

Rally people around bold transformative projects as alternatives and challenge to capitalism in crisis

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Seize the Moment

In the last few years, a string of interlocking crises has brought the logic and legitimacy of capitalism in question. But progressive forces have not used the opportunity to repudiate it, much less dare challenge it with bold, workable alternatives. This paper is thus a call and a plan of action for how the Left can seize the moment.

The worsening situation of want and disparity calls for an overhaul of the dominant global socio-economic system that perpetuates this injustice. Replacing this system with one that is pro-people and pro-environment is everyone's moral duty. On the verge of global physical, economic, social, and cultural destruction, simply regulating and re-arranging the system is not enough, it must be transformed.

This paper seeks to urge progressive forces to rally people around projects that have an immediate, unifying, and transformative effect like Namibia's Basic Incentive Grant (BIG). The challenge is to unite over these doable but significant projects that address their urgent needs, and allow them to snow-ball into a global movement that will shake capitalism at its foundations. This movement can start with trying to restore what capitalism has destroyed in billions of poor and marginalised: human dignity.

Think BIG

Namibia's BIG significantly reduced poverty and inequality, providing example and inspiration in

successfully and sustainably fighting these terrible twins of capitalism that reduced humanity and nature into commodities. BIG, which was pilot-tested in the representative village of Ontivero-Omitara, is the first “universal unconditional cash transfer” programme that has immediately helped the poor get out of poverty, hopelessness, and powerlessness.

In his presentation at the Rosa Luxembourg Foundation Seminar in Brussels in October 2010, BIG proponent Herbert Jauch showed that a small amount for everyone in Ontivero-Omitara was able to transform its residents economically, socially, and psychologically. Namibians from that village have become more productive and more imaginative in raising their productivity. They have lived and internalised the ideal that human beings are entitled to basic economic rights. They have been profoundly transformed into an empowered citizenry that demands these and other entitlements.

Applied to everyone, BIG demonstrates government’s commitment to give its people a life free of deprivation and instead marked with human dignity. South African scholars have shown that a country with enough political will could mobilise the needed resources for a national BIG coverage without undermining its financial stability.

A universal (country-wide first and perhaps global later) BIG is possible through re-prioritisation and subsequent budget readjustment, as well as through progressive taxation targeting equitable social redistribution.

According to Jauch, BIG does not automatically lead to the structural reforms that would erase poverty and inequality altogether and forever; it is only a first step. To ensure a permanent fundamental change, BIG needs to be complemented by redistributive economic policies like public control over natural resources, etc.

Opposed to neoliberalism, the BIG Coalition participates in studies and debates on alternatives exploring how to un-stuck poor African countries from the neo-liberal restructuring of their economies. It also looks at Latin American lessons such as in Venezuela, where state resources are channeled back to address the needs of the poor.

The struggle to improve people’s lives has many fronts, all of which need to be fought at the same time. Free and universal health services and education, socialised housing, and old-age pensions are other important steps to meaningfully improve people’s lives.

Universalised, institutionalised, and directly benefitting the people (rejecting capitalism’s trickle-down effect for entitlements to reach the masses), BIG has inspired Southeast Asian activists and academics who attended the seminar and who are similarly waging a war to regain human dignity.

Asia’s Struggles

Thirty years of neo-liberal restructuring of the Asian economies and the multiple interlocking crises create the imperative for drastic measures. Why? Because Asia is home to two-thirds of the world’s poor and hungry with more than 900 million living in extreme poverty. At the same time, 78 per cent of Asia’s work force is pushed to the informal zone, where they suffer poverty wages, precarious working conditions, and sub-human living conditions.

Most Asians are robbed of their basic rights essential to life: decent jobs, food, water, shelter, health, and education. So in Asia, where the wretched situation of the masses belies the so-called positive economic growth, the main concern has not reached the level of quality of life, it is still at step one: right to life.

As we can now see, these structural adjustment programmes exacerbated poverty and inequality in the region. In many countries in Southeast Asia they have devastated local industries and destroyed job tenure and hard-won benefits of the unions. They shattered the agricultural capacities of these countries and undermined our capacity for food production.

NTSP background and agenda

Just as the financial crisis was unraveling in late 2008, the Network for Transformative Social Protection (NTSP) was formed at the sidelines of the Seventh Asia-Europe People's Forum in Beijing. Network members representing poor people's movements in Indonesia, Malaysia, Philippines, Thailand, and Vietnam saw the multiple, interlocking crises as an opportunity for the poor and the most affected by the crises to come forward and assert the right to decent work and decent life.

We, members of the Network, resolved to pursue transformative social protection programmes in their respective countries and at regional bodies like the ASEAN (Association of Southeast Asian Nations), EU (European Union), and bodies like ASEM (Asia-Europe Meeting).

Initially, the Network focussed on information and education activities, and capacity-building initiatives to elevate the transformative social protection agenda to the centre-stage of policy debates in the members' countries and affirm its importance as an anti-poverty instrument.

(In the Philippines broad alliances have been formed and they continue to wage vigorous advocacies for the universalisation of health services and socialised housing in pilot cities—led by urban poor networks and women's groups.)

The Network emphasised that the movement will not move forward without a broad coalition of social movements, trade unions, sectoral networks, NGOs, and that it will actively engage civil society organisations and partners at the local, national, and international arenas.

In addition, it stressed that grassroots organisations should be activated to lead the campaigns for job guarantee, universal health care, adequate food for all, and humane housing, as well as water and electricity for all.

The Network's agenda states that the efforts for the universalisation and institutionalisation of basic economic entitlements is not only a meaningful poverty reduction programme, it is meant as an empowering movement for the powerless to move the poor to more inspired actions, building their confidence, realising their collective strength, expanding spaces for their political participation, thereby strengthening the movements from below for societal transformation.

Strategic and Immediate Agenda

The Network for Transformative Social Protection puts forward an agenda that is strategic because it addresses the structural problems and seeks to overhaul the socio-economic system for an alternative humane society, built on the interests of the poor and working people.

In the short term, the agenda obliges States to underwrite a national-level system of social protection for all by universalising and institutionalising the basic economic rights which have been guaranteed by international human rights conventions. In so doing, these basic essential services are de-commodified.

To realise this, it rejects the framework of the World Bank that markets provide the best solution to the vulnerabilities of the poor. The Network also questions the Bank's position limiting the role of the State, which in fact can do more than provide safety nets in times of crisis. This is to overturn the commodification and privatisation of essential goods and services spearheaded by the WB-IMF.

Reclaiming the State

Poverty, however, can only be eliminated via broad structural reforms like agrarian reform and a reversal of trade liberalisation, progressive taxation, and a moratorium on servicing the foreign debt. Therefore the Network for Transformative Social Protection is also promoting National Development Strategies that bring about equity and ecological stability, as well as democratic or people's control over their lives and the economy.

But this would require progressive forces and their civil society partners to the challenging task of reclaiming the State and transforming it into a pro-active agent of development that could implement these National Development Strategies.

We are aware that these past thirty years, States have been pressured by the World Bank and the International Monetary Fund (IMF) into supporting the infrastructure of TNCs. States have opened their markets to international trade, allowed market forces to dictate price and direction of the economy, and put public resources in the hands of capitalists. All those years, the Southeast Asian region has taken on a neo-liberal structure.

However the emergence of several progressive states in Latin America provides a lot of lessons and hope. Under a fluid situation, political shifts to the Left have been possible with the pressure from progressive civil society and their mobilisations.

National Development Strategies

The following national development strategies could help build an economy that will meet the demands and interests of the people. This is in contrast to the present economy, which exists to increase profits to serve transnational corporations and the local elite.

One main strategy would be to reverse these governing policies on trade and investment liberalisation, deregulation, and privatisation; in short, stop the actual haemorrhage of our economies through the overturn of neo-liberal restructuring.

Second main strategy is to help create a domestic market (in place of an export market) that would drive growth. This is done by increasing the purchasing power of the majority who are poor via income and asset redistribution measures such as living wage for workers, basic income grants for all, and universal social protection programs.

A solid domestic market would lead to the third main strategy: help create a solid industrial and agricultural base. This means setting an industrial policy for the strategic use of tariffs and other mechanisms not only to protect domestic manufacturing from unfair competition but, more important, to give it depth, diversity, and coherence. Also, new patterns of industrialisation will be developed to reinforce alternative agricultural programmes as well as protective to the environment. Agriculture will again become a centerpiece of the economy through land reform, subsidies for farmers, and sustainable agro-technology benign to the environment.

The fourth main strategy would be progressive taxation plus other tax adjustment mechanisms. This would raise government's resources it can spend on public welfare. Options include taxes on natural resources, corporate and income taxes, or VAT on non-essential goods, or a combination of taxes. The key to raising resources is to shift the burden of taxation on the rich through higher marginal tax rates, more efficient collection of income taxes and corporate taxes, and increasing taxes on socially unhealthy activities such as gambling, drinking, smoking, and carbon emissions. This mix of measures will yield a significant part of the resources to cover budget deficits.

Lastly, States must embark on a debt moratorium and the cancellation of illegitimate debts. Debt servicing has significantly contributed to government deficit and depressed rate of economic growth. Fiscal balance will not be achieved without addressing the debt problem. In the Philippines 22 to 25 per cent of the budget now goes yearly to servicing the national debt. Our call is to "serve the people and not the banks." Without a radical change in our debt management policy along the lines of a debt moratorium or a negotiated or unilateral reduction of the government's debt burden, real development will not be possible.

At the Regional Arena

The Network for Transformative Social Protection is pursuing the "Life of Dignity for All" agenda at the regional level, but we realise that the fulfillment of this agenda is beyond the ability of one State and needs the cooperation of other States, at least at the ASEAN. The agenda calls for free and universal access to essential goods and services vital to human life; this means the de-commodification of water, health services, education, and other such vital items.

At this level, the creation of a Regional Social Protection fund has been proposed. It will be financed from both expense and revenue ends. From the revenue end, impose trade taxes on financial capital, abolish tax havens bank secrecy laws, and require corporations to pay mandatory taxes. From the expenditure end, cut military expenditure and realign the savings toward this fund. (It is noteworthy that States in Southeast Asia and South Asia are accelerating their budgets as an Asian NATO is being planned, in support of a United States that is permanently at war.)

A more strategic proposal at the regional level is to promote and develop an Alternative and People-centered Regionalism. This new kind of regionalism would first reinstate the sovereign right of countries and regions to regulate markets, and establish the pre-eminence of society over markets—for markets must serve society's needs, not the other way around.

That is why while we are aware that most States in Southeast Asia are conservative and some are even authoritarian, nonetheless, we continue to critically engage these States and regional bodies like the ASEAN. After all, there have been breakthroughs through persistent civil society lobbying, as in the creation of an Inter-regional Commission on Human Rights in the ASEAN.

At the same time, we look to Latin America for inspiration. While we don't romanticise the developments there, we look for lessons on the emergence of many progressive States and alternative regional formation like Alba. The Latin experience shows that the regional arena is a vital site in promoting alternative people-centred ideas and actions. It shows that the regional arena is the most appropriate venue to develop and test alternative proposals that reclaim the role of the State in economy and social policies. The regional arena is also where the South can challenge the current free trade and investment paradigm.

Only through this cooperation and solidarity of nations can the tremendous pressures from the TNCs, as well as the global institutions of capital such as the WB-IMF and WTO, be resisted

successfully. Latin America has rejected the free trade model imposed by US and EU as these projects aim to lock in Latin America against developing its own social and economic policies that serve the needs of its peoples.

Latin America has raised these important issues at the regional level: prioritise peoples' well-being, respect for human rights, respect for indigenous peoples' rights, and care for nature and the environment. They are thus able to act on their commitment to the dignity and sovereignty of their peoples. They are on the road to ending the hegemonic colonising practices rooted in the North.

De-commodification of Essential Goods and Services, UN Charter on the Common Goods of Humankind

Some progressive European NGOs have begun to push for a new UN Charter on the Common Goods of Humankind, which states that certain goods and services may not be privatised or subject of the capitalist market. We, in Southeast Asia, particularly the Network for Transformative Social Protection, as well as some of our European partners, intend to help push for this important campaign.

De-privatising and reclaiming the commons—nature, knowledge, information, essential goods and services—is critical. If these commons stay in the hands of individuals and corporations as financial commodities, then they fall outside the realm of democratic control and participation.

And in view of the pressing multiple crises (i.e. food, energy, social, and climate change) as well as the neo-liberal attacks on welfare, a charter de-commodifying water, staple food, health, and education is crucial. Like the Universal Declaration of Human Rights, this charter would be an eminent framework for orientation to which activists could refer in their efforts to convert their demands into practical law. This campaign can also help us link together the struggles in the North and South.

The Role of progressive Forces at this Juncture

After plunging the world into untold suffering, capitalism is now undergoing its worst crisis. Many are seriously asking about the direction economies are taking and proposing various alternatives. Many realise the need for fundamental change amidst these crises.

And capitalist States' response to the crises is a stronger commitment to free trade, further undermining the States' responsibility to their citizens, and austerity measures detrimental to the working peoples, like cuts in wages, pensions, and other social services.

Sadly, in most parts of the world, social movements and progressive parties are not even visible enough; they do not have the leadership to take advantage of the spaces and opportunities provided by these crises. This is why except perhaps in Latin America, where neo-liberalism has been challenged and resisted with a significant degree of success, everywhere else in the world, including Asia, neo-liberalism has remained a strong option.

Nevertheless, today is an opportune time for progressive forces world-wide to lead in rallying people around immediate, concrete, and unifying alternative projects such as s BIG and campaign for decent work for free water, education, health services, and pensions for all.

We must organise around these main advocacies globally, and later converge our movements. These

campaigns may be vital in coming together and sustaining the struggles around the world, in both developed and developing countries.

We have to link up these movements from immediate, clear projects to long term, doable programmes that will not simply regulate and rearrange the system, but achieve a thorough-going social transformation that would put people in control of the economy and their lives.

We, the world's working people, have the moral high ground. We need to be ambitious, purposeful, and confident with these popular demands. Altogether, we should eventually mount a repudiation and a replacement of capitalism. We must create a new system that would reverse the destruction and restore humanity's relationship with nature and solidarity among peoples.

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P.S.

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