

# History of the CADTM's anti-debt Policies - Part 1 - Against illegitimate debt: Origins

Sunday 7 August 2016, by [LEMOINE Benjamin](#), [TOUSSAINT Bruno](#), [TOUSSAINT Éric](#) (Date first published: 26 June 2016).

**Interview with Eric Toussaint, spokesperson and co-founder of the international network of the Committee for the Abolition of Illegitimate Debt (CADTM). Interview by Benjamin Lemoine.**

This interview presents the genealogy of the anti-debt struggle, the campaigns for debt cancellation, the empirical foundation, the political battles and the concepts of the “illegitimate”, “illegal” or “odious” nature of public debt. In other words, how it is necessary for the Committee for the Abolition of Illegitimate Debt (CADTM) – formerly known as the Committee for the Abolition of Third World Debt – to ally with opposition forces and social movements, where the concepts and the people involved can challenge and overpower debt and its “system” once the government hears their voice. Yet, for CADTM the outright priority is to fortify the activities described below rather than lobbying.

From Africa to Latin America, citizens’ participation in audits ushers in hope. However, most of the time their purpose is lost due to the neglect of the crusaders-turned-rulers, where the rulers have the final say vis-à-vis the financial system. Yet, sometimes the audits are immensely successful. We review the experience of the audit of the Greek sovereign debt, full of intrigues and unexpected twists in which it took very little to tip the balance. When the hopeful dream for a new international cooperation (a conference in London on the Greek debt as requested by Alexis Tsipras) seems naive and where, according to Eric Toussaint, unilateral sovereign decisions are indispensable in order to reverse the balance of power.

We are publishing this interview in five parts:

- 1. The history of the CADTM and its struggle against illegitimate debt: Origins
  - 2. The first testing ground for the CADTM's methods to counter illegitimate debt: the examples of Rwanda and the Democratic Republic of Congo.
  - 3. Argentina: further action against illegitimate debt.
  - 4. Hopes for Ecuador's success are ruined. The examples of South Africa, Brazil, Paraguay and Ecuador.
  - 5. Greece: The ambivalence of the leaders vis-à-vis the financial system and debt
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# 1. The history of the CADTM and its struggle against illegitimate debt: Origins

## **Benjamin Lemoine: How did you become involved in the struggle against illegitimate debt?**

Eric Toussaint: I taught secondary-level history and social science (in public technical and vocational education institutions) between 1975 and 1994. While teaching at Liège in the 1980s, I witnessed the debt crisis of this municipality of 200,000 inhabitants. It was catastrophic and an austerity plan (extremely hard for its time) was implemented. That led me and a host of colleagues and different categories of workers to analyze the origins of the debt claimed from the city of Liège. At the same time, the Third World debt crisis broke out: Mexico defaulted in 1982. Many initiatives to oppose the payment of unpayable debt were taken in the 1980s, particularly in Latin America. Similarly, in Africa, the young Burkinabe President Thomas Sankara took up the Debt issue in 1985. This led me to believe, with the others who co-founded the Committee for the Abolition of Third World debt (CADTM) in 1990 in Belgium [\[1\]](#), that this was a new and transverse issue which justified the creation of a specific organization, like other well-known organizations such as Greenpeace or Amnesty International. The idea took off from a specific issue and went further into the problems of society and the global capitalist system. The committee began mainly as a Belgian organization. However, through its publications in French it became so well-known in France, western Switzerland, French-speaking Africa and Haiti, that we are now present in over 30 countries.

As for education, while giving full-time courses in high school, I continued studying and completed my Ph.D. in Political Science at the Universities of Liège and Paris VIII in 2004. My thesis was on the political aspects of the intervention of the World Bank and the IMF in the Third World. [\[2\]](#)

## **L. B. Were you politically active before the Liège experience?**

E. T: I entered politics very early. I was not yet 14 in May 1968 and had already been active in my school since 1967. I lived in a village of coal miners mainly of immigrant origin (Polish, Italians, Spaniards, Greeks and so on). I must point out that my parents, village teachers, were not at all Marxists. There was not a single Marxist book in the family library. My father was a very active member of the Socialist Party. My parents were anti-racist, pacifist and internationalist. I was mobilized by anti-racism and the struggles of Malcolm X and Martin Luther King in the US moved me immensely (Malcolm X's radical position attracted me more). I felt absolute solidarity with the workers fighting for their rights through strikes and street demonstrations. I participated in demonstrations against nuclear weapons and the Vietnam War. In May 1968, I followed the developments in Paris very closely. I read voraciously: Mao, Guevara, the *Communist Manifesto* and many Marxist political works from different currents. This led me, in 1970, to join the Trotskyist current called the Fourth International. The Communist League (later the Ligue Communiste Révolutionnaire – Revolutionary Communist League) was the member organization of the Fourth International in France, led by Alain Krivine and Daniel Bensaid. In June 1970, I hitchhiked to Paris to see the organization with a friend of my age. I was not quite 16 years old. I started reading Leon Trotsky's major analytical works, which helped me to understand the degeneration of the Soviet Union and why it was important to have a permanent revolution and a policy on the global scale.

## **B.L: Was there an understanding of the debt issue within the Fourth International or, on the contrary, was it an isolated position?**

E.T: CADTM was established in 1990. Ernest Mandel, a senior leader of the Fourth International, with whom I actively cooperated, argued for the cancellation of Third World debt in 1986. [\[3\]](#) Moreover, in 1989 a coalition was established in France with personalities like the singer Renaud and the writer Gilles Perrault at the initiative of the Revolutionary Communist League. The coalition

was called “Ça suffat comme ci” (in colloquial French it means ‘It’s enough!’) and it was a broad united campaign initiated in response to François Mitterrand’s call for hosting a G7 meeting on the occasion of the French Revolution’s bicentenary. Most of the left found this call to be provocation. Renaud, who was drawn to Mitterrand and was quite an admirer, was in a dilemma. For him it was a crisis of confidence on the occasion of the bicentenary. Renaud performed in a massive free concert at Vincennes with his South African friend Johnny Clegg and the Mano Negra band. 150,000 people attended the concert and at least 80, 000 were present at the street demonstration. The appeal for the abolition of the Third World’s debt constituted the main issue for this coalition. The founding text of the CADTM-Belgium is the “Bastille appeal” for the cancellation of the Third World debt, [4] written in 1989 by militants of the Revolutionary Communist League and Gilles Perrault. So this political current quite clearly stemmed from the problem of debt, especially that of the Third World countries. Nevertheless, SOS Racisme’s success in France marginalized this huge campaign of 1989. A few years later SOS Racisme and Harlem Désir took the Ça suffat comme ci movement’s space. At that time, i.e. during the 1990s, Désir kept regular contact with the CADTM. So did Arnaud Montebourg who, as the Socialist Party deputy to the National Assembly, focused on tax evasion and also development aid. When SOS Racisme was launched, they tried to reproduce our formula of giant free concerts and assemblies. The Debt issue resurfaced in France during the G7 meet in Lyon in 1996. Bill Clinton, Jacques Chirac, Tony Blair and others were present there. The collective launched in Lyon was called Les Autres Voix de la planète (“The Other Voices of the Planet”), which inspired the title of the CADTM’s bulletin. The CADTM played a key role in the analyses and the content of the final declaration of this counter-G7. It is also the CADTM which funded the permanent site of Les Autres Voix de la planète in Lyon to prepare for the joint counter-summit.

## **Southern debts, Northern debts**

### **B.L: During those years, was any clear-cut difference drawn in the struggle between the debts of the North and the South?**

E.T: Yes, the Northern debt was not treated as a key issue in 1990, but I considered it to be so. As for the current situation, when the banking crisis which erupted in the US in 2006-2007 engulfed Europe towards 2007-2008, and when a number of countries socialized their banking losses to save the banks, the public debt rocketed. I was immediately convinced, with other members of the CADTM, that it was time to take into account the new dimension of the Northern public debt. We did so before it dawned upon others. We must remember that in 2008-2009, the first reaction of José Manuel Barroso, President of the European Commission, was to propose a policy which looked like a neo-Keynesian turning-point. In fact, it simply provided temporary social shock absorbers because the Northern governments dreaded that the challenge to the system might turn into something colossal and dynamic. In France, Nicolas Sarkozy announced subsidies to support the automobile industry. Part of the alter-globalization movement and the various leftwing currents did not realize that soon, under the pretext of the huge increase in public debt, an extremely brutal austerity offensive would be unleashed. What the mainstream media called the “sovereign debt crisis” only became evident in 2010 with the famous Greek crisis. In fact, a widespread media operation was launched to hide the basics, namely the continuing banking crisis and a series of initiatives of the European Central Bank, the governments of the European Union and also of the US to bail out banks with public finance.

In October 2008, I wrote very clearly in an article [5] about what was to happen in 2010, how the events would unfold. In short, we, as the CADTM, were prepared for what actually occurred. We have also published two books that perfectly illustrate this: *La crise, quelles crises?* (Crisis, what crisis?), published in December 2009 and *La Dette ou la Vie* (Debt or Life) published in 2011. The latter was awarded the Political Book Award in the Liège Political Book Fair of the same year. We have also conducted seminars and since 2010 we have been trying to convince a host of movements

to introduce a European front for questioning debt repayment.

**B.L: Between the 1980s of “Ça suffit comme ci” (It’s enough!’) and 2007-2008, twenty years have passed. But the Northern and Southern debts still continue to be perceived differently. How do you explain that?**

E.T: There is a strong connection between the CADTM and what was called Third Worldism in the 1960s and 1970s. [6] The CADTM is associated with the proponents of Third Worldism and I personally had close ties with Ahmed Ben Bella (the first president of independent Algeria, overthrown in 1967 by Boumedienne), [7] François Houtart, Gus Massiah, André Gunder Frank, Theotonio dos Santos and so on. The CADTM has also collaborated with Susan George, [8] who wrote extensively on Debt during the 1980s and the 1990s, and with the writer Gilles Perrault since his involvement with the Bastille Appeal in 1989. Gilles Perrault was extremely committed to the publication of his book *Notre ami, le roi* (Our Friend the King) [9] and the defense of Abraham Serfaty, [10] who was a political prisoner in the jails of Hassan II. I must also mention René Dumont [11] who was a representative figure of Third Worldism. He introduced the ecological dimension. Thus the CADTM’s affiliations include people who in the early 1990s became 60 or 70 years old, and who were mobilized in solidarity with the Third World or were leaders. CADTM is also linked to international networks of the 1990s’ movements, such as Via Campesina (established in 1993), the World March of Women (established in the late 1990s), Jubilee South (established in 1999), and ATTAC (established in 1998-1999) and so on. In 2001, these movements came together to create the World Social Forum, of which the CADTM is a founder-member.

The CADTM has transformed in the course of its evolution: it went from a Northern organization expressing solidarity with the South to a network for North-South action exploring alternatives to the debt-system.

At its global assembly held at the end of April, 2016 in Tunis, CADTM unanimously decided to retain its acronym but change its name to the “Committee for the Abolition of Illegitimate Debts.” The motion in favour of changing the title presented the following arguments: “The proposed change is justified by the evolution of the CADTM’s national and international work. CADTM was born in 1990 during a full-fledged crisis of Third World debt with a demand for cancelling the debt of the so-called Third World countries. Since the 1990s, the use of the term ‘Third World’ has been waning, especially because the Second World (i.e. the block of actual socialism) has disappeared and because of the various developments within the Third World category - now known as ‘developing countries’ (emerging countries, BRIC, LDC, HIPC, etc.). With the 2008 financial crisis and its repercussions, the CADTM’s work gradually began to encompass the public debt of Northern countries, never overlooking the need for debt cancellation in the “Third World” countries. We have demonstrated how the “debt system” as a whole subjugates people of both the North and the South. To address this “debt system”, the CADTM has been systematically developing a new course of action for the past 5 years and exploring the issue of illegitimate private debts such as micro-credit in the South where women are the first victims, debts of farmers, students, families evicted by banks, etc. The concept of ‘illegitimate debt’ encompasses the debts in the South and the North, public and private.”

Let me recall that the CADTM is mostly present in the so-called “developing” countries: 15 African countries (see <http://www.cadtm.org/Africa,4686>) 6 Latin American and Caribbean countries (see <http://www.cadtm.org/CADTM-XX-ans-de-lutte>) and 2 countries in South Asia (India and Pakistan). Regarding the most industrialized countries, the CADTM is present in 6 European countries (see <http://www.cadtm.org/Europe,338>) and Japan.

**END OF PART I**

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## P.S.

\* <http://www.cadtm.org/The-history-of-the-CADTM-and-its>

\* Translated from French by Suchandra De Sarkar and Snake Arbusto.

\* Benjamin Lemoine is a researcher in sociology at the CNRS, specialising on the issue of public debt and links between States and the financial system. An abridged version of this interview was published in the special issue called “Capital et dettes publiques” of the journal *Savoir* no. 35, March 2016.

Eric Toussaint is a historian and political scientist who completed his Ph.D. at the universities of Paris VIII and Liège, is the spokesperson of the CADTM International, and sits on the Scientific Council of ATTAC France. He is the author of *Bankocracy* (2015); *The Life and Crimes of an Exemplary Man* (2014); *Glance in the Rear View Mirror. Neoliberal Ideology From its Origins to the Present*, Haymarket books, Chicago, 2012, etc. See his bibliography:

[https://en.wikipedia.org/wiki/%C3%89ric\\_Toussaint](https://en.wikipedia.org/wiki/%C3%89ric_Toussaint) He co-authored *World debt figures 2015* with Pierre Gottiniaux, Daniel Munevar and Antonio Sanabria (2015); and with Damien Millet *Debt, the IMF, and the World Bank: Sixty Questions, Sixty Answers*, Monthly Review Books, New York, 2010. Since the 4<sup>th</sup> April 2015 he is the scientific coordinator of the Greek Truth Commission on Public Debt.

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## Footnotes

[1] In Belgium, the juridical persons who contributed to the CADTM's establishment in 1990 hail from different backgrounds and reflect the CADTM's pluralist nature: the movements for popular education (Equipes Populaires - a movement for continuing education, associated with the Christian Workers' Movement -, the Joseph Jacquemotte Foundation, the Léon Lesoil Foundation, the Union of Progressive Jews of Belgium), the trade unions (two regional ones in the CGSP or General Confederation of Public Services - in Liège and Limbourg - the whole teaching sector of the CGSP, the regional union of the Antwerp ACOD Onderwijs, the metalworkers' Federation of Liège Province), the NGOs (Peuples solidaires, GRESEA or the Research Group for an Alternative Economic Strategy, the North-South Forum, the Tri-continental Centre, Socialism without Borders, the Socialist Solidarity-Fund for Development Cooperation, Oxfam Solidarity, the National Centre for Development Cooperation), the Solidarity committees (The Men Nan Men Committee of Haiti, The Charleroi Committee of Central America), the Pacifist movements (CNAPD or the National Coordination of Action for Peace and Democracy, VREDE), parties (Socialist Workers Party, Communist Party), and a women's association “Refuge for battered women and their children.” The Socialist Workers Party (later the Revolutionary Communist League), Belgian section of the Fourth International, played an important role in the creation and the drive of the CADTM. It was done via a very clear and pluralistic approach.

[2] Eric Toussaint presented his doctoral thesis in the Political Sciences on *Enjeux politiques de l'action de la Banque mondiale et du Fonds monétaire international envers le tiers-monde* (Political aspects of the intervention of the World Bank and the IMF in the Third World), 2004. It can be freely downloaded here: <http://www.cadtm.org/Enjeux-politiques-de-l-action-de> (in French). See also <http://www.diffusiontheses.fr/50749-these-de-toussaint-eric.html> (in French).

[3] See Ernest Mandel “La dynamique infernale de la spirale de l’endettement”, published in Inprecor, April 1986, <http://www.cadtm.org/1986-La-dynamique-infernale-de-la> (in French) and <http://www.ernestmandel.org/new/ecrits/article/la-dynamique-infernale-de-la> (in French)

[4] <http://www.cadtm.org/About-CADTM>

[5] <http://www.cadtm.org/A-Holy-Union-for-a-Deuce-of-a>

[6] See <http://www.cadtm.org/Eric-Toussaint-The-terrible-rise>, <http://www.cadtm.org/Le-CADTM-et-la-cooperation-au> (in French) and <http://www.cadtm.org/Le-CADTM-et-la-cooperation-au,13144> (in French).

[7] Eric Toussaint, “Remembering Ahmed Ben Bella, first President of independent Algeria who passed away on the 11<sup>th</sup> April, 2012 at 96”, <http://www.cadtm.org/Remembering-Ahmed-Ben-Bella-first>

[8] [https://en.wikipedia.org/wiki/Susan\\_George\\_\(political\\_scientist\)](https://en.wikipedia.org/wiki/Susan_George_(political_scientist))

[9] <http://www.gallimard.fr/Catalogue/GALLIMARD/Folio/Folio-actuel/Notre-ami-le-roi> (in French)

[10] [https://en.wikipedia.org/wiki/Abraham\\_Serfaty](https://en.wikipedia.org/wiki/Abraham_Serfaty)

[11] [https://en.wikipedia.org/wiki/René\\_Dumont](https://en.wikipedia.org/wiki/René_Dumont)