

Venezuela's Election In The Crosshairs Of New U.S. Regime Change Scheme



Venezuela - Source:
wikipedia.org

03-15-2024 ~ As Venezuela prepares to head to the polls in July, the U.S. has already started drumming up suspicion and doubt around the electoral process.

Twenty-five years after Hugo Chávez took office and began the [Bolivarian Revolution](#) in Venezuela, U.S. officials have still not tired of dreaming up new plots to overthrow the country's government. Five years ago, following the last presidential election, they attempted to install Juan Guaidó—a politician most Venezuelans had never even heard of—as the country's head of state. And now, with the date for the next presidential election officially set for July 28, the Biden administration is gearing up for the biggest regime-change push since the Guaidó coup attempt.

Venezuela has long been a target for U.S. intervention because of its efforts to build an alternative model to the neoliberal capitalism pushed by institutions like the IMF and World Bank. First theorized and implemented under the leadership of Chávez, the Bolivarian Revolution in Venezuela puts forward a new model that

emphasizes using the country's resources, such as its oil revenue, to fund crucial missions. These then guarantee rights such as education, food, housing, transportation, culture, and sports to historically excluded majorities, to decrease longstanding socioeconomic inequality. A central part of the Bolivarian Revolution is the political and cultural transformation of the people through the promotion of Venezuelan national culture, internationalism, anti-imperialism, and the empowerment of all people as political subjects with rights and responsibilities. It is a project in direct contradiction to U.S. interests in the oil-rich country and the region Washington considers its backyard.

The 2024 Elections

President Nicolás Maduro is running for re-election as the candidate of the United Socialist Party of Venezuela (PSUV) and the broader Great Patriotic Pole coalition. He has built his campaign around a [program](#) referred to as the "[Seven Transformations](#)," proposing major new initiatives in the fields of economic modernization, asserting national sovereignty, safety and security, ensuring social rights, political participation, the environment, and geopolitics. These aim to maintain the pro-poor, socialist orientation of the country's development model while enacting reforms to stimulate greater economic activity and counteract the impact of crippling U.S. sanctions.

The opposition is divided into several different camps. The largest coalition of opposition parties is called the Unitary Platform and consists of parties or factions of parties controlled by the Venezuelan elite who were displaced from positions of power as a result of the Bolivarian Revolution. The Unitary Platform has taken part in several rounds of negotiations with the government over the past year leading up to the elections and signed an agreement last October known as the "Barbados Agreement."

In this agreement, the opposition was granted concessions on issues related to the organization of the electoral process, and in exchange, the United States agreed to loosen some sanctions relating to Venezuela's oil and mining industries. The Barbados Agreement stipulated that only opposition figures who are eligible according to existing laws would be permitted to run. At this stage, the Unitary Platform has not chosen a candidate.

The specifics of how the electoral process will be carried out, regulations on campaigning on media platforms, participation of electoral observers, and the

updating of electoral rolls were outlined in [an agreement signed on February 28](#). The agreement was the product of dialogue among over 150 political and social organizations and was based on over 500 proposals. Ninety-seven percent of the political parties registered with the National Electoral Council participated.

Nonetheless, U.S. officials have presented this electoral process, subject to such extensive deliberation and approved with such wide support, as an attack on democracy.

María Corina Machado and the Fraud Narrative

The approach of the U.S. government follows a familiar script—wage a campaign in the media and through international organizations to cast doubt on the integrity of the electoral process so relentlessly that the result can be presented as fraudulent no matter what the actual evidence is on election day.

The key piece of the “electoral fraud” narrative is already in place and revolves around the disqualification of the opposition figure María Corina Machado.

Machado is the oldest daughter of Henrique Machado Zuloaga, who was an executive of Sivenza. One of Venezuela’s largest steel companies, Sivenza was nationalized in 2008 under Hugo Chávez. Since the start of the Bolivarian Revolution, Machado has been active in the right-wing opposition and has gone so far as to support destabilization campaigns and attempts to overthrow Venezuela’s democratically elected governments. She served as a member of Venezuela’s National Assembly from 2011-2014.

In July 2015, the Venezuelan comptroller general’s office [announced that Machado was barred](#) from holding public office for a period of one year after neglecting to disclose the extent of her earnings while she held public office.

The investigations into Machado continued. In July 2023, opposition deputy José Brito requested an update on Machado’s eligibility for holding public office given the upcoming presidential election and her stated intention to run. The comptroller general’s office responded, confirming that the disqualification of Machado was maintained and constituted a 15-year ban due to her support of regime change plots.

Though she initially refused to participate in the process, Machado appealed her ban through the Barbados Agreement procedure, which also stated that all

candidates must defend Venezuela's independence and reject violent actions against the government. In January 2024, the Supreme Court of Venezuela issued a [sentence rejecting Machado's appeal of the ban](#).

The Biden administration immediately sought to use economic coercion to undermine this decision by an institution of Venezuela, a sovereign state. As part of the Barbados Agreement, the U.S. government issued licenses to certain oil companies permitting them to resume operations in Venezuela despite the sanctions. At the end of January, the State Department announced that the sanctions waivers issued to these companies would not be renewed once they expire on April 18.

At the same time, there is endless media reinforcement of the position that an election without Machado cannot be considered legitimate. On January 30, a few days after the Supreme Court rejected her appeal, Machado went on the television network CNN and was presented to viewers as ["Venezuela's main opposition leader."](#) An earlier Washington Post article is also typical of this narrative, headlined, ["She's the front-runner in the race to oust Maduro. He's out to block her."](#) This combination of economic and political pressure is what has led to explosions in right-wing street violence in the past, following the 2013 presidential election when Maduro was first elected.

Machado: Regime Change Operative?

In 2002, following the short-lived coup d'état against Chávez, Machado signed the decree which established an unelected government under chamber of commerce head Pedro Carmona. In 2005 she [met with former U.S. president](#) George W. Bush at the White House to discuss "democracy" (i.e., the overthrow of the Venezuelan government) More recently, she has been a key supporter and leader of the numerous right-wing plots to overthrow the democratically elected President Nicolás Maduro. These include the 2014 and 2017 [guarimba](#) protests which saw extreme violence against security forces and chavista supporters, as well as the destruction of infrastructure.

In 2014, Machado was removed from her post in the National Assembly after she attended a meeting of the Organization of American States (OAS) [in the place of the Panamanian representative](#) in order to testify about 2014 protests, to speak out against the government, and to call for foreign support for her cause. The move was widely condemned as a violation of both the Venezuelan constitution

and Panamanian law, and in response, Panamanian civil society and movement organizations [filed a lawsuit](#) against her for [usurping a public post](#).

Machado has also [celebrated](#) the effectiveness of the illegal sanctions regime imposed on Venezuela in applying political pressure for regime change, and on several occasions, has [called for even more sanctions](#). The sanctions have had devastating consequences for the Venezuelan people, well documented by different UN bodies and [rapporteurs](#), [human rights organizations](#), and [think tanks](#). United Nations special rapporteur Alena Douhan noted that “[t]he announced purpose of the ‘maximum pressure’ campaign—to change the Government of Venezuela—violates the principle of sovereign equality of states and constitutes an intervention in the domestic affairs of Venezuela that also affects its regional relations.”

In 2019, Machado [supported](#) the push by Juan Guaidó’s parallel, fictitious government to [request that the OAS apply the Inter-American Treaty of Reciprocal Assistance](#) (TIAR) against Venezuela to end the “usurpation of power” by Maduro. The activation of TIAR would have provided a legal justification for foreign military intervention, (more) economic sanctions, and a commercial blockade.

Machado participated and benefitted from the looting of the state companies and assets that the [Guaidó “government” had illegally seized](#) such as [Monomeros](#) and CITGO.

U.S. Seeks to Delegitimize Venezuela’s Democracy

An examination of the actual facts of Machado’s political career shows how the truth is much more complicated than the mainstream narrative about a government baselessly repressing an opponent.

After years of political instability caused by right-wing plots to overthrow the democratically elected government and [even assassinate the leader](#), the Venezuelan government has pursued a straight-forward principle: political forces of any ideological variety can participate in elections as long as they do not conspire with foreign powers to undermine the independence of Venezuela or its sovereign institutions. This is in line with practices around the world. In the United States, for instance, there has been a great deal of public attention to the clause of the 14th Amendment that bars those guilty of insurrection from public

office.

As the July 28 elections approach, tensions between the disparate elements of the Venezuelan political scene are bound to intensify. But the Biden administration is bound to be guided by the same overarching goal that has animated the policy decisions of Democratic and Republican administrations alike—remove from power one of the most long-standing opponents of Washington’s dominant role in the western hemisphere.

By Zoe Alexandra and Walter Smolarek

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Nepal Experiences Another Political Reversal As Public Takes A Backseat



03-15-2024 ~ Nepal's recent political changes, forming a coalition government led by the two largest communist parties, have implications for stability. Pushpa Kamal Dahal's continued prime ministership and the inclusion of smaller parties signal shifting alliances.

On March 4th, Nepal's two largest communist parties united to establish a new coalition government, including smaller parties as partners. Pushpa Kamal Dahal, leader of the Maoist party, will continue as prime minister, a year after his initial election. Dahal has severed ties with the Nepali Congress Party, the largest parliamentary group, and has allied with the Communist Party of Nepal (Unified Marxist-Leninist), the second-largest party led by Khadga Prasad Sharma Oli. Following the shift in coalition dynamics, the prime minister is obligated to seek a vote of confidence in Parliament within 30 days, a process anticipated to result in his favor.

The new Left Alliance coalition will consist of four political parties: the Communist Party of Nepal (Maoist Centre), the Communist Party of Nepal-Unified Marxist Leninist (CPN-UML), the Rastriya Swatantra Party, and the Janata Samajbadi Party or People's Socialist Party.

The increasing rift between the Maoist Centre and Nepali Congress parties regarding the claim to the chairmanship of the National Assembly—Nepal's upper house of government—had posed a significant threat to the already delicate ruling coalition.

Following its Standing Committee meeting on February 28, the Maoist Centre opted to fight for the National Assembly chairmanship while Dahal had promised support to the Nepali Congress (NC) in the election for the Chair. Nepali Congress President Sher Bahadur Deuba intended for the party's senior figure and recently elected legislator, Krishna Prasad Sitaula, to take on the position of National Assembly Chairman.

Dahal, known for leading a decade-long armed struggle against the then-monarchy starting in 1996, transitioned into mainstream politics following a 2006 peace deal facilitated by the United Nations. Although currently serving his third term as prime minister, he is yet to complete a full five-year term. Since abolishing its 240-year-old monarchy in 2008 and becoming a republic, Nepal has witnessed the formation of 13 governments.

The Electoral System in Nepal and the State of the Parties

The Federal Parliament of Nepal is structured into two houses: the House of Representatives and the National Assembly. The House of Representatives is composed of 275 members, with 165 elected through a [first-past-the-post](#) system,

representing specific constituencies, and the remaining 110 chosen via proportional representation. On the other hand, the National Assembly comprises 59 members. In this house, each of the seven provinces elects eight members through an electoral college, and the President additionally appoints three members based on government recommendations.

The Nepali Congress (NC), a center-left social democrat party, is the largest party in the House of Representatives, securing 89 seats. Close behind is the Left Wing Communist Party of Nepal (Unified Marxist-Leninist) (CPN-UML), led by KP Sharma Oli, with 79 seats. Dahal's party, the Communist Party of Nepal (Maoist Centre), holds 30 seats. The Rastriya Swatantra Party has 21 seats, while the Janata Samajbadi Party has 12 seats. The newly formed coalition of these latter four parties boasts a combined strength of 142 seats.

Dahal holds the role of kingmaker due to the intricate coalition dynamics in Nepal. The Nepali Congress and the Communist Party of Nepal (Unified Marxist-Leninist) have a history of ups and downs in their relationship, preventing them from forming an alliance at present. Despite past collaborations, their governments collapsed due to disputes over various issues. This leaves them with no alternative but to consider Dahal's party as a potential alliance partner. Dahal's credibility is further bolstered by his past leadership in the struggle for democracy.

Economic Situation

The inflation rate in Nepal was at [7.26 percent](#) in the financial year 2021-22. The industrial sector contributes about 14 percent to the Gross Domestic Product (GDP) and employs approximately 14 percent of the workforce. The informal sector encompasses small- or medium-scale industries, agriculture, and service sectors where workers are limited in number and face restricted opportunities for organization. This informal sector constitutes [62 percent](#) of the total employed labor force.

A significant number of young individuals are seeking employment opportunities abroad. Between 2008 and 2022, more than [4.7 million](#) new work permits were issued, with a considerable portion of the Nepalese workforce, approximately 1 million individuals, presently employed in India. Concurrently, the unemployment rate in Nepal has surged to [10.9 percent](#). This has led to a greater number of people looking to migrate to other nations for jobs.

Nepal's per capita income stands at [\\$1,337](#), placing it among the region's lowest. This translates to an average daily income of \$3.60 per person, reflecting the economic challenges faced by the population.

Surprisingly, despite the historical presence of various Left formations at the helm of the country, successive governments have consistently advocated for promoting and integrating [private capital](#) into Nepal's economy. This intriguing paradox raises questions about the alignment between political ideology and economic policies.

Implication for Nepal Politics

The shifts and inconsistencies in Nepal's political landscape haven't resonated well with the Nepalese people. Longtime political analyst Ashesh Ghimire suggests that "such inconsistencies could potentially fuel the rise of right-wing forces in the long run." If these political maneuvers are perceived as mere strategies to seize power by a select few, there is a risk of eventual alienation from the broader political landscape over time.

Numerous examples and indicators underscore the dissatisfaction among the people. The manifestation of discontent is apparent through the [protests held](#) in November last year, which called for the restoration of the monarchy in the country. The rise of Rastriya Swatantra Party further emphasizes this trend, as the party advocates for a shift back to a unitary system, diverging from Nepal's constitutionally established federal democratic republic.

Ghimire asserts that "right-wing and imperialist forces, along with their representatives, are capitalizing on... discontent to strengthen political entities and leaders aligned with their interests."

During the general elections of 2022, the RSP emerged as the fourth-largest party in the House of Representatives. It achieved victory in seven constituencies: four in Kathmandu, one in Lalitpur, and two in Chitwan. Securing a 10.70 percent vote, the RSP attained recognition as one of the seven national parties in the Federal Parliament.

Moreover, Ghimire observes that the Left in Nepal has deviated from its political stance. He further notes that "a select few individuals transforming into a privileged 'creamy layer' persist in exerting influence on the government, reaping substantial benefits from the prevailing circumstances. The government should

strive to curtail capitalist exploitations and focus on serving the interests of the working people.”

In Nepal, the socialist project faces challenges in promoting productive forces and ensuring fair distribution. The main obstacle is the dominance of finance capital, which not only fails to contribute to productive activities but hinders them. This is amplified by the ties between national finance capital and global finance capital, posing unique hurdles for a smaller state like Nepal.

Situated between the growing economies of India and China, Nepal is subject to their varying interests. Both India and China seek to establish favorable relations with Nepal and maintain influence on its politics. However, the recent entry of the United States onto the scene has added a new dynamic. China, in particular, appears increasingly concerned about the expanding influence and presence of the U.S. in Nepal through activities and investments like the [Millennium Challenge Corporation](#). Should the United States gain a significant upper hand in Nepal, it would pose a formidable challenge to the socialist project within the country.

The [2022 election manifesto](#) of the Communist Party of Nepal (Maoist Centre) outlined key foreign policy priorities. It advocated for the country’s liberation from foreign military activities to establish a zone of peace. It firmly opposed involvement in any bilateral or multilateral military alliances. Additionally, it called for a review and potential scrapping of treaties such as the Peace and Friendship Treaty of 1950, the Tripartite Agreement of 1947, transboundary water agreements, and trade- and transit-related treaties.

But Dahal’s track record in dealing with immediate neighbors as well as major powers has been checkered, marked by a tendency to make promises easily but struggle to fulfill them. However, in his favor this time, he heads a government comprising parties sharing similar political ideologies.

As Nepal navigates these dynamics, Dahal’s leadership and the government’s response to economic and public concerns will shape the nation’s political trajectory.

By Pranjali Pandey

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How Effective Is International Aid And Assistance?



*John P. Ruehl - Source:
Independent Media
Institute*

03-15-2024 ~ Assistance outcomes differ by country, but special interests and the absence of a unified vision increase the risk of mismanagement and corruption. Rising debt levels across the developing world suggest these policies may be nearing their zenith.

On February 1, 2024, Ukraine secured a [€50 billion aid package](#) from the European Union (EU), aimed at bolstering its defense capabilities and facilitating the country's reconstruction. Dozens of other [countries](#), along with Western-dominated multilateral lenders like the International Monetary Foundation ([IMF](#))

and the [World Bank](#), as well as [private investors](#), have contributed billions of dollars in aid to Ukraine since Russia's invasion in 2022. Billions more are pledged.

While international support has been crucial for Ukraine, Kyiv will be expected to pay much of this back. Approximately half the global population now live in countries where debt payments [exceed spending](#) on education and healthcare. While wealthier countries can manage debt sustainably, poorer countries face challenges in avoiding the detrimental effects of excessive debt, leading to stunted development.

Ukraine remains in desperate need of foreign financial assistance, humanitarian aid, infrastructure development, military support, and technical capacity building. However, quiet caution has emerged among various international supporters. Ukraine's capacity to implement Western-backed [political, economic, and corruption reforms](#), expel Russian forces, and repay loans is being questioned. The hesitation underscores the challenges of coordinating a diverse array of donors over time.

The EU has been the primary source of financial assistance for Ukraine, and the recent approval of its latest aid package followed months of debates [between member states](#). The IMF also provided [a \\$15.6 billion](#) loan in 2023, marking the first IMF loan awarded to a country at war. Foreign investors have meanwhile increasingly sought [guarantees and insurance](#) for investing in Ukraine, with the Ukrainian government [working with the World Bank](#) to implement such policies.

The U.S. has [provided the bulk of Ukraine's](#) foreign military aid, but the most recent [\\$60 billion](#) in military assistance has been stalled for months due to opposition in Congress. Republican support for Ukraine [has declined markedly since the early days of the war](#), leading proponents of the pending military aid package [to emphasize its benefits](#) for U.S. companies, job creation, and reducing the maintenance costs of holding or destroying U.S. weapons stockpiles.

However, this line of thinking has ignited pushback from [across the political spectrum](#). Republican politicians have become increasingly critical of providing Ukraine with a "[blank check](#)," while accusations of potential [money laundering](#) have been raised. The lack of a long-term, bipartisan strategy toward Ukraine from Washington has left defense contractors [hesitant to increase arms](#)

[production](#), already under scrutiny for [price-gouging](#) during increased demand.

Adding to this reluctance is concern in the U.S. over establishing long-term outlets for defense contractors. For instance, [since 1979](#), the U.S. has given Egypt roughly \$50 billion in military aid, [including](#) fighter jets, helicopters, tanks, armored personnel carriers, surveillance aircraft, counterterrorism training, and border security assistance. After Congress canceled half of the annual payment of \$1.2 billion to Egypt in 2013 following a military-led coup (as well as [\\$250 million](#) in annual economic aid), [U.S. officials](#) noted that the U.S. government would have to pay for the missed shipment and the costs of winding down the programs. Aid to Egypt was later fully reinstated [in 2015](#),

Despite the resumption of military aid to Egypt, [persistent questions](#) surround the allocation of these funds. It has helped prevent Egypt from becoming adversarial, but Cairo has nevertheless grown closer to [China](#) and [Russia](#) since 2013. U.S. weapons manufacturers maintain lucrative export opportunities, but this assistance has also [helped enrich and strengthen](#) Egypt's military and has empowered it to [absorb other forms of foreign aid](#). The [IMF's conditions](#) on giving Egypt a \$3 billion loan in 2023 hinged on the military government's commitment to political and economic reform, but this remains unlikely.

Egypt, with a debt of \$11 billion, stands as the [IMF's second-largest debtor country](#), following Argentina (\$32 billion) and ahead of Ukraine (\$9 billion). The [World Bank](#) counts India (\$39 billion), Indonesia (\$19 billion), and Pakistan (\$18 billion) as its top debtors. The combined global debt owed to the IMF and World Bank tops \$300 billion, with their global reach having expanded significantly from their [original focus on rebuilding Europe after World War II](#).

These organizations began large-scale crisis intervention in developing countries in the early 1980s to address their foreign debt challenges. As the U.S. raised interest rates to combat inflation, dollar-denominated loans caused [significant defaults and debt restructuring](#), particularly across Latin America.

The IMF and the World Bank advocated for [privatization of industries](#) and [export-driven industrialization](#), eliminating trade barriers and granting foreign corporations easier access to raw materials. Beginning in the 1980s, conditions associated with [Structural Adjustment Programs](#) (SAPs) saw economic growth return, but aid recipients became more market-dependent and reliant on the IMF

and World Bank, while wages remained low through devalued currencies.

The end of the Cold War and the establishment of the modern global financial system saw credit-hungry governments shifting their reliance on countries and multilateral organizations to embrace private lenders, including private equity and venture capital.

The impact of broad lending strategies became evident in Pakistan's loans in the [Private Power Policy in 1994](#). The World Bank took a dominant role in the project, [which provided guarantees](#), alongside the Asian Development Bank and the Export-Import Bank of Japan. The Benazir Bhutto government in Pakistan [offered sovereign guarantees](#), attracting considerable foreign investment with assured, repatriable dollar-pegged returns.

However, changes in Pakistani governments altered the long-term political direction of the project, while local independent power producers (IPPs) engaged in price-gouging and [an oversupply](#), plunging the country into debt. The World Bank [was criticized](#), alongside Pakistani governments and IPPs, for a lack of oversight and the misappropriation of funds. Today, Pakistan faces [acute energy shortages](#) and its debt level [has surged](#).

Pakistan can also rely on other sources of funding. Saudi lending to Pakistan goes back [to the 1970s](#) while China entered Pakistan's debt market [in the 2000s](#). [Over the next few years](#), Pakistan will need to issue major repayments to Saudi Arabia, China, and private investors, which has led to standoffs over the issuing of additional loans and deciding whose, along with Western loans, get repaid first. This has raised concerns about the sustainability and strategic wisdom of Pakistan's growing reliance on external debt.

China's assistance to countries [often serves as a solution](#) for its surplus labor, savings, and the industrial capabilities of its state-owned enterprises. Chinese steel, cement, coal, and other sectors accumulated enormous capacity, and China's Belt and Road Initiative (BRI) enables China to export these resources. However, this often results in contracts for projects being [awarded to Chinese companies](#), marginalizing local industry and intensifying dependency, while minerals and natural resources are [extracted and exported](#) to China. Despite [debates over the outcome of some projects](#), they have proven effective in enhancing Chinese influence and garnering favor from foreign governments and

populations.

Diverse sources of lending have also converged in the 21st century in what were labeled "[frontier markets](#)." In the 2010s, investor interest surged in frontier bonds, where developing countries issued debt in their own currency, diverging from the commonly used "Eurobonds," often denominated in U.S. dollars. Frontier bonds shielded developing countries from volatile currency swings, allowing them to adjust payment terms beyond the jurisdiction of London and New York courts, and provided the option to manage debt through currency printing.

With enticing [low debt-to-GDP ratios and](#) the allure of high-yield securities, Wall Street [encouraged these countries to borrow](#). The debt of African countries surged as their governments issued [sovereign bonds](#) in prominent global financial hubs like London and New York, coupled with a rise in lending from Chinese state-owned banks. Despite their self-assumed roles as global financial watchdogs, the IMF and World Bank also encouraged these loans and failed to sound the alarm over this growing source of debt, focusing [more on foreign currency-issued debt](#). By 2015, African governments received \$32 billion in loans but were paying [\\$18 billion in interest](#) per year, with debt continuing to rise.

Mozambique's 2016 default unfolded [as substantial amounts](#) of previously undisclosed debt were exposed, [highlighting the foreign links](#) of the country's declining financial situation and a lack of oversight in dealings with private investors. In a prominent case from 2013 and 2014, a senior Credit Suisse banker signed an \$850 million loan agreement with French Lebanese businessman Iskandar Safa. The loan was [designated for the construction](#) of a coastal patrol force and tuna fishing fleet in Mozambique. A total of \$17 million in fees were granted to banks, and the remaining \$836 million was funneled to Abu Dhabi Mar, a company linked to the Safa family and based in the United Arab Emirates. The Credit Suisse banker left the bank shortly after the deals, and [found employment](#) under Safa.

This controversy left Mozambique burdened with incomplete economic projects and outstanding loans. Following the takeover of Credit Suisse by UBS, the institution has paid [hundreds of millions of dollars](#) in settlements and debt forgiveness. Two hedge funds, VR Capital Group and Farallon Capital Partners, also [initiated lawsuits](#) against both Credit Suisse and the Mozambican government for their roles in the scheme. Furthermore, the Russian investment

bank TVB Capital paid over \$6 million to the Securities and Exchange Commission for its involvement, while Mozambique [continues to seek](#) \$3 billion in compensation from Safa.

The effects of COVID-19 on supply chains and spending had already weakened Africa's financial stability, and the Russian invasion of Ukraine in 2022 further exacerbated the situation. The U.S. quickly raised interest rates, prompting international investors to begin divesting from local-currency debt in favor of dollar-denominated bonds. This led to the depreciation of local currencies and [escalated debt repayment costs](#) as inflation soared.

These effects have been felt across Africa. A 2023 meeting in New York between Nigeria's top financial officials and Western lenders highlighted Nigeria's financial challenges. In 2022, the country's debt repayments [surpassed its revenue by almost \\$1 billion](#), necessitating further borrowing to meet existing payment obligations for Africa's largest economy.

[IMF funding](#) has been partially reliant on the Nigerian government's commitment to removing 50-year fuel subsidies [in favor of](#) spending on energy and transportation infrastructure, education, and healthcare. The measures have [put further pressure](#) on inflation and a soaring cost of living, leading to [significant nationwide protests](#). Historically, [local corruption](#), coupled with that of [Western energy firms such as Halliburton, the involvement of politicians like Dick Cheney, and complicity of banks like HSBC](#), alongside the [expanding influence of China](#), has led to the concentration of much of Nigeria's resource wealth flowing to a select few beneficiaries.

Multilateral lenders like the IMF have had successful interventions in the past, including South Korea ([1997](#)), Mexico ([1995](#)), and working with the World Bank, the Inter-American Development Bank, and the Development Bank of Latin America (CAF) in Colombia from [1999-2001](#). China has also successfully [bailed out several countries](#) in recent years.

But it is crucial to note that in these instances, the beneficiary countries were already established allies and trade partners, enjoying privileged access to markets and previous subsidies that bolstered their industries. Additionally, criticism has been levied at the conditionality of the assistance, which increased the influence of lending countries and institutions on local economies.

The overall effectiveness of assistance to Ukraine will be difficult to determine so long as its conflict remains ongoing, and reconstruction is delayed. But attention has been brought to Ukraine's rising debt [being used as leverage](#) by investors to increase privatization and liberalization across the economy. Ukraine's increasing difficulty in securing funding and assistance only highlights the lack of a long-term strategy by lenders and the fragility of the country's situation.

Developing countries are now contending with [a new debt crisis](#) exacerbated by multi-level corruption involving competing and profit-maximizing parties. Without coordinated and comprehensive efforts, international assistance risks continuing the cycle of dragging some countries from one crisis to the next.

By John P. Ruehl

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The Left Needs A Positive Vision For How Immigration Policy Should Actually Work



03-11-2024 ~ *As Democrats move right on immigration, the left must boldly embrace open borders, says author John Washington.*

Militarized borders — comprising walls, barriers, fences and repressive border policies — have become something of the norm in today’s world, which otherwise is in favor of the free movement of goods and capital. But that wasn’t always the case. The United States, for example, had no federal immigration laws during the first century of its existence.

There are strong moral, political and economic arguments to be made against borders. In fact, the idea that the free movement of people across borders is detrimental to security and economic growth is largely based on biases and misconceptions, as John Washington points out in the exclusive interview for *Truthout* that follows.

Washington is a journalist and author of the brilliant and provocative book *The Case for Open Borders*, which was published last month by Haymarket Books.

C.J. Polychroniou: The issue of border security has become a hot political issue in the U.S. since former President Donald Trump entered the political scene. In fact, immigration [today](#) is driving support for Trump more than in 2016, forcing Democrats and President Joe Biden in turn to embrace tougher border measures, including proposals for shutting down the U.S.-Mexico border. Now, you have just published a book titled [The Case for Open Borders](#) in which you seek to draw attention to the advantages of open border policies while knowing fully well that such arguments are highly unlikely at this political moment to find much, if any, support in mainstream society. Indeed, you recognize yourself in the book that “open borders” is a concept reviled by people across the political spectrum. So, what motivated you to write a book on this topic at this point in time?

John Washington: The political class has tried, failed, tried again and failed again to do what they claim they want to be doing with border and immigration enforcement. That history of failure goes back decades, even centuries. We have evidence showing long-, medium- and short-term flops of border enforcement

measures failing to stop migration. While such evidence ranges internationally, I'll give a few U.S.-focused numbers here to underscore my point.

Currently, about [15 percent](#) of the U.S. population is foreign-born, which is pretty much exactly what it was 100 years ago. The pattern follows globally. About [3.5 percent](#) of global population are considered international migrants. That percentage has held steady for about 100 years despite dramatic increases in border enforcement. Those percentages now represent a vastly larger number of people.

Let's drill down a bit more: The U.S. immigrant population born in Latin America and the Caribbean was roughly 3 million in 1970 but [grew to over 22 million](#) as of 2019. That period exactly tracks the rise of modern immigration and border enforcement. So not only have these percentages held steady, but, despite vast expenditures and the militarization of borders, in gross numbers, far more people are crossing them today.

One other example of how deterrence measures don't work: In the months immediately following the most inhumane and well publicized of recent immigration enforcement measures, the family separation policy which was broadly implemented in 2018 (similar measures have existed before and after), *more* families came to the U.S.-Mexico border seeking protection. People move. They have, they do and they will move, and walls and crackdowns haven't, don't and won't stop them.

So we can continue the extravagantly expensive and morally bankrupt charade of claiming border enforcement measures do what they purport to do — stop migration — or we can try a different and more humane approach.

I don't think that support for Trump has forced Democrats to implement more severe and inhumane border policies. Democrats are responsible for their own failures and their own inhumanity on this issue.

What I aimed to do with this book was bring some clarity to a contentious and largely misunderstood idea, to take back a term and the concept, "open borders," which is not a pipe dream or a dystopia but a means of extending freedom and justice.

You write in the book that the term "open borders" seems to be easily

misunderstood even by people who are sympathetic to immigration. What exactly do you mean by “open borders,” and what’s the logic behind it?

Open borders could mean a lot of things, and I’m not aiming to have the perfect recipe or to try to prescribe concrete next steps. But I can offer what I think are some necessary ingredients: Opening borders must be coupled with ceasing the worst of extractive cutthroat capitalism as well as fighting for people’s “right to remain.”

To answer the first part of your question more concretely: I think open borders could look like what the European Union looks today, but without the militarized border of “fortress Europe” surrounding it. It could look like other passport-free zones throughout the world. It could look like the U.S., where people are free to cross state and jurisdictional borders, relocate to new communities with vastly different cultures, cuisines, climates and languages, where they are compelled to register, to civically engage and pay into the collective pot through taxes with the presumption that they are welcome.

Open borders are not to *just* knock down the wall, but also to reallocate the boondoggle expenditures toward resettlement and human and environmental reparations. It could make for more orderly human movement: people traveling through and registering at ports of entry rather than taking to the rivers, seas and deserts.

Do “open borders” also apply to the flow of goods and services?

In terms of rights of mobility, a toaster oven currently has more freedom of movement than most human beings. The World Trade Organization counts somewhere around 400 free trade agreements throughout the world today. Scholar and activist Justin Akers Chacón, in his book, *The Border Crossed Us*, counts that only 40 of them had any provisions for the free movement of people, and those are for highly specialized workers. I don’t think there’s any hope of putting the genie back in the bottle in terms of stopping or significantly slowing the global trade of goods, but I think when it comes to mobility, I’d argue that human beings should have the same rights, at least, as toasters.

For the first century of its existence, the U.S. had pretty much open borders. The movement of people across borders was quite unrestrained in other parts of the world prior to the emergence of the nation-state and before nationalism became a

key component of identity. Indeed, borders were not conceived of as divisions between cultures, languages and political dominions, yet despite powerful global trends in our midst, we are still in an era defined by the primacy of the nation-state. So is history in this case a good guide for making an argument in defense of open borders? In other words, can the gates be opened while the nation-state remains intact? How do we get there?

There are some qualifiers to the claim the U.S. had open borders for the first 100 years, including the state and municipal poor laws that functioned as proto-immigration laws; limits on citizenship to free, white and wealthy men; the forced transfer of millions of enslaved people; and the sporadically enforced “borderlines” drawn between colonizers and displaced Indigenous groups.

But yes, there were zero federal immigration laws for the first century of this country’s existence. Until the 1990s, over 200 years after the country’s founding, there was basically no wall or fence infrastructure on the U.S.-Mexico border. For about 95 percent of our country’s history, Immigration and Customs Enforcement (ICE) did not exist. The current setup of militarized borders, criminalizing immigration and the archipelago of immigration detention centers, is very new. Which is also to say, very reversible.

I lean here on the scholarship of Jacqueline Stevens and Mahmood Mamdani, both of whom present excoriating cases against the nation-state. Abolishing the nation-state may sound scary or disruptive, but I don’t think it has to be. In fact, it would usher in more peace and justice. One obvious argument for why nation-states aren’t a good way to organize ourselves is that most of us don’t really live in nation states. The notion and centripetal pull of nationhood is, in almost all cases, a false construct. There are obvious examples like the United Kingdom, which is officially a multinational state: Britain, Scotland, Wales, Northern Ireland; or the Quebecois and the many distinct Indigenous groups in Canada, who feel much more tied to local or regional identity than any sense of Canadianness.

Benedict Anderson, in *Imagined Communities*, reveals the arbitrary and colonial logic behind dividing populations into nation states, and includes convincing evidence that the construct of nationhood cleaves closely knit cultures at the same time it tries to tie together distant and unrelated people in, for one of his focused examples, Indonesia.

The fundamental problem is that when you ascribe a territory and governance to only a certain people, you necessarily exclude other people. Why not be honest and both recognize and foster plurinational states, or, as Stevens suggests, states without nations?

Communitarians and others claim that cultures have an important moral status, which is why they are opposed to open borders. How do you counter this argument?

Contrary to what border restrictionists desire, a static or closed culture is a dead culture. Protecting a dead culture is a dangerous mission, one fought on a slippery slope: It is to essentialize, say, Americanness or Germanness and try to hoard it from the other, or to hark back to a more oppressive and segregated past. Keeping borders closed to protect the idea of any culture embodies the same essence of efforts to “make America great again.” Cultures are always in flux, and to blame migrants for changing culture is to miss the real culprits: natural shifts, international trade, and global connectivity and the Internet.

Trump’s immigration plan is even more aggressive now than it was in 2016 or even during his four years in the White House. Could the issue of immigration hand the 2024 election to Trump?

It certainly could. But to try to out-Trump Trump in terms of immigration in order to undercut a talking point is an idiotic policy. It also plays politics with people’s lives. How we talk about and implement immigration policy has real and sometimes deadly effects on human beings. I don’t see anyone in these high-level strategy and legislative debates taking seriously the humanity of migrants. That should be the polestar, not nonsense terms like “border security” or trying to reduce weekly or daily “encounters.”

One of the central aims of my book was to articulate a positive vision for the left in terms of immigration policy. The left has been critical and defensive, or downright conciliatory to the right for decades but hasn’t generated a coherent and positive vision for how immigration should actually work. I get the frustrating realities of governance, but I also think we should work with clear ideals rather than muddied half-steps.

Over the years, there have been various people and movements challenging reactionary nationalism by making the case for open borders. I think it’s

important that we acknowledge them, so can you discuss some of them?

People involved in the sanctuary movement in the 1980s and '90s ferried migrants over the U.S.-Mexico border and offered refuge and support once they were here. They also fought political and legal battles against not only deportations and border enforcement, but against the murderous economic and military interventions the U.S. was waging (and, under different guises, continues to wage) in Central America. The legacy of the sanctuary movement continues today with direct organizational descendants and offshoots as aid workers stand in solidarity and fight for the life and dignity of migrants.

The sanctuary movement didn't come out of nowhere. It was inspired and deeply influenced by the spirit and tactics of the civil rights movement, which in turn was inspired by labor and suffragist organizing, as well as the fight to abolish slavery. I think it's important to acknowledge and honor that throughline.

Of course, migrants themselves, when they cross borders, are committing a subversive and political act. They undermine the logic of borders and show the folly and fallibility of militarized border regimes.

I'll also recommend two books by contemporary thinkers who, along with many other colleagues and compas, are doing terrific work. Harsha Walia's *Border and Rule* and Todd Miller's *Empire of Borders*.

I hate to end on a down beat, but I do think it's germane to point out that the #AbolishICE hashtag has sort of fallen out of political fashion since Trump left the White House. (There remain some strong circles, however, where the fight to abolish ICE and border imperialism has definitely *not* fallen out of fashion.) ICE isn't abolished, of course, which underscores that deep and lasting commitment and deep and incisive analysis is essential if we want true justice.

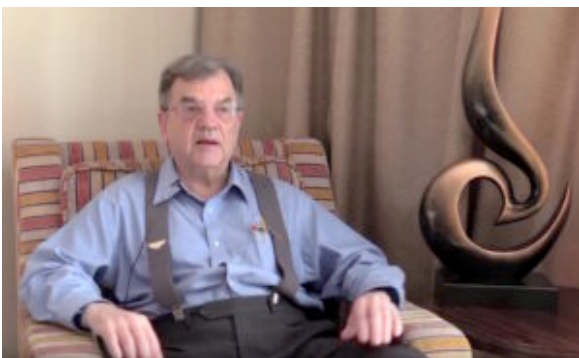
Note: This transcript has been lightly edited for length and clarity

Source: <https://truthout.org/>

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Debt Forgiveness In The Bronze Age



Michael Hudson - Source: michael-hudson.com

03-11-2024 ~ *Whether in the realms of trade or agriculture, the operative principle was that debtors should not lose their economic liberty by being held*

liable for “acts of God.”

When interest-bearing commercial and agrarian debt came to be incorporated into civilization’s economic structure in the third millennium BC, it was accompanied by clean slates that liberated bondservants and restored to debtors the rights to the crops and land that creditors had taken. By the second millennium BC in Babylonia these royal “restorations of order” became customary proclamations rescuing debtors whose family members had been reduced to bondage or who had lost their land to foreclosing creditors.

Anthropologists have looked at surviving tribal enclaves for ideas of how the Bronze Age takeoff may have been managed. But no tribal communities in today’s world possess the outward-reaching dynamics of Mesopotamia during its commercial takeoff, which occurred in many ways that are alien to modern ways of thinking. The documentation describes an approach operating on different principles from those that most modern observers assume to have been primordial and universal.

The Character of Bronze Age Debt That Made Royal Clean Slates Necessary

The dynamics of interest-bearing debt are different from those of tribal gift exchange and related reciprocity obligations. Monetary credit arrangements bear a specific interest rate, and the date of payment is specified in advance rather than left open-ended. That requires debts to be recorded in writing and formally witnessed. Creditors may take foreclosure measures for non-payment, leading to the debtor’s bondage or the loss of land rights.

Civilization’s earliest written records, from Sumer in the third millennium BC, provide the best evidence for civilization’s monetized debt relations “in the beginning.” Two categories of debt existed, each associated with its own designated monetary commodity. Business obligations owed by traders and entrepreneurial managers were denominated in silver, above all those associated with foreign trade. The agrarian economy operated on credit denominated in barley units, assigned a value equal to the silver shekel in order to strike a common measure.

Money Loans and Long-Distance Trade

Rules for money loans described in scribal training exercises are found almost exclusively in the commercial sphere, especially in connection with long-distance

trade. These loans were denominated in silver at the equivalent of a 20 percent annual rate of interest, doubling the principal in five years. Under normal conditions merchants were able to pay this rate to their creditors and keep a profit for themselves. Lenders shared in the mercantile risk, taking what in effect was an equity position. If caravans were robbed or ships and their cargoes lost at sea through no fault of the merchant, the debt was voided. There is no indication that payment of such mercantile debts led to problems requiring royal intervention.

Interest-bearing debt had initially arisen in the commercial sphere, taking the form of advances of assets by the large public institutions to entrepreneurial recipients, enabling them to make an economic gain in commerce and land management. But throughout all antiquity the most problematic debts disrupting the economy's fiscal and social balance were in the agrarian sphere. The original objective of charging interest to sharecroppers and other cultivators, however, can hardly have been to reduce them to bondage or to expropriate them from their self-support land. Their labor was needed for the agrarian economy to function.

Agrarian Debt and Land-Rental Agreements

Rural usury and the consequent widespread forfeiture of lands seem to have derived from advances of land, animals, and tools to sharecroppers (or their manager intermediaries) by temples and palaces. Sharecropping land and agricultural inputs were advanced for a rent of one-third of the (optimistically) estimated normal crop yield [1]. Interest was charged on arrears of this rent and other agrarian obligations not settled at harvest-time. The interest rate charged on these carry-over debts was the same as the sharecropping rental rate: one-third. Even arrears for unpaid debts for food or credit for other needs, such as priestly social services, were charged interest at the rate of one-third of the sum owed, simply mirroring the sharecropping rental return for creditors.

Arrears on agrarian obligations must have been infrequent, given the ever-present risk of crop failure preventing anticipated crops payments from being paid. Researchers [Alfonso Archi](#) and [Piotr Steinkeller](#) show that agrarian interest rates denominated in barley are attested by the middle of the third millennium BC. Officials, collectors for the palaces and temples, and merchants often acted in their own private capacity to make interest-bearing loans to cultivators in arrears for arrears of fees owed to the large institutions.

Rural usury thus emerged as well-to-do “big men” charged for arrears owed to the palace and temples, also lending food and other necessities to distressed cultivators. But agrarian interest-bearing debt, especially usury charged to borrowers in need, was always denounced as socially unfair. The question therefore arises as to just how such charges originated in the first place.

Few types of barley debt involved actual loans of money. What often are called “loan documents” should more literally be termed “debt records” or simply “notes of obligation.” Even in the commercial sphere with its debts denominated in silver, textiles, and other handicrafts that temple and palace workshops consigned to merchants for trade were recorded as debts. And when contractual work was to be performed, craftsmen gave customers tablets of obligation when they were given materials to make into a finished product.

The basic contractual formulae were well established by the end of the third millennium BC. Debt tablets state the sum owed, the due date, and the names of witnesses, with the appropriate seals. Additional stipulations might include the pledges involved, guarantees by individuals who stood surety, and the interest rate to be charged (often to accrue only if the debt were not paid on time). Some documents were given a title citing the reason why the debt was established.

Agrarian debts mostly arose on rental agreements on land advanced by public institutions to intermediaries, who then subleased it to sharecroppers. Near East researcher [Johannes Renger describes](#) how land and workshops were administered directly by palace officials in Ur III (2111-2004 BC), but by the Old Babylonian period (2000-1600 BC) the palace franchised the management of its fields and date orchards, herds of sheep, brick-making workshops, and other handicrafts to “entrepreneurs” as *Palastgeschäfte*, “royal enterprises.” These managers were entitled to keep whatever they could produce or collect above and beyond the amount stipulated by their contract with the palace, but if the sums they collected fell short, their arrears were recorded as a debt and they were obliged to pay the difference out of their own resources.

The rate of interest payable by cultivators on such debt arrears was, as described above, one-third, being the same as the rate charged for advances of sharecropping land. Cultivators were also charged this one-third rate of interest for unpaid arrears of charges for advances to buy food or beer or meet emergency needs on credit. If they lacked the means to pay out of whatever assets they had,

they had to work off the debt charges in the form of their labor service or that of their family members (daughters, sons, wives, or house-slaves), and ultimately they had to pledge their land rights.

How Agrarian Debt Transformed Land Tenure

Barley debts had an annual character reflecting the crop cycle, falling due upon harvest. The accrual of such debts did not reflect a parallel growth in the cultivator's ability to pay out of their harvest. Creditors obtained work at harvest-time by extending loans whose interest was paid in the form of labor service, as labor-for-hire was not generally available in this epoch.

In addition to their labor, debtors were obliged to pledge their family members as bondservants, followed by their land rights. Self-support land had traditionally been conveyed from one generation to the next within families, not being freely disposable outside of the family or neighborhood. Land transfers did occur when families shrank in size and transferred their cultivation rights to distant relatives or neighbors. But starting with rights to its crop usufruct, subsistence land was pledged and relinquished to outsiders after 2000 BC.

Debtor families initially were left on the land after they lost their crop rights, but were forced off the land as the new appropriators turned to less labor-intensive cash crops such as dates. Debtors often ended up as members of rootless bands or mercenaries after the middle of the second millennium BC. Instead of crop and land rights being lost only temporarily—being returned to their original owners by royal edicts that restored the *status quo ante* [2]—such forfeitures became irreversible by the first millennium BC, especially in Greece and Italy to the west.

The Logic of Canceling Rural Debts and Reversing Land Forfeitures

An inability to meet obligations was inherent in the risks to which agrarian life was subject throughout antiquity: drought, flooding, infestation, or an outbreak of disease, capped by military disruptions. The problem confronting rulers was how to prevent debts from mounting up to the point where they threatened to expropriate the community's corvée labor and fighting force, dooming debt-ridden realms to defeat by outsiders. If the indebted rural citizenry were to survive along customary lines, priority could not be given to creditors.

Mesopotamian rulers countered the rural debt problem not by banning interest outright, but by annulling barley debts. To restore the means of self-support,

rulers issued edicts “proclaiming justice,” decreeing economic order and “righteousness.” These proclamations date from almost as early as interest-bearing debt is attested, starting in Sumer with Lagash’s rulers Enmetena circa 2400 BC and Urukagina and 2350 BC. Much as commercial debts were forgiven when the merchandise was lost through no fault of the merchant, [Hammurabi’s laws \(§48\)](#) provided that cultivators would not be obliged to pay their crop debts if the storm-god Adad flooded their field and the crop was lost. The operative principle was that debtors should not lose their economic liberty by being held liable for “acts of God.” And inasmuch as most barley debts were owed to the palace or royal officials, it was easy for rulers to cancel them. Letting officials and merchants keep the crops and labor of debtors would have deprived rulers of their ability to collect the customary royal fees and land rents for themselves and to obtain corvée labor and military service.

There was no modernist thought that the dynamics of interest-bearing debt might be self-stabilizing by letting “market forces” proceed unimpeded. There was no thought of [Adam Smith’s Deist god](#) designing the world to run like clockwork, with checks and balances automatically maintaining equilibrium without any need for intervention by kings or priestly sanctions. Not even the wealthy voiced the ideology of modern free-market fundamentalism arguing that society’s wealth and revenue would be maximized by letting it pass into the hands of the richest and most aggressively self-serving individuals reducing hitherto free families to bondage.

Notes:

[1] Although not clear from the records, it seems likely that agricultural inputs were advanced as part of a “package” with the land for a total rental of one-third of the crop.

[2] The classic studies of these edicts are F.R. Kraus, *Königliche Verfügungen in altbabylonischer Zeit* (Leiden, 1984); Jean Bottéro, “Désordre économique et annulation des dettes en Mesopotamie à l’époque paléo-babylonienne,” *Journal of the Economic and Social History of the Orient*, vol. 4 (1961): pp. 113-164; J.J. Finkelstein, “Ammissaduqa’s Edict and the Babylonian ‘Law Codes,’” *Journal of Cuneiform Studies*, vol. 15 (1961): pp. 91-104; “Some New *misharum* Material and Its Implications,” in *Assyriological Studies*, no. 16 (1965); *Studies in Honor of Benno Landsberger on His Seventy-Fifth Birthday*: pp. 233-246; “The Edict of Ammissaduqa: A New Text,” *Revue d’Assyriologie et d’Archéologie Orientale*, vol.

63 (1969): pp. 45-64; and the works of Igor Diakonoff and Dominique Charpin.

By Michael Hudson

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Source: Human Bridges

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The 2024 Election Is About The Rich Stealing From The Public



Sonali Kolhatkar

03-09-2024 ~ *A fight over extending provisions of Trump's tax cuts is at stake in November's election. Ultimately, the race is about money.*

There are many issues on the line this election year but one that gets little attention is former President Donald Trump's [2017 tax reform law](#) that cut taxes

on the wealthiest Americans and corporations. The Tax Cuts and Jobs Act permanently reduced the tax rate for big corporations from an already-low 35 percent to a ridiculously minuscule 21 percent. It also lowered tax rates for the wealthiest people from nearly 40 percent to 37 percent. Several provisions of that law are set to expire in 2025, making this November's Congressional and Presidential elections particularly [critical](#) to issues of economic fairness and justice.

A few months after Trump signed the bill, he [boasted](#), "We have the biggest tax cut in history, bigger than the Reagan tax cut. Bigger than any tax cut." It became a common refrain for him when touting his achievements. But, Trump, who was known for [breaking all records on lying](#) to the public while in office, conflated many different facts to come up with a positive-sounding falsehood in a nation already primed by the likes of Ronald Reagan and Bill Clinton to view taxation as anathema. Trump's tax cuts as a whole were the eighth largest in history. But his corporate tax cut was in fact the single largest reduction ever in that category.

Wealthy corporations have for years lobbied for and won so many carve-outs and loopholes to the U.S. tax system, and hidden so much money in offshore tax havens that their pre-2017 effective tax rates were already [far lower](#) than the official rates. Then, Trump lowered them even more. Imagine telling the American public that you are responsible specifically for the biggest tax cuts to the biggest corporations in U.S. history. It wasn't a good look. And so, he lied, saying that he signed history's biggest tax cut overall.

In the simplest terms, taxes are a way to pool collective resources so we can have the things we all need for safety and security. Progressive taxation is when wealthier individuals (and corporations) are taxed at higher-than-average rates because the richer one is, the less excess money one needs beyond one's basic necessities. Progressive taxation ensures that wealth inequality doesn't spiral out of control and helps ensure money that's being sucked upwards, gets redistributed downward. When wealthy elites pay fewer taxes, they are effectively stealing from the public.

Since the cuts have been in place, many studies have attempted to assess their impact on the U.S. economy. The Center on Budget and Policy Priorities [concluded](#) in a March 2024 report that "[t]ogether with the 2001 and 2003 tax cuts enacted under President Bush (most of which were made permanent in

2012), [Trump's] law has severely eroded our country's revenue base."

Trump's law accelerated the [draining of our collective revenues](#) to fund the things we need. Even the fiscally conservative Peter G. Peterson Foundation [concluded](#) that, as a result of Trump's law, "The United States collects fewer revenues from corporations, relative to the size of the economy, than most other advanced countries."

Trump's tax cuts were quite literally [regressive](#), rewarding the already rich. A 2021 [ProPublica report](#) found that just one last-minute provision to the bill demanded by Senator Ron Johnson (R-WI) for so-called pass-through corporations benefited a handful of the wealthiest people in the nation: "just 82 ultrawealthy households collectively walked away with more than \$1 billion in total savings, an analysis of confidential tax records shows." It only cost about \$20 million in bribes to Johnson (i.e., donations to the Senator's reelection campaign) to enact this windfall.

It's no wonder that the [rich were thrilled](#) with Trump's presidency and that his virulent white supremacy and fascist leanings were not deal breakers.

It's also unsurprising that wealthy elites are [backing a second term](#) for Trump. They want an extension of those tax bill provisions that are expiring in 2025, and perhaps an even bigger tax cut, if they can get it. If those provisions are left to expire, people making more than \$400,000 a year—the [top 2 percent](#) of earners—will see an increase in taxation in 2025.

This is a demographic that is already prone to tax cheating given the [IRS's recent announcement](#) that 125,000 Americans making between \$400,000 and \$1 million a year have simply refused to file taxes since 2017.

If the GOP wins control of the Senate and the House of Representatives this fall, and if Trump beats President Joe Biden, those [cuts will become permanent](#). A GOP sweep in November will also usher in a new wave of threats to people of color, LGBTQ people, especially transgender communities, labor rights, and reproductive justice, as well as an [escalation](#) to the already-dire Israeli genocide in Gaza that [Biden is fueling](#). It's hard to believe but many Americans seem to have [forgotten](#) the horrors of 2016 to 2020.

But, at its heart, this election will be about money, for it will take a lot of money

to fund the GOP's reelection campaigns in order for moneyed forces to ensure they retain control of *more* money—democracy, justice, and equity be damned.

For Trump, this is even more important given his legal challenges. He's relying on [small-dollar donations](#) from his base to cover his mounting legal fees and has had to [post a \\$91 million bond](#) to cover the fines he faces from a defamation lawsuit by E. Jean Carroll. The more desperate Trump gets in his bid to secure the White House, the more willing he and his party will be to sell the nation to the highest bidder. And, he will lie to the public by conflating tax cuts for the rich with tax cuts for all.

We ought to think of tax cuts in terms of public revenue theft. When the wealthy win lowered taxes, they are stealing money from the American public as a whole. As per the [U.S. Senate Budget Committee](#), permanently extending Trump's tax cuts will result in a loss of \$3.5 trillion in revenues through the year 2033. That's highway robbery.

By Sonali Kolhatkar

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