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Chomsky on U.S “Rational Discourse” in Ukraine

February
2022

EVERY
WELL BEHAVED
WOMEN
DON'T — MAKE
HISTORY!

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Abortion:
What a Complex Web
They Weave

By H. Patricia Hynes

Did you know? ...Abortion has been legal for a large part of U.S. history and was significant in the history of women’s reproductive health care: not a

single state banned abortion in our country’s first century. Women used abortion-inducing herbs and medications described in early pharmacological literature and were assisted by skilled midwives, nurses, and women’s health care providers. Half of these skilled women were African-American, some enslaved, and others were indigenous and white. Enslaved black women, however, never had the freedom to choose an abortion: their pregnancy meant another slave, another

financial asset for their white slave owner who raped them and prohibited their having an abortion. Thus, black women developed an underground of herbal abortifacients and skilled women’s health care. ...Not until the 1860s, with the end of the Civil War and the rise of Jim Crow laws, did some states pass anti-abortion laws, forcing women to seek covert abortions. By 1910 abortion was illegal in all existing states. ...The Catholic Church’s teaching on abortion reversed

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its historical position in that same period, the late 1860s, and banned abortion from the moment of conception. Prior to that ban, prominent churchmen debated the point of ensoulment—that is, when a fetus gained a soul. For some it was at the moment of conception; for others, it was months, with fewer months for girls than boys, given they deemed girls underdeveloped humans compared to boys. When the Catholic Church moved to standardize its teaching condemning all abortion, historians have pointed out that it was losing its secular empire of Vatican lands and needed to reassert spiritual power in the face of this defeat. Pope Pius IX then established that all abortion was sinful, and excommunication the penalty; simultaneously he established the dogma of “papal infallibility”—that is, on matters of church doctrine, the Pope is infallible.

... *Roe v. Wade*, the 1973 Supreme Court decision, recognized a woman’s constitutional right to decide whether or not to terminate her pregnancy, acknowledging that women have autonomy to make that decision. The 1973 ruling established that women can abort in the first trimester (12 weeks) and that states could regulate but not ban abortion in the 2nd

trimester (13-24 weeks); and that the state could regulate or ban abortions in the 3rd trimester (25-36), except when necessary to preserve the life or health of the mother. When *Roe v. Wade* came into effect, 46 states had to abandon their restrictive abortion laws.

...Today, a majority of U.S. adults—including Catholics, non-Evangelical Protestants, Jews, Muslims, Hindus, Unaffiliated, Asian, Black, Latino and White adults, moderate and liberal Republicans, and a strong majority of Democrats, both women and men—agree that abortion should be legal in all or most cases.

...Despite the fact that the majority of Americans support abortion, 21 states are certain to attempt to ban or limit severely abortion rights, and 5 more are likely to do so, if *Roe v. Wade* is overturned by the Supreme Court. Most have pre- and post-1973 laws poised to go into effect.

... A majority of these 26 states are among the worst states for women’s employment and earnings and include the 8 poorest states for women. They are also among the most restrictive states in which to vote. Women from Louisiana and Florida, states prepared to ban abortions, and from Texas, which already does so beyond six weeks—would have to trav-

el from 542 to 666 miles to reach a clinic that provides abortions.

...In surveys and interviews with women who have had abortions, most women report multiple reasons for their decision. These include financial and other responsibilities—not able to afford raising a child or another child; the need to finish education, to work, or to care for those they already care for; and problems with the male partner, including lack of support or relationship difficulties.

Misogyny and injustice fuel the control of women’s bodies. There is no comparable moral or medical control of men’s bodies.

The moralistic urgency to preserve life in the womb evaporates once a poor child is born. One in seven children lives in poverty; four million youth are homeless; the enhanced child tax credit has expired thrusting millions more children and families into poverty, while studies show that cash assistance to poor mothers improves their children’s learning; and the U.S. has one of the highest infant mortality rates among (so-called) developed countries.

Two final ironies: Las Libres (“the free ones”), a Mexican feminist network, has been providing abortion pills to women across the bor-



der in Texas and other U.S. states since 2000. Mexico's Supreme Court ruling in September 2021 that abortion is no longer a crime eased this cross-border reproductive rights activism. So also is Austria-based Aid Access assisting by prescribing abortion medication for women in Texas, who receive the pills from a pharmacy in India.

Our government kills innocent children, women and men with impunity in its Global War on Terror, giving the Pentagon a blank check for military murder, while many states and the Supreme Court are poised to criminalize women's reproductive rights.

Abortion rates have dropped over the last quarter century in countries with liberal abortion laws and more easily accessible contraception, according to a 2018 Guttmacher Report. Stricter abortion laws do not result in fewer abortions, only less safe ones. Abortion rights activists, including SisterSong, dedicated to reproductive justice for women of color, and Indigenous Women Rising, are tirelessly on the move and will never abandon the fight for reproductive justice for all women. **Z**

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priateness does not sound objectionable on its face, who determines that? And, according to the bill, elementary school kids would not be told that some students have two moms or two dads? Because in reality, some of them do.

This wave to give parents greater authority over what schools teach is not exclusive to Florida, nor to this issue. The conservative "parent's rights" movement is arguing that parents have a right to control school curriculum. Many states have banned the teaching of "Critical Race Theory," an approach to teaching racial injustice, despite the fact that almost no K-12 teachers were even doing so.

Indiana Attorney General Todd Rokita introduced a "Parents Bill of Rights" that says, "education policy and curriculum should accurately reflect the values of Indiana families." A recent Florida law is similar. Some states allow parents to sue schools for teaching banned concepts. Virginia Governor Glenn Youngkin announced at several rallies, "I believe parents should be in charge of their kids' education."

The problem is that common law and case law does not guarantee parents any such right to control public school curriculum. Parents

The Dangerous Trend of the "Parents Rights" Movement

By Laura Finley

Given the current political divide and his ambitions to be the next Republican presidential candidate, it should not be surprising that Florida Governor Ron DeSantis has said he supports what has been called the "Don't Say Gay" bill going through the state House of Representatives. Not surprising, no, but disgusting, yes.

One notices in "Parental Rights in Education," a portion of the bill reads: "A school district may not encourage classroom discussion about sexual orientation or gender identity in primary grade levels or in a manner that is not age appropriate..." While the idea of age appro-

should be involved, but do not and should not dictate curriculum.

In addition to disregarding the children who are being raised by same-sex couples, these kinds of laws will likely have a chilling effect on teachers who work with older students. While not necessarily prohibited, many schools and teachers will not want to invite controversy so will simply avoid these topics. Of course, that is obviously the point.

It is imperative that we let educators do what they are trained to do, teach. Legislative efforts to interfere with that under the guise of supporting parents is absurd and will only result in children and teens finding information, correct or not, from their peers and other sources outside of school.

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“Thank You for Hearing Our Afghan Pain”

By Kathy Kelly

During visits to Kabul, Afghanistan, over the past decade, I particularly relished lingering over breakfasts on chilly winter mornings with my young hosts who were on their winter break from school. Seated on the floor, wearing coats and hats and draped with blankets, we’d sip piping hot green tea as we shared fresh, warm wheels of bread purchased from the nearest baker.

But this winter, for desperate millions of Afghans, the bread isn’t there. The decades-long U.S. assault on Afghanistan’s people has now taken the vengeful form of freezing their shattered, starving country’s assets.

When I was in Afghanistan, our rented spaces, like most homes in the working class area where we lived, lacked central heating, refrigerators, flush toilets, and clean tap water. My Afghan friends lived quite simply, yet they energetically tried to share resources with people who were even less well-off.

They helped impoverished mothers earn a living wage by manufacturing heavy, life-saving blankets and then distributed the blankets in refugee camps where people had no money to buy fuel. They also organized a school for child laborers, working out ways to give the children’s families food rations in

compensation for time spent studying rather than working as street vendors in Kabul.

Some of my young friends had conversations with me and with others in our group who had, between 1996 and 2003, traveled to Iraq where we witnessed the consequences of U.S.-led economic sanctions that directly contributed to the deaths of an estimated half million Iraqi children under the age of five. I remember the young Afghans I told this to shaking their heads, confused. They wondered why any country would want to punish infants and children who couldn’t possibly control a government.

After visiting Afghanistan late last year, Dominik Stillhart, head of the International Committee of the Red Cross, said he felt livid over the collective punishment being imposed on Afghans through the freezing of the country’s assets. Referring to \$9.5 billion dollars of Afghan assets presently frozen by the United States, he recently emphasized that economic sanctions “meant to punish those in power in Kabul are instead freezing millions of people across Afghanistan out of the basics they need to survive.” The myopic effort to punish the Taliban by freezing Afghan assets has left the country on the brink of starvation.

These \$9.5 billion of frozen





Photo by Alexi Rosenfeld/Shutterstock

assets belong to the Afghan people, including those going without income and farmers who can no longer feed their livestock or cultivate their land. This money belongs to people who are freezing and going hungry, and who are being deprived of education and health care while the Afghan economy collapses under the weight of U.S. sanctions.

Recently, I received an email from a young friend in Kabul: “Living conditions are very difficult for people

who do not have bread to eat and fuel to heat their homes,” the young friend wrote. “A child died from cold in a house near me, and several families came to my house today to help them with money. One of them cried and told me that they had not eaten for forty-eight hours and that their two children were unconscious from the cold and hunger. She had no money to treat and feed them. I wanted to share my heartache with you.”

Forty-eight members of Congress have written to U.S. President Joe Biden calling for the unfreezing of Afghanistan’s assets. “By denying international reserves to Afghanistan’s private sector—including more than \$7 billion belonging to Afghanistan and deposited at the [U.S.] Federal Reserve—the U.S. government is impacting the general population.”

The Congressmembers added, “We fear, as aid groups do, that maintaining

this policy could cause more civilian deaths in the coming year than were lost in twenty years of war.”

For two decades, the United States’ support for puppet regimes in Afghanistan made that country dependent on foreign assistance as though it were on life support. 95% of the population, more than three-quarters of whom are women and children, remained below the poverty line while corruption, mismanagement, embezzlement,

waste and fraud benefited numerous warlords, including U.S. military contractors.

After the United States invaded their country and embroiled them in a pointless 20-year nightmare, what the United States owes the Afghan people is reparations, not starvation.

The eminent human rights advocate and international law professor Richard Falk recently emailed U.S. peace activists encouraging an upcoming February 14 Valen-

tine Day’s initiative, which calls for the unfreezing of Afghan assets, lifting any residual sanctions, and opposing their maintenance. Professor Falk acknowledges that the disastrous U.S. mission in Afghanistan amounted to “twenty years of expensive, bloody, destructive futility that has left the country in a shambles with bleak future prospects.”

“After the experience of the past twenty years,” Falk writes in the email, “it seems



time for the Afghans to be allowed to solve their problems without outside interference. I am sure many people of good will tried to help Afghanistan achieve more humane results than were on the agenda of the Taliban, but foreign interference particularly by the United States is not the way to achieve positive state-building goals.”

Several friends and I were able to send a small amount of money to the friend who wrote and shared with us her heartache over being unable to help needy neighbors. “Thank you for hearing our Afghan pain,” she and her spouse responded.

Now is a crucial time to listen and not to look away. Z

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Keeping Our Eyes on the Prize

By Ted Glick

So is it a lock that in November the Republicans are going to take back the House and Senate? Are the big things that progressives and people of good will have been fighting for since President Joe Biden was elected 15 months ago now up in fossil fuel smoke for years to come?

That’s what Mafioso Trump and his multitudinous supporters on Capitol Hill, in the right-wing media, and elsewhere are expecting. Their success in preventing the passage of Build Back Better and voting rights legislation thanks to collaborating corporatists Joe Manchin and Kyrsten Sinema have clearly emboldened them.

It’s easy for this current situation to strengthen people’s understandable cynicism about two party electoral politics in the U.S. There’s no question that increased numbers of progressive and grassroots activists are thinking it’s a waste of time to be engaged in electoral politics. Honestly, I’ve been thinking about that myself in recent days and weeks. But thinking more deeply about it I’ve realized that this would be very shortsighted. It would be, quite frankly, ahistorical, as in not having learned from history.

Think of this: In the 1972 Presidential election Republican Richard Nixon defeated

Democrat George McGovern in a landslide, 61-39% in the popular vote and winning all but one state and the District of Columbia. But a little more than a year and a half later, because of the Watergate Hotel break-in and what came after it, Nixon was gone—forced to resign, approval ratings at 25%, disgraced—and the Republicans, for several years, were in disarray.

There’s an obvious analogy to today. It is entirely possible that the work of the bipartisan Congressional committee investigating the January 6 neo-fascist attack on the Capitol, and the Justice Department’s continuing series of indictments for that attack, will lead to Trump and his accomplices being not just further discredited but hauled into court and convicted of treasonous criminality. That will not help the neo-fascist, vote suppressing, racist elements currently in control of the national Republican Party.

And what if the pandemic lightens up, as it is currently doing, the winter ends, the spring arrives, people can open their windows, and the number of cases, hospitalizations and deaths goes way down? All of that is possible based on what public health and medical people are saying. A number of them believe that we will have Covid with

us for some time to come, past 2022 almost certainly, but eventually in a much-reduced and more manageable form.

If this is our reality by this summer, that will have political impacts on the body politic.

And there could be other developments that as of now are unforeseeable or uncertain. There's 270 days to go until national Election Day, and that's a long, long time.

But those of us who supported Bernie or Elizabeth in 2020, or who may not have done so but who understand that we need to fight for big deal, Green New Deal, health care for all, for-the-many-and-not-the-few legislation that passes as soon as possible—our thinking needs to go beyond the 2022 election cycle. We need to keep our eyes on the prize of fundamental social transformation, systemic change, government of the people, by the people and for the people, not the 1%.

A key, an absolute essential, if we are to do so is the strengthening of the already-developing, broadly based, multi-racial, multi-cultural, multi-issue, multi-gender popular alliance, uniting people of color, women, youth, LGBTQ people, trade unionists, farmers, small business people, people with disabilities, professionals and

others.

The billionaire class—overwhelmingly white, heterosexual men—that we are up against has extremely deep pockets and many guns to fire, both figuratively and literally, to hinder the social and economic transformation process, which they have done too many times to count down through history. But history also teaches that when masses of people, in the millions or tens of millions, are in political motion for revolutionary change, whether it be talking with family, neighbors and friends or risking life and limb in direct confrontation with police or military forces which ordinarily protect corporate power—then, and only then, is it possible for the change in who is in control of government to take place. In the words of a popular slogan I first heard in the global justice movement of the late 1990s, “there ain't no power like the power of the people,” united and organized.

We have seen in the United States the power of this kind of alliance in recent decades. From 1984–1989 we saw it in the form of the independent National Rainbow Coalition, the two Jesse Jackson campaigns for President, the multi-issue, multi-racial, Democrats-and-independents alliance which had such a powerful political impact be-

fore that burgeoning initiative was consciously derailed in 1989 by the powers-that-be within the Democratic Party. In 2015 and 2016, and again in 2019 and 2020, we saw it in the Bernie Sanders Presidential campaigns and the growth in between them of the organization Our Revolution. The 2019–2020 Elizabeth Warren Presidential campaign was also important. We have seen it in mass mobilizations and mass movements around issues that have linked a broad cross-section of people: the massive Women's March on January 21, 2017, an intersectional breadth of support and activism for the rights of immigrants, and several national mobilizations on the issue of the climate crisis over the decade of the 2010s, including the exciting, historic uprising of young people around the world in 2018 and 2019 in response to the actions taken and the press coverage received by 16-year-old Greta Thunberg of Sweden.

The persistent and growing organizing and activism around the urgent issue of the climate crisis is both a hopeful development and one which must be sustained and expanded. All life forms on earth are facing an historically imminent, existential threat to our future survival. In response, virtually all sectors listed above are speaking



up and taking action. Without a doubt this issue is not just in urgent need of action, it is also helping to unite the social movements and constituencies that must be united to solve all of the crises created and aggravated by late-stage, transnational corporate capitalism via its replacement by a different system.

Immanuel Wallerstein, in an important essay, “Antisystemic Movements: History and Dilemmas,” has written about essential aspects of how a popular alliance built to last and to win must be evolved: “It means first of all a conscious effort at empathetic understanding of the other movements, their histories, their priorities, their social bases, their current concerns. Correspondingly, increased empathy needs to be accompanied by restraint in rhetoric. It does not mean that movements should not be frank with each other, even in public. It means that the discussion needs to be self-consciously comradely, based on the recognition of a unifying objective, a relatively democratic, relatively egalitarian world.

“Consequently, this means that the movements will have to devote considerably more energy than has historically been the case to inter-movement diplomacy. To the extent that the movements come

to internalize the sense that the social transformation they are seeking will not occur in a single apocalyptic moment, but as a continuous process, one continually hard-fought, they may learn to concentrate their energies somewhat less exclusively on the immediate tactics of change and somewhat more on constructing middle-run stepping stones. In such a context, inter-movement diplomacy becomes a very useful expenditure of energy. It will make possible the combination of daring leaps and structural consolidation which could make plausible a progressive transformation of the world-system.”

This transformation will not take place through electoral activity alone. That is one leg of a three-legged stool of tactics that we must be and already are about. A second leg is conscious, on-the-ground, dialogical organizing.

The alliance movement must be grounded in day-to-day, community, workplace, and issue-based organizing by millions of volunteer and paid activists and organizers utilizing popular education, dialogical approaches, and techniques as much as possible.

Such people, these organizers, are the connective tissue which holds the popular alliance, movement of movements, together. History

has shown how organizations bringing together and supporting such organizers can, over time, generate the broad, mass support and mass action essential once the alliance grows to the point where it can seriously contest for power.

The third leg is street heat and direct action campaigns. The alliance must continually but strategically organize public marches, demonstrations, strikes, and nonviolent direct actions on key issues, as part of ongoing campaigns and in support of the overall alliance program.

Oppressed people need to see that there are others who feel the same way and are willing to take action to change things. Elected officials, even those who are supportive, need to appreciate the strength of people’s feelings via seeing it in action. And clearly, the targets of the public demonstrations need to see both sizable numbers of people involved and the urgency of their feelings.

Albert Camus, writing in 1951 in *The Rebel*, said: “Real generosity toward the future lies in giving all to the present.” In 2022, in the United States of America, these are words to take to heart. **Z**

This article contains excerpts from Ted Glick’s recently published book, *21st Century Rev-*



olution: *Through Higher Love, Racial Justice and Democratic Cooperation*. More information and other writings can be found at <https://tedglick.com>.

**Jim Crow
Wails in Anguish**

By Robert C. Koehler

“The concern is misplaced, because if you look at the statistics, African American voters are voting in just as

high a percentage as Americans.”

Even if Mitch McConnell’s viral gaffe is as innocent as he claims it to be, the stench of something deep—the unexamined racist fear and shame at the core of GOP policy—is unavoidably noticeable: There’s “them” and there’s “us” and never the twain shall meet. And we’ll make sure of that. (Shhhh ... don’t tell anyone.)

What’s fascinating to me is the fact that blatant racism—manifested in voter-suppression laws over the years, gerrymandering and,

more recently, hysteria over the teaching of actual history in the public schools—can no longer be put forth publicly and unapologetically as The Truth, as it was for most of American history. Politicians and public figures can no longer declare things like “This country must be ruled by white people. . . . Negro suffrage is an evil,” as a Mississippi judge named Solomon Calhoun wrote in 1890. Nowadays, racism has to be covered up with clichés and political correctness and, in particular, white victimhood.

White people are no longer

just plain better than black people; they’re victimized by people of color. Come on, they cry, judge us by the content of our character, not the color of our skin.

Here’s Tucker Carlson, for instance, quoted by *New York Times* columnist Charles Blow, explaining “white replacement theory” on his Fox News show last year as a Democratic plot “to replace the current electorate, the voters now casting ballots, with new people, more obedient voters, from the third world. . . . Every time they import a new voter, I become disen-

franchised as a current voter.”

Not a white voter, simply a “current” voter. This is the impact the civil rights movement has had on right-wing Republicanism.

And then there’s Critical Race Theory. In the past year, according to *Education Week*, 36 states have scapegoated this otherwise unknown academic concept, introducing legislation or taking other steps to ban whatever-it-is from being taught in public schools. The state of Virginia has even established a special tip line that parents can call to report that their kids’ school

has been feeding them CRT—which means, of course, teaching actual American racial history. And Florida Gov. Ron DeSantis wants to go even further, giving parents the power to sue the school if it has the nerve to teach CRT.

As I say, whatever that means. *Education Week* points out that there’s almost no clarity about what this might mean and, “leaders in states where these laws have passed have reported widespread confusion about what kind of instruction is and is not allowed.” Many teachers fear the rules can be broad-

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ly interpreted and amount to banning “any discussion about the nation’s complicated past or the ongoing effects of racism in the present day.

“This isn’t an idle fear,” the report goes on. Last June, for instance, “a parents’ group in one Tennessee district challenged the use of an autobiography of Ruby Bridges, who in 1960 was one of the first Black children to integrate an elementary school after *Brown v. Board of Education*. The parents complained that in depicting the white backlash to school desegregation, the book violated the state’s new law in sending the message that all white people were bad and oppressed Black people.”

This is now the national divide, apparently. Jim Crow suddenly wails in anguish. As a bill in the Florida Senate puts it, a student “should not be made to feel discomfort, guilt, anguish or any other form of psychological distress on account of his or her race.” Note: Such a bill wasn’t introduced in 1890 or 1930. I wonder why?

For me, this opens a deep sense of wonderment—even some empathy. Mostly it opens up some profound questions about how the country can and should face not just its past but also its future. While there may be a lot of blame and guilt to spread

around regarding the nation’s pre-civil rights era, addressing the future requires a larger, more complex perspective. It’s not about blaming, but healing . . . and changing.

The anti-CRT crowd wants to keep the clichés in place, as though “one nation, under God, yada, yada,” is all that’s needed to guide us into the future. Of course, the military-industrial complex knows there’s more to it than that. Waging war, staying dominant, staying wealthy—these are not simple tasks. It’s not about saluting the flag and revering the Founding Fathers. It’s about passing gargantuan military budgets. And it’s also about keeping as much of the public as possible (in the words of Tucker C) “obedient”—that is, patriotic, believing that the USA is the greatest country in the world and only kills evil terrorists plus occasional collateral bystanders.

If CRT were actually taught in schools—not in order to spew shame on some, but to open everyone’s minds, to grasp the nature of hatred, dehumanization and dominance, and create a future that transcends our past—a lot more would be put at risk than some people’s psychological distress.

The meaning of nationalism itself would have to change. And suddenly everyone be-

comes a participant in creating the future. **Z**

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The Geopolitics Behind Spiraling Gas and Electricity Prices in Europe

By Prabir Purkayastha

The current crisis of spiraling gas prices in Europe, coupled with a cold snap in the region, highlights the fact that the transition to green energy in any part of the world is not going to be easy. The high gas prices in Europe also bring to the forefront the complexity involved in transitioning to clean energy sources: that energy is not simply about choosing the right technology, and that transitioning to green energy has economic and geopolitical dimensions that need to be taken into consideration as well.

Gas wars in Europe are very much a part of the larger geo-



strategic battle being waged by the U.S. using the North Atlantic Treaty Organization (NATO) and Ukraine. The problem the U.S. and the EU have is that shifting the EU's energy dependence on Russia will have huge costs for the EU, which is being missed in the current standoff between Russia and NATO. A break with Russia at this point over Ukraine will have huge consequences for the EU's attempt to transition to cleaner energy sources.

The European Union has made its problem of a green transition worse by choosing a completely market-based approach toward gas pricing. The blackouts witnessed by people in Texas in February 2021 as a result of freezing temperatures made it apparent that such market-driven policies fail during vagaries of weather, pushing gas prices to levels where the poor may have to simply turn off their heating. In winter, gas prices tend to skyrocket in the European Union, as they did in 2020 and again in 2021.

For India and its electricity grid, one lesson from this European experience is clear. Markets do not solve the problem of energy pricing, as they require planning, long-term investments and stability in pricing. The electricity sector will face disastrous consequences if it is handed over to

private electricity companies, as is being proposed in India. This is what the move to separate wires from the electricity they carry aims to achieve through Indian Prime Minister Narendra Modi's government's proposed amendment to the existing Electricity Act of 2003.

In order to understand the issues related to transitioning toward green energy, it is important to take a closer look at the current gas supply-related issues being faced by the European Union. The EU has chosen gas as its choice of fuel for electricity production, as it goes off coal and nuclear while also investing heavily in wind and solar. The argument advanced in favor of this choice is that gas would provide the EU with a transitional fuel for its low carbon emission path, as gas tends to produce less emissions than coal. It is another matter that gas is at best a short-term solution, as it still emits half as much greenhouse gas as coal.

As I have written earlier, the problem with green energy is that it requires a much larger capacity addition to handle seasonal and daily fluctuations that planners have not accounted for while advocating for switching over to clean energy sources. During winter, days are shorter in higher latitudes,

and the world therefore gets fewer hours of sunlight. This seasonal problem with solar energy has been compounded in Europe with low winds in 2021 reducing the electricity output of windmills.

The European Union has banked heavily on gas to meet its short- and medium-term goals of cutting down greenhouse emissions. Gas can be stored to meet short-term and seasonal needs, and gas production can even be increased easily from gas fields with requisite pumping capacity. All this, however, requires advance planning and investment in surplus capacity building to meet the requirements of daily or seasonal fluctuations.

Unfortunately, the EU is a strong believer that markets magically solve all problems. It has moved away from long-term price contracts for gas and toward spot and short-term contracts—unlike China, India and Japan, which all have long-term contracts indexed to their oil prices.

Why does the gas price affect the price of electricity in the EU? After all, natural gas accounts only for about 20 percent of the EU's electricity generation. Unfortunately for the people in the EU region, not only the gas market but also the electricity market has been "liberalized" under the market reforms in the EU.





The energy mix in the grid is determined by energy market auctions, in which private electricity producers bid their prices and the quantity they will supply to the electricity grid. These bids are accepted, in order from lowest to highest, until the next day's predicted demand is fully met. The last bidder's price then becomes the price for all producers. In the language of Milton Friedman's followers—who were known as the Chicago Boys—this price offered by the last bidder is its “marginal price” discovered through the market auction of electricity and, therefore, is the “natural” price of electricity. For readers who might have followed the recently concluded elections in Chile, Augusto Pinochet—who was a military dictator in Chile from 1973 to 1990—introduced the Constitution of 1980 in Chile and had incorporated the above principle in a constitutional guarantee to the neoliberal reforms in the electricity sector in the country. Hopefully, the victory of the left in the presidential elections in Chile and the earlier referendum on rewriting the Chilean constitution will also address this issue. Interestingly, it was not the former Prime Minister of UK Margaret Thatcher—as is commonly thought—who started the electricity “reforms” but

Pinochet's bloody regime in Chile.

At present in the EU, natural gas is the marginal producer, and that is why the price of gas also determines the price of electricity in Europe. This explains the almost 200 percent rise in electricity price in Europe in 2020. In 2021, according to an October 2021 report by the European Commission, “Gas prices are increasing globally, but more significantly in net importer regional markets like Asia and the EU. So far in 2021, prices tripled in [the] EU and more than doubled in Asia while only doubling in the U.S.”

The coupling of the gas and the electricity markets by using the marginal price as the price of all producers means that if gas spot prices triple as has been seen recently, so will the electricity prices. No prizes for guessing who gets hit the hardest with such increases. Though there has been criticism from various quarters regarding the use of marginal price as the price of electricity for all suppliers irrespective of their respective costs, the neoliberal belief in the gods of the market has ruled supreme in Europe.

Russia has long-term contracts as well as short-term contracts to supply gas to EU countries. Putin has mocked the EU's fascination with

spot prices and gas prices and said that Russia is willing to supply more gas via long-term contracts to the region. Meanwhile, in October 2021, European Commission President Ursula von der Leyen said that Russia was not doing its part in helping Europe tide over the gas crisis, according to an article in the *Economist*. The article stated, however, that according to analysts, Russia's “big continental customers have recently confirmed that it is meeting its contractual obligations,” adding that “[t]here is little hard evidence that Russia is a big factor in Europe's current gas crisis.”

The question here is that the EU either believes in the efficiency of the markets or it doesn't. The EU cannot argue markets are best when spot prices are low in summer, and lose that belief in winter, asking Russia to supply more in order to “control” the market price. And if markets indeed are best, why not help the market by expediting the regulatory clearances for the Nord Stream 2 pipeline, which will ship Russian gas to Germany?

This brings us to the knotty question of the EU and Russia. The current Ukraine crisis that is roiling the relationship between the EU and Russia is closely linked to gas as well. Pipelines from Rus-



sia through Ukraine and Poland, along with the undersea Nord Stream 1, currently supply the bulk of Russian gas to the EU. Russia also has additional capacity via the newly commissioned Nord Stream 2 to supply more gas to Europe if it receives the financial regulatory clearance.

There is little doubt that Nord Stream 2 is caught not simply in regulatory issues but also in the geopolitics of gas in Europe. The United States pressured Germany not to allow Nord Stream 2 to be commissioned, and also threatened to impose sanctions on companies involved with the pipeline project. Before stepping down as the chancellor of Germany in September 2021, Angela Merkel, however, resisted pressure from Washington to halt the work on the pipeline and forced the United States to concede to a “compromise deal.” The Ukraine crisis has created further pressure on Germany to postpone Nord Stream 2 even if it means worsening its twin crises of gas and electricity prices.

The net gainer in all of this is the United States, which will get the EU as a buyer for its more expensive fracking gas. Russia currently supplies about 40 percent of the EU’s gas. If this stalls, the United States, which supplies about 5 percent of the EU’s gas de-

mand (according to 2020 figures), could be a big gainer. The United States’ interest in sanctioning Russian gas supply and not allowing the commissioning of Nord Stream 2 has as much to do with its support to Ukraine as seeing that Russia does not become too important to the EU.

Nord Stream 2 could help form a common pan-European market and a larger Eurasian consolidation. Just as it did in East and Southeast Asia, the United States has a vested interest in stopping trade following geography instead of politics. Interestingly, gas pipelines from the Soviet Union to Western Europe were built during the Cold War as geography and trade got priority over Cold War politics.

The United States wants to focus on NATO and the Indo-Pacific region, as its focus is on the oceans. In geographical terms, the oceans are not separate but a continuous body covering more than 70 percent of the world’s surface with three major islands: Eurasia, Africa and the Americas. (Although in the formulation of British geographer Halford Mackinder, the originator of the world island idea, Africa was seen as a part of Eurasia.) Eurasia alone is by far the bigger island, with 70 percent of the world’s population. That is why the United

States does not want such a consolidation.

The world is passing through perhaps the greatest transition that human civilization has known in meeting the current challenges posed by climate change. To address these challenges, an energy transition is required that cannot be achieved through markets that prioritize immediate profits over long-term societal gains. If gas is indeed the transitional fuel, at least for Europe, it needs long-term policies of integrating its gas grid with gas fields, which have adequate storage. And Europe needs to stop playing games with its energy and the world’s climate future for the benefit of the United States.

For India, the lessons are clear. Markets do not work for infrastructure. Long-term planning with state leadership is what India needs to ensure supply of electricity to all Indians and ensure the country’s green transition—instead of dependence on electricity markets created artificially by a few regulators framing rules to favor the private monopoly of electricity companies. **Z**

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U.S. Approach to Ukraine and Russia Has “Left the Domain of Rational Discourse”

Noam Chomsky interviewed by C.J. Polychroniou



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C.J. Polychroniou: Tensions continue to escalate between Russia and Ukraine, and there is little room for optimism since the U.S. offer for de-escalation fails to meet any of Russia's security demands. As such, wouldn't it be more accurate to say that the Russia-Ukraine border crisis stems in reality from the U.S.'s intransigent position over Ukrainian membership in NATO? In the same context, is it hard to imagine what might have been Washington's response to the hypothetical event that Mexico wanted to join a Moscow-driven military alliance?

Noam Chomsky: We hardly need to linger on the latter question. No country would dare to make such a move in what former President Franklin Delano Roosevelt's Secretary of War Henry Stimson called "Our little region over here," when he was condemning all spheres of influence (except for our own—which in reality, is hardly limited to the Western hemisphere). Secretary of State Antony Blinken is no less adamant today in condemning Russia's claim to a "sphere of influence," a concept we firmly reject (with the same reservation).

There was of course one famous case when a country in our little region came close to a military alliance with Russia, the 1962 missile crisis. The circumstances, however, were quite unlike Ukraine. President John F. Kennedy was escalating his terrorist war against Cuba to a threat of invasion; Ukraine, in sharp contrast, faces threats as a result of its potentially joining a hostile military alliance. Sovi-

et leader Nikita Khrushchev's reckless decision to provide Cuba with missiles was also an effort to slightly rectify the enormous U.S. preponderance of military force after JFK had responded to Khrushchev's offer of mutual reduction of offensive weapons with the largest military buildup in peacetime history, though the U.S. was already far ahead. We know what that led to.

The tensions over Ukraine are extremely severe, with Russia's concentration of military forces at Ukraine's borders. The Russian position has been quite explicit for some time. It was stated clearly by Foreign Minister Sergei Lavrov at his press conference at the United Nations: "The main issue is our clear position on the inadmissibility of further expansion of NATO to the East and the deployment of strike weapons that could threaten the territory of the Russian Federation." Much the same was reiterated shortly after by Putin, as he had often said before.

There is a simple way to deal with deployment of weapons: Don't deploy them. There is no justification for doing so. The U.S. may claim that they are defensive, but Russia surely doesn't see it that way, and with reason.

The question of further expansion is more complex. The issue goes back over 30 years, to when the Union of Soviet Socialist Republics was collapsing. There were extensive negotiations among Russia, the U.S. and Germany. (The core issue was German unification.) Two visions were presented. Soviet leader Mikhail Gorbachev proposed a Eurasian security system from Lisbon to Vladivostok with no military blocs. The U.S. rejected it: NATO stays, Russia's Warsaw Pact disappears.

For obvious reasons, German reunification within a hostile military alliance is no small matter for Russia. Nevertheless, Gorbachev agreed to it, with a quid pro quo: No expansion to the East. President George H.W. Bush and Secretary of State James Baker agreed. In

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Photo by Denis Kuvaev/Shutterstock



their words to Gorbachev: “Not only for the Soviet Union but for other European countries as well, it is important to have guarantees that if the United States keeps its presence in Germany within the framework of NATO, not an inch of NATO’s present military jurisdiction will spread in an eastern direction.”

“East” meant East Germany. No one had a thought about anything beyond, at least in public. That’s agreed on all sides. German leaders were even more explicit about it. They were overjoyed just to have Russian agreement to unification, and the last thing they wanted was new problems.

There is extensive scholarship on the matter—Mary Sarotte, Joshua Shiffrin, and others, debating exactly who said what, what they meant, what’s its status, and so on. It is interesting and illuminating work, but what it comes down to, when the dust settles, is what I quoted from the declassified record.

President H.W. Bush pretty much lived up to these commitments. So did President Bill Clinton at first, until 1999, the 50th anniversary of NATO; with an eye on the Polish vote in the upcoming election, some have speculated. He admitted Poland, Hungary and the Czech Republic to NATO. President George W. Bush—the lovable goofy grandpa who was celebrated in the press on the 20th anniversary of his invasion of Afghanistan—let down all the bars. He brought in the Baltic states and others. In 2008, he invited Ukraine to join NATO, poking the bear in the eye. Ukraine is Russia’s geostrategic heartland, apart from intimate historic relations and a large Russia-oriented population. Germany and France vetoed Bush’s reckless invitation, but it’s still on the table. No Russian leader would accept that, surely not Gorbachev, as he made clear.

As in the case of deployment of offensive weapons on the Russian border, there is a straightforward answer. Ukraine can have the same status as Austria and two Nordic coun-

tries throughout the whole Cold War: neutral, but tightly linked to the West and quite secure, part of the European Union to the extent they chose to be.

The U.S. adamantly rejects this outcome, loftily proclaiming its passionate dedication to the sovereignty of nations, which cannot be infringed: Ukraine’s right to join NATO must be honored. This principled stand may be lauded in the U.S., but it surely is eliciting loud guffaws in much of the world, including the Kremlin. The world is hardly unaware of our inspiring dedication to sovereignty, notably in the three cases that particularly enraged Russia: Iraq, Libya and Kosovo-Serbia.

Iraq need not be discussed: U.S. aggression enraged almost everyone. The NATO assaults on Libya and Serbia, both a slap in Russia’s face during its sharp decline in the 1990s, is clothed in righteous humanitarian terms in U.S. propaganda. It all quickly dissolves under scrutiny, as amply documented elsewhere. And the richer record of U.S. reverence for the sovereignty of nations needs no review.

It is sometimes claimed that NATO membership increases security for Poland and others. A much stronger case can be made that NATO membership threatens their security by heightening tensions. Historian Richard Sakwa, a specialist on East Europe, observed that “NATO’s existence became justified by the need to manage threats provoked by its enlargement”—a plausible judgment.

There is much more to say about Ukraine and how to deal with the very dangerous and mounting crisis there, but perhaps this is enough to suggest that there is no need to inflame the situation and to move on to what might well turn out to be a catastrophic war.

There is, in fact, a surreal quality to the U.S. rejection of Austrian-style neutrality for Ukraine. U.S. policy makers know perfectly well that admission of Ukraine to NATO is not an option for the foreseeable future. We

can, of course, put aside the ridiculous posturing about the sanctity of sovereignty. So, for the sake of a principle in which they do not believe for a moment, and in pursuit of an objective that they know is out of reach, the U.S. is risking what may turn into a shocking catastrophe. On the surface, it seems incomprehensible, but there are plausible imperial calculations.

We might ask why Putin has taken such a belligerent stance on the ground. There is a cottage industry seeking to solve this mystery: Is he a madman? Is he planning to force Europe to become a Russian satellite? What is he up to?

One way to find out is to listen to what he says: For years, Putin has tried to induce the U.S. to pay some attention to the requests that he and Foreign Minister Lavrov repeated, in vain. One possibility is that the show of force is a way to achieve this objective. That has been suggested by well-informed analysts. If so, it seems to have succeeded, at least in a limited way.

Germany and France have already vetoed earlier U.S. efforts to offer membership to Ukraine. So why is the U.S. so keen on NATO expansion eastward to the point of treating a Russian invasion of Ukraine as imminent, even when Ukrainian leaders themselves don't seem to think so? And since when did Ukraine come to represent a beacon of democracy?

It is indeed curious to watch what is unfolding. The U.S. is vigorously fanning the flames while Ukraine is asking it to tone down the rhetoric. While there is much turmoil about why the demon Putin is acting as he is, U.S. motives are rarely subject to scrutiny. The reason is familiar: By definition, U.S. motives are noble, even if its efforts to implement them are perhaps misguided.

Nevertheless, the question might merit

some thought, at least by “the wild men in the wings,” to borrow former National Security Advisor McGeorge Bundy’s phrase, referring to those incorrigible figures who dare to subject Washington to the standards applied elsewhere.

A possible answer is suggested by a famous slogan about the purpose of NATO: to keep Russia out, to keep Germany down and to keep the U.S. in. Russia is out, far out. Germany is down. What remains is the question whether the U.S. will be in Europe—more accurately, should be in charge. Not all have quietly accepted this principle of world affairs, among them: Charles de Gaulle, who advanced his concept of Europe from the Atlantic to the Ural’s; former German Chancellor Willy Brandt’s Ostpolitik; and French President Emmanuel Macron, with his current diplomatic initiatives that are causing much displeasure in Washington.

If the Ukraine crisis is resolved peacefully, it will be a European affair, breaking from the post-World War II “Atlanticist” conception that places the U.S. firmly in the driver’s seat. It might even be a precedent for further moves toward European independence, maybe even moving toward Gorbachev’s vision. With China’s Belt-and-Road initiative encroaching from the East, much larger issues of global order arise.

As virtually always in the past when it comes to foreign affairs, we see a bipartisan frenzy over Ukraine. However, while Republicans in Congress are urging President Joe Biden to adopt a more aggressive stance toward Russia, the proto-fascist base is questioning the party line. Why, and what does the split among Republicans over Ukraine tell us about what is happening to the Republicans?

One cannot easily speak of today’s Republican Party as if it were a genuine political par-





ty participating in a functioning democracy. More apt is the description of the organization as “a radical insurgency—ideologically extreme, scornful of facts and compromise, and dismissive of the legitimacy of its political opposition.” This characterization by political analysts Thomas Mann and Norman Ornstein of the American Enterprise is from a decade ago, pre-Donald Trump. By now it’s far out of date. In the acronym “GOP,” what remains is “O.”

I don’t know whether the popular base that Trump has whipped up into a worshipful cult is questioning the aggressive stance of Republican leaders, or if they even care. Evidence is skimpy. Leading right-wing figures closely associated with the GOP are moving well to the right of European opinion, and of the stance of those who hope to retain some semblance of democracy in the U.S. They are going even beyond Trump in their enthusiastic support for Hungarian President Viktor Orbán’s “illiberal democracy,” extolling it for saving Western civilization, no less.

This effusive welcome for Orbán’s dismantling of democracy might bring to mind the praise for Italian fascist leader Benito Mussolini for having “saved European civilization [so that] the merit that Fascism has thereby won for itself will live on eternally in history”; the thoughts of the revered founder of the neoliberal movement that has reigned for the past 40 years, Ludwig von Mises, in his 1927 classic *Liberalism*.

Fox News commentator Tucker Carlson has been the most outspoken of the enthusiasts. Many Republican senators either go along with him or claim ignorance of what Orbán is doing, a remarkable confession of illiteracy at the peak of global power. The highly regarded senior Sen. Charles Grassley reports that he knows about Hungary only from Carlson’s TV expositions, and approves. Such performances tell us a good deal about the radical

insurgency. On Ukraine, breaking with the GOP leadership, Carlson asks why we should take any position on a quarrel between “foreign countries that don’t care anything about the United States.”

Whatever one’s views on international affairs, it’s clear that we’ve left the domain of rational discourse far behind, and are moving into territory with an unattractive history, to put it mildly. **Z**

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Latest IMF controversy unveils biased policies and a Harvard economist's skewed views

By Patrick Bond



“It is more fun to be Santa than Scrooge.”

The catchy phrase was deployed by Harvard University economist Ken Rogoff in early January, while cheekily asking, “Why is the International Monetary Fund trying to morph into an aid agency?”

The IMF’s leftward turn, he supposes, reflects an overly-generous mentality and practice under the very shaky leadership of neoliberal Bulgarian economist Kristalina Georgieva. Last year, Georgieva became notorious for data manipulation on behalf of multinational corporations and nearly lost her managing directorship because her statistical fraud was to China’s benefit, angering the IMF’s geopolitical bully-boy directors from the United States and Japan.

Absurd as the Santa metaphor is when applied to the IMF, given the institution’s ongoing destruction of societies, states and environments, the implications are ominous. They suggest that, in a milieu of emerging (generally mild) inflation threats, Rogoff’s neoliberal hubris could spread as fast as Omicron.

The former IMF chief economist argues that his former employer is now far too lackadaisical about lending standards in the poorest countries, “extraordinarily generous in its normally cautious surveillance assessments, giving its gold seal of approval to countries with exploding debt-to-GDP ratios.” In reality, while dishing out dribbles to some poor countries, the IMF has maintained the same brutal debt-collector philosophy.

Brazil and South Africa, Where the IMF Again Opposes Popular Interests

According to Rogoff, the IMF is “even more sanguine about large emerging markets such as Brazil and South Africa, again arguing that dealing with the pandemic is the absolute top priority, despite soaring debt levels, rising inflation, and simmering banking problems. This lack of conditionality has been by design.”

Contrary to Rogoff’s interpretation, a U-turn out of the pandemic should be the top priority in both. Desperately-needed expansion of state spending, health-system support, redistributive social welfare and ecologically-sound infrastructure investments would allow a genuine “build back better” opportunity, so the world’s two most unequal large societies can recover from Covid-19 shocks. These shocks have generated mass protests and in South Africa’s case, debilitating riots and looting that left 360 people dead in mid-2021.

Both countries’ populations crave expansion of the progressive aspects of their public sectors (especially social grants), given the extreme social suffering in each, and given capitalism’s inability to offer any hope whatsoever to their majorities. And due to the exceptionally high social costs associated with Covid-19, neither can afford the state budgetary austerity Rogoff implies is necessary.

Rogoff’s opposition to fighting Covid-19 is surreal, with Brazil having suffered 672,000 “excess deaths” (behind only India, Russia and the United States), and in South Africa, an even higher share of the population died: 240,000 excess deaths, putting the country in the top 10% of the world’s per capita Covid-mortality rates. As *The Economist* remarked, “Among developing countries that do produce regular mortality statistics, South Africa shows the grimmest picture.”

The IMF can perhaps be disparaged as “sanguine” in both, but in an entirely different way than Rogoff means: for promoting austerity



and ignoring extreme Covid-19 policy mishaps and corruption.

To illustrate, the September 2021 Brazil mission statement opened by noting how IMF “Executive Directors commended the Brazilian authorities for their decisive policy response to the COVID-19 shock,” instead of remarking upon misleadership by a man *New York Magazine* describes as “arguably the most anti-vaxx leader in the world,” President Jair Bolsonaro. At the time of the IMF statement, Bolsonaro was under investigation by the Brazilian Senate, which as Jacobin Brasil’s Hugo Albuquerque explained, then ruled a month later that he “should face criminal charges for his disastrous mismanagement of the COVID-19 pandemic... his ministers, government authorities, and even some businesses were responsible for policies that caused hundreds of thousands of extra deaths. This toll was unsurprising given Bolsonaro’s failure to take preventive measures, and insistence on defending (and investing public funds in) ineffective quack remedies. Yet it was aggravated by unnecessary delays in buying vaccines—the product of both the president’s denialism and government officials’ corruption in dealings with laboratories.”

The IMF acknowledged that some emergency fiscal relief prevented Brazil’s 2020 contraction from being worse, but then predictably called for fiscal austerity: “Medium-term consolidation is appropriately guided by the constitutional expenditure ceiling. Reducing budget rigidities and mandatory outlays will be key to create the fiscal space needed for high priority programs and to increase the flexibility in responding to shocks.” In reality, Albuquerque argues, “the outright economic disaster today producing growing hunger and social inequality” needs more not less state spending.

The IMF’s flattery of Bolsonaro’s economic and Covid-19 policies didn’t actually win

much favor in Brasilia, as the mission was expelled last month, *Barron’s* reported, “in reaction to critical IMF remarks about Brazil’s environmental policy.”

Meanwhile in South Africa, the “sanguine” IMF also didn’t care about Pretoria’s policy disasters, including Finance Minister Tito Mboweni’s \$244 million health budget cut in late February 2020, a few days before Covid-19 arrived. A few months later, the IMF made a \$4.3 billion loan to Mboweni, even though a hard-currency credit wasn’t needed. And brutal budget cuts were indeed part of the package, for Rogoff’s supposed Santa was Scrooge.

To be sure, as Rogoff frets, South Africa’s public debt to GDP did rise steadily from the 2007 trough of 28% to the current peak of 72% (which is still far lower than the world average). Brazil’s public debt/GDP also increased, from a 2013 low of 60% to nearly 90% in late 2020, though since then it has fallen. But rich-country state debt also rose from 70% to 124% of GDP from 2007-21 and globally, all countries’ public debt collectively rose from 60% to 106%.

Although both Brazil and South Africa pay absurdly high interest rates on foreign borrowing (in the 9-11% range), the public debts are manageable, especially to the extent they are in local currency. And this is even more true when considered in relation to public assets, a factor Rogoff entirely neglects, but that even the IMF at least has begun to factor into its research.

By that measure—net worth (in which liabilities are offset by assets as any other institution subject to basic accounting principles would do)—South Africa is far healthier, and Brazil a bit healthier, than the U.S., Germany, UK and France. (The reason is both countries’ vast state-owned natural resource base, although lack of effective popular control over those resources—compared to extractive-in-

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dustry firms—explains why both countries suffer intense inequality.)

Moreover, Rogoff nags the IMF unnecessarily about bank instability and inflation. Consumer price increases in South Africa stayed in the 3-6% range over the last dozen years; while Brazil's inflation rate is up just above 10%. In both cases, the price hikes have been much lower, recently, than during their late-20th century peaks.

Nor do Brazil or South Africa have banking stability problems. (Yes, South Africa lost one small bank to bankruptcy in 2018, but that was due to blatant corruption facilitated by KPMG accounting sloth and non-existent SA Reserve Bank oversight.) Bankster oligopolies were able to keep their interest rate spreads high in both countries and, like financial institutions nearly everywhere, they are surviving Covid-19 with hedonistic profits and capital reserves intact.

It is especially ironic that Rogoff—a financial crisis expert—is sounding like a Chicken Little regarding South African and Brazilian banks, when he and indeed all other U.S. bourgeois economists (with the exception of Nouriel Roubini, whose forecasting Rogoff belittled in mid-2008) neglected the world-scale risk of sub-prime lending emanating from his own country's financiers during the prior financial melt.

Austerity conditions bite South Africans hard

The IMF's influence combines here in South Africa with a neocolonial mentality at Treasury, making fiscal austerity so extreme that the main parliament building in Cape Town burned down on January 2. For the first time ever, due to what officials termed "budgetary constraints," overtime pay





was unavailable for parliamentary staff who are typically there on holidays, so they were told not to come to work. (The inferno's cost was at least \$60 million and it was uninsured, leaving national politicians homeless for the next 5 years.)

The IMF loan was the first since an \$850 million credit in December 1993—a loan which cemented neoliberalism, leaving Nelson Mandela's first democratic government hamstrung and, 6 months after the loan was granted when Mandela took power in the first-ever democratic government here, unable to carry out its Reconstruction and Development Programme (RDP).

Those IMF conditions included reduction of import tariffs for labor-intensive industries (clothing, textiles, appliances, electronics, etc) which led to their local demise, much lower state budget deficit ratios (notwithstanding the vast inherited apartheid backlogs), and cuts to civil service real wages. *Business Day* reporter Greta Steyn described the choice: "The ANC wants to create an almost utopian society, described in the RDP. But it has to build that society while keeping its promises to the IMF," and in respecting the latter, Mandela sacrificed the fight for greater equality, for poverty elimination and for lower unemployment.

The same was true in July 2020, in the midst of the Covid-19 crisis. Neoliberal conditionality was initially self-imposed by Mboweni in a "letter of intent" and codified by the IMF loan, destroying any hope for building back better, or even in many cases assuring survival. To follow the IMF letter of intent conditions, especially "fiscal consolidation measures," Mboweni decisively adopted an austerity budget three months later, in October 2020. The promised \$31 billion fiscal stimulus meant to mitigate Covid-19 damage to society, state (including the healthcare system) and economy adopted in mid-2020 was

promptly curtailed, with only about a fifth actually hitting the ground.

As Keynesian economist Duma Gqubule explains, "National Treasury effectively cancelled the stimulus. If one looks through the smoke and mirrors of the package, the real stimulus—new money that was injected into the economy—was only \$6.4 billion, which was equivalent to 1.8% of GDP in 2019." The single largest chunk, he notes, was \$3.6 billion "that the Unemployment Insurance Fund paid to people who were unemployed because of the lockdown," which shouldn't have been a fresh form of fiscal stimulus, since such funds in an overcapitalized fund should in any case have been available to the more than 1.4 million new jobless during 2020-21.

Moreover, in the 2020 loan documentation, both the IMF and SA Treasury agreed to electricity-generation privatization and other state-owned enterprise commercializations, dramatic civil service wage cuts, and budget tightening: "not only will the temporary relief measures be phased out as the pandemic wanes, but some of the expenditure cuts implemented to make room for the relief measures will either become permanent or be replaced by other cuts... The implementation of zero-based budgeting for national and provincial departments will reduce dependency on previous budgets and pursue a better alignment between revenue and expenditure. We intend to take measures that include further reductions in the wage-to GDP ratio, rationalization of transfers to SOEs, and streamlining of subsidies."

The result for Mboweni's successor in mid-2021, Enoch Godongwana, was pressure to impose further (inflation-adjusted) cuts to the 2022-24 medium term budget: 23.8% in social welfare spending, 15.1% in the health budget, and 12.6% in primary and secondary education. Complained labor leader Zwelinzima Vavi last November: "The negative conse-

quences of austerity are manifest in systemic paralysis across the public sector. Examples include the reduction in headcount of public servants, worsening infrastructure in schools, poorly maintained fleets, lack of equipment and resources, etc. For instance:

- The KwaZulu-Natal Department of Basic Education has already reduced its headcount by 6,000.
- In the Eastern Cape, 1,142 schools have been gazetted for closure. This means teaching posts will also be reduced. In March this year, the unfilled vacant posts in the Education Department stood at 24,000.
- Home Affairs staff will be reduced by 834 jobs.
- The South African Police Service headcount will be reduced by 10% between 2020/21 and 2023/24. This means by the end of the financial year 2023/24, there will be 18,399 fewer police officers.
- Statistics South Africa's headcount will be reduced by 146. The judiciary will shed 815 posts. Correctional Services will shed 1,027 posts.
- The health sector is said to be sitting with 40,000 unfilled posts. Given the huge knock it took in the Budget, it is more likely to reduce its headcount in great numbers in the next three years."

So the IMF is generally pleased about South Africa's fiscal consolidation, even in 2020 when Gross Domestic Product fell by 6.2% and genuine stimulus was sorely needed. Claiming there is now "no fiscal space to facilitate significant human capital and infrastructure investment," the IMF's December 2021 mission further argued, "An ambitious fiscal consolidation is necessary" while celebrating how Godongwana's 2022-24 budget a month earlier "rightly outlines a consolidation

path to unwind much of the pandemic-related support over time."

Yet without serious state intervention, the official unemployment rate (counting those who have given up looking for jobs) skyrocketed by 9% from when Covid lockdowns began in March 2020 to 46.6% by September 2021. What was already an appallingly-exploitative economy, worsened dramatically.

No Conditions Against Corruption

But when it came to anti-corruption conditionality, the IMF was absent. (To his credit, Rogoff does make this point in passing, at the end of his article.) South Africa should have been a lab for Covid-emergency lending with anti-graft conditions. After all, the Sandton-Stellenbosch corporate leaders are among the world's three capitalist classes most prone to engaging in "economic crime," PwC reports.

Though Transparency International ranks the politicians and bureaucrats only 111th most corrupt in its 180-country annual survey, unfortunately the ruling African National Congress adopted an outsourcing ideology early on under neoliberal pressure, and that meant the 2020-21 international lenders would merely nudge-nudge wink-wink at Treasury's services privatizers. Along with two \$1 billion loans from the BRICS New Development Bank in 2020-21 and a \$288 million African Development Bank loan, the IMF credit facilitated blatant corruption in Covid-related procurement.

The situation degenerated so far that President Cyril Ramaphosa's health minister—his close ally Dr Zweli Mkhize, who once led the ultra-crucial KwaZulu-Natal province and



retains enormous influence (vital to Ramaphosa's ruling-party leadership election this year)—had to be fired by the reluctant president last August. Naturally, the IMF has said not a word about this, even in last month's annual IMF mission statement.

In recent months, the IMF has only addressed South Africa's corruption by reference to the 2009-18 Zuma-era period of "state capture," in its in-house journal's interview with former IMF/Bank chairperson Trevor Manuel. As South Africa's finance minister from 1996-2009, Manuel was responsible for putting in place the very procurement system and outsourcing philosophy that allowed so much Covid-19 fraud to occur in 2020-21. An estimated 35-40% of state tendering entails overcharging by corporates, according to a leading Treasury official who quit after assassination threats in 2017.

South African society would be correct to demand that the state—hopefully run in future by a genuinely democratic government—refuse to repay the 2020 IMF loan on grounds it was Odious Debt, as with the other huge outstanding loan by the IMF's partner institution, the World Bank: \$3.75 billion in 2010, for a corrupt coal-fired power plant.

When IMF Reform Deforms, Closure is Overdue

There are so many ways the IMF needs fixing, and such adverse conditions in multilateral governance, that the two main suggestion Rogoff makes—1) the "vast bulk of the funding they provide takes the form of outright grants, rather than loans" and 2) that "IMF funds are not used simply to repay private creditors"—are both too limited and too ambitious, given realpolitik of financial impe-

rialism.

Take one example of the IMF's failure to use its massive power constructively: fossil fuel subsidies that its researchers finally recognize are hastening the destruction of organized life on the planet. In September 2021, the IMF's most recent call to reduce both explicit and implicit fossil subsidies was based on the obvious fact that "mispricing of energy is pervasive, and the potential benefits from reform are substantial... Globally, fossil fuel subsidies were \$5.9 trillion or 6.8% of GDP in 2020 and are expected to increase to 7.4% of GDP in 2025 as the share of fuel consumption in emerging markets (where price gaps are generally larger) continues to climb."

But the \$5.9 trillion was based upon the assumption that damage done by CO2 amounts to "\$60 per ton in 2020, a lower bound value given the goal to limit warming to well below 2 degrees C (prices for intervening or earlier years are inferred assuming prices rise annually at \$1.5 per ton)." Actually, the Social Cost of Carbon baseline that the IMF should be using, according to research by respected European scientists published the same month, is \$3000/ton, 50 times higher.

The same limitations are evident regarding what Rogoff considers the IMF's "generous" approach to poor countries' debt. A so-called Debt Service Suspension Initiative (DSSI) was introduced by the G20 in April 2020 to stave off sovereign defaults, and attracted requests for debt relief (mainly repayment delays) from 46 countries. But due to lender stinginess, as the *Financial Times* reported, "The \$12.7 billion deferred fell far short of initial estimates which suggested the DSSI would provide about \$20 billion of relief in 2020 alone."

The IMF took in \$1.9 billion from the poorest countries in 2020-21, suspending just 24% of repayments, playing Scrooge in comparison to China (45%), Japan (56%), India



(60%), France (64%) and Saudi Arabia (71%). By last October, the world's poorest countries paid \$36.4 billion to service debt, according to the Jubilee Debt Campaign, "compared to \$10.3 billion of debt payments that were suspended and \$0.6 billion cancelled."

And while the IMF may well rebut that a \$650 billion Special Drawing Rights issuance in August 2021 represented a gift to all countries including the poorest, Rogoff is correct to observe that, "owing to the instrument's arcane structure, developing economies stand to receive only a small fraction of the pot." Africa received only \$23 billion of the \$650 billion—3.5%—in spite of having 17.5% of the world's population, and of that, \$7.6 billion went to just two countries: South Africa and Nigeria.

Milan Rivié and Éric Toussaint of the Committee for the Abolition of Illegitimate Debt criticize the "paltry" character of the SDRs:

"While this allocation may at first sight represent a breath of fresh air for the countries of the South, the reality is quite different... Compared with the thousands of billions of euros and US dollars, respectively, released since the beginning of the pandemic by the European Central Bank and the US Federal Reserve, and with the actual needs of the countries of the South, the allocation of \$275 billion dollars is derisory."

Rivié and Toussaint remark on the politics behind the new SDR allocation: "Since the global crisis of 2007-08, the IMF has once again become inescapable and is present in a majority of countries in the South. To use this allocation is to reinforce the central position of an institution that has constantly failed since its creation, both because of its anti-democratic functioning and its deadly neoliberal ideology... private creditors, who are a large majority, have not yet granted any relief or cancellation of their debts. In such circumstances, the allocation is likely to be

used first to directly or indirectly repay private creditors. The current dominating logic for countries of the South is to preserve their trustworthiness on financial markets and with investors. As they give in to the blackmail of creditors and rating agencies, States are clearly undermining international law, human rights and the United Nations Sustainable Development Goals."

Cooptation of semi-peripheral economic powers is another feature of the IMF's evolution, similar to the imperial G7 accompanied by an imperial/subimperial G20 since 2008. The prior 2015 recapitalization of the IMF had not only doubled the Fund's quotas to 500 billion SDRs, but dramatically increased several "emerging economy" shares, e.g. Brazil by 23%, Russia by 8%, India by 11% and China by 37%. But of the three largest African shareholders, two suffered dramatic declines in their voting power at the IMF that year: Nigeria by 41% and South Africa by 21%, alongside substantial declines in influence for Libya (39%), Morocco (27%), Gabon (26%), Algeria (26%), and Namibia (26%).

Finally, the main reform project now underway is a call to end the IMF's regressive, unnecessary loan surcharges, which will squeeze \$4 billion more from high-risk borrowers like Argentina this year. Begun at the Center for Economic and Policy Research in Washington, DC and given high profile support by former World Bank chief economist Joe Stiglitz and U.S. left politician Alexandria Ocasio-Cortez, the campaign nevertheless may fail due to U.S. opposition, even if the main European shareholders are more open-minded about dropping the charges.

In this context of profound inequality, it's surreal to see Rogoff sounding off against the IMF's alleged resemblance to an aid agency. Of course, it's useful that he flags—at the end of the article, as if an afterthought—how the IMF facilitates capital flight, corruption and

Ponzi-like repayment of old debts with new loans. Consistent with U.S. foreign policy dogma, Rogoff slams excessive Chinese loans to poor countries, not without justification. But Rogoff's ultimate agenda, as ever, is fiscal contraction.

It reminds so much of 2013, when Rogoff's intellectual dishonesty (writing alongside the World Bank's current chief economist, Carmen Reinhart) about debt/GDP ratios—unveiled by a PhD student at U.Mass-Amherst—led the *New Yorker* to remark:

"The attack from Amherst has done enormous damage to Reinhart and Rogoff's credibility, and to the intellectual underpinnings of the austerity policies with which they are associated. In addition, it has created another huge embarrassment for an economics profession that was still suffering from the fallout of the financial crisis and the laissez-faire policies that preceded it. After this new fiasco, how seriously should we take any economist's policy prescriptions, especially ones that are seized upon by politicians with agendas of their own?"

Or recall a moment in 2002, when Rogoff was so incensed by Stiglitz telling the truth about the IMF's brutal neoliberal ideology and "third rate" staff, that on the IMF's own website, still there today, Rogoff spread catty gossip (putting Stiglitz in a poor light) about how arrogant economists chatter at Princeton luncheons.

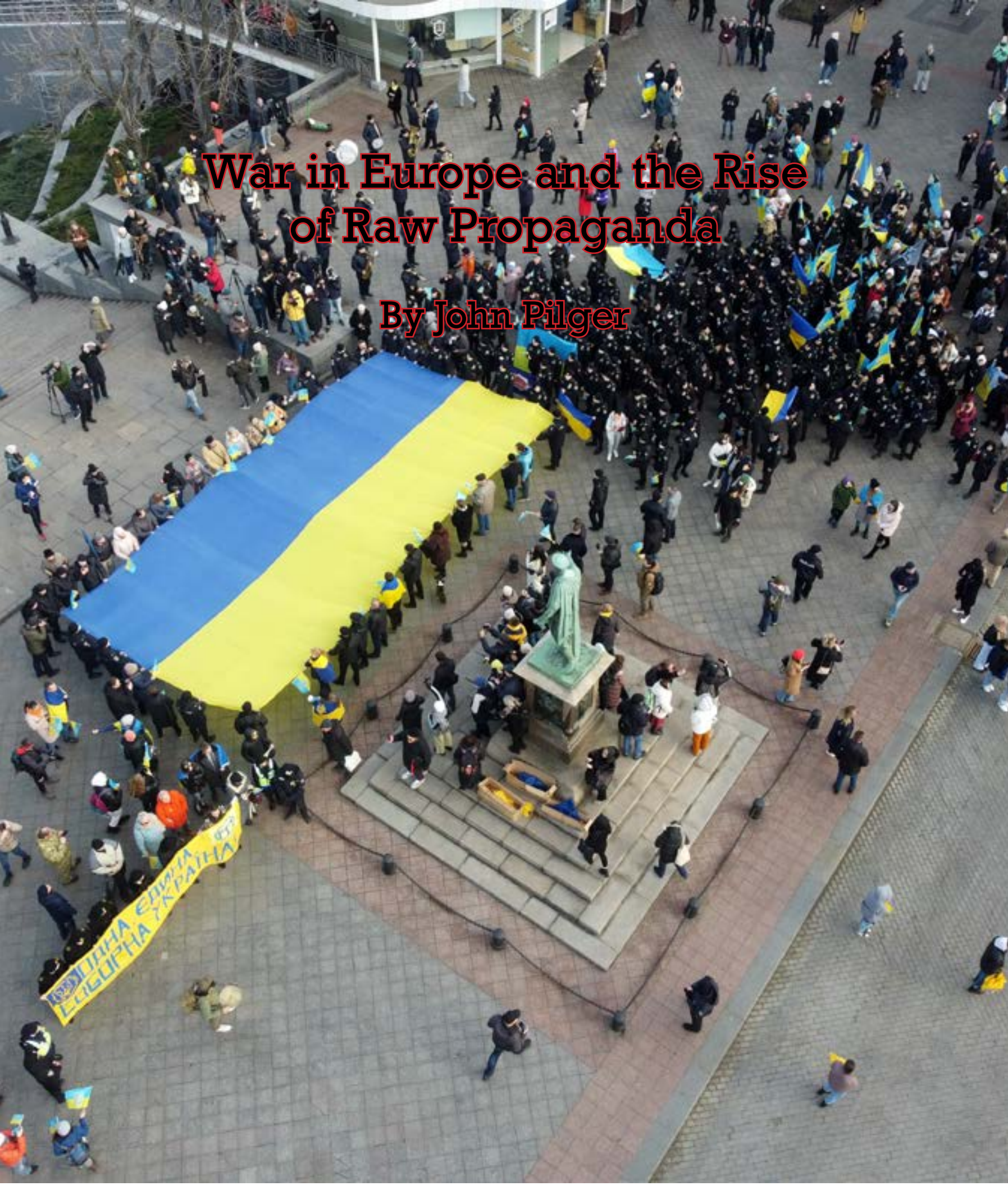
The IMF needs constant deep critique. The futile effort by Rogoff to poke little holes in its "generous," "sanguine" Covid-era lending practices only reveals how ghoulish the institution has become, at a time that a light resurgence of global inflation will empower neoliberal economists and the IMF to tighten fiscal-austerity screws.

And it's a time when we really need the Bretton Woods Institutions to start a rapid winding down, as part of a true global effort

to build back better.

Z

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War in Europe and the Rise of Raw Propaganda

By John Pilger

Marshall McLuhan's prophecy that "the successor to politics will be propaganda" has happened. Raw propaganda is now the rule in Western democracies, especially the U.S. and Britain

On matters of war and peace, ministerial deceit is reported as news. Inconvenient facts are censored, demons are nurtured. The model is corporate spin, the currency of the age. In 1964, McLuhan famously declared, "The medium is the message." The lie is the message now.

But is this new? It is more than a century since Edward Bernays, the father of spin, invented "public relations" as a cover for war propaganda. What is new is the virtual elimination of dissent in the mainstream.

The great editor David Bowman, author of *The Captive Press*, called this "a defenestration of all who refuse to follow a line and to swallow the unpalatable and are brave." He was referring to independent journalists and whistleblowers, the honest mavericks to whom media organizations once gave space, often with pride. The space has been abolished.

The war hysteria that has rolled in like a tidal wave in recent weeks and months is the most striking example. Known by its jargon, "shaping the narrative," much if not most of it is pure propaganda.

The Russians are coming. Russia is worse than bad. Putin is evil, "a Nazi like Hitler," salivated the Labour MP Chris Bryant. Ukraine is about to be invaded by Russia—tonight, this week, next week. The sources include an ex-CIA propagandist who now speaks for the U.S. State Department and offers no evidence of his claims about Russian actions because

"it comes from the US Government."

The no-evidence rule also applies in London. The British Foreign Secretary, Liz Truss, who spent £500,000 of public money flying to Australia in a private plane to warn the Canberra government that both Russia and China were about to pounce, offered no evidence. Antipodean heads nodded; the "narrative" is unchallenged there. One rare exception, former prime minister Paul Keating, called Truss's warmongering "demented."

Truss has blithely confused the countries of the Baltic and Black Sea. In Moscow, she told the Russian foreign minister that Britain would never accept Russian sovereignty over Rostov and Voronezh—until it was pointed out to her that these places were not part of Ukraine but in Russia. Read the Russian press about the buffoonery of this pretender to 10 Downing Street and cringe.

This entire farce, recently starring Boris Johnson in Moscow playing a clownish version of his hero, Churchill, might be enjoyed as satire were it not for its wilful abuse of facts and historical understanding and the real danger of war.

Vladimir Putin refers to the "genocide" in the eastern Donbas region of Ukraine. Following the coup in Ukraine in 2014—orchestrated by Barack Obama's "point person" in Kyiv, Victoria Nuland—the coup regime, infested with neo-Nazis, launched a campaign of terror against Russian-speaking Donbas, which accounts for a third of Ukraine's population.

Overseen by CIA director John Brennan in Kyiv, "special security units" coordinated savage attacks on the people of Donbas, who opposed the coup. Video and eyewitness reports show bussed fascist thugs burning the trade union headquarters in the city of Odessa, killing 41 people trapped inside. The police are standing by. Obama congratulated the "duly elected" coup regime for its "remarkable re-

straint.” In the U.S. media the Odessa atrocity was played down as “murky” and a “tragedy” in which “nationalists” (neo-Nazis) attacked “separatists” (people collecting signatures for a referendum on a federal Ukraine). Rupert Murdoch’s *Wall Street Journal* damned the victims—“Deadly Ukraine Fire Likely Sparked by Rebels, Government Says.”

Professor Stephen Cohen, acclaimed as America’s leading authority on Russia, wrote, “The pogrom-like burning to death of ethnic Russians and others in Odessa reawakened memories of Nazi extermination squads in Ukraine during world war two. [Today] storm-like assaults on gays, Jews, elderly ethnic Russians, and other ‘impure’ citizens are widespread throughout Kyiv-ruled Ukraine, along with torchlight marches reminiscent of those that eventually inflamed Germany in the late 1920s and 1930s ...

“The police and official legal authorities do virtually nothing to prevent these neo-fascist acts or to prosecute them. On the contrary, Kyiv has officially encouraged them by systematically rehabilitating and even memorialising Ukrainian collaborators with Nazi German extermination pogroms, renaming streets in their honour, building monuments to them, rewriting history to glorify them, and more.”

Today, neo-Nazi Ukraine is seldom mentioned. That the British are training the Ukrainian National Guard, which includes neo-Nazis, is not news. (See Matt Kennard’s Declassified report in *Consortium*, February 15). The return of violent, endorsed fascism to 21st-century Europe, to quote Harold Pinter, “never happened ... even while it was happening.”

On December 26, the United Nations tabled a resolution that called for “combating glorification of Nazism, neo-Nazism and other practices that contribute to fuelling contemporary forms of racism.” The only nations to vote against it were the United States and Ukraine.

Almost every Russian knows that it was across the plains of Ukraine’s “borderland” that Hitler’s divisions swept from the west in 1941, bolstered by Ukraine’s Nazi cultists and collaborators. The result was more than 20 million Russian dead.

Setting aside the maneuvers and cynicism of geopolitics, whomever the players, this historical memory is the driving force behind Russia’s respect-seeking, self-protective security proposals, which were published in Moscow in the week the UN voted 130-2 to outlaw Nazism. They are:

- NATO guarantees that it will not deploy missiles in nations bordering Russia. (They are already in place from Slovenia to Romania, with Poland to follow)
- NATO to stop military and naval exercises in nations and seas bordering Russia.
- Ukraine will not become a member of NATO.
- The West and Russia to sign a binding East-West security pact.
- The landmark treaty between the U.S. and Russia covering intermediate-range nuclear weapons to be restored. (The U.S. abandoned it in 2019.)

These amount to a comprehensive draft of a peace plan for all of post-war Europe and ought to be welcomed in the West. But who understands their significance in Britain? What they are told is that Putin is a pariah and a threat to Christendom.

Russian-speaking Ukrainians, under economic blockade by Kyiv for seven years, are fighting for their survival. The “massing” army we seldom hear about are the 13

Ukrainian army brigades laying siege to Donbas: an estimated 150,000 troops. If they attack, the provocation to Russia will almost certainly mean war.

In 2015, brokered by the Germans and French, the presidents of Russia, Ukraine, Germany and France met in Minsk and signed an interim peace deal. Ukraine agreed to offer autonomy to Donbas, now the self declared republics of Donetsk and Luhansk.

The Minsk agreement has never been given a chance. In Britain, the line, amplified by Boris Johnson, is that Ukraine is being “dictated to” by world leaders. For its part, Britain is arming Ukraine and training its army.

Since the first Cold War, NATO has effectively marched right up to Russia’s most sensitive border having demonstrated its bloody aggression in Yugoslavia, Afghanistan, Iraq, Libya and broken solemn promises to pull back. Having dragged European “allies” into American wars that do not concern them, the great unspoken is that NATO itself is the real threat to European security.

In Britain, a state and media xenophobia is triggered at the very mention of “Russia.” Mark the knee-jerk hostility with which the BBC reports Russia. Why? Is it because the restoration of imperial mythology demands, above all, a permanent enemy? Certainly, we deserve better. **Z**

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