HISTORY OF THE CADTM ANTI-DEBT POLICIES

INTERVIEW WITH ÉRIC TOUSAINT
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 dont owe, we won’t pay!»
1. The history of the CADTM and its struggle against illegitimate debt: Origins

2. The First Testing Grounds for the CADTM’s Methods to Counter Illegitimate Debt: the examples of Rwanda and the Democratic Republic of Congo

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5. Greece: Why Alexis Tsipras Buried Suspension of Payment and the Debt Audit Well Before the 2015 elections

6. Greece: The Debt Audit, the Capitulation of Tsipras and International Prospects for Struggles

Christine Vanden Daelen and Nathan Legrand also took part in the making of this brochure.

Pierre Gottiniaux did the layout.

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1. 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 Burkinabé 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, 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.1

Were you politically active before the Liège experience?

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.

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

THE ORGANISATIONS BEHIND THE CREATION OF THE CADTM

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 Liège – 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 (CNAPO 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.
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.

Was there an understanding of the debt issue within the Fourth International or, on the contrary, was it an isolated position?

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. 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. Tens of thousands of people attended the concert and at least 10,000 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, 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


3 http://www.cadtm.org/About-CADTM
SOS Racisme and Harlem Dé-sir took the Ça suffit comme ci movement’s space. At that time, i.e. during the 1990s, Dé-sir 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**

During those years, was any clear-cut difference drawn in the struggle between the debts of the North and the South?

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 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 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.

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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.

Between the 1980s of “Ça suffat 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?

There is a strong connection between the CADTM and what was called Third Worldism in the 1960s and 1970s.5 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). François Houtart, Gus Massiah, André Gunder Frank, Theotonio dos Santos and so on. The CADTM has also collaborated with Susan George, 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) and the defense of Abraham Serfaty, who was a political prisoner in the jails of Hassan II. I must also mention René Dumont 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 organi-

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5 See http://www.cadtm.org/Eric-Toussaint-The-

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zation 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, 6 Latin American and Caribbean countries and 2 countries in South Asia (India and Pakistan). Regarding the most industrialized countries, the CADTM is present in 6 European countries and Japan.
2. THE FIRST TESTING GROUNDS FOR THE CADTM’S METHODS TO COUNTER ILLEGITIMATE DEBT: THE EXAMPLES OF RWANDA AND THE DEMOCRATIC REPUBLIC OF CONGO

Debt audits: an abortive precedent

What were the first testing grounds of the CADTM method for countering illegitimate debt?

That should be put in the context of the convergence between the CADTM and various movements active in France and elsewhere. The CADTM was very much involved, for example, in solidarity with the neo-Zapatista movement, which appeared publicly on 1 January, 1994 in Chiapas (Mexico), and we travelled to Mexico several times. The CADTM also participated as a co-organiser of the big mobilisation of October 1994 in Spain against the meeting the World Bank and the IMF held to celebrate their half-century of existence. That action was part of the worldwide “Fifty years, it’s enough” campaign. As for the contacts in France, I mentioned the LCR, the “Ca suffat comme ci” campaign of 1989, and the “Other Voices of the Planet” collective, created in 1996 to organise the counter-G7; to those we need to add AITEC¹ and the CEDETIM², led by Gus Massiah. There is also the Survie (Survival) movement, led at that time by François-Xavier Verschave, which struggled against France’s domination of Africa and well understood the importance of the issue of debt. Survie had close ties with the CADTM, in part because Survie, like the CADTM, was very active in denouncing the genocide in Rwanda in 1994 and “Operation Turquoise,” organized by Mitterrand. In 1995, a delegation from the CADTM went to Rwanda and an international CADTM assembly was held in Brussels with the question of the genocide and the responsibilities of creditors at the core of the program. And, starting in 1996, the CADTM launched the audit of Rwanda’s debt with, at that time, the new regime in Kigali headed by Paul Kagamé still in power. Kagamé wanted to achieve clarity about the debt, and a team of two people who worked closely

1 Association Internationale de Techniciens, Experts et Chercheurs (International Association of Technicians, Experts, and Researchers)
2 Centre d’études et d’initiatives de solidarité internationale (Centre for research and action for international solidarity)
with the CADTM was set up. Michel Chossudovsky, a Canadian, a university professor in Ottawa who often wrote for Le Monde diplomatique, and Pierre Galand, then Secretary of Oxfam in Belgium, went to Kigali and conducted the investigation in close liaison with the CADTM. I talked extensively with them and wrote an article entitled “The Financiers of the Genocide,” which attracted a certain amount of attention.

Did that inspire the CADTM’s methodology regarding debt audits?

Yes, even if the experience ended up being frustrating. Not many people know that one of the missions of Operation Turquoise was to get hold of all the documentation of Rwanda’s central bank in Kigali and transfer it all in a container to Goma in the DRC, to prevent the new authorities from getting access to written evidence revealing how strong France’s support for the genocidal regime of Juvenal Habyarimana had been.

In other words, they found the “black box”...

Absolutely, and the French banks’ involvement in financing General Habyarimana’s


The weapons purchases was clear. Egypt and China were also implicated because they supplied a lot of the machetes, but the French provided the more sophisticated equipment to the genocidal Rwandan army. So originally – and this is an element that reappears in our later experiences – internationalist movements made contact with a head of State, Paul Kagamé, who wanted transparency and who made documentation that usually remains secret available to the experts. Kagamé, with that resource in hand, threatened the USA, France, the World Bank, and the IMF with publicizing the financing of the genocide. Washington and Paris, along with the World Bank and the IMF, all said, in essence: “Don’t spill the beans! In exchange for your silence, we’ll reduce Rwanda’s debt by opening a maximum line of credit at the World Bank and the IMF. We’ll reduce the amount of the repayment, and we’ll pre-finance it with new loans.” And Kagamé played along. It was a very frustrating experience, not only in terms of energy and ethics, but also because of the precedent it would have set. Because before the Habyarimana regime, the level of Rwanda’s debt was very low; the entire debt repayment being demanded of Rwanda was debt contracted by a despotic regime, and so was a typical example of the doctrine of odious debt, somewhat like the debt the DRC faced.

In the Democratic Republic of Congo, after the overthrow of the dictator Mobutu in 1996-1997, Pierre Galand and I worked in collaboration with the new authorities in Kinshasa (Pierre Galand was the one who maintained the actual contacts) and above all with the social movements. Several Congolese members and sympathisers of the CADTM who had spent 20 years in exile in Belgium had returned to their country after Mobutu’s fall and held posts in Kinshasa. We also had long-standing contact with Jean-Baptiste Sondji, a Congolese former Maoist militant who had become Minister of Health in the Kabila government.

**In these cases, what support or alliances do you look for?**

Personally I made an outright priority of relations with social movements (trade unions, small farmers’ organisations, student organizations, etc.) I didn’t have a great deal of trust in the new DRC government, except to some degree Jean Baptiste Sondji as an individual. The issue was to challenge the repayment of the debt that was being demanded of the DRC by regimes and institutions that had supported Mobutu and enabled him to remain in power for over 30 years. Laurent-Désiré Kabila had set up an Office des biens mal acquis (“Office of illicitly acquired property”) and there was a clear link between personal enrichment related to corruption and the country’s indebtedness. And in fact in that also turned out to be a disappointment, because Kabila negotiated a deal with the Swiss bankers at a time when there was the possibility that the DRC could get the Swiss courts

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5 These included Genero Ollela of the Lumumbist FLNC, who upon his return to Kinshasa held a position at the Office des biens mal acquis (OBMA). A year later he was put in prison for completely unjust reasons and the CADTM worked toward his release.

The CADTM took part in the ‘Blockupy’ demonstrations in Frankfurt in 2012.
to force Swiss bankers who were complicit in Mobutu's misappropriations to return the money he'd deposited with them. But scandalously, Kabila agreed to a secret transaction with the Swiss bankers and abandoned the legal action that was under way.

I went to Kinshasa during the summer of 2000 to work with the Congolese social movements and NGOs on the issue of the odious debt the DRC was being required to repay. My book Your Money Or Your Life was very successful in the academic community and among the Congolese Left. In Belgium, the former colonial power, the CADTM had developed a strong campaign for cancellation of the DRC’s odious debt and freezing of the Mobutu clan’s assets in Belgium. We had helped author a brochure common to all NGOs and North/South solidarity organisations active in Belgium demanding cancellation of the DRC’s debts. Along with these activities conducted by the CADTM, organisations in the DRC became members of the international CADTM network (in Kinshasa, the Bakongo area, Lubumbashi and Mbuji-Mayi). The lesson to be learned from these attempts to denounce odious debt in Rwanda and in the DRC is that the governments can’t be trusted. Absolute priority has to be given to working with the grass-roots citizens' organisations, with the social movements and with individuals who are determined not to give up until clarity is achieved and action is taken by the governments.

7 See in particular http://www.cadtm.org/La-Republica-democratique-du (in French) and http://
3. **Argentina**

**Further Action Against Illegitimate Debt**

*Where else were you more directly involved?*

In Argentina, I was in contact with Alejandro Olmos, a very courageous journalist who, in 1982 at a time when the dictatorship hadn’t yet collapsed, filed suit in an Argentine court of law for illegal and odious indebtedness. He prosecuted the military junta before the end of the dictatorship. We worked extensively together, and in 1997 the CADTM invited him to an international conference in Belgium. There, another type of methodology was developed thanks to Olmos. As a result of his lawsuit, Argentina’s justice system launched an investigation and two judges were given the task of determining who was responsible for Argentina’s indebtedness between 1976 and 1982. That resulted in a 195-page ruling handed down by the federal court in July 2000. So that ruling was the result of an audit of Argentina’s debt that was conducted by the judiciary. And it was done despite enormous pressure put on the justice system by the IMF and Argentina’s ruling class to keep the investigation from being completed. Beginning in 1998, I was in contact with one of the two judges in charge of the investigation, and he described the pressure that was put on him by other judges, by the Argentine legislature and by the executive to prevent a ruling from being handed down. Alejandro Olmos passed away in April 2000, very depressed and convinced that the investigation would never come to anything. The ruling came only a few months after his death.

**Concepts of struggle that emerge in action**

**Despite the end of the dictatorship, is there not a kind of continuity of the moneyed powers?**

Yes, because the audit showed very clearly that the International Monetary Fund (IMF), whose director at the time was a Frenchman, Jacques de Larosière, had given its support to the dictatorial regime so that the American banks would finance the Videla dictatorship.

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1 Jacques de Larosière de Champfeu, born in 1929 in Paris, was Managing Director of the International Monetary Fund (IMF) from 1978 to 1987. Following that, he was Governor of the Banque de France (1987-1993). From 1993, he headed the European Bank for Reconstruction and Development (EBRD). That same year, on 3 May, 1993, he was elected to the French Académie des sciences morales et politiques (Academy of Moral and Political Sciences), taking the seat of Henri Cardinal de Lubac. From 1998, he was an adviser to Michel Pébereau, CEO of the bank BNP Paribas.

2 For more information on the complicity of US corporations (including banks) see Juan Pablo Bohoslavsky and Veerle Opgenhaffen, “The Past and Present of Corporate Complicity: Financing the
You also have to remember that after the fall of the dictatorship, amnesty had been granted to various members of the military junta, and was only abrogated in the 2000s under the government of Nestor Kirchner. In the 1990s, the IMF, which was a direct accomplice of the military dictatorship, along with the Carlos Menem regime, which applied neoliberal policies championed by the IMF, and also the junta members who had been granted amnesty, and of course businessmen and major private corporations, formed a coalition to keep what had really happened covered up.

Since 1998, the CADTM has also been in close contact in Argentina with Adolfo Pérez Esquivel, Nobel Peace Prize laureate for his contribution to defending human rights, with Beverly Keene, an organiser of Diálogo 2000 and Jubilee South, and also with Nora Cortiñas, one of the Mothers of the Plaza de Mayo, who struggle tirelessly for the cancellation of odious debt.

Between the beginning of the dictatorship (March 1976) and 2001, the debt was multiplied nearly twentyfold (from less than 8 billion dollars to close to 160 billion dollars). During that period, Argentina repaid approximately 200 billion dollars, or nearly 25 times what it had owed in March 1976. Argentina’s capitalists blithely plunged themselves into debt during the dictatorship and simultaneously invested a large part of that money abroad (via capital flight). The total amount of capital Argentine capitalists salted away in the most industrialised countries and in tax havens during the dictatorship was greater than the amounts borrowed. In 1980-1982 alone, during the last two years of the dictatorship, capital flight totalled 21 billion dollars according to the World Bank. In an ultimate gift to Argentine (and foreign) capitalists, their debts were taken on by the State at the end of the dictatorship. As a result, public debt was increased with the debt-burden of private companies, since the State took on their obligations toward the creditors. And since that period, Argentine capitalists have maintained that policy of capital flight. Argentina’s debt was clearly an emblematic case of odious debt.

This report also highlights support that the US government gave to the dictatorial regime. The Obama administration has recently started to declassify a number of documents concerning this period, see https://icontherecord.tumblr.com/post/148650765298/argentina-declassification-project
Did you go to Argentina to continue the investigation?

Yes, I went to Argentina, and I also conducted analytical work at a distance, since Alejandro Olmos and the Argentine judge I mentioned sent me a series of documents. I studied the accumulation of odious debt, and then the fraudulent process by which it was laundered.3 It was President Raúl Alfonsín, who took over after the dictatorship, who made that laundering operation possible. But if a debt is odious in nature, restructuring does not put an end to the culpability. The laundering doesn't wash away the prior crime. If the IMF, which lent money to the dictatorship, restructures Argentina's debt while fully aware of what was done beforehand, there is clearly an uninterrupted culpability. The IMF can't just say “refinancing of the debt is being done with the Alfonsín regime, which is a democratic regime.”

For us at the CADTM, that also holds true for Rwanda's and the DRC's debts. Argentina's justice system finally handed down an important verdict in July 2000, but no sentences came of it. It handed the hot potato to the Argentine Parliament, which was dominated by the neoliberal right, and which “decided not to decide.” It wasn't until September 2014 that the Parliament decided to create a commission to audit the debt accumulated by Argentina from the start of the dictatorship (March 1976) through 2014. I was invited to the Parliament to make recommendations in October 2014,4 but in practice, the commission didn't accomplish its task and the Right, which won the elections in 2015, buried the case. ATTAC Argentina, which is a member of the international CADTM network, is very active regarding the issue of debt and contributed to the creation of the “Assemblée pour la suspension du paiement de la dette et l'audite de la dette en défense du patrimoine national et des biens communs” (Assembly for the suspension of repayment of debt and audit of debt in the defence of the national legacy and public property).5

For several years Argentina was in suspension of payment and so did not have access to external financing via the financial markets. What happened?

This was the situation: in December 2001, the Argentine authorities, under the interim President Adolfo Rodríguez Saá, unilaterally suspended debt repayments amounting to $80 billion to private creditors and the Paris Club ($6.5 billion). Notice that they did not suspend payments to multilateral organisms such as the World Bank, the IMF and others. This action came about in a situation of economic crisis and popular revolt against the policies that had been followed for years by successive neoliberal governments, of which Fernando de la Ruas was the most recent. It was thus under pressure from the street at a time when the treasury was empty that the Argentine authorities suspended debt repayments.

Argentina's suspension of payments of sovereign debt bonds lasted from December 2001 to March 2005. The suspension was beneficial for the Argentine economy and population. Between 2003 and 2009, Argentina's annual economic growth was between 7% and 9%. Some economists claim that this growth was due to the rise in the prices of Argentina's raw-materials exports, but it is clear that if Argentina had continued paying off its debt, the increased income from exports (in other words, the taxes levied on the exporting companies) would have been used for the debt repayments. The authorities would not have been in a position to devote public spending to aid the unemployed, raise pen-

3 See http://cadtm.org/Argentine-maillon-faible-dans-la (2002, in French only)
5 http://www.cadtm.org/Audit-de-la-dette-en-Argentine (in French) and http://www.cadtm.org/Resistances-a-l-endettement (in French)
sions and extend retirement rights to everyone, or to stimulate economic activity in areas other than the export sector.

Between 2002 and 2005 the Argentine authorities negotiated with their creditors to convince a majority of them to agree to exchange the bonds they held for new ones. They offered to trade the securities that were in suspension of payment for new ones, with a reduction in face value of over 60%. In exchange for the 60% writedown, the Argentine authorities guaranteed repayment of the new bonds and a higher interest rate indexed on Argentine GDP growth. This was debt restructuring by exchange of bonds: by March 2005, 76% of outstanding bonds had been exchanged, a majority that was considered sufficient protection against the 24% who refused the exchange. The authorities announced, at the time, that those who refused the exchange would have no further occasion to negotiate.

**So why did Argentina restructure its debt again, in 2010?**

Indeed, in contradiction with previous declarations and despite the protests of Roberto Lavagna, the minister of economic affairs who had taken part in the 2005 negotiations, the government of Argentina did open a new round of negotiations with the remaining 24% of the creditors. The CADTM network and many organisations opposed the new restructuring. A new agreement was reached with 67% of the 24% in 2010. In all, 8% of all the bonds whose payment had been suspended since 2001 “held out” against both agreements. Under both agreements, aside from the above mentioned characteristics of the exchange bonds, the new bonds issued in 2005 and 2010 contained clauses stipulating that in case of litigation, US courts would be the competent jurisdiction.6

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6 This relinquishment of national sovereignty goes back to the military dictatorship that took power in 1976.

**In the end, can this restructuring be considered a success?**

The restructuring was presented by the Argentine authorities as a success because the reduction in the debt (in terms of debt stock compared to the repayment amounts being demanded of the country) was large – in the neighbourhood of 50 to 60%. But, in return, big concessions were made: high interest rates; indexation to Argentina’s GDP growth, which means that the country actually agreed to hand over a share of its growth profits to the creditors; and renouncing sovereignty in case of litigation.

In fact, Argentina’s example is not the one to follow, but it is a source of inspiration. It shows the interest of suspending payments and the limits of a negotiated deal that makes big concessions to the creditors. The current situation is evidence enough. Firstly, the amounts in fact reimbursed to creditors are considerable; Argentina itself acknowledges that it has reimbursed $190 billion since 2003. Secondly, although Argentina’s debt was certainly lower between 2005 and 2010, today the amount of Argentina’s debt is higher than it was in 2001. Thirdly, Argentina is under heavy and unwarranted pressure to reimburse the vulture funds that refused to accept the exchange offers, after not only a New York judge but the US Supreme Court ruled in favour of the vulture funds.7

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What was the nature of your participation in Argentina’s struggle against its litigious, recalcitrant creditors, the vulture funds, to restructure the country’s debt?

The law adopted by Belgium against the vulture funds in 2015 is one result of our work.8 We are not in the habit of engaging in lobbying – unlike Eurodad, another organisation that is mobilised around the issue of debt. Nevertheless, we worked with Belgian Parliamentarians – above all socialists and environmentalists, but obviously not neoliberals. That eventually bore fruit and enabled a majority to be formed.

Regarding Argentina, I criticised the orientation taken by the president of the country, Cristina Kirchner, who absolutely wanted to restructure their debt with the Paris Club. They ultimately did it, and it’s costing them very dearly.9 Their strategy is to play by the rules, even if in her pronouncements Cristina Kirchner claimed to have adopted a strategy of confrontation with the IMF, since Argentina’s population has such a low opinion of that institution.

They also thought that François Hollande was really going to help them because France had agreed to be amicus curiae (an advisor, literally “a friend of the court”) in the American vulture funds’ lawsuit against Argentina. They wrongly thought that Hollande would really “walk the walk.” He hasn’t.

As for the strategy to follow in Argentina, the two central issues the CADTM became involved in are:

First, Argentina demonstrated, beginning in 2001, that it was possible to do without financing via the financial markets.10 Argentina did not issue a single traditional bond issue on the international financial markets between 2001 and early 2016. Yet its growth rate was especially high, in particular between 2002 and 2009, the year of the big international economic crisis. If it had had a different type of government, Argentina would have really been able to strengthen its ties with countries like Venezuela, Bolivia, Ecuador and others to set up a Bank of the South (see below) and never again require financing via the financial markets. The challenge was to achieve a regional integration different from what was done in Europe – that is, integrating peoples instead of integrating capital. Argentina also could have implemented another fiscal policy that would make the privileged sectors contribute in order to strengthen its endogenous sources of financing. In addition, they needed to move away from the extractivist-exportation model.

Second, a debt audit process with citizen participation should have been instituted and debt identified as odious, illegitimate or illegal repudiated.

Argentina missed a historic opportunity

Finally, during the elections in late 2015, the hard Right came back to power with Mauricio Macri as president. He unashamedly played into the hands of the vulture funds and all the other creditors, complied with all their re-


9 http://cadtm.org/L-Argentine-signe-un-accordit (in French); also see “Argentina: encouraging news from the front of resistance against illegitimate debt”, http://www.cadtm.org/Argentina-encouraging-news-from

10 In another context, Benjamin Lemoine shows convincingly how France financed herself for more than 20 years following the Second World War without recourse to the market. See: Benjamin Lemoine, L’ordre de la dette, Enquête sur les infortunes de l’État et la prospérité du marché (La Découverte, 2016) (in French). See also: http://www.cadtm.org/Refaire-de-la-dette-une-chose (in French) and http://www.cadtm.org/Livres-pour-l-ete-la-dette-pour (in French)
quests and launched a new wave of neoliberal attacks on economic and social rights and against public property. In Belgium, in 2016, the CADTM began a legal battle to prevent Paul Singer’s vulture fund, NML, (based in the US), which was very active against Argentina, from having the Belgian law mentioned earlier declared null and void.11

In 2014, Quinoa and the CADTM, which are both members of the D19-20 coalition in Belgium, organised an action against the TTIP and austerity in Brussels.

For the CADTM fighting the debt system is a way of emancipating humans from various forms of oppression. One of the objectives mentioned in our political charter is to ensure “equality between men and women in all spheres of life”. Indeed standing up for basic human rights necessarily involves fighting for the women’s rights. The CADTM also promotes such equality within its network so as to alleviate and in the longer term do away with any kind of reproduction of the patriarchal model (for instance a gendered distribution of tasks). In its technical charter the CADTM pledges to practise equality between women and men within the organisation; it includes women members into the drafting of articles and analyses, invites them to speak up at training sessions, lectures and conferences, or indeed as spokespersons of the network at large. Besides any member organisation can be excluded from the network through a democratic process in case of sexist behaviour.

The capitalist system has integrated patriarchy in its functioning, thus subjecting more than half of the world’s population to a gendered oppression. Women still take on most domestic chores (which are depreciated, invisible and free), they represent the bulk of precarious workers and are used by capitalists as an adjustment variable on the labour market. They are the first victims of austerity policies.

Indeed the destruction of the social State by means of austerity policies affects women more than men. They now have to shoulder – through an increase in their free and invisible work – missions of care and social protection that are neglected by the public authority. The State’s basic social obligations are being shifted into the private sphere, and so towards women: looking after children, old, sick or handicapped people, or jobless distressed youth. These missions are fulfilled by women during time that should be devoted to sleep or leisure, or indeed to salaried work or participation in public affairs. This results on a deterioration of women’s physical and psychological health.

Moreover the current regression goes together with measures that jeopardize women’s most basic rights that had been conquered in decades of struggle. The fiscal cuts enforced by austerity measures thwart the rights to sexual and reproductive health,
which is essential for effectively promoting equality between women and men. Indeed less money is available for the HIV prevention, abortion centres, family planning centres, maternity hospitals and preventive care for women.

Since its creation the CADTM has constantly strengthened its involvement in feminist struggles. For us women will be liberated by women: we thus fully subscribe to the women’s autonomous movement to which we think it is essential to contribute not only at national but also at regional and international levels. This is why the CADTM works hand in hand with feminist networks that share the same objectives such as the World March of Women (WMW) that aims both at a global and at a national level.

Considering the number of setbacks in women’s rights and emancipation that are forced upon us by debt and austerity, our struggle cannot but be a feminist struggle too.
Is the history of the audits a story of dashed hopes and abortive attempts at change?

To return to the 1990s: at that time, we were working extensively with the South African Left. The post-apartheid transition truly began in 1994. A large part of the anti-apartheid movement internationally and within South Africa had cancellation of apartheid debt as one of its demands, which incidentally was in evidence at the Bastille in 1989, with Johnny Clegg, who was an anti-apartheid South African singer. There too, the result was disappointment, since Nelson Mandela, instead of putting into practice what he had called for while he was in prison — that is, cancellation of apartheid debt —, recognized the debt contracted by the regime he had struggled against. That caused great frustration among the Left in South Africa, within the ANC, the South African Communist Party and the COSATU, the big labour federation that came out of the struggle against apartheid. The gulf widened between the sector that refused to give up the demand for cancellation of apartheid debt and the one that applied realpolitik and gave up its principles on the grounds that “if we want to attract foreign investors, we mustn’t get into a conflict with the creditors.”

In short, the history of audits that have been abortive is indeed longer than the list of audits that were successful: Rwanda, the DRC, Brazil¹, the Philippines², Paraguay, Zimbabwe³, not to mention Greece’s audit, which we’ll talk about later.

What do you feel are the factors that explain the failures?

Let’s take the case of Brazil. Before it came to power in 2003, the Workers’ Party (PT), led

¹ See “Case Study: Brazil”; http://www.cadtm.org/Case-Study-Brazil
² In 2004, the Parliament of the Philippines voted in favour of conducting a debt audit, but the attempt failed.
³ In 2009, the Finance Minister of the government of Zimbabwe, who came from the Leftwing opposition to the Mugabe regime, called Patrick Bond who contacted the CADTM to launch an audit of the debt. The IMF prevented the project from being carried out.
by Lula da Silva, was favourable to the idea of conducting a debt audit. In fact in September 2000 he supported a popular referendum conducted to put pressure on the government then in power. Out of the six million participants in that referendum convoked by the social movements, more than 90% demanded an audit of the debt, which had in fact been called for by Brazil’s Constitution since 1988. More than 90% also said that they were in favour of suspension of debt repayment for the duration of the audit. Personally, I had had close contact with Lula and many members of the PT since 1990. I went to Brazil a dozen times during the 1990s. Lula was invited in Belgium by the CADTM invitation in 1991. In 1996, the CADTM invited José Dirceu to the counter-G7 summit in Lyon; he was one of the main leaders of the PT at the time, an ex-guerrillero for whom things began to go very badly from 2003. Once they came to power in the elections in late 2002, the PT and President Lula blocked any possibility of conducting the audit and renewed the agreements with the IMF and later made early repayments of the existing loans. The last time I met with Lula was in Geneva in June 2003 at the G8 Evian summit. Lula, who had been President of Brazil since 1 January 2003, invited me to meet him in the company of two other persons, a director of ATTAC France and a representative of the Italian Social Forum. All we were able to do was to agree to disagree on the issue of debt, which he now refused to call into question, just as he did the neoliberal reform of the retirement system which he had just begun (this was at the same time as the Fillon reform of the retirement system in France). The Brazilian organisation affiliated to the CADTM is called “Citizen Debt Audit”; it has been very active since 2000-2001 and in 2009 succeeded in having a parliamentary debt audit commission set up. But PT MPs within the commission struck alliances with other conservative MPs in order to prevent its work from calling the legitimacy of Brazil’s debt into question.

Given the serious deterioration of Brazil’s economic situation in the last two years, the issue of external and internal debt will return to the spotlight sooner or later.

Now let’s look at the case of Paraguay, a country surrounded by Brazil, Argentina and
Bolivia. In December 2008, the progressive president Fernando Lugo, who had been in office for six months, invited me to help create a commission to audit Paraguay’s debt. I went to Asunción for one-on-one talks with the President, followed by a meeting with the Paraguayan government. It was clear that much of Paraguay’s debt could be considered odious because it was the result (which is in fact always the case) of an unconscionable contract entered into in the early 1970s between two military dictatorships – the Brazilian junta and the dictatorship of General Stroessner in Paraguay. The treaty in question involved the construction and operation of the Itaipu Dam, which at the time was the largest in the world. I had thoroughly studied the question based on the excellent documentation developed by Paraguayan experts. In addition, a former member of the CADTM team in Belgium, the Paraguayan jurist Hugo Ruiz Díaz Balbuena, had become an adviser to President Lugo, which facilitated contact.

The initiative for an international audit with citizen participation failed due to pressure from the Brazilian government during Lula’s presidency. I should point out that major Brazilian corporations are the principal creditors and exploiters of Paraguay. As he was about to sign the presidential decree creating the audit commission, Fernando Lugo caved in to pressure from Lula and his government, who were protecting the Brazilian creditors. Lula, to convince the Paraguayan government to drop the idea of conducting an international audit and calling the debt claimed by the Brazilian companies into question, made a few marginal concessions and increased the amount Brazil paid annually to Paraguay for the electricity provided by the Itaipu Dam. However, despite the pressure from Brazil, an audit was in fact conducted by the Comptroller General of the Republic of Paraguay in 2010 and 2011, and at that time I returned to Paraguay at the invitation of President Lugo. In June 2012, he was overthrown by a “parliamentary coup” – a formula that had been used in 2009 in Honduras and was applied recently in Brazil to overthrow Dilma Rousseff, the Brazilian President who succeeded Lula from 2010.

The fact that the Right was able to use that form of institutional coup d’Etat in Brazil and
Paraguay is partly due to the inability of those two governments of the Left to stand up forcefully to the creditors and carry out structural reforms. Ultimately, disappointment at their conciliatory policies toward local and international big capital profoundly undermined the strong popular support they had had when they first came to power. When the Right decided to take action, the people of the Left were too disenchanted and disoriented to mobilise and defend the government leaders.

The one case in which attempts to sabotage the audit by national powers, the IMF, etc. were foiled is that of Ecuador. And yes, that was really the only case where, on the basis of the results of the audit, the government suspended repayment and scored a major success against the creditors.11

**Relations with counter-powers and powers: success in Ecuador**

If we can spend some time on the case of Ecuador – how were contacts made with the opposition, who became the future leaders?

The general rule the CADTM applies is not to collaborate with the authorities, but rather to work with the opposition movement – essentially social movements or radical political forces rooted in the working class. With the evolution of the political situation in a given country, the people who were in the opposition may well become part of the government. Ecuador is a typical case. The CADTM had contacts there dating from 1999. In Ecuador, a campaign in favour of debt cancellation was conducted in 1997-1998, when the international Jubilee 2000 campaign was launched. 2000 was to be a jubilee year for the Christian world, and a whole series of Christian organisations – which does not include the CADTM - who have relations with Third World countries committed themselves to the theme “The year 2000 must be a year of debt forgiveness.” Ecuador is a Christian country and Leftist Christians took up the campaign. I had been invited to Ecuador, in 1999 and 2000, by the Christian movement for debt cancellation, and above all by the Centre for Economic and Social Rights (CDES), which is not part of the Christian family. At the initiative of the CDES and in close contact with Christian organisations in Norway, we supported a specific campaign to denounce the debt Norway was claiming from Ecuador and four other developing countries (Sierra Leone, Peru, Jamaica and Egypt). Norway had indebted these countries beginning in the 1980s to sell them fishing boats and thus save the Norwegian shipyards. This campaign, which was very well argued, caused the Norwegian government to cancel the debts whose repayment it was demanding in 2006. That was a concrete victory of a campaign to audit illegitimate debt.12

Rafael Correa, the current president of the country, comes from the petite bourgeoisie, the Christian movement and the scouting movement, and is also influenced by Liberation Theology. In 2007, when Correa took office, he appointed as his Finance Minister Ricardo Patiño, the leader of the anti-debt movement, whom I had been working with for years. In April 2007 I was invited by Ricardo Patiño to a meeting of the “debt movement” to contribute to drawing up the presidential decree to be issued in July by Rafael Correa instituting a debt

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12 See CADTM, “CADTM applauds Norway’s initiative concerning the cancellation of odious debt and calls on all : http://www.cadtm.org/CADTM-applauds-Norway-s-initiative
audit commission. In late April and early May 2007 I also advised the President of Ecuador and his Finance Minister concerning the creation of a Bank of the South between Argentina, Brazil, Bolivia, Ecuador, Venezuela, Paraguay and Uruguay.13 In parallel to its advising the Ecuadorian authorities, the CADTM participated in writing several open letters from Latin American social movements to the presidents of the seven countries concerned, calling on them to set up a Bank of the South that would be a real alternative to institutions like the World Bank and the IMF in order to support integration of peoples and not of Capital.14 Finally, starting in July, as representative of the CADTM, I participated very actively in the audit commission created by President Rafael Correa to identify the illegitimate debts contracted during the period 1976-2006. The result of our work, submitted to the government in September 2008 and made public in November 2008,15 was the suspension of repayment of a large portion of the debt demanded of Ecuador in the form of government bonds held principally by banks in the United States. That unilateral suspension of payment led to a major victory. Ecuador obliged the creditors to accept a 70% reduction of the debts concerned. And that enabled a strong increase in social spending beginning in 2009-2010.

We aren't necessarily saying that the movements we work with will come to power. But in fact, it does come about that people with whom we've been working for some time accede to office. For example, in 2007 when I met Diego Borja, Ecuador's Minister of the Economy who became president of the country's Central Bank in 2010, he told me: “You don't remember me, but I came to the CADTM meetings in 1992 in Belgium. I was studying Economics at the Louvain Catholic University and I came to the CADTM sessions.” And of course that happened with Greece, too. We shall be coming back to that.


Who takes advantage from the debt?
Joint CADTM – FGTB – CEPAG 2012 campaign for an audit of the Belgian public debt.
Pierre Gottiniaux designed the poster.
À QUI PROFITE LA DETTE ?
ENSEMBLE, LEVONS L'ÉCRAN DE FUMÉE SUR LA DETTE PUBLIQUE BELGE
onveutsavoir.be
1990
THE CADTM IS FOUNDED IN BELGIUM
FIRST BROAD INTERNATIONAL MEETING IN BRUSSELS

1991
THE CADTM CALLS THE SECOND BROAD INTERNATIONAL MEETING IN BRUSSELS.

1994
WORLD BANK, IMF, WTO: ENOUGH!!!
The CADTM Launches a Global Appeal Against the Bretton Woods Institutions’ Policies
OCTOBER: AN INTERNATIONAL SUMMIT IS HELD IN MADRID AGAINST THE CELEBRATION OF THE IMF AND WORLD BANK’S 50TH ANNIVERSARY

1995
“FOR ANOTHER WORLD SUMMIT: THE OTHER VOICES OF THE PLANET” (MARCH 18, 1995, BRUSSELS)

1989
“ÇA SUFFAT COMME CI!” (“ENOUGH IS ENOUGH”) BASTILLE APPEAL AGAINST THE G7

1996
MARCH: THE ZAPATISTS CALL AN INTERNATIONAL MEETING IN MEXICO
JUNE: MOBILISATIONS AGAINST THE G7 IN LYON, FRANCE

1997
AN INTERNATIONAL MEETING FOR DEBT CANCELLATION TAKES PLACE IN CARACAS

1999
THE JUBILEE 2000 CAMPAIGN FOR THE CANCELLATION OF POOR COUNTRIES’ DEBT ENDS. IN JUNE, A PETITION SIGNED BY 17 MILLION PEOPLE IS HANDED IN TO THE G7 SUMMIT IN COLOGNE.

1998
ATTAC IS CREATED NOVEMBER: THE CADTM TAKES PART IN DRAFTING ATTAC’S INTERNATIONAL PLATFORM

2000
MARCH: IN SPAIN, 1 MILLION VOTERS TAKE PART IN THE REFERENDUM CARRIED OUT IN THE RCDE, DEMANDING THE CANCELLATION OF THE THIRD WORLD DEBT
SEPTEMBER: REFERENDUM ON A POPULAR INITIATIVE CARRIED OUT IN BRAZIL, DEMANDING THE NON-PAYMENT OF THE DEBT AND A DEBT AUDIT. 6 MILLION VOTERS.
SEPTEMBER: 20 000 PROTESTERS MARCH THE IMF AND WORLD BANK’S ANNUAL MEETINGS IN US.

2001
JANUARY: 1ST WORLD SOCIAL FORUM HELD IN PORTO ALEGRE (BRAZIL)
JULY: 250 000 PROTESTERS AGAINST THE G7 SUMMIT IN Gen

2002
JANUARY: 2ND WSF IN PORTO ALEGRE (BRAZIL): 100 000 PEOPLE.
NOVEMBER: 1ST EUROPEAN SOCIAL FORUM IN FLORENCE: 60 000 PEOPLE.

2003
JANUARY: 3RD WSF IN PORTO ALEGRE (BRAZIL): 100 000 PEOPLE.
FEBRUARY: 12 MILLION PROTESTER DEMONSTRATE WORLD: THE COMING U.S. INVA

2004
JANUARY: 4TH WSF IN MUMBAI (INDIA): IMF, WORLD BANK: 60 YEARS, IT'S ENOUGH
<table>
<thead>
<tr>
<th>Year</th>
<th>Event</th>
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<tr>
<td>2005</td>
<td>January: 5th WSF in Porto Alegre</td>
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<td>March: The mobilisation against the free-trade agreement of the Americas (FTAA) achieves success</td>
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<td>June: Mobilisations take place against the G8 Summit in Edinburgh</td>
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<td>2010</td>
<td><strong>CadmTm's 20th Anniversary</strong></td>
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<td>2007</td>
<td>April 29: A resolution to set up an audit of Belgium's claims is adopted in the Belgian parliament</td>
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<td>July: The comprehensive public credit audit commission (CADC) is created in Ecuador</td>
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<td>2012</td>
<td><strong>April: ICAN is created</strong></td>
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<td>October: Blockupy Fracfort</td>
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<td>2008</td>
<td>June: Counter-G8 in Japan</td>
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<td>November: Ecuador suspends its debt payment</td>
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<td>Iceland refuses to socialise the losses of private banks</td>
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<td>December: The 1st Cadtm World Assembly is held in Liège</td>
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<td>2006</td>
<td>The 6th WSF is polycentric: Caracas, Bamako and Karachi</td>
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<td>Paris Club 50th anniversary - 50 years too many!</td>
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<td>Paraguay refuses to pay an odious debt. Norway cancels its claims on illegitimate debts towards 5 countries.</td>
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<td>2009</td>
<td>9th WSF in Belem, Brazil: The Cadtm Int’real network adopts its political and operating charters</td>
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<td>The 1st Cadtm Europe Summer School takes place in Belgium</td>
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<td>People’s Forum in Bandiagara (Mali)</td>
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<td>2011</td>
<td>January: The Arab Spring begins in Tunisia</td>
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<td>April-May: The 15-M movement and the Greek citizen debt audit committee are born</td>
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<td>June: The Belgian Parliament adopts a resolution demanding an audit of the Belgian claims on Tunisia and the cancellation of Tunisia's odious debt</td>
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<td>June-July: The Greeks protest against austerity by occupying the public squares</td>
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<td>2015</td>
<td>4th Cadtm European Summer School</td>
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<td>The Greek Truth Commission on public debt is created</td>
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<td>July 12: The Belgian law against the vulture funds is adopted</td>
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<td>2016</td>
<td>The meetings for a Plan B in Europe are launched (Paris, Madrid, Copenhagen...)</td>
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<td></td>
<td>April: The 4th Cadtm World Assembly is held in Tunisia</td>
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<td>The Cadtm becomes the Committee for the abolition of Illegitimate Debt</td>
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<td>2013</td>
<td>WSF in Tunis</td>
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<td>May: 3rd Cadtm World Assembly in Bouznika, Morocco</td>
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<td></td>
<td>July: 3rd Cadtm European Summer School</td>
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<tr>
<td>2014</td>
<td>The Caravan in solidarity with women's struggle against microcredit is launched in Morocco</td>
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THE CADTM’S INVOLVEMENT IN THE ARAB WORLD

The international development of the CADTM network has made it possible to establish several connections in the MENA area (Middle East and North Africa), a part of the world which is also crushed by the burden of its public debt and by structural adjustment policies enforced by international financial institutions. In Tunisia an association called RAID (Rassemblement pour une alternative internationale au développement), which is a member of the ATTAC and CADTM networks, was founded in 1999, but was soon confronted with the repression of the Ben Ali regime, until the 2011 revolution that eventually made its official recognition possible. The ATTAC Morocco association was founded in 2000 and became a member of the CADTM network in 2006. ATTAC-CADTM Morocco currently shares the responsibilities of the network’s International Secretariat with CADTM Belgium. It has also had to face government repression.

The CADTM upholds the revolutionary processes that started in the area in December 2010. In 2011, RAID launched a major campaign for the cancellation of odious debts contracted by the Ben Ali family. The campaign was actively supported by the CADTM in Belgium and France, weaving connections with the ACET collective (Auditons les créances européennes sur la Tunisie, i.e. let us audit Tunisia’s debts to European countries). Similarly at the end of 2011 a campaign for debt cancellation was launched in Egypt and was also supported by the CADTM in Europe. Those campaigns resulted in several victories. In July 2011 the Belgian Senate voted a resolution that acknowledged the odious nature of the Tunisian debt and demanded a moratorium on its repayment as well as an audit of Belgian debt securities in Tunisia (however this resolution has had no effect so far). In September 2011 a petition signed by over 120 MEPs and national MPs in various European countries demanding an immediate suspension of Tunisia’s repayment of debts owed to European countries (with freezing of interest due) and a debt audit was made public. In May 2012, The European Parliament adopted a resolution in which it considers the public external debt of the countries in North Africa and the Middle East to be odious debt and therefore calls for the reconsideration of this debt, and notably that related to arms expenditure (just as with the Belgian Senate’s resolution, this resolution has still not had any effect).

In December 2015, RAID/ATTAC-CADTM Tunisia launched a new campaign for an audit of Tunisia’s public debt. In June 2016, it resulted in a draft bill for an audit of the debt since 1986 (when the first structural adjustment programme was imposed by the IMF, just before Ben Ali became president in 1987); it has been initiated by the Popular Front and was co-signed by 73 Tunisian MPs. The bill demands that debt payments be suspended until the audit yield results, enabling us to draw up key arguments needed to cancel
odious, illegal, illegitimate and unsustainable debts.

ATTAC-CADTM Morocco is also active in exposing the fraud of the micro-credit system, the consequences of which are disastrous for vulnerable people (particularly women). In Morocco 99% of loans granted in a micro-credit context are subjected to two-figure interest rates, with an average interest rate between 30 and 35%. The micro-credit system results in situations of private illegitimate over-indebtedness. Next to the debt issue ATTAC-CADTM Morocco is also active against free-trade agreements, the environmental crisis and feminist struggles. In 2016, the association organized an international seminar on free-trade agreements in Casablanca, and an international conference on climate change, which was in fact a counter-summit to the Marrakech climate conference (COP 22).

The CADTM's involvement in the area is a long-lasting affair! In December 2016 Moroccan and Tunisian associations organized a meeting with Egyptian and Algerian activists (Lebanese activists had to cancel their participation) so as to broaden and boost the network in the area, the Egyptian activists having announced their wish to join the CADTM. Odious debt, micro-credit, structural adjustment programmes... we have a lot on our hands and groups from the various countries are going to launch common initiatives!
How did the notion of auditing public debt come to gain support in Greece? What supporting forces could you count on and how did you come in touch with the proponents of the demand for a Greek debt audit?

The CADTM has worked at the levels of both Europe and Greece. In an attempt to launch a joint European anti-austerity movement uniting the social and political forces, the CADTM had convened a European meeting in Brussels on September 29, 2010 on the occasion of a European demonstration called for by the European Trade Union Confederation (ETUC).1

Before that, Moisis Litsis, Sonia and Giorgos Mitralias2 took the initiative and established an anti-debt Committee, which is a member of the CADTM International network, at the beginning of July 2010 in Athens. Giorgos Mitralias translated the citizen audit manual published by the CADTM International network and the publishing house Alexandria brought out a Greek edition in 2011.

The CADTM’s views began to be recognised in Greece starting from 2010. Several interviews were published in the Greek print media. For example, the Greek magazine Epikaira published a long interview of myself with Leonidas Vatikiotis3, journalist and a very active far-left political activist. There I explained the causes behind the explosion of the public debt and how the Ecuadorian experience could be a source of inspiration for Greece in terms of an audit commission and the suspension of debt payments. In the concluding part I was asked

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1 See Minutes of the meeting held on 29 September 2010 For a European coordination of struggle against the debt and austerity plans! here http://www.cadtm.org/Minutes-of-the-meeting-held-on-29 and http://www.cadtm.org/For-a-European-coordination-of
2 See http://www.cadtm.org/Grece-Fonda-
3 Five years later, Leonidas Vatikiotis would be part of the Truth Commission on Greek debt.
“What should Greece do?” and I answered: “An Audit Commission involving prestigious and experienced people should be formed immediately. My advice is clear: Open the books of account! Examine all state contracts—ranging from the biggest, such as those of the recent Olympic Games, to the smallest! Proceed in the utmost transparency and in the presence of trade unions and citizens’ associations and discover which part of the debt resulted from corruption, and is therefore illegal and odious as per the international terminology. Denounce it!”

Economist Costas Lapavitsas also wrote several articles actively defending the need to establish an audit committee. Those were widely circulated in Greece. In one of them he wrote: “The international audit commission could serve as a catalyst and contribute to the transparency that is needed. Such an international commission, made up of experts in auditing public finances, economists, labour organisers and representatives of social movements, will have to be totally independent of political parties. It will have to have support from many organisations, which will make it possible to mobilise very broad social strata. This is how the popular participation necessary to deal with the question of the debt will begin to become a reality.”

On January 9, 2011, the Greek daily Ethnos tis Kyriakis, third in terms of circulation at that time, interviewed me. It was published as: “It is not logical to repay debts that are illegitimate. The people of Europe also should audit their creditors”. The daily explained: “The Committee’s work in Ecuador has recently been mentioned in the Greek Parliament by Sofia Sakorafa”.

In fact, in December 2010, the MP Sofia Sakorafa said in a speech in the Greek Parliament that a Debt Audit Commission, inspired by the Ecuadorian example, was necessary. The parliament was then dominated by PASOK and New Democracy who had no interest in elucidating the debt, and her proposal was rejected. Nevertheless, people other than professional politicians kept on fighting the battle. The Greek debt audit committee (ELE) was launched in March 2011. This stemmed from major efforts to bring together people who barely knew each other even a few weeks earlier. The gravity of the Greek crisis catalysed this creative process. While preparing to launch this committee, Costas Lapavitsas issued an international appeal, supported by the CADTM. It had wide-ranging response.

Costas Lapavitsas consulted me for the content of the international appeal to support the committee’s formation. I made some amendments. After that, we started seeking support from people likely to help us spread the word and also enhance the credibility of the initiative. I undertook to collect the maximum possible number of signatures from international personalities supporting the establishment of the audit committee.
had known many of them for years, such as Noam Chomsky (USA) with whom I had been in touch on the debt issue since 1998, Jean Ziegler (Switzerland) who was then a UN Special Rapporteur on the Right to Food, Tariq Ali (UK), and many economists.

**Did you find it easy to find support?**

In my quest for collecting signatures I was refused only once, by the North American economist James Galbraith. I had been conversing with him for several years during conferences on financial globalization. Later, I found a partial explanation for the refusal. James Galbraith confirmed in his book Welcome to the Poisoned Chalice: The Destruction of Greece and the Future of Europe published in 2016 that he had supported George Papandreou, Prime Minister of the Greek Government who introduced the first memorandum in May 2010. James Galbraith criticized the memorandum but accepted Papandreou's false narrative of the crisis as mentioned in Galbraith's introduction to his book.

The second reason why Galbraith did not sign the appeal was Yanis Varoufakis's advice to him. Varoufakis had publicly explained in 2011 why he refused to endorse the call for the Audit Committee's formation. He says that Galbraith had contacted him, asking if he should sign this appeal and he advised Galbraith not to. Yannis Varoufakis' refusal accounts for his indifference towards the Truth Commission on the Greek debt when he became finance minister in the first government of Alexis Tsipras in 2015.8

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**James K. Galbraith, Welcome to the Poisoned Chalice: The Destruction of Greece and the Future of Europe, Yale University Press, 2016.**

See this excerpt from the introduction: «When George Papandreou became prime minister in October 2009, I was invited to visit, advice and (especially) give him my moral support. I had a limited role to play during those meetings. Papandreou had campaigned for promoting a programme of social protection and economic growth, soon to be thwarted by the crisis of the financial system and debt. Starting from May, 2010, he was forced to accept an austerity plan in return for a massive loan. This was in order to prevent the Hellenic banking system (thoroughly vulnerable from its investments in the public debt as the State had gone insolvent) from collapsing.» (p. 17 of the French version. Translation : CADTM)

The narrative of this last sentence does not correspond to reality. The Hellenic banking system was not threatened with collapse due to its exposure to Greek public debt, and the Greek State had not gone insolvent. The Greek banks were mainly threatened by the bubble burst in private credit which they produced in collusion with French, German and Dutch banks. Had the Greek banks collapsed, it would have implied immense losses for the French, German and Dutch banks. The so-called bailout plan envisaged by Papandreou, the European authorities, and the IMF was aimed at minimizing heavy losses for the French, German, Dutch and Greek banks. Instead of implementing the choice made by Papandreou, the European authorities, and the IMF, the losses should have been imposed on the foreign banks, the financial sector socialized and the Greek public debt drastically reduced. That said, despite my criticism of Galbraith’s narrative for the events of 2010, I recommend reading this book because it contains highly interesting information.
In a long public letter published in spring 2011, Yanis Varoufakis justified his refusal to support the creation of the Citizen Debt Audit Committee (ELE in Greek). He wrote that if Greece defaulted, it would have to leave the euro zone following which it would abruptly end up in the Neolithic age (sic!). Varoufakis also explained that the people who had taken this initiative were nice and well-meaning and that in principle he supported the audit but, in Greece’s current circumstances the audit was not appropriate.9

The documentary Debtocracy aired from April 2011 championed the proposal for a citizens’ debt audit and the need to cancel the illegitimate and odious part of the debt.10 Aris Chatzistefanou and Katerina Kitidi, who directed this documentary in collaboration with Leonidas Vatikiotis, called on me about the contents from the beginning of February 2011. They took my suggestion to film a part of the documentary in Dakar on the occasion of the World Social Forum held there from February 6-11, 2011. The film was completed in record time and was circulated on the internet. During spring 2011, more than 1.5 million people in Greece downloaded it in 6 weeks. It was a significant number for a population of 10 million, but no TV station broadcast it at that time.


The international conference supporting the citizens’ audit of Greek debt was held in Athens in May 2011 and it was a resounding success, with the attendance of nearly 3,000 people during 3 days. The CADTM was one of the organizations convening that conference. I coordinated the first panel discussion where the prominent participants were Nadia Valavani11 (who later became the Deputy Minister of Finance in the Tsipras Government) and Leonidas Vatikiotis. The CADTM helped the Greek organizers and the other non-Greek movements towards convincing a significant number of European organizations to support the conference and to collectively adopt a declaration upholding its essence (see box).

11  Nadia Valavani, is a respected Greek politician, mainly known for her courageous action in the resistance to the Colonels’ dictatorship, for example the movement at the Athens Polytechnic Institute in 1973, severely repressed by the army.
Was the initiative of the citizen debt audit successful and did Syriza take notice?

The ELE committee established in Greece had a tremendous impact thanks to the Greek version of the Indignados movement in 2011. In June-July, hundreds of thousands occupied public squares in cities not only in big cities like Athens and Thessaloniki but also in many medium-sized towns. The Committee members who set up stalls in busy squares, especially in the Syntagma Square, received an impressive response. The campaign has had a positive effect on Syriza despite the reluctance of some of its leaders.

The audit was central to Syriza’s manifesto during the two rounds of elections in May-June 2012. In its 2012 manifesto, Syriza proposed a “suspension of debt payment during the ongoing work of an international debt audit commission, since the economy is yet to recover.” It meant that the suspension could last for long.

This approach shows that Syriza’s political evolution was positive between 2009 and the elections in May-June 2012. It was not a foregone conclusion. I remember very well that Synaspismos, the main political current within Syriza, had invited me to a large conference. Alexis Tsipras led this current. The conference was held in early March 2011 when the Citizen Audit Committee for the Greek debt (ELE) was born in the circumstances that I have just summarized.

A few words about the conference. It took place in Athens in early March 2011. Synaspismos (the main component of Syriza) and the Party of the European Left had invited me as speaker. Alexis Tsipras, Yanis Varoufakis, Oskar Lafontaine (one of the founders of the Left Party, Germany), Pierre Laurent (leader of the Communist Party and the Party of the European Left), Mariana Mortagua from the Left Bloc in Portugal, Euclid Tsakalotos (who became finance minister after Yanis Varoufakis resigned), Yannis Dragazakis (deputy prime minister in the first and second Tsipras governments), myself, and several other guests delivered speeches during this conference.

My presentation focused on the causes of the crisis, and the vital importance of a drastic debt reduction through cancellation following a debt audit with citizens’ participation.12 Yanis

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12 See the slideshow of my presentation here:
See my main proposals in this presentation here:
Varoufakis presented what he called a modest proposal. Four years later, in February 2015, he proposed the same during the first phase of negotiations with the creditors.

There were 600 to 700 participants and the Nikos Poulantzas Institute published several speeches including those of Tsipras, Varoufakis, and myself in a book in English. It was called *The Political Economy of Public Debt and Austerity in the EU.*

The response to my speeches startled me. One of the organizers, who led the Nikos Poulantzas Institute, said that he was surprised to hear me plead for the cancellation of the illegitimate or odious Greek debt when I was invited to present the experience of the Eric Toussaint. Eight key proposals for another Europe, published on April 17, 2011. http://www.cadtm.org/Eight-key-proposals-for-another

13 The book is freely available in PDF format here: http://www.cadtm.org/Public-Debt-and-Austerity-in-the-debt audit. This shocking reaction clearly indicated to me that at least a significant section of Syriza rejected or at least did not take for granted the proposal to suspend and/or abolish the debt. This was confirmed later.

During this conference I had in-depth discussions with Costas Isychos, Syriza's foreign-affairs spokesman at that time (he later became deputy Defence Minister in the first Tsipras government, and now belongs to Popular Unity) and several union leaders who were also members of Syriza.

I noticed that they agreed with the CADTM on the need for a unilateral act of suspending debt payment and for a debt audit.

Whereas SYRIZA had obtained 4% of the vote in the 2009 elections, in May 2012 it garnered 16%, then 26.5% one month later in the June 2012 elections - just two points below New Democracy, the major party of the Right. SYRIZA had thus become the second-ranking party in Greece. Between the two rounds of the election, Tsipras put forward five concrete proposals for beginning negotiations with the parties opposed to the Troika (except Golden Dawn which was excluded, though also opposed to the Memorandum of Understanding):

1. Abolition of all anti-social measures (including the reductions of wages and retirement pensions);
2. Abolition of all measures that reduced workers’ rights as regards protection and negotiation; Immediate abolition of parliamentary immunity and reform of the election system;
3. An audit of the Greek banks;
4. The forming of an international debt audit committee combined with suspension of repayment of the debt until the end of the committee's work.

The commitment to conduct a debt audit and default gradually disappeared from the dis-
course of Alexis Tsipras and the other SYRIZA leaders. This all happened unobtrusively and the fifth measure proposed by Tsipras in May 2012 (see above) was replaced by the proposal to hold a European conference to reduce Greece’s debt.

Do you think that Alexis Tsipras’ shift after the electoral success of May-June 2012 was moderate?

In October 2012, during an interview with Tsipras, my suspicion that he was backing down were confirmed. Two days earlier, the Wall Street Journal had published the secret notes of an IMF meeting of May 9, 2010. It was clear that a dozen IMF directors (comprising 24 members) had opposed the Memorandum since it implied a bailout plan for the French and German banks, not Greece. I told Tsipras and his economic adviser: “That is a solid reason for you to go against the IMF. If the IMF evidently knew that its programme would fail and the debt would not be sustainable, there is enough evidence for us to wage war against the illegitimacy and illegality of the debt”. Tsipras replied, “But listen … the IMF keeps its distance from the European Com-

14 I have explained this in detail in my article Greece: Why Capitulate? Another Way Is Possible (text version of the video of the same name with explanatory notes and references) http://www.cadtm.org/Greece-Why-Capitulate-Another-Way

mission”. I could well understand that he was envisaging IMF as a possible ally of Syriza in case the latter formed a government. The next day, October 6, 2012, Tsipras and I spoke publicly in front of 3,000 people in the first Syriza youth festival. I realized that he did not appreciate my emphasis on the need for a radical outlook on a European scale.

Evidently, the Greek experience was extraordinary, though it eventually floundered. How do you explain it?

The Greek capitulation is also a capitulation to the dominant financial interests in the debt-system. This experience reshaped Greek politics in an unprecedented way. It also led the small circle of advisors and elected representatives surrounding Alexis Tsipras to make policy changes. My hypothesis is clear: the hub around Tsipras (I do not mean Syriza’s political office, since the politburo members were not involved with the key decisions, just as the central committee members were kept at arm’s length) including Yannis Dragasakis (the current deputy prime minister who played a key role) took the decisive stand in the crucial moments: “Confrontation with the great Greek capital, the Greek bankers and the ship-owners must be avoided at any cost.” The interests of the latter two are absolutely interlinked. Likewise, the hub considered it necessary to avoid confrontation with the European institutions. A series of renunciations followed: “In order to avoid confrontation with those two enemies we must provide guarantees to the Greek bankers and tell them that in case of Syriza forming a government their interests will not be affected. Therefore, neither nationalization nor any binding mea-

15 See Eric Toussaint: “The Greek people are currently at the epicenter of the capitalism crisis.” http://www.cadtm.org/Eric-Toussaint-The-Greek-people
sures against banks”. It was necessary to stall the audit and the suspension of payments so that any confrontation with the EU could be avoided. It was also promised that a Syriza government would respect the budgetary discipline as demanded by the European authorities. This is why Syriza stated in its Thessaloniki agenda (presented for the elections of January 25, 2015) that the anti-austerity measures would be counterbalanced by tax revenues which conform to the budget for 2015 made by the previous government. The core around Tsipras and Dragasakis reasoned as follows: “If the bankers are left untouched and if we respect the budgetary discipline demanded by Brussels, they will let us form a government and we will be able to govern.”

Is it possible to elucidate the composition of that hub around Tsipras, and its evolution? How do you view the audit issue?

Before Syriza’s electoral victory I had two important one-on-ones with Alexis Tsipras. First, in October 2012 as I stated above16. Alexis Tsipras was accompanied by John Milios who was then his special adviser on economic issues. John Milios was not in favour of the debt audit and suspension of payment. From end 2014, Tsipras kept him at a distance, for political reasons although he held very moderate views. The other economic adviser whose choices were accepted by the core of team Tsipras was none other than Yannis Dragasakis, a very influential figure. He was deputy prime minister in the first Tsipras government. He still holds the same post and handles the economic policies. Dragasakis had long been connected to bankers. Also, he had been a member of the board of a medium-sized commercial bank. Somehow he is the conduit between Tsipras and the bankers. Syriza is a new organization and therefore its leaders are not firmly rooted in the State spheres- unlike, for example, the French Socialist Party, whose history is linked to the Republic and to the management of state affairs. In that sense, the profile of the new economic adviser, close to Tsipras, is at odds. While in 2012-2013, none of the Syriza leaders had held any State office before, the only one to have been a minister once, for a few months in 1989, was ... Dragasakis17. Dragasakis was part of a coalition government between the right-wing New Democracy and the Communist Party (KKE). He was clearly against the debt audit and a payment suspension.

A new “London Conference”? The hope for international cooperation versus “unilateral sovereign action”

How can Syriza’s abandonment of its radical orientation be explained? How did opinions on the debt issue differ?

Alexis Tsipras wanted to convene a major international conference on debt reduction in Athens in March 2014. This was one of his planned initiatives. Urged by Sofia Sakorafa, Syriza MP since 2012, Tsipras met me again in October 2013 and asked me to help with the preparations for such a conference by convincing a number of international personalities to accept the invitation. I had compiled a list of participants and I discussed it with Alexis Tsipras, Sofia Sakorafa, Kostas Bitsanis (Sofia’s husband) and Dimitri Vitsas, general secretary of Syriza at that time. I proposed to invite the following personalities to the conference: Rafael Correa, Diego

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16 I was with Aris Vasilopoulos, an activist of Kokkino which is a current within Syriza, and Yiorgos Mitralias, the in-charge of the Committee against Debt.

Borja (former director of Ecuador’s Central Bank), Joseph Stiglitz, James Galbraith, Noam Chomsky, Susan George, David Graeber, Naomi Klein, as well as the members of Ecuador’s debt audit commission. The latter had worked with me in 2007 and 2008. I noticed that Rafael Correa, from my list, did not interest him at all. On the contrary, he wanted the former president of Brazil, Lula, and the president of Argentina, Cristina Fernandez. Ecuador was too radical for him, and of course he wanted Joseph Stiglitz and James Galbraith, which was justified. But his plan was not to launch an audit committee; it was to convene the various member countries of the EU at a European conference on debt, similar to the London Agreement of 1953, where the winners of World War II considerably reduced West Germany’s debt18. I told him that it would never happen. As the leader of Syriza, it was perfectly legitimate for him to propose that plan A, but it was absurd to think that Draghi, Hollande, Merkel, and Rajoy would agree. I told him that he needed a plan B which would include an audit committee. I also declared it to the Greek media. Here is an excerpt from an interview with me that the Daily Editors, near Syriza, published in October 2014. The journalist asked me what I thought of the European Debt Conference proposed by Alexis Tsipras, based on the London conference of 1953, and I said, “Although this request is legitimate.....it will not be possible to bring the governments of the main European economies and the EU institutions to the table on this agenda. The experience of the last ten years has shown that unilateral sovereign acts can get results. The creditors that reclaim the payment of an illegitimate debt and impose violent measures that attack fundamental human rights, including economic and social rights, must be refused. I think that Greece has strong arguments for forming a government that would have popular support for working in this direction. Such a popular leftist government could establish a debt audit committee that would include a large popular democratic participation. This audit committee would unilaterally suspend repayments and finally repudiate the part of the debt that it identifies as illegal and/or odious”.19

Finally, Alexis Tsipras asked me collaborate with him and Pierre Laurent (president of the Party of the European Left at that time) towards preparing for a European conference where Debt would be one of the issues. It was to be held in March 2014 in Athens. This never materialised because during a meeting held in December 2013 in Madrid, the Party of the European Left had decided to hold a conference in Brussels, instead of Athens, during spring 2014. This Brussels conference had very little impact. Alexis Tsipras, Pierre Laurent, and Gabi Zimmer (member of Die Linke, Germany, and President of the parliamentary group GUE / NGL in the European parliament) were present among others. I participated as speaker in a panel along with Euclid Tsakalotos, who would become Finance Minister for Alexis Tsipras from July 201520. I realised straightaway that he did not at all support a plan B on debt, banking, and taxation. Euclid Tsakalotos’ plan was to negotiate with the European institutions at all costs in order to obtain a reduction of austerity without resorting to default and audit of debt. During this conference I again argued for a plan B including debt audit and suspension of debt payment.

So, the discussion on the need for a plan B did not start in 2015: it clearly goes back to 2013-2014. The leadership hub around Tsipras decided to exclude the groundwork of plan B and has stuck to plan A, which is an impracticable one.

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19 See Eric Toussaint: “Alexis Tsipras is right to call for an international conference on debt” http://www.cadtm.org/Eric-Toussaint-Alexis-Tsipras-is

20 Euclid Tsakalotos was Professor of Economics in the UK in 2014. He replaced Varoufakis as the Finance Minister from July 2015. He still holds this position in the second-term government of Tsipras.
Declaration from the Athens Conference on Debt and Austerity (extract)

We, representatives of movements and activists from across the world, met in Athens to discuss the lessons of previous international economic crises, to challenge illegitimate debt and mobilise for its cancellation, to offer our solidarity to the European people struggling against unjust austerity programmes imposed by governments, the EU and the IMF, exemplified by the "Memoranda of Understanding", as well as to formulate a plan of economic action which meets the needs of people instead of serving a tiny social elite.

Many countries in the developing world have lived in debt crisis since the 1970s. After bouts of reckless lending by international finance, some of the poorest people in the world faced cuts in income and social provision when the IMF imposed sharp austerity policies in return for bailing out banks and financiers. These policies were unjust and did not facilitate recovery. Instead, they increased the dependency of indebted countries on the power of financial markets, making governments less accountable to their people. Only when a handful of countries demanded their rights and stood up to the imposition of austerity, to the bailing out of financiers, and to the crushing burden of debt did it become possible to recover, at least for a short while. This is what happened in Argentina in 2001. Other countries can benefit from its experience, including Egypt, Tunisia and the entire Arab world now fighting for democracy and confronting odious debts of dictatorial regimes.

Today, in the wake of the international economic crisis, peripheral countries of the EU face a deep debt crisis. They have been pushed into it by the operations of the global financial system but also by the institutional framework and the economic policies of the EU which systematically favour the interests of capital. The Growth and Stability Pact has put pressure on labour across the eurozone, while the European Central Bank has supported the interests of large banks. The EU has been split into a powerful core and a weak periphery. The accumulated debts of the periphery are a result of the gap with the core but also of deepening inequality between the very rich and the rest of society. Workers and the unemployed, small farmers, small and medium businesses, are now forced to carry the burden of these debts even though they have not benefited from them.

Austerity and privatisation measures will squeeze the poorest in society most heavily, while those that created the crisis will be bailed out. The Pact for the Euro will exacerbate pressure on labour. The rich and big business will also continue to dodge taxes which could be used to build a fairer society. If these measures go unchallenged, they will have an immense impact on Europe, drastically changing the balance of power in favour of capital and against labour for many years.

The attempt to make working people and the poor bear the costs of the crisis, while the very rich escape, will be opposed by those in the firing line. The people of Greece, Ireland and Portugal, but also Poland, Hungary, Slovenia and elsewhere in Central and Eastern Europe, challenge the austerity policies of the EU and the IMF, oppose international financial power, and reject the slavery of debt. We call on people across the world to show solidarity with movements in these countries struggling against debt and the pernicious policies it brings in its wake.

Specifically, we call for support for:

The democratic auditing of debts as a concrete step towards debt justice. Debt audits which involve civil society and the labour movement, such as the Citizens debt audit in Brazil, allow people to establish which parts of public debt are illegal, illegitimate, odious, or simply unsustainable. They offer to working people the knowledge and authority necessary to refuse to pay illegitimate debt. They also encourage democratic accountability and transparency across the administration of the public sector. We express solidarity with debt audits in Greece and Ireland and stand ready to assist in practical terms.

Sovereign and democratic responses to the debt crisis. Governments must be bound primarily by their people, not by the unaccountable institutions of the EU, or by the IMF. The people of countries such as Greece must decide which policies will improve their chances of recovery and meet their social needs. Sovereign states retain the power to impose a moratorium of payments if debt is crushing the livelihood of working people. The experience of Ecuador in 2008-9 and of Iceland in 2010-11 shows that it is possible to have radical and sovereign responses to debt, even including cancellation of its illegitimate part. Even UN resolutions legalise the cessation of payments in a state of necessity.

www.cadtm.org/Declaration-de-la-Conference-d
In 2013-2014 Syriza had become more moderate in its policies. How is it that the audit could still be launched after their electoral victory of January 2015?

In the first place, certain personalities who had supported the audit project from the beginning became members of the new Syriza government that was formed after the January 2015 election. Nikolaos Chountis was nominated Deputy Minister for European Affairs; in agreement with Alexis Tsipras, he mandated a retired European civil servant – Georges Caravelis – to work with me on preparing the audit. Panagiotis Lafazanis, one of the six ‘Super Ministers’ in the Tsipras government’s protocol hierarchy, had supported a Citizens’ Debt Audit along with a suspension of payments since 2011. Nadia Valavani, whom I have known since 2011, became Alternate Minister of Finance. Rania Antonopoulos, lecturer at the Levy Institute in New York, became Alternate Minister for Combatting Unemployment; she wrote to me just a few days before the elections; Dimitris Stratoulis was Deputy Minister for Pensions; Kostas Isyhos, with whom I am in regular contact since March 2011 Alternate Minister of National Defence; and finally, the jurist Georges Katrougalos, active member of Citizen Debt Audit (ELE) with whom I have also

1 P. Lafazanis is currently the principal personality of ‘Popular Unity’, the movement that left Syriza in August 2015. N. Chountis, also member of Popular Unity, became MEP in September 2015.

2 I met R. Antonopoulos for the first time in February 2015 when she joined the Tsipras government. She confirmed that she was favourable to launching an audit. We met again in May and she said she was disappointed with the Tsipras government that lacked unity, and the Prime Minister’s policies were too moderate. She confirmed her support for the audit Committee and its work. Nevertheless, in July 2015 she accepted the capitulation. In September, Tsipras confirmed that she would continue in her post as Alternate Minister for Combating Unemployment.

3 G. Katrougalos accepted the capitulation and was named Minister of Labour, Social Insurance and Social Solidarity in the second Tsipras government. He defended the new counter-reform of pensions in May 2016. See the article by Stathis Kouvelakis concerning this countermeasure (in French).
been in regular contact since May 2011 became Alternate Minister of Administrative Reform. As soon as I arrived in Athens in February 2015, I had a meeting with Georgios Katrougalos and I asked him to establish contact for me with the new Speaker of the Hellenic Parliament in order to create an Audit Committee. Zoe Konstantopoulou, who had been elected into her office by 90% (290 votes) of the members of the Greek Parliament, immediately agreed to meet me.

During our meeting, which lasted no longer than one hour on the 16 February 2015, I proposed to gather together a voluntary and unpaid audit group. Zoe Konstantopoulou gave me full latitude and after our meeting, within the hour, she called a conference with the Parliamentary press and published a release on the Parliament's website, announcing our meeting and the creation of the Audit Committee... As Speaker of the Parliament, Zoe Konstantopoulou ranked second in the Greek State, after the President and above the Prime Minister. Above all she had Tsipras' confidence and was on good working terms with him. Nevertheless the structure seemed fragile: through March and April, Konstantopoulou and Katrougalos were targeted by the Greek press and the right wing. Zoe Konstantopoulou was depicted as irresponsible. On 3 April Katrougalos said to me "Listen, I fear that tomorrow, at the initial meeting of the Audit Committee in parliament, I'll be the only minister present and there is no real support for this initiative". Later on, Konstantopoulou assured me "Alexis Tsipras will there tomorrow morning, The President of the Republic will be

Zoe Konstantopoulou declared, “We have started an initiative in order to audit the Greek debt.” Others present were Nikos Chountis (Deputy Minister for European affairs), G. Papadimoulis (MEP Syriza) and other MEPs. See in Greek: http://left.gr/news/konstantopoyloy-dromologoyme-logistiko-ele-gho-toy-hreous

On 17 March 2015, the creation of the Audit Committee was announced by Zoe Konstantopoulou, Sofia Sakorafa and myself at a press conference within the Greek Parliament.
there tomorrow morning and a majority of the Ministers will be there tomorrow morning”. After a bad night the President of the Republic, the Speaker of the Parliament, the Prime Minister and about a dozen other ministers, including Panos Kameros, the Defence Minister and President of the Independent Greece party, were in fact present at the meeting. The Speaker of the Greek Parliament had obtained official support for the Audit Committee. It is clear that her role in deciding to do the audit was decisive. She had the green light from Alexis Tsipras at that moment, and she continually supported the committee.

So you got down to work. What were your priorities?

The Committee was made up of fifteen foreign experts (from ten different countries over three continents) and fifteen Greek experts. Zoe Konstantopoulou had given me the task of choosing the foreign members of the Committee and I also proposed several Greek members whom I knew through their involvement in the citizens’ audit movement over the years. We did all we could to gather together personalities capable of taking on the heavy task of the committee on a voluntary basis. A variety of skills and experience from several important fields were brought together: international law; constitutional law; human rights; public auditing; banking and finance; economic relations; central banks; statistics and others. Over half the members combined specialised knowledge in these fields with experience in social movements. Working meetings were held over a period of two and a half months. The first tasks were to define the terms of reference and to allocate the alleys of research. We defined the criteria - based on national and international law – to be used to identify illegitimate, illegal, odious and unsustainable debt. In view of the diversity of areas of competence

in the committee, particular care was taken in elaborating the methods used and selecting definitions, so that consensus could be reached. Then we separated into groups to examine the different debts that Greece was called on to pay and to produce the chapters of the report that we aimed to publish in mid-June 2015.

We held public hearings. For example, we called upon Panagiotis Roumeliotis, who was the representative for Greece at the IMF in 2010-2011, and Philippe Legrain, who, between 2011 and 2014, was an advisor to J. M. Barroso, a former President of the European Commission. We also went to the Ministry of Defence in order to examine, along with the Minister and his advisors, the most obvious cases of illegitimate and illegal debt. We also went to the Central Bank. A dozen Ministers, the President of the Republic, the Prime Minister and the Head of parliamentary scientific services spoke at our public meetings. We examined all the debts contracted through 2000-2015, that creditors are currently calling on Greece to repay and the conditions under which they were contracted, etc.

In two and a half months we produced a nine-chapter Report in English representing more than 1500 hours of unpaid work. The Report was adopted by the committee at the beginning of June and translated into Greek within a week so as to be presented at a public meeting on 17-18 June. The meeting was presided by Zoe Konstantopoulou, in the presence of the Prime Minister, a dozen MPs, several MEPs, two Argentine MPs, a Tunisian MP and delegations from Greek social movements. More than a year later the conclusions of the Report have been confirmed by several revelations, by developments in the Greek and European situations and by reports published by several international institutions. Among these were the independent evaluation bureau of the IMF6 and the European School of Management and Technology in Berlin.7

What were your relations with the Government?

During the course of our work a gap grew between what we were doing and the level of consent that the government accorded to creditors and European institutions. At the same time that the IMF, the ECB and private banks were reimbursed €7 billion, barely €200 million were allotted to relieving the humanitarian crisis: problems of health, pensions and 300,000 households without electricity.

Yanis Varoufakis tells, in a book published in 2016, how repugnant he found it to grant full and immediate guarantees to Greek banks while social spending was drastically cut. He was continually aware that while his signature was guaranteeing more than €50 billion of debt to private banks, the Greek State was unable to find a few hundred million euros to fund public hospitals, schools or the Greeks’ retirement pensions.8 It is clear that other choices would have been better. Personally, I was convinced that the direction Tsipras had taken would lead to failure.

I regularly expressed my concerns to the Speaker of the Parliament who in turn tried to convince Alexis Tsipras and the other Syriza leaders to take much firmer positions. I also spoke with committee members, some government members, sympathetic journa-

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lists, many militants from Syriza and from other leftwing structures, notably activists of Antarsya that brings together several parties to the left of Syriza. On 15 May 2015, I visited Dimitris Stratoulis, Deputy Minister for Pensions, to express the support of the committee for his stand against the pressure of creditors and some government members. Here is an excerpt from my declaration after this meeting: “It is clear that there is a direct relationship between the conditions imposed by the Troika and the increase in public debt. The Debt Truth Committee will produce a preliminary report in which the debt will be assessed according to whether it is legitimate or legal, because there is significant evidence that the Greek Constitution as well as International Treaties guaranteeing human rights have been violated.

“The Committee considers that there is a direct relationship between the policies imposed by creditors and the impoverishment of the living conditions of the population and the 25% decrease in GDP since 2010. For example, the public pension funds suffered a tremendous reduction due to the PSI of 2012 organized by the Troika, losing €16 or 17 billion from their original value of €31 billion. Social security revenue has also suffered directly due to the increase in unemployment and the reduction of wages as a consequence of the measures imposed by the Troika.”

«The Greek debt is not sustainable, not only from a financial perspective, since it is clear that Greece is in essence unable to repay it, but also from a human rights perspective. Several specialist lawyers in International Law consider that Greece can declare itself in a state of necessity. According to International Law, when a country is in a state of necessity it has the possibility to suspend debt repayments unilaterally (without accumulating interest arrears) in order to guarantee its citizens’ basic human rights, such as education, health, food and pensions.”

I made this declaration in support of those in the government who were pushing for suspension of payments. Dimitris Stratoulis went to great lengths to publicise our meeting, as he was in need of support in order to resist the pressure that the hard core around Tsipras was putting on him. In spite of the appearance of a united front, six Ministers and Deputy Ministers were in favour of suspending debt repayments (among whom were P. Lafazanis, C. Isyhos, D. Stratoulis, N. Valavani and N. Chountis). They also refused to make concessions on privatisations and the push towards greater restrictions on pensions. Lafazanis refused to share certain information demanded by the creditors, through Tsipras and Varoufakis. He was particularly opposed to privatising the energy sector for which he held responsibility.

Zoe Konstantopoulou also had to resist pressure from Tsipras. She was asked to transfer whatever funds were available in the Parliament’s treasury, which was a sum of €80 million. Tsipras told her that it was to pay pensions. She immediately called Dimitris Stratoulis to ask whether he needed the money for the pensions. When Stratoulis replied that the problem had been resolved and that the pensions would be paid normally, Zoe Konstantopoulou realised that Tsipras had used a pretext to try to convince her to make the transfer to an account used to make debt repayments. She refused to make the requested transfer.

How did the idea of the audit become popular?

A key moment was the hearing of Panayiotis Roumeliotis, a close advisor to the former PASOK Prime Minister Papandreou, a former Greek negotiator with the IMF and a personal friend of Dominique Strauss-Kahn, former chairman of the IMF, whom he met when he was a student in Paris. During a private conversation I showed him that I was in possession of secret IMF documents, including notes of a meeting that had been declassi-
fied by the Speaker of Parliament. Because they were very compromising, they had been hidden by the former Speaker of the Greek Parliament when they should have been included in an enquiry by the former government into financial delinquency. This document proved that the decision by the IMF on the 9 May 2010 to lend €30 billion to Greece (32 times the sum normally available to the country) was, in the opinion of several executive directors, primarily aimed at getting French and German banks out of trouble.10 This was clearly denounced by the IMF representatives from Brazil and Switzerland.

In reply to these objections the representatives from France, Germany and the Netherlands said “The Dutch, French, and German chairs conveyed to the Board the commitments of their commercial banks to support Greece and broadly maintain their exposures.” This is what the French executive said during the meeting: “There was a meeting earlier in the week between the major French banks and my Minister, Ms. Lagarde.11 I would like to stress what was released at the end of this meeting, which is a statement in which these French banks commit to maintain their exposure to Greece over the lifetime of the programme”. The German executive director said: “(…) these [German] banks basically want to maintain a certain exposure to the Greek banks, which means that they will not sell Greek bonds and they will maintain credit lines to Greece. When these credit lines expire, they will at least in part be renewed”. The Dutch executive director also made promises: “The Dutch banks, in consultation with our Minister of Finance, have had discussions and have publicly announced they will play their part in supporting the Greek government and the Greek banks”.

It has become clear that these three directors deliberately lied to have the loan granted.12 The loan was not made with the intention of aiding the Greek economy or the Greek people. The money was used to repay French, German and Dutch banks that between them held more than 70% of Greek debt. Then once they had been paid, the banks stopped lending to Greece and shed their Greek securities on the secondary market. The ECB, directed by the Frenchman Trichet, helped by purchasing those securities. The banks did exactly the opposite to what had been promised at the IMF. It must be mentioned that during the same meeting several directors criticised the IMF for changing, in a state of panic, IMF loan conditions.13 Previously, the IMF could not grant a

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10 After the Committee had made public the most important of these confidential documents, the totality were made entirely public on internet: Office memorandum - Subject: Board meeting on Greece’s request for an SBA - May 9, 2010, May 10, 2010. http://gesd.free.fr/imfinter2010.pdf
11 At the time, Christine Lagarde was still Minister in the French Sarkozy government. She became the CEO of the IMF in 2011 after Dominique Strauss Kahn resigned.
12 See in the Office Memorandum of the IMF direction meeting held on 10 May 2010, at the end of point 4 page 3 http://gesd.free.fr/imfinter2010.pdf
13 See in the Office Memorandum of the IMF direction meeting held on 10 May 2010, point 7 page
loan to a country unless the conditions made
the loan sustainable. As the IMF direction
knew perfectly well that lending €30 billion to
Greece would not ease the Greek situation,
but on the contrary, probably make it even
more unsustainable, the rules were changed.
Other criteria were adopted without consult-
tation: henceforth, the IMF lends in order to
avoid international banking crises. This pro-
ves that the real threat was the failure of the
French and German banks who had lent too
much to the private sector, in the absence of
prudential restraint, seeking big profits and
neglecting the public sector.

Another criticism of the measures imposed
on Greece by the IMF came from the Ar-
gentine representative, present at the same
meeting in May 2010, who explained that the
policies the IMF impose on Greece cannot
work. Pablo Periera made no bones about
what he thought of past and present IMF
policies “Harsh lessons from our own past
crises are hard to forget. In 2001, somewhat
similar policies were proposed by the Fund
in Argentina. Its catastrophic consequences
are well known(...) there is an undisputable
reality that cannot be contested: a debt that
cannot be paid will not be paid without a
strong process of sustainable growth.(...) We
are also too familiar with the consequences
of "structural reforms" or policy adjustments
that end up thoroughly curtailing aggregate
demand and, thus, prospects of economic
recovery(...) it is very likely that Greece mi-
ght end up worst-off after implementing
this programme. The adjustment measures
recommended by the Fund will reduce the
welfare of its population and Greece’s true
repayment capacity.14

During the quite exceptional 15 June 2015
public hearing, that lasted eight hours, we
questioned P. Roumeliotis on the above
meeting and the remarks that were made.
He replied to the questions and recognised
before the Committee that “There were se-
cret negotiations in hotels rooms between IMF
representatives and French and German repre-
sentatives to discuss the part the banks would
have in eventual restructuring programmes.
These discussions took place before the First
Memorandum decision and it was decided not
to restructure.”15.

Like all other important events in the Hellenic
Parliament, the hearing was broadcast live
on the parliamentary television channel. The
number of viewers exploded. The private me-
dia that showed no previous interest in the
Committee’s work and treated us like idiots
were informed by potential advertisers and
could no longer ignore us.

In my introductory speech to the presenta-
tion of the Committee’s work that took place
on 17 June I summarised the analysis that we
made of the profound reasons why the First
Memorandum was imposed on the Greek
people as from May 2010. The speech is avai-
larable here, it was very well received.

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14 From Minutes of IMF Executive Board Meeting,
May 9, 2010. see the excellent article (in French) by
Michel Husson: Grèce : les ‘erreurs’ du FMI (Greece: the
IMFs ‘Mistakes’).

15 Emilie Paumard, Audition de Panagiotis
Roumeliotis du 15 juin 2015 (15 June hearing of Pa-
agiotis Roumeliotis (in French)), CADTM, 17 June
2015. These remarks by Panagiotis Roumeliotis are
certainly very precious but it must not be forgotten
what he said in 2010 as the Greek representative
to the IMF: “The program includes measures to
protect the most vulnerable segments of the popu-
lation. My authorities are committed to an equitable
and fair distribution of the adjustment burden.
The tax burden for the rich will increase, while the
minimum pension and family allowances will be
preserved. (...) The strong ownership of the program
on the part of the authorities is supported by the
vast majority of the Greek people.” From: Statement
by Panagiotis Roumeliotis, Alternate Executive
Director for Greece in annexe to staff memorandum
9 May 2010 quoted in above note.
The Sovereign act: the end of the debt system, the privatisation of profits and socialisation of losses

What is the principal lesson of the Greek audit?

The Truth Committee on the Greek Public Debt (Debt Truth Committee) shows that Greece's engagements to the Troika over the three successive memoranda violate rights that are guaranteed by numerous international pacts, treaties and conventions on economic, social, cultural, civil and political rights. Chapter six of the report provides a precise list.

More generally, the report principally provides arguments that permit breaking away from the prominent political discourse emanating from the Troika, the different governments, the EU and the mainstream media. Their description of the situation was completely contradicted by the realities found by the audit. According to the dominant discourse, the public debt rose to an unsustainable level because of excessive government spending, because of overgenerous welfare cover and pensions or because of an inherent incapacity to collect due taxes.

What the report shows to be the reality is an explosion of private debt that reaches beyond the case of Greece. In the beginning of the 2000s, the big French and German banks along with others from Europe's 'economic centre' flooded the peripheral EU countries generally, and the Eurozone in particular, with lending. This tendency accelerated when Greece joined the Eurozone. The big French and German bankers were certain that in case of problems there could not be a devaluation or any losses. The bankers were more interested in lending to private Greek agencies rather than public ones. They considered that their own governments would come to their aid along with the ECB and the European Commission, should problems
arise. That is in fact what happened. Massive amounts of financial capital also circulated in the direction of Spain, Portugal, Slovenia and Ireland.

Is there a similarity with the odious and/or illegitimate debts of developing countries?

Yes, and as in other moments in history the availability of capital stops, generally for reasons having their origins in the central countries and influenced by circumstances in the peripheral countries. There was an enormous increase in private debt. Who was indebted in Greece? Who was behind this private debt? Greek households were enticed by the tempting offers of credit from Greek banks and also from French and German banks that lent to them directly. Greek non financial corporations also found funds from foreign sources on good terms. The Greek banks became indebted to French and German Banks in order to furnish credit to Greek households and businesses. Of course, the public debt increased through military spending and the importation of arms from France, Germany and the US. Having said that, private debt did increase more strongly and rapidly than public debt. The critical situation that Greece went through around the end of 2009 was not a risk of immediate sovereign default on debt repayments. More, it was the risk of different private Greek structures being unable to meet their instalments. It was this context of the danger of a major Greek banking crisis, and the negative effects on the French and German (and even US!) banks that made the Troika intervene.

So you are saying that we have here a financial and banking causality rather than a budget or public treasury causality?

Yes, but as public opinion would not accept granting €110 billion to save the Greek, French and German financial systems, some other discourse was necessary. Neither was it possible, in 2010, to talk to the IMF and the European authorities about saving the banks. That had already been done in 2007-2008. Public opinion had had enough. The Troika needed another explanation based on the idea that “the Greek government has been over-spending”. Papandreou, in complicity with the direction of the Greek Bureau of Statistics, exaggerated the State deficit in order to increase the debt and the coefficient
to the GDP by including elements that were not, according to Eurostat accounting standards, to be included. Clear and precise evidence is currently being examined in judicial proceedings.

What does the audit propose as “beneficial outcomes”?

International law permits States that are confronted with unfair practices by creditors to take sovereign and unilateral countermeasures in self-defence: suspension of payments, denouncing contracts and also the repudiation of illegitimate, illegal, unsustainable and/or odious debts.

In what other ways was the lack of support in Greece felt, other than from the hard-core around Tsipras, as you have already mentioned?

Several radical Greek political structures asked “Why audit the debt”? Just cancel it! Doing an audit will legitimise it. For this reason some structures left the movement in 2011 or simply did not support the audit movement any further. This was the case of most of the radical left (the Antarsya coalition, many elements of Syriza and also the Communist party that went so far as to call us the enemy). Fortunately, some activists committed wholeheartedly to joining us in the struggle (members of Syriza, NAR, Antarsya and union organisers); however, most of the committee members were individuals or citizens’ organisations mobilised on debt issues without the support of political organisations. We are still awaiting the remarks, once the political organisations have read the reports of June and September 2015 (Preliminary Report of the Truth Committee on Public Debt and Illegitimacy, Illegality, Odiousness and Unsustainability of the August 2015 MoU and Loan Agreements), to see whether or not our work has legitimised the debt. What is certain is that if those who had criticised us, or just watched from afar, had presented arguments in favour of abolition, that would certainly have been supportive of those who really wanted to introduce alternative policies to those of Tsipras and his government. We are also waiting to hear from Yannis Varoufakis, why, as Minister, he did not publicly air the work of the Committee and use its findings to question the attitudes of the European Institutions and the IMF? Why did he agree to empty all the treasuries of the entire public sector? Why did he not collaborate with the Committee as he had promised at the inauguration of the Committee’s work on 4 April? Yannis Varoufakis was opposed to capitulation and that is a great difference with Alexis Tsipras, Y. Dragazakis, G. Katrougalos, E. Tsakalotos, etc., but if he had adopted that attitude from the end of February things could have turned out differently. The victory of the ‘NO’ in the 5 July referendum shows that the Greek people had the will to resist the creditors.

What are the lessons to be learnt from the capitulation?

There are two principal lessons for the future:

1. the need for all popular governments (or any movement of the left that claims to be part of a government) to resist the creditors, to disobey the institutions and the European treaties, to take strength from popular movements and to respect the will of the people;
2. the need for grass roots movements to keep popular governments under maximum pressure not to capitulate, and to really implement an authentic alternative programme.

Is it enough to abolish illegitimate debt?

Resolving the problem of illegitimate debt is a sine qua non condition for a rupture with austerity policies, but it is not the only one. An alternative plan must be coherent and fully comprehensive, including an audit of the debt accompanied by a suspension
of payments; resolving the banking crisis by their socialisation (in Greece the private banks should have been put into liquidation and then socialised, creating a secure public banking system to guarantee deposits); the creation of a complementary local currency in order to achieve several goals (stimulate the local economy, make payments that do not require the use of the euro, increase pensions, wages and especially benefits to those most affected by the crisis); tax measures to redistribute the burden to the rich and relieve the poor; the abrogation of socially unfair measures; a stop to privatisations; “deprivatisations”; strengthening the public services; reorganising working hours and measures in favour of the ecological transition. If it is deemed necessary to leave the Eurozone, this must be done in harmony with a redistributive monetary reform (see at end of Greece: an alternative, http://www.cadtm.org/Greece-an-alte...) It is also important to launch a constitutional council for the democratic modification of the country’s constitution. All of our countries are in need of new national constitutions and Europe needs to be completely overhauled. Current unacceptable treaties must be abrogated. The EU is not reformable! A constitutional council implies large-scale popular participation: the citizens must again become sovereign over political choices and questions. To achieve this sovereignty it is necessary to redefine the constitutions from top to bottom. There are real lessons to be learned from experiences in Latin America, as much in Venezuela (1999) as in Bolivia (2006-2008) or in Ecuador (2007-2008) where provisos include the democratic revocation of all elected terms. Also, the new Ecuadorian constitution totally prohibits the socialisation of private debt.

**Is action against illegitimate debt continuing?**

The CADTM makes every effort to divulge the results of the work of the Truth Committee on Greek Public Debt. The CADTM translated the Report into French and it was published in book form. Complete translations were done into Spanish (by members of the Citizens’ Audit Platform and the CADTM),
German (by ATTAC Germany) and Italian (by ATTAC Italy, member of the CADTM network). Partial translations have also been realised in Slovene and Portuguese and others. Several videos are circulating and are well appreciated.\textsuperscript{16}

Several countries are seeing initiatives against illegitimate debt: Puerto Rico, a country that is a quasi US colony, is in the process of debt auditing and several movements are calling for policies of refusal to pay Uncle Sam’s banks; in Spain, in several local councils (Madrid, Barcelona, Oviedo, Cadiz and others) and in autonomous regions such as Catalonia, debt audit processes are advancing; in Italy, a CADTM was created earlier in 2016 by several organisations that are uniting their efforts to oppose the repayment of illegitimate debts; in Tunisia, at the initiative of Raid-ATTAC-CADTM Tunisia, in June 2016, 73 MPs signed a proposition of law for the creation of a commission to audit the Tunisian debt; in Greece, the Truth Committee on Greek Public Debt continues its enquiry, totally independent of the government; in Argentina, the assembly is taking action to suspend payments and audit the debt in defence of the National Heritage and collective commons; in Venezuela, a public debt audit platform has been created by several leftwing organisations and personalities; other actions are taking place in Ukraine, Slovenia, Portugal, etc.

\textsuperscript{16} See the latest release by CADTM in collaboration with Les Productions du Pavé More than 110 000 views in 7 weeks. Also, the documentary (in French) by Philippe Menut, La tourmente grecque II – Chronique d’un coup d’État.

In conclusion, there is no doubt about our determination to spread debt audits and refuse illegitimate debt.
In May 2015, the CADTM and the Belgian citizen debt audit collective AGIDe held an action thanking Dexia for the debt at Dexia’s general assembly in Brussels. Dexia was a major Belgian bank that was bailed out by the government during the current crisis.
CHOOSING
IS DEFIANCE!
DOWN WITH ILLEGITIMATE DEBT AND INJUSTICE!

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LA DETTE
ON VERRA BIEN
QUI DISPARAÎTRA
LE PREMIER

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INTERVIEW WITH ERIC TOUSANT
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