Pretoria and began lending to the white regime. Only in 1967 when South Africa became an ‘upper-middle-income country’ did the Bank stop funding apartheid (the IMF continued until told to stop by the US congress in 1982). Half the Bank’s \$200 million in loans went to expand white consumers’ access to electricity, which was denied to virtually all black South Africans until the 1980s.

The apartheid debt inherited by the ANC in 1994 was around \$25 billion. Because of power relations prevailing at the time, and fear of insulting foreign lenders, Nelson Mandela and his advisors agreed to service the loans. Diabolically, apartheid would be paid for twice: first when foreign bank loans funded bullets which killed black democracy activists, and then when society repaid those banks for the bullets, with resources that should have gone to social development. But Jubilee South Africa was soon formed, and demanded not only cancellation by creditors in the US, Switzerland, Britain and Germany. Led by Archbishop of Cape Town, Njongonkulu Ndungane and Mandela’s official biographer, Professor Fatima Meer, the Jubilee movement also demands reparations from financiers who supported apartheid and colonialism throughout the region. Ndungane tells Swiss officials, for example, ‘It took you fifty years to do right by the victims of the Holocaust. Don’t take so long when it comes to victims of your apartheid loans.’

And this is where the challenges of changing scales of globalisation are being addressed by the Global Justice Movements, including the resurgent social movements of South Africa’s cities, towns and villages. The primary targets which link the movements from local to national to regional to global scales, are based in Washington, DC. In future, not only will every major meeting and gathering of the World Bank, IMF, WTO, G-8 and similar power-blocs become a site of torment for global elites. Coordination will also intensify across the globe in support of ‘abolitionist reforms’ that reduce the power and resources of the global institutions (such as blocking the World Bank’s role in the privatisation of education, shutting down egregious projects

such as the Chad-Cameroon pipeline, delinking 'debt relief' from IMF/Bank policies, and separating international aid and credit from compliance with the same policies). In conclusion, one tactic to this end deserves endorsement.

Running on the Bank. Decommissioning the Bretton Woods institutions through a mass-popular defunding strategy is the culmination of this line of attack. Such a struggle is already underway, not only by pressing parliaments to reject periodic recapitalisation (bailout) requests from Washington, but more importantly through the 'World Bank Bonds Boycott' which aims to take away the Bank's AAA bond rating through anti-apartheid-style 'divestment' campaigns. Municipalities, churches, union pension funds, university endowments and individuals with investments that include an international portfolio component are now costlessly informing their fund managers to avoid buying Bank bonds, whose decline in value once the strategy unfolds will in any case persuade managers to boycott the Bank simply because of their own fiduciary responsibility.⁶⁵ By September 2001, five US cities (San Francisco, Berkeley, Oakland, Boulder and Takoma Park) and major socially-responsible investment funds like Calvert, as well as trade unions and churches, had committed not to buy the bonds.

Susan George's mock *Lugano Report* sums up nicely the necessity of the Bretton Woods Institutions for elite crisis management:

They continue to serve as the guarantors of liberalisation, privatisation and structural adjustment in large parts of the world; a task which no individual Northern government or group of governments should consider undertaking directly. They also remain useful, particularly to the G-7 countries, because they preclude the need for the latter to intervene overtly in the affairs of other 'sovereign nations' undergoing financial crisis.⁶⁶

For these reasons, in the context of sustained structural crisis and displacement (not resolution), the necessity — and feasibility — of closing the institutions as a *first relatively simultaneous step* towards a deeper, global anti-capitalist project is convincing.

More generally, the Global Justice Movements have sought — and perhaps located — a model of moving from a loose movement network strategy of resistance through to a broader anti-neoliberal ideology which respects difference, processes and above all, the humanity of the struggle for liberation. The Chiapas-based Zapatista movement is sometimes idealised along these lines, in part because its international alliances offer a model of two-way solidarity. But so too, the Zapatistas are distinctly radical-democratic in making short-term demands upon their nation-state to deliver the goods — and tellingly, when this is not forthcoming due to neoliberalism, Zapatista self-activity takes forms such as liberating electricity from the pylons that cross Chiapas, invading underutilised ranches and plantations, and declaring municipal autonomy in dozens of sites of community struggle.

For the rest of us, working in solidarity with such Southern and Northern rebellions and in self-interest, too, the next common target appears local, global and universal taken together: the IMF, Bank and WTO. It is only by abolishing these institutions that pressure can be released on those who envisage a more sane, egalitarian urban future, from Cape Town to Cairo to all the cities of the South and North. A prerequisite to global social justice is to fell the agencies which most directly negate popular claims of universal access to decommodified, destratified, degendered and environmentally-responsible 'rights' (such as essential drugs, clean water and the education that have been denied through neoliberalism). It is here that the strategy and self-activity of the Global Justice Movements appear most coherent, reasonable and feasible, and where the urban social movements of South Africa have the most to win, through universalising their own demands for socio-economic, environmental and political dignity.

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42. *Business Week*, 24 April 2000.

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44. One leading South advocacy group, Third World Network of Penang, Malaysia, offered powerful opposition to Social Clauses from the outset, and their Africa affiliate, Ghana's premier NGO (Isodec), coordinated an Africa Trade Network which included the main leftwing organisations across the continent. See, e.g., Danaher, K. and R.Burbach (Eds) (2000), *Globalize This!: The Battle Against the World Trade Organization and Corporate Rule*, Monroe, ME, Common Courage Press, especially the chapter by Walden Bello, 'Why Reforming the WTO is the Wrong Agenda.'

45. See, e.g., the writings of William Greider in *The Nation*. An important coalition involving more far-sighted labour strategists and other US civil society groups has even introduced legislation in Congress to this end.

46. It was Rosemary Nyerere Mwamakula who made this statement to the press in Jo'burg, in honour of her late father's unheeded 1983 call for a debtor's cartel.

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50. See also Manuel's arguments in the documentary film 'Two Trevors go to Washington' (<http://go.to/two.trevors>)

51. Present were the main Jubilee chapters, other faith/justice organisations, NGOs, progressive think-tanks and human rights bodies from Burkina Faso, Lesotho, Kenya, Malawi, Mozambique, Nigeria, Cameroon, Swaziland, Tanzania, Togo, Uganda, South Africa, Zambia and Zimbabwe.

52. The Dakar summit was supported by groups like the Association des Femmes Africaines pour la Recherche et le Developpement as well as numerous West and Central African social movements and NGOs. Dakar 2000 is networked across the Third World through the International South Group Network's well-respected Harare branch, and internationally through the Paris-based Association pour la Taxation des Transactions financières pour l'Aide aux Cityens, and the Comité pour l'Annulation de la Dette du Tiers Monde in Brussels.

53. 'The Dakar Declaration for the Total and Unconditional Cancellation of African and Third World Debt,' Dakar, December 2000.

54. The Trade and Development Network secretariat NGO, Isodec, is also affiliated to the Penang-based Third World Network, and has consistently been the most powerful African critic of the WTO. Along with the Harare NGO 'Seatini' (Southern and Eastern African Trade Information Initiative), these were the major players behind the collapse of the WTO Seattle Round, working both in the streets and inside the official African delegation. South Africa attempted to cut a side deal in the 'Green Room' deliberations of key countries, but its trade minister (Alec Erwin) was eventually shamed into accepting the Organisation of African Unity resolution that prevented consensus on establishing a Seattle Round.

55. To provide a sense of the diversity of participation in such initiatives, signatories included the African Organisation on Debt and Development (AFRODAD-Africa); Africa Trade Network (Southern Africa); Alternative Information and Development Center (AIDC-South Africa); Associacao para Desenvolvimento Rural de Angola (ADRA-Angola); Council of Churches/Ecumenical Institute (Namibia); Center for Southern African Studies (CSAS-South Africa); Ecumenical Support Services (ESS-Zimbabwe); Food and Allied Workers Union (FAWU-South Africa); Gender and Trade Network (Southern Africa); Jubilee 2000 Angola; Jubilee 2000 Malawi and CCJP (Malawi); Jubilee 2000 South Africa; Jubilee 2000 Zambia and CSUZ (Zambia); Jubilee South (Southern Africa); Labour Resource and Research Institute (LARRI-Namibia); Ledikasyon pu Travayer (Workers Education-Mauritius); Mineworkers Development Agency (Lesotho); Mwelekeo wa NGO (MWENGO-Southern Africa); Namibian Food and Allied workers Union (NAFAU-Namibia); Open Society in Southern Africa (OSISA-Southern Africa); South African NGO Coalition (SANGOCO-South Africa); Swaziland Youth Congress (SWAYOCO-Swaziland); and Zimbabwe Coalition on Debt and Development (ZIMCODD-Zimbabwe).
56. Southern African Peoples Solidarity Network (2000), 'Making Southern African Development Cooperation and Integration a People -Centered and People-Driven Regional Challenge to Globalization: Declaration to the Governmental Summit of the Southern African Development Community', Windhoek, Namibia, 1-7 August, available at <http://aidc.org.za>.
57. Ake, C. (2000), *The Feasibility of Democracy in Africa*, Dakar, Codesria, p.47.
58. Nelson, P. (1995), *The World Bank and Non-Governmental Organisations: The Limits of Apolitical Development*, London, Macmillan.
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60. See documentation by the World Development Movement: <http://www.wdm.org.uk/cambriefs/DEBT/unrest.htm>
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62. Amin, S. (1999), 'Regionalisation in Response to Pola rising Globalization,' in B.Hettne, A.Inotai and O.Sunkel, eds, *Globalism and the New Regionalism*, London, Macmillan. See also work by Walden Bello along similar lines.
63. For Asian debates, see Burkett, P. and M.Hart-Landsberg (2000), *Development, Crisis, and Class Struggle: Learning from Japan and East Asia*, New York, St., Martin's Press, Chapter 14; and Ungpakorn, J.G. (1999), *Thailand: Class Struggle in an Era of Economic Crisis*, Hong Kong, Asia Monitor Resource Centre.
64. <http://go.to/two.trevors>
65. Aside from its uncompromising radicalism, one of the impressive characteristics of the campaign's website is the diversity of international endorsement and South catalysts: <http://www.worldbankboycott.org>
66. George, S. (1999), *The Lugano Report: On Preserving Capitalism in the Twenty-First Century*, London, Pluto, p.20.