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**BRIEF REMARKS ON THE BLAIR COMMISSION REPORT**

1. The report should not be entitled “report of the African Commission”. It is an initiative of the UK, controlled by T. Blair, with the contribution of selected Africans appointed by Blair, who do not represent neither African authorities , nor the African civil society. It is the “Blair report on Africa”.

2. The report separates (in order to isolate) “Africa south of the Sahara” from North Africa (the usual racist World Bank –US vision of Africa) as well as from Asia and Latin America. This is not the choice formulated by progressive forces in Africa, and by the African Union which consider – rightly – that the battle for the cancellation of the debt and for an alternative different pattern of global development is a collective battle for the South.

3. The analysis of the problems which Africa is currently facing provided in the report offers rigorously nothing new. It reproduces the common prejudices of neo liberal vision of globalization as formulated in the Millenium Development Goals. It never questions this choice which is part of the problem since it is responsible for growing inequalities and therefore generating poverty, not of its solution. Moreover this document was not produced by an authentic international commission constituted to this effect but was drafted in some unknown corner (some say the State Department) and then suddenly submitted to the applauses! This imposed document does not commit the peoples and the States. The Blair report concludes with recommendations which finally boil down to two. The first is an appeal to rise up the ODA (official development aid). This call, renewed in all reports since half a century had no effect to this day. Is there any reason to believe that things will change? The other concerns the cancellation of the debt.

4. The cancellation of the debt is a right for the South, not a concession from the North.

The dominant discourse assigns sole responsibility for the debt to borrowing nations, whose actions, it maintains, are indefensible (corruption, complacency and irrationality of policy makers, extreme nationalism, etc.). The truth, however, is quite different. Certain lenders had a policy of systematically making loans to facilitate investment of surplus capital. This accounts for much of the debt. Due to the serious economic crisis of the last twenty years many investors failed to find investment markets, either in rich countries or those that were supposed to be in a position to absorb their capital. Therefore, they set up fake markets to prevent devaluation of the surplus capital. The result of these policies was a sudden increase in speculative funds invested over the very short term, including investment in the "debt" accumulated by Third World and East Bloc countries. The World Bank in particular, but also many major private banks in the United States, Europe and Japan, as well as a number of transnationals bear a major share of the responsibility, though this is never discussed. Corruption has piggybacked on these policies, once again aided and abetted by the lenders of capital (the World Bank, the private banks and the transnationals) and the heads of affected nations from the Southern hemisphere and the former East Bloc. A systematic

audit of these debts is urgently required. It would demonstrate that a major portion of these debts is illegal.

The debt service burden is utterly intolerable, not only for the poorest countries of the South, but even for those who are better off. When, following the First World War, Germany was ordered to pay reparations amounting to 7% of its exports, liberal economists of the period concluded that the burden was unendurable and that the country's production system could not adjust to the new requirements. Today, economists of the same liberal school have no compunctions about suggesting that Third World economies bend to debt servicing requirements that are five or even six times more onerous. In reality, debt servicing today amounts to plundering the wealth and labour of populations in the Southern Hemisphere (and the former East Bloc). The plunder is especially lucrative since it has managed to turn the planet's poorest countries into exporters of capital toward the North. It is also brutal, as it frees dominant capital from the management of production. The debt is due, that's all! It is the responsibility of the States involved (rather than the lenders of capital) to extract the necessary work from their populations. Thus, dominant capitalism is freed from all responsibility and worry.

There are three categories of debt:

*Debts arising from loans used for offensive or immoral purposes*

The loans made by the former apartheid government of South Africa provide a good illustration of this kind of debt. The country borrowed money to purchase weapons for use against the African resistance.

*Debts arising from loans of questionable origin*

The financial powers of the North (including the World Bank) provided most of these loans and the corruption of both creditors and debtors smoothed the way. Most of these loans were not invested in projects, and payments were concealed (the lenders were well aware of this). Any court worthy of the name would consider these debts purely and simply illegal. In a few cases, the loans were in fact invested, but in absurd projects imposed by the lenders, especially the World Bank. In these cases, the Bank should be put on trial. This institution has been financially irresponsible, even placing itself above liberalism's own laws and its discourses on risk taking!

*Debts arising from acceptable loans*

When loans have been used for their intended purpose, acknowledgement of the debt cannot be questioned.

Debts arising from loans used for odious or immoral purposes should be repudiated unilaterally (following audit). In addition, following their capitalization the creditors should reimburse the payments made on these debts at the same rates of interest the debtors had to pay. We would then see that in fact the North is indebted to the South, its victims.

The debt management proposed for Heavily Indebted Poor Countries (HIPC) belongs to a very different type of logic. Their entire debt is considered perfectly "legitimate", even though it is not subject to any kind of review or audit. This is because the debt management proposal is regarded as charity. This stance is unacceptable. On the one hand, the proposal purportedly lightens the burden for the very poor; on the other hand, it imposes additional draconian conditions on them. In so doing, it places them permanently in a situation closely resembling that of colonies administered directly from abroad.

#### 5. Why the Blair report recommends the cancellation of the debt?

(i) The report indeed recommends the 100 % cancellation of the debt for the poorest countries, with no clear definition of what is meant, since in all "middle income countries" the majority of the popular classes are as poor as they are in least developed. Additionally the report submit the cancellation to severe conditionality, i.e. that the countries involved must continue to operate within the frame of the overall global strategy as defined by the Millenium goal strategy. This is no less than the strategy of dominant transnational dominant capital. It is not a strategy acceptable for the development of the South.

(ii) One understands therefore why the Blair report recommends the cancellation of the debt in that frame. The debt is no more useful; it has played its role. It has indeed created the conditions which compelled the countries of the South to submit to the SAPs and through them to submit to the neoliberal global strategy. Therefore now, provided the South remains in that frame the debt is no more needed. The primitive form of plunder it represented is superseded by new forms of plunder. A comparison: the debt in the 19<sup>th</sup> century ( Ottoman , Egypt , China etc..) prepared the colonization ( occupation of Egypt , unequal treaties and concessions in China etc..) .The debt today prepared the new forms of colonization ( the World trade organization ).

(iii) What we need is therefore not only the cancellation of the debt, but also the recognition of the right of countries to decide of their strategies for development by themselves, thus creating the conditions for a negotiated pattern of globalization . Otherwise cancellation is useless: in the current neoliberal frame there is no room for relaunching development in the South , and , should it be so , it would immediately regenerate the debt!

(iv) The South, beyond cancellation, demands more. In addition to the suggested audit and the adoption of measures to facilitate regularization of accounts, we must continue developing an international law on debt to ensure that these kinds of situations do not recur. For now, this type of law exists only in embryonic form. In addition, we need to set up genuine tribunals (not arbitration boards) to uphold the law in this matter. The South does not demand charity but end of organized plunder which the lack of law makes possible. We do not need arbitration courts, Paris club, London club which are not tribunals based on law , but sessions of mafia type of ruling over their victims. We need law and justice.