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Racial capitalism and justice in the era of climate crisis

31 December 2020, by **Olúfẹ́mi Táíwò**

Why the time frame? The UN's Intergovernmental Panel on Climate Change (IPCC) estimates that we must pursue aggressive, planetary climate action - including halving global emissions - by 2030 simply to have coin flip odds (a 50/50 chance) of limiting climate change to 1.5°C, the level that avoids the worst impacts.

Why climate change at all? What does that have to do with racial capitalism or global justice? Simple: when crisis strikes, elites will scramble to organise the institutions they have captured, to secure themselves. What happens to the rest of us depends on our ability to challenge the aspects of our social system that secure them at our expense, and to win selfdetermination over the ability to secure ourselves and those around us.

The Covid-19 pandemic gives us a less than reassuring preview into what the geopolitics of a climate-burdened world will look like. Rich countries, confronted with the possibility of recession and social unrest, stepped on Third World countries to get supplies for themselves. Sometimes they used power politics as naked as literal piracy. This is despite well-worn talk about a cooperative liberal international order.

While many African countries were spared the worst outcomes from the

pandemic, owing perhaps to the wealth of public health expertise on the continent, the latest developments are far from reassuring. The US-based multinational Pfizer corporation is the first to offer a major vaccine, but since it requires storage at -70°C, it remains to be seen what level of access low-income countries will have to the vaccine.

Racism built into capitalism

It is no accident that the world responds this way to crisis. This cannibalistic approach to security is built into racial capitalism.

African-American political theorist Cedric Robinson first encountered the term "racial capitalism" here in South Africa, where activists and insurgent intellectuals were using it to describe South Africa's economy under apartheid. They had realised something critical about the South African economy that could just as well be applied more widely: that racism was built into the total scheme of social organisation that got spread across the entire planet by European imperial conquest.

Ruth Wilson Gilmore explains one way to think about how racism was built

into the global economic and political systems: racism both produces and exploits group-level differences in vulnerability to premature death (or, you might say, in material security). We can expect climate crisis to provoke this kind of response within countries: for example, we will see policing adapt to redistribute space and safety for elites, while natural disasters, rising sea levels, and supply chain disruption make them harder to come by for most people. Gilmore offered this definition of racism in her book *Golden Gulag*, which explains how overlapping political and financial crises produced the system of mass incarceration in California, the most populous state in the United States.

The political right has already offered us their answer: border militarisation, walls, and the preparation for xenophobic violence of genocidal proportions. They and the global centre-left are more aligned on these questions than either admit: in the United States, deportations actually declined under President Trump relative to President Obama; the European Union is scrambling to overhaul its migration policy to speed up deportations amid challenges from the far right. Call it climate colonialism, climate apartheid, eco-fascism, or whatever you like - but what it means is perhaps best summed

up by the white supremacist David Duke: "Give us liberty and give them death".

Towards a politics of solidarity

What should our answer be? The strategy of elites has been like the system of racial capitalism that elevates them - to jealously guard private interests, even (and often especially) at the expense of others. In such contests, power is decisive: we need only look to the US hijacking Covid-19 supplies on the high seas for evidence of this. But answers based in solidarity and self-determination provide better ways forward.

At *Africa is a Country*, Tshiamo Malatji explains a key aspect of a better left political project: public security and self-determination over material security. Malatji links the attempts to

build community kitchens and public food gardens at the University of the Free State to both the wider struggle for food sovereignty in South Africa and the Climate Justice Charter's (CJC) attempt to publicise control over water in South Africa. The CJC goes on to make the same connection between community ownership of renewable energy and the broader response to climate problems.

Even if we root our politics in solidarity, there still must be confrontation: the agricultural industry will not take any of this lying down any more than the police will willingly allow community control over public safety. Nor will fossil fuel companies allow climate policies that transition us away from their source of profit and social power.

But our organising against entrenched interests to win the power to self-determine can match the solidarity with which we should wield that power. Merrie Najimy and Joseph

McCartin explain the long history of an approach emerging in US labor politics called "Bargaining for the Common Good". This involves "making demands that reached beyond the narrow compass of permissible bargaining issues and tackled issues of structural racism and classism". Oklahoma teachers demanded that their state institute a higher tax on oil, gas, and motor fuel production to fund education; St. Paul teachers demanded that their school district break financial ties with any bank that had foreclosed on students' families that year. This was in response to the notoriously racially distributed foreclosure crisis.

Whether the crisis is climate related or not, racial capitalism establishes both who is vulnerable and who will be exploited. A politics of solidarity is the best answer.

Source **Amandla**, No 73 December 2020. Available to download [here](#).

John Lennon and the Politics of the New Left

30 December 2020, by Jon Wiener

In the end, of course, Lennon stayed in the United States and Nixon left the White House in disgrace. But the seemingly endless battle in the immigration courts ruined his life for the next few years. To recover, in 1975 he left Los Angeles, where he'd been living apart from Yoko Ono in a kind of exile, and returned to New York and the Dakota.

He and Yoko had a son, and he declared himself a househusband. He stayed out of sight for five years, then returned to music and public life with a new album, which opened with the glorious song "Starting Over." Then he was shot and killed by a deranged fan.

Giving Peace a Chance

Of course, Lennon will always be remembered as part of the '60s. He wrote and recorded "Give Peace a

Chance"; on November 15, 1969, as they gathered at the Washington Monument to oppose the Vietnam War, half a million people sang Lennon's song, while Nixon sat alone in the White House, watching football on TV. That was one of the best days of the '60s.

Lennon's politics developed through several distinct stages, each marked by a new song. And "Give Peace a Chance" was not the beginning of Lennon's life with the Left. He had taken his first steps toward radical politics in 1966, when he and the other three Beatles defied the advice of their manager and publicly denounced the war in Vietnam. "We think about it every day," Lennon said. "We think it's wrong." That was a bold and risky move: at the time, only 10 percent of the American public agreed.

Lennon addressed the Left directly the year before "Give Peace a Chance," in August 1968, with a song that criticized radical activists: "You Say You Want a Revolution," he sang — and concluded "count me out." He complained about leftists "carrying pictures of Chairman Mao" and their "talk about destruction." Genuine liberation, he declared in interviews as well as that song, consisted of "freeing your mind," which could be achieved, according to Lennon, through psychedelic drugs and meditation.

But that phase didn't last long. Lennon released an alternate version of "Revolution" in November 1968, on the White Album, that was different from the single. This one was slower, so the words were easier to understand — and after the lines "When you talk about destruction, don't you know that you can count me

out,” he added a single word: “in.” Out, or in? He made his ambivalence clear.

After he got together with Yoko Ono in May 1968, Lennon learned that in order to transform himself, he needed to join in the work of transforming the world. Instead of posing personal liberation as an alternative to political action, he and Yoko would work together on both. And he would use his status as a celebrity to challenge not only the war but also the conventions of left-wing protest.

A Song for the Movement

For their honeymoon in 1969, the couple invited the press to their room at Amsterdam’s Hilton Hotel, where they declared they were holding a “bed-in for peace” — staying in bed for a week to protest “all the violence in the world.” They offered the bed-in as an alternative to the traditional protest march and invited young people to create their own forms of anti-war protest — “grow your hair for peace.” As a counterculture media event, the bed-in was wildly successful, provoking ridicule from the media and enthusiasm from the longhairs.

John and Yoko wanted to hold a second bed-in in the United States but were barred from entering the country — so they did one as close as they could get — in Montreal, at the Queen Elizabeth hotel. There, knowing that he was primarily a songwriter, Lennon set out to write an anthem for the anti-war movement — the result was “Give Peace a Chance,” which he recorded in their hotel room with friends joining in.

In the streets, the song was sung mostly as a chant with a melody, one line over and over: “All we are saying . . .” The rest of the lyrics made it clear that this was offered as a criticism of the Left, with its analysis and arguments — “Everybody’s talking ‘bout revolution, evolution, this-ism, that-ism,” he sang: “all we are saying, is give peace a chance.”

It was a call for the anti-war

movement to put aside political differences and unite around the simple demand for “peace.” The Left, of course, criticized those politics, but it suited the moment of the Vietnam Moratorium march in Washington in November 1969 — and many more in the years and decades to come.

A Song for the Streets

That same fall of 1969, Lennon called Tariq Ali, one of the leaders of the British New Left, to talk politics. Ali was a leader of the Vietnam Solidarity Campaign, which had organized the marches on the US Embassy in London at Grosvenor Square — big, militant events. Ali brought in Robin Blackburn, his fellow editor of the *Red Mole*, and Lennon agreed to an interview, which appeared in March 1971.

Now he made himself part of the New Left project: “We should be trying to reach the young workers because that’s when you’re the most idealistic and have the least fear,” he said, adding, “We can’t have a revolution that doesn’t involve and liberate women.” In the United States, *Ramparts* magazine published the interview, with a cover headlined “The Working-Class Hero Turns Red.”

Lennon’s conversations with Ali and Blackburn also led to a new song: “Power to the People.” John sang it as a song for the streets, a marching song, a fighting song. The record was released in time for the May 1971 spring offensive in Washington, “Stop the war or we’ll stop the government,” which brought hundreds of thousands to the streets of the capital.

The Nixon administration responded with the largest mass arrests in US history: twelve thousand demonstrators arrested on a single day. Amazingly, “Power to the People” became a million-seller worldwide, receiving Top Forty airplay for nine weeks that spring of 1971.

Lennon and Nixon

John and Yoko moved to New York City in the fall of 1971, and he released “Imagine,” which quickly became the most popular song of his post-Beatles life. It proposes a utopia, presented in simple instructions: “Imagine no more countries,” “Imagine no religion.” Yet somehow it was widely misunderstood.

Rolling Stone called it “irrational yet beautiful.” Did they believe “greed and hunger” were “rational”? The New York Times described it as a song of “optimism.” Okay, but did America’s national newspaper of record really think a call to “imagine no possessions” to be “optimistic”? The World Council of Churches asked John if it could use the song and change the lyrics to “Imagine one religion.” Lennon told them they “didn’t understand it at all.”

In the fall of 1971, however, “Imagine” seemed to many movement people a hymn to the New Left in defeat. Activists were depressed and exhausted. Despite the largest peaceful protests in the nation’s history, combined with the most militant and widespread civil disobedience, Nixon was headed for an easy reelection.

Lennon wanted to help stop that. He met with Abbie Hoffman and Jerry Rubin and developed a plan for a national concert tour that would coincide with the 1972 election. The idea was to combine rock music with political organizing and do voter registration at the concerts.

This seemed particularly promising in what would be the first election in which eighteen-year-olds had the right to vote. Everyone knew young people were the most anti-war constituency, but also the least likely to vote. The first US concert tour by one of the ex-Beatles would have been a huge event.

They did a trial run in Ann Arbor, Michigan, in December 1971. John and Yoko played with a new band, and fifteen thousand people heard speeches from Rennie Davis, Jerry Rubin and David Dellinger of the Chicago Seven trial, and Bobby Seale

of the Black Panthers. Allen Ginsberg chanted a new mantra, and surprise guest Stevie Wonder played “For Once in My Life” and then gave a brief speech denouncing Nixon. It was a triumph.

FBI undercover agents reported to J. Edgar Hoover on the Ann Arbor concert and on Lennon’s plans. The CIA also joined in, and even Britain’s intelligence agency, MI5. Word was sent to Republican senator Strom Thurmond, the former Dixiecrat and segregationist who was at the time chair of the Senate Internal Security Subcommittee. He described the tour plans in a memo to the Nixon White House and suggested that “deportation would be a strategic counter-measure.”

Within weeks, Lennon was served with a deportation order. His immigration attorney told him his case was weak and he would have to cancel the tour. So he did.

An Instinctive Socialist

In 1980, on the day he was killed, Lennon did a long interview for a New York radio station. He said growing up in working-class Liverpool had made him “an instinctive socialist.” It gave him a deep hostility to Britain’s ruling class, a hatred of war, and a distinctive kind of verbal humor. That made it easy for him to become a rebellious working-class hero. It also made it harder for him to become a feminist; for that, he needed Yoko.

In retrospect, Lennon’s murder marked the beginning of the forty-year political crisis that culminated with four years of Donald Trump. A Republican president who proved to be more right-wing than Nixon seemed unimaginable in December 1980. Lennon was killed four weeks after Ronald Reagan was elected, six weeks before the former movie star became president.

It was Reagan, not Nixon, who said “government is not the solution, government is the problem.” It was Reagan who argued for massive tax and spending cuts. It was Reagan, not Nixon, who used federal power to attack the labor movement, in the PATCO strike (Nixon had relished his support from conservative unions,

which had refused to endorse his challenger, George McGovern, in that same 1972 election.) By 1988, when Reagan left the White House, we no longer believed Nixon was the worst Republican we could imagine. Then George W. Bush started a war in Iraq, and we no longer believed Reagan was the worst. And then we got Trump.

The Republicans of our day are worse than their predecessors in Lennon’s time, but today’s movements are miles ahead of the ones Lennon joined. The summer of Black Lives Matter saw street protests not just in a few big cities but in virtually every city and town in America. Millions of people marched in the biggest protests in American history.

The marchers were multiracial and part of a movement founded and led by black women. And they skillfully combined protest with politics. Lennon would have been eighty this year. He would have hated Trump, but he would have loved the summer of 2020.

8 December 2020

Source [Jacobin](#).

Temporary workers stage mass protests at electronics factories in China and India

29 December 2020, by [China Labour Bulletin](#)

Workers who refused to relocate because of family commitments in Shanghai would be dismissed and forfeit their bonuses, which could amount to more than 10,000 yuan, a substantial proportion of their overall remuneration.

Police were called to the scene and scuffles broke out before managers agreed to revise the relocation policy and let workers keep their promised benefits.

As *CLB* pointed out in our analysis of

the challenges faced by workers in the Global South during the Covid-19 pandemic, workers in China and India deal with very similar exploitative practices across a broad spectrum of industries, such the garment and transport sectors. [1] The electronics industry can be added to that list.

The Pegatron protest in Shanghai came just one week after a protest by thousands of workers at the Wistron electronics factory in Bangalore on 12 December turned violent and caused an estimated US\$7 million in

damage. [2]

About 8,500 temporary workers, including students, had been hired by six labour contractors to help meet Wistron’s demand for labour during the peak production period. They had been forced to work excessively long hours and then were cheated out of their wages, investigations by the state government and trade unions discovered.

Most of the temporary workers came from impoverished households on the

outskirts of Bangalore and depended on the extra income to pay for school fees and other expenses.

In China's electronics sector, problems escalate during peak production times but are endemic in the industry year round. Recently, on 14 November, workers recruited by a labour agency to work at the Foxconn facility in Chengdu staged a protest over [wage arrears](#).

China Labour Bulletin's Strike Map has recorded [114 collective protests by workers at electronics factories in China](#) over the past three years, which account for about one third of all the manufacturing sector protests logged during that period. Most of the protests were concentrated in the

coastal provinces of Guangdong and Jiangsu.

One of the largest protests occurred in April 2018, when about 6,000 workers at Flex Electronics in Zhuhai went out on strike for three weeks. [3] Workers demanded that severance compensation be paid upfront before Flex sold the business to another investor.

The workers were denied help from the local trade union, which sided with management in the dispute, and eventually they had no option but to return to work.

A Zhuhai trade union official justified their actions at the time by telling CLB Executive Director Han Dongfang, "The local Party Committee instructed

us to maintain social stability. It is our administrative responsibility to take part in the stability task force."

The official suggested that the strike had been instigated by agitators and that "the company did not violate any laws" in the ownership transfer.

Three years later, there is still little sign that trade union officials in Shanghai and elsewhere are doing much to protect the interests and livelihoods of workers in China's electronics sector, especially temporary workers who do not have formal employment contracts.

22 December 2020

Source [China Labour Bulletin](#).

For a European strategy against the pandemic. Let's support the initiative from science!

28 December 2020, by Christian Zeller

The authors of the appeal note that European governments have so far failed to formulate a common vision for dealing with the pandemic. However, in order to fight the pandemic effectively, a common European strategy is urgently needed. This is the only way to keep the borders open. The vaccines will take some time to get the pandemic under control, probably not before the end of 2021. The authors formulate a clear and immediate societal goal: every single SARS-CoV-2 infection in Europe must be traceable. To achieve this goal, the authors call for the implementation of a three-step strategy.

1. *Firstly*, reduce infections to a maximum of 10 Covid-19 cases per million people per day. This requires decisive action and in-depth interventions. To avoid a ping-pong effect between countries and regions,

the measures to reduce the number of cases must be enforced in all European countries as quickly and as synchronised as possible.

2. *Secondly*, once this first step has been achieved, the restrictions can be gradually relaxed. The low case numbers must be maintained in the long term with a control strategy - at least 300 tests per million inhabitants per day. Local outbreaks must be contained immediately and vigorously, if necessary through regional lockdowns.

3. *Thirdly*, a common long-term vision must be developed. Context-specific regional and national action plans should be developed based on European targets. These include screening and vaccination strategies, protection of at-risk groups and support for people who are particularly affected by the pandemic.

This goal and the strategy of this appeal are to be fully supported from an ecosocialist and emancipatory perspective. Why does such a massive containment of the pandemic to only a very few infections make sense? Five arguments:

- As the spread of a virus increases, so does the frequency of its mutation. Only with the lowest possible number of infections can mutations of the virus be kept so low that their unexpected consequences can be adequately controlled by society.
- The ideology of herd immunity is inhuman and reactionary. The scientific evidence is overwhelming that such a strategy would lead to a social catastrophe with SARS-CoV-2. The vaccination campaigns will only achieve their effect after a significant delay towards the end of 2021. The vaccinations will take place very

unevenly, geographically and socially, reflecting imperialist relations and the lack of social justice on a global scale.

- The much-vaunted protection of at-risk groups is an illusion. In European countries, about a quarter of people belong to a high-risk group or are in close contact with people at risk (a high proportion of people over 65, workers in health and social care, family members, friends, etc.). So many people cannot be specially protected or even shielded. The course of the pandemic and the helplessness of the authorities reveal this very brutally. Moreover, it would be neither acting on the principles of solidarity nor socially appropriate, but rather extremely selective to simply isolate the sick and elderly for months or even years and exclude them from social life.

- Only a containment of the pandemic to a very few cases would make it possible to prevent the burdens and consequential costs from being disproportionately borne by workers, the most exploited and the poor, and especially women. The radical containment of the pandemic must be a central concern of the organisations of the workers', women's and anti-racist movements. The pandemic is exposing class relations, gender relations and racism more starkly than ever.

- Imperialist countries can contain the spread of the virus through technical and social means, with lockdowns, closures, and targeted restrictions. This requires social and political will. In the emerging and poor countries, especially in the huge urban agglomerations and megacities, such a radical containment strategy is almost impossible because of poverty, living conditions and lack of infrastructure. That is why imperialist countries also have a global responsibility.

It is obvious that the balance of power at this moment is not sufficient to enforce this orientation towards near eradication of the virus. Nevertheless, these arguments must be raised. An ecosocialist orientation consists precisely in overcoming the apparent economic constraints and making what seems socially unrealistic conceivable and realisable. Large

sections of the left denounce the authoritarian tendencies of governments' pandemic policies. This is of course correct. But this democratic argumentation only makes sense if one recognises the fundamental challenge of the pandemic for people's health and at the same time defines and supports the goal of radically containing the spread of the SARS-Cov-2 virus. To insist only on individual liberties is tantamount to reactionary libertarianism.

With the above-mentioned appeal, numerous natural and medical scientists are actively intervening in a central social debate. They are thus acting more directly politically than many trade unions and left-wing parties, which, after almost a year of the Covid-19 pandemic, have still not managed to define a clear policy about the spread of the SARS-CoV-2 virus. In order to develop joint health policy initiatives, it is useful to start a dialogue with these researchers. In Germany, some of them have already spoken out, in April and September, with valuable opinions about how to combat the pandemic. [4]



Figure 1: Graphical representation of the progression of infections achieved through the required measures (this work by Ewa Szczurek is licensed under CC BY 4.0)

However, this appeal leaves out key social and economic concerns that need to be raised in order to make this strategy one based on solidarity and to convince working-class people of the necessary measures. Governments are expanding their repressive apparatus, forcing people to restrict their social life and at the same time doing everything to satisfy the interests of capital. The pandemic affects people extremely unequally, globally and in every society. The restrictive measures taken by governments are exacerbating social inequality and social discrimination.

The pandemic reveals the social misery of our societies.

The foremost aim of governments'

measures so far is to defend competitiveness and thus the profitability of companies in the sectors of the economy they consider important. Covertly, most European governments have in mind the hazy goal of a slowed down herd immunity. In doing so, governments are complicit in the deaths of several hundred thousand people in Europe. Economic interests come first. Some liberal representatives of capital openly express this "balancing of interests".

Governments have allowed and continue to allow the spread of infection until the health system is on the verge of collapse. In doing so, they deliberately plan for the physical and psychological exhaustion of health workers. They are counting on a massive vaccination campaign to end the pandemic. But this will take time and many people are sceptical about the hasty vaccination campaign. Moreover, the vaccines currently being approved have only been tested for giving immunity. It is not yet known to what extent they also prevent someone from being a carrier.

Verena Kreiling, Winfried Wolf and I have already described in detail in our book *Corona, Krise, Kapital. Plädoyer für eine solidarische Alternative in den Zeiten der Pandemie* (Corona, Crisis, Capital: A plea for an alternative based on solidarity in times of pandemic) [5] the failure of the EU in the fight against the pandemic and called for a joint response based on solidarity. There has never been a European pandemic strategy. This is logical because the EU is not a community of solidarity but an institution for intensifying competition. Therefore, no solidarity-based impulses can be expected from the EU in the future.

What is serious, however, is the failure of the trade unions and socialist parties, which have never even proposed the rudiments of a solidarity-based European pandemic strategy. Worse still, neither The Left Party in Germany nor any other socialist or left party in Europe of any weight have been able to set a clear goal for combating the pandemic in its own country. Why don't the Left Party in Germany and similar political forces in

other European countries demand clearly and simply that infections must immediately be reduced to a level so that every single infection can be traced?

This is necessary to ensure the health of the population. Why is the workers movement unable to stand up unconditionally for the health of wage earners? Is it because the trade unions subordinate themselves to the economic interests of big companies or certain sections of the economy and fear that they cannot effectively defend workers against corporate blackmail and layoffs?

The huge health disaster is now leading a growing number of people in England, Wales, and Scotland to bring a radical perspective to the social debate. Trade unionists, social health activists and activists from various movements, as well as ecosocialists, launched a campaign in November under the slogan Zero Covid to eradicate the spread of the virus as far as possible. Socialists in Ireland also support this position. Whether this will broaden into a mass campaign remains to be seen. In any case, it makes sense for socialist organisations in other countries to take up these issues. The pan-European call by academics now offers the chance to broaden this discussion.

Trade unions, liberation movements, and socialist organisations must unreservedly support the international initiative presented here and set out a socio-ecological programme of demands. These include:

- Lockdowns, closures, and measures

to contain the pandemic must involve all areas of society – production, transport, consumption, and leisure – based on the principles of solidarity. Areas of the economy that are not immediately necessary for society should be temporarily restricted or shut down if necessary if the restrictions help to quickly contain the spread of the virus. This is especially true for meat factories, large warehouses and all businesses where employees have to work in close proximity to each other.

- The entire health and care sector must be expanded immediately and sustainably and strengthened with an expansion of the workforce. Wages must be raised significantly.

- All privatisation in the health and care sector must be stopped immediately. Hospital financing based on the number of cases must be replaced by a system based on solidarity and needs.

- There must be no rescue packages for companies that help to maintain sectors that are socially and ecologically nonsensical (e.g. the aviation and automotive industries). Instead, a socio-ecological restructuring fund should be set up to co-finance industrial conversion and decommissioning

- Workers must be protected against unemployment. Unemployment benefits should be increased. Cultural workers and micro-enterprises must be directly supported.

- The measures to contain the spread of the virus hit the already disadvantaged the hardest. This discrimination must be countered with

appropriate measures (smaller groups in nurseries and schools, opening vacant hotels for families in overcrowded flats and for refugees, etc., see also Kreiling, Wolf, Zeller 2020).

- The measures to contain the pandemic must be financed by society through a solidarity levy on inheritances, large incomes and corporate profits and assets.

- Vaccines must be a global public good for all humanity. Therefore, patents must be abolished. People in poor countries must have the same right to vaccination as people in imperialist countries.

The trade unions should immediately initiate an open discussion process with workers in workplaces in compliance with the pandemic precautionary measures to design and implement joint steps “from below” against the pandemic in workplaces, in public transport, and at home. In dialogue with the feminist movement, refugee solidarity groups, the tenants’ movement, and the climate movement, as well as the scientific community, an effective programme to fight the pandemic based on solidarity can be developed and realised. Governments will not protect the people; the people need to protect each other both against the pandemic and against the unjust measures of governments.

23 December 2020

This article originally appeared in [German](#) and has been kindly translated by the author Christian Zeller with further editing by Terry Conway.

Sorcerer’s apprentices at the World Bank and the IMF

27 December 2020, by **Éric Toussaint**

development, handed Prime Minister Tony Blair a 500 page report on the consequences of the current climate change and measures to counteract this trend. In his report Nicholas Stern writes: "Climate change will affect the basic elements of life for people around the world - access to water, food production, health, and the environment. Hundreds of millions of people could suffer hunger, water shortages and coastal flooding as the world warms." [6] Implicitly the diagnosis suggested in the report is a condemnation of policies implemented by the IMF and the WB, where Nicholas Stern was Chief Economist. [7]

The present article compares the Stern Report with the positions of major figures in the WB, the IMF and the Washington government since 1990. It also offers comments on the report on natural catastrophes the World Bank issued in 2006. The World Bank's analysis contradicted what it had claimed so far. Its current discourse is an attempt to minimize the credibility crisis it suffers from, but this does not change its basic adherence to a market-oriented and productivist model that destroys both people and the environment. While the Stern report includes interesting views it does not open to any alternative to the productivist model and the obsession with growth. While the World Bank had announced that it would stop supporting fossil energies from the end of 2019, it is now clear that it has further financed the construction and exploitation of coal fuelled plants, the exploitation of oil and natural gas. In 2020, several analysts and NGOs exposed its responsibility in the tragic continuation of climate change and the environmental crisis.

World Bank and IMF leaders' former assertions

While several voices had warned about the dangers of a search for limitless growth resulting in exhausted natural resources from the early 1970s, World Bank and IMF leaders claimed for a long time that

such alarm was unfounded.

Lawrence Summers, economist and vice-president of the World Bank from 1991 to 1996, later Treasury Secretary of State under William Clinton, claimed in 1991: "*There are no limits on the planet's capacity for absorption likely to hold us back in the foreseeable future. The danger of an apocalypse due to global warming or anything else is non-existent. The idea that the world is heading into the abyss is profoundly wrong. The idea that we should place limits on growth because of natural limitations is a serious error; indeed, the social cost of such an error would be enormous if ever it were to be acted upon...*". [8]

The idea that we should place limits on growth because of natural limitations is a serious error; indeed, the social cost of such an error would be enormous if ever it were to be acted upon - Lawrence Summers, chief economist and vice-president of the World Bank from 1991 to 1996

In a letter to the British weekly *The Economist*, published on 30 May 1992, he wrote that even in the worst possible scenario he saw it as sheer demagoguery to claim that a failure to attend to global environmental problems would result in terrible problems for our grandchildren, adding that it was dumb to argue that moral obligations to future generations meant that we had to pay special attention to environmental investments. [9]

Summers' claims had roused much protest at the time, and five years later, in 1997, Nicholas Stern (future chief economist at the Bank) wrote in the book that was to cover the Bank's first fifty years: "*The Bank's commitment to environmental issues was questioned by some as a result of a leak to the Economist magazine, in late 1991, of extracts from an internal memorandum of Lawrence Summers, then chief economist. The memorandum suggested the possibility that environmental issues were being overemphasized in relation*

to developing countries, and that those countries might actually have lower marginal costs in dealing with or tolerating pollutants." [10]

In full contradiction with Summers' above mentioned reassuring claim that global warming would reduce growth by less than 0.1% a year over the next two centuries, Nicholas Stern states in 2006: "*The Review estimates that if we don't act, the overall costs and risks of climate change will be equivalent to losing at least 5% of global GDP each year, now and forever. If a wider range of risks and impacts is taken into account, the estimates of damage could rise to 20% of GDP or more.*" This is a scathing though late rebuttal of Lawrence Summers' claims.

It is dumb to argue that moral obligations to future generations means that we have to pay special attention to environmental investments - Lawrence Summers, World Bank

Claims such as those put forward by Lawrence Summers are not isolated: they are part and parcel of the US government's position when the World Bank and the IMF had to make decisions. This view which denies that severe environmental damage was caused by the productivist model and that climate change was occurring was expressed by Washington until not very long ago.

The many speeches delivered by Anne Krueger, chief economist at the World Bank under Ronald Reagan and First Deputy Managing Director at the IMF from 2000 to 2006, testify to this. In one of them, given on 18 June 2003 at the 7th International Economic Forum at Saint-Petersburg, Anne Krueger said: "*Take the perennial concern that rapid growth depletes our fuel resources and once that happens, growth will come to a complete dead stop. World oil reserves today are higher today in 1950. Then the world's known reserves of oil were expected to be enough for only 20 more years of consumption. We were expected to run out by 1970. It did not happen.*

Today, our known reserves are enough to keep us going for another 40 years at our present rate of consumption. There is no doubt that by the time 2040 rolls around research and development will have delivered new breakthroughs in energy production and use."

Anne Krueger further said: *"Nor have we done irreparable harm to the environment. The evidence shows quite convincingly that economic growth brings an initial phase of deterioration in some aspects: but that this is followed by a subsequent phase of improvement. The turning point at which people begin choosing to invest in cleaning up and preventing pollution occurs at a per capita GDP of about \$5,000."*

When she made this claim Anne Krueger wanted to convey the following message: growth in the early stages of economic take-off in developing countries leads to environmental degradation, but when they exceed a threshold of US\$5,000 per capita Gross Domestic Product (GDP), people will, to use her words, start investing in pollution prevention and the clean-up of polluted areas. So public authorities do not have to impose restrictive measures to force companies to comply with string environmental standards, self-restraint will automatically apply as soon as the magic threshold of \$5,000 per capita GDP is reached. This is just smoke and mirrors. It does not rely on any empirical data, and is only meant to promote *laissez-faire*.

We have not caused irreparable environmental damage - Anne Krueger, IMF First Deputy Manager 2000-2006

The quotation by Anne Krueger includes two blatant errors (if not lies). First, facts show that irreparable environmental damage has occurred. Second, it is not true that after "an initial phase of deterioration" economic growth brings "a subsequent phase of improvement." The more industrialized countries have long overreached the per capita

GDP \$5,000 mark, [11] and yet most of them still implement policies that entail an increase in pollution.

We had to wait for the consequences of the Katrina hurricane in August 2005 for the White House to reluctantly start acknowledging the obvious.

Along with other movements the CADTM did not wait for a catastrophe of the scale of what affected New Orleans to expose the World Bank's and IMF's policies that favoured climate change and weakened developing countries' ability to face natural catastrophes. It notably exposed as resulting in environmental disasters policies promoted by the World Bank and the IMF such as deforestation and huge power plants. [12] Similarly it asked the World Bank to forsake its support to projects that destroy natural coast protection such as mangroves, which can absorb part of the impact of tsunamis. [13] The CADTM also demanded that the World Bank stopped lending money to the extractive industry. It denounces the World Bank's support to the agro industry, to export monocultures, to land grabbing, and to large seed companies, which are responsible for the reduction of biodiversity, the emission of very high levels of greenhouse gases and the impoverishment of those who till the land. Finally the CADTM questioned the decision made at the Rio conference in 1992 to entrust the World Bank with the management of a global funds to protect environment. This amounts to asking a fox to look after the chicken pen...

A shift in the World Bank's policies

The CADTM denounces the World Bank and the IMF as institutions that favour deforestation and megaprojects for power plants that destroy the environment

In April 2006, without any attempt at apology, the World Bank published a report on natural disasters. Its author, Ronald Parker, wrote: *"There has been an increase in incidents of disaster clearly tied to environmental degradation around the world."* [14] While the number of earthquakes has hardly changed, the number and magnitude of natural disasters related to climate have dramatically increased: from an average of 100 in 1975 to over 400 in 2005. The Bank acknowledges that global warming, deforestation, and soil erosion have made extensive areas more vulnerable. It estimates that developing countries suffer damages for at least \$30 billion a year. As Lester Brown, President of the Earth Policy Institute, said, "This report underlines that although we continue to call these natural disasters, they are sometimes clearly of human origin." [15]

The Stern Report on global warming

Nicholas Stern is crystal clear: the less industrialized countries though less to blame for global warming, are also those that will bear the brunt: *"All countries will be affected. The most vulnerable - the poorest countries and populations - will suffer earliest and most, even though they have contributed least to the causes of climate change."* He adds, in this completely contradicting the proponents of neoliberal globalization, *"Climate change is the greatest market failure the world has ever seen, and it interacts with other market imperfections."* This being said, Nicholas Stern does not propose any alternative to the productivist model and to the capitalist market. Quite the opposite: his report is meant to ring the bell so that sufficient money be found for expenses of industrial conversion and environment protection so that this mad race to growth can go on. He claims that mankind can be both "green and growth".

He explains that the environment protection market will represent a new opening for the private sector to make profits. And to crown it all, he

suggests that since developing countries pollute less than industrialized countries while suffering more of the consequences of global warming, they could sell polluting rights to the rich countries. With the revenues they would thus bring in, they could then finance the cost of repairing the harm done to their people.

The most vulnerable - the poorest countries and populations - will suffer earliest and most, even though they have contributed least to the causes of climate change

In 2013 Nicholas Stern participated in the creation of the Global Commission on the Economy and Climate, which is both a think tank and a lobbying group dedicated to promote a green capitalism. Stern, who is chair of the Commission, sits next to leaders of big private companies that are notorious sources of pollution such as the cement manufacturer *HolcimLafarge*, or the oil company *Shell* (whose CEO is a member of the commission). Other participants on the board of this private commission are the IMF's managing director, an executive officer of *HSBC*, a former governor of the World Bank, a former Mexican president, a former board member of the Development Bank of China, an executive officer of the Asian Development Bank. [16]

The World Bank congratulates itself for the action it claims to achieve in the fight against climate change

On several pages of the WB website we come across bold claims about its remarkable efforts in the struggle against climate change and in support of populations.

"Just after the world came together for the landmark Paris Agreement on climate change, the Bank Group unveiled an ambitious Climate Change Action Plan to ramp up financial and technical support to developing countries to step up climate action. The World Bank Group committed to increasing climate finance from 20% of lending in 2016 to 28% by 2020. This target was exceeded each year for the last three consecutive years."

"As a result of the Action Plan, all new Bank projects are screened for climate risk."

"[T]he Bank's support has branched out beyond sectors traditionally identified with climate action, such as energy, agriculture and environment, expanding the range of climate-smart development to projects that include enhancing digital development and climate resilience..."

"There is no option but to take climate into account in terms of a recovery from COVID."

"There is no doubt that the disruption caused by COVID-19 reinforces the importance of guarding against the environmental risks that have severe and systematic impacts across the economy."

"Through the Action Plan, the World Bank Group has helped countries reduce the disaster risk through a combination of measures to build resilience in people, infrastructures, and economies."

"The World Bank Group prioritized investments in renewable energy and energy efficiency as key to helping clients reduce emissions."

"[O]ur next Climate Change Action Plan (2020-2025), already underway, aims to boost support for countries to take ambitious climate action by increasing financing for adaptation and supporting increased systemic climate action at the country level." [17]

There is a huge

gap between the WB discourse and actual facts

There is a huge gap between what the WB claims and what it actually does: as it promotes fossil and/or polluting energies, the WB flouts UN commitments. This is brought out in an investigation carried out by the international consortium which includes three German media, namely *NorddeutscheRundfunk*, *Süddeutsche Zeitung* and *Deutsche Welle*. [20]

According to the International Consortium of Investigative Journalists, this is but one among many other WB investments in fossil energies. Sometimes it even directly invests in coal mining or oil or natural gas extraction. This is the case in Kenya, Mozambique and Guyane. All in all, the WB grants more financial support to fossil energies than to renewable energies, which is a source of concern for Uwe Kekeritz, a member of the German parliament (Bundestag) who is in charge of the development policies within the German Green party; he notes that the WB influence is huge and that its sustained investments in fossil energies have a disastrous impact on climate, which is unacceptable for this bank is supposed to support development and should thus have global development as its primary focus.

The German NGO *Urgewald* also noticed that the WB had granted over \$12 billion loans for projects relying on fossil fuel between 2015, the year of the Paris Agreement, and 2020.

The WB influence is huge and its sustained investments in fossil energies have a disastrous impact on climate

How can the WB claim that it stopped financing fossil energies in 2019? The answer is simple enough: officially its loans are meant for technical assistance to the governments of countries that wish to develop the

exploitation of fossil fuel. It claims that it does not directly finance the exploration and exploitation of those fuels but actually through those loans for technical assistance it plays a key part to make it possible for those countries to exploit the fossil fuel present in their soils.

If we check the WB website, we can see that in 2020, it has granted loans

to projects that are directly connected to projects in the coal industry, in non-renewable energies, as well as in the exploitation of gas and oil, though making sure to mention so-called 'environmental' investments along with extractivist investments; this is mere greenwashing for excessive exploitation of Nature.

Here are a number of illustrations that show the negative part played by the

WB 'technical assistance' loans.

Mozambique: The liquefied natural gas mega-project co-financed by the World Bank [