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The Shock of Victory

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endless little insurrectionary moments or moments of flight and covert autonomy. I hesitate to even speculate what it might really be like. But to start in that direction, the first thing we need to do is to recognize that we do, in fact, win some. Actually, recently, we've been winning quite a lot. The question is how to break the cycle of exaltation and despair and come up with some strategic visions (the more the merrier) about these victories build on each other, to create a cumulative movement towards a new society.

would presumably end up looking like contemporary Chiapas, with each district or community divided between anarchist and anti-anarchist factions. Ultimate victory would have to be a long and arduous process. The only way to really win over the statist enclaves would be win over their children, which could be accomplished by creating an obviously freer, more pleasurable, more beautiful, secure, relaxed, fulfilling life in the stateless sections. Foreign capitalist powers, on the other hand, even if they did not intervene militarily, would do everything possible to head off the notorious “threat of a good example” by economic boycotts and subversion, and pouring resources into the statist zones. In the end, everything would probably depend on the degree to which anarchist victories in Spain inspired similar insurrections elsewhere.

The real point of the imaginative exercise is just to point out that there are no clean breaks in history. The flip-side of the old idea of the clean break, the one moment when the state falls and capitalism is defeated, is that anything short of that is not really a victory at all. If capitalism is left standing, if it begins to market your once-subversive ideas, it shows that the capitalists really won. You’ve lost; you’ve been coopted. To me this is absurd. Can we say that feminism lost, that it achieved nothing, just because corporate culture felt obliged to pay lip service to condemning sexism and capitalist firms began marketing feminist books, movies, and other products? Of course not: unless you’ve managed to destroy capitalism and patriarchy in one fell blow, this is one of the clearest signs that you’ve gotten somewhere. Presumably any effective road to revolution will involve endless moments of cooptation, endless victorious campaigns,

The biggest problem facing direct action movements is that we don’t know how to handle victory.

This might seem an odd thing to say because of a lot of us haven’t been feeling particularly victorious of late. Most anarchists today feel the global justice movement was kind of a blip: inspiring, certainly, while it lasted, but not a movement that succeeded either in putting down lasting organizational roots or transforming the contours of power in the world. The anti-war movement was even more frustrating, since anarchists and anarchist tactics were largely marginalized. The war will end, of course, but that’s just because wars always do. No one is feeling they contributed much to it.

I want to suggest an alternative interpretation. Let me lay out three initial propositions here:

1. Odd though it may seem, the ruling classes live in fear of us. They appear to still be haunted by the possibility that, if average Americans really get wind of what they’re up to, they might all end up hanging from trees. It know it seems implausible but it’s hard to come up with any other explanation for the way they go into panic mode the moment there is any sign of mass mobilization, and especially mass direct action, and usually try to distract attention by starting some kind of war.
2. In a way this panic is justified. Mass direct action — especially when organized on democratic lines — is incredibly effective. Over the last thirty years in America, there have been only two instances of mass action of this sort: the anti-nuclear movement in the late ‘70s, and the so called

“anti-globalization” movement from roughly 1999–2001. In each case, the movement’s main political goals were reached far more quickly than almost anyone involved imagined possible.

3. The real problem such movements face is that they always get taken by surprise by the speed of their initial success. We are never prepared for victory. It throws us into confusion. We start fighting each other. The ratcheting of repression and appeals to nationalism that inevitably accompanies some new round of war mobilization then plays into the hands of authoritarians on every side of the political spectrum. As a result, by the time the full impact of our initial victory becomes clear, we’re usually too busy feeling like failures to even notice it.

Let me take the two most prominent examples case by case:

I: The Anti-Nuclear Movement

The anti-nuclear movement of the late ‘70s marked the first appearance in North America of what we now consider standard anarchist tactics and forms of organization: mass actions, affinity groups, spokescouncils, consensus process, jail solidarity, the very principle of decentralized direct democracy. It was all somewhat primitive, compared to now, and there were significant differences — notably a much stricter, Gandhian-style conceptions of non-violence — but all the elements were there and it was the first time they had come together as a package. For two years, the movement grew with amazing

1. Let the Republic continue as de facto government, controlled by the socialists, let them impose government control the right-wing majority areas, and get some kind of deal out of them that they would leave the anarchist-majority cities, towns, and villages alone to organize themselves as they wish to, and hope that they kept the deal (this might be considered the “good luck” option)
2. Declare that everyone was to form their own local popular assemblies, and let them decide on their own mode of self-organization.

The latter seems the more fitting with anarchist principles, but the results wouldn’t have likely been too much different. After all, if the inhabitants of, say, Bilbao overwhelmingly desired to create a local government, how exactly would one have stopped them? Municipalities where the church or landlords still commanded popular support would presumably put the same old right-wing authorities in charge; socialist or communist municipalities would put socialist or communist party bureaucrats in charge; Right and Left statists would then each form rival confederations that, even though they controlled only a fraction of the former Spanish territory, would each declare themselves the legitimate government of Spain. Foreign governments would recognize one or the other — since none would be willing to exchange ambassadors with a non-government like the FAI, even assuming the FAI wished to exchange ambassadors with them, which it wouldn’t. In other words the actual shooting war might end, but the political struggle would continue, and large parts of Spain

been victory by anybody's standards. But what would have happened next? Would they have established Spain as a non-Republic, an anti-state existing within the exact same international borders? Would they have imposed a regime of popular councils in every single village and municipality in the territory of what had formerly been Spain? How exactly? We have to bear in mind here that there were many villages towns, even regions of Spain where anarchists were almost non-existent. In some just about the entire population was made up of conservative Catholics or monarchists; in others (say, the Basque country) there was a militant and well-organized working class, but one that was overwhelmingly socialist or communist. Even at the height of revolutionary fervor, most of these would stay true to their old values and ideas. If the victorious FAI attempted to exterminate them all — a task which would have required killing millions of people — or chase them out of the country, or forcibly relocate them into anarchist communities, or send them off to reeducation camps — they would not only have been guilty of world-class atrocities, they would have had to give up on being anarchists. Democratic organizations simply cannot commit atrocities on that systematic scale: for that, you'd need Communist or Fascist-style top-down organization, since you can't actually get thousands of human beings to systematically massacre helpless women and children and old people, destroy communities, or chase families from their ancestral homes unless they can at least say they were only following orders. There appear to have been only two possible solutions to the problem.

speed and showed every sign of becoming a nation-wide phenomenon. Then almost as quickly, it disintegrated.

It all began when, in 1974, some veteran peaceniks turned organic farmers in New England successfully blocked construction of a proposed nuclear power plant in Montague, Massachusetts. In 1976, they joined with other New England activists, inspired by the success of a year-long plant occupation in Germany, to create the Clamshell Alliance. Clamshell's immediate goal was to stop construction of a proposed nuclear power plant in Seabrook, New Hampshire. While the alliance never ended up managing an occupation so much as a series of dramatic mass-arrests, combined with jail solidarity, their actions — involving, at peak, tens of thousands of people organized on directly democratic lines — succeeded in throwing the very idea of nuclear power into question in a way it had never been before. Similar coalitions began springing up across the country: the Palmetto alliance in South Carolina, Oystershell in Maryland, Sunflower in Kansas, and most famous of all, the Abalone Alliance in California, reacting originally to a completely insane plan to build a nuclear power plant at Diablo Canyon, almost directly on top of a major geographic fault line.

Clamshell first three mass actions, in 1976 and 1977, were wildly successful. But it soon fell into crisis over questions of democratic process. In May 1978, a newly created Coordinating Committee violated process to accept a last-minute government offer for a three-day legal rally at Seabrook instead of a planned fourth occupation (the excuse was reluctance to alienate the surrounding community). Acrimonious debates

began about consensus and community relations, which then expanded to the role of non-violence (even cutting through fences, or defensive measures like gas masks, had originally been forbidden), gender bias, and so on. By 1979 the alliance split into two contending, and increasingly ineffective, factions, and after many delays, the Seabrook plant (or half of it anyway) did go into operation. The Abalone Alliance lasted longer, until 1985, in part because its strong core of anarcha-feminists, but in the end, Diablo Canyon too got its license and went into operation in December 1988.

On the surface this doesn't sound too inspiring. But what was the movement really trying to achieve? It might be helpful here to map out its full range of goals:

1. Short-Term Goals: to block construction of the particular nuclear plant in question (Seabrook, Diablo Canyon...)
2. Medium-Term Goals: to block construction of all new nuclear plants, delegitimize the very idea of nuclear power and begin moving towards conservation and green power, and legitimate new forms of non-violent resistance and feminist-inspired direct democracy
3. Long-Term Goals: (at least for the more radical elements) smash the state and destroy capitalism

If so the results are clear. Short-term goals were almost never reached. Despite numerous tactical victories (delays, utility company bankruptcies, legal injunctions) the plants that became the focus of mass action all ultimately went on line. Governments simply cannot allow themselves to be seen to lose

most of us are hoping it is, since let's face it, if we come up against the US army, we will lose — there's no possible way we could have an anti-capitalist revolution while at the same time scrupulously respecting property rights.

The latter actually leads to an interesting question. What would it mean to win, not just our medium-term goals, but our long term ones? At the moment no one is even clear how that would come about, for the very reason none of us have much faith remaining in "the" revolution in the old 19th or 20th century sense of the term. After all, the total view of revolution, that there will be a single mass insurrection or general strike and then all walls will come tumbling down, is entirely premised on the old fantasy of capturing the state. That's the only way victory could possibly be that absolute and complete — at least, if we are speaking of a whole country or meaningful territory.

In way of illustration, consider this: what would it have actually meant for the Spanish anarchists to have actually "won" 1937? It's amazing how rarely we ask ourselves such questions. We just imagine it would have been something like the Russian Revolution, which began in a similar way, with the melting away of the old army, the spontaneous creation of workers' soviets. But that was in the major cities. The Russian Revolution was followed by years of civil war in which the Red Army gradually imposed the new state's control on every part of the old Russian Empire, whether the communities in question wanted it or not. Let us imagine that anarchist militias in Spain had routed the fascist army, which then completely dissolved, and kicked the socialist Republican Government out of its offices in Barcelona and Madrid. That would certainly have

at least take into account the possibility that we might obtain our mid-range strategic goals very quickly, and that when that happens, many of our allies will fall away. We have to recognize strategic debates for what they are, even when they seem to be about something else. Take one famous example: arguments about property destruction after Seattle. Most of these, I think, were really arguments about capitalism. Those who decried window-breaking did so mainly because they wished to appeal to middle-class consumers to move towards global-exchange style green consumerism, to ally with labor bureaucracies and social democrats abroad. This was not a path designed to create a direct confrontation with capitalism, and most of those who urged us to take this route were at least skeptical about the possibility that capitalism could ever really be defeated at all. Those who did break windows didn't care if they were offending suburban homeowners, because they didn't see them as a potential element in a revolutionary anti-capitalist coalition. They were trying, in effect, to hijack the media to send a message that the system was vulnerable — hoping to inspire similar insurrectionary acts on the part of those who might consider entering a genuinely revolutionary alliance; alienated teenagers, oppressed people of color, rank-and-file laborers impatient with union bureaucrats, the homeless, the criminalized, the radically discontent. If a militant anti-capitalist movement was to begin, in America, it would have to start with people like these: people who don't need to be convinced that the system is rotten, only, that there's something they can do about it. And at any rate, even if it were possible to have an anti-capitalist revolution without gun-battles in the streets — which

in such a battle. Long-term goals were also obviously not obtained. But one reason they weren't is that the medium-term goals were all reached almost immediately. The actions did delegitimize the very idea of nuclear power — raising public awareness to the point that when Three Mile Island melted down in 1979, it doomed the industry forever. While plans for Seabrook and Diablo Canyon might not have been cancelled, just about every other then-pending plan to build a nuclear reactor was, and no new ones have been proposed for a quarter century. There was indeed a move towards conservation, green power, and a legitimizing of new democratic organizing techniques. All this happened much more quickly than anyone had really anticipated.

In retrospect, it's easy to see most of the subsequent problems emerged directly from the very speed of the movement's success. Radicals had hoped to make links between the nuclear industry and the very nature of the capitalist system that created it. As it turns out, the capitalist system proved more than willing to jettison the nuclear industry the moment it became a liability. Once giant utility companies began claiming they too wanted to promote green energy, effectively inviting what we'd now call the NGO types to a space at the table, there was an enormous temptation to jump ship. Especially because many of them only allied with more radical groups so as to win themselves a place at the table to begin with.

The inevitable result was a series of heated strategic debates. But it's impossible to understand this though without first understanding that strategic debates, within directly democratic movements, are rarely conducted as such. They almost

always take the form of debates about something else. Take for instance the question of capitalism. Anti-capitalists are usually more than happy to discuss their position on the subject. Liberals on the other hand really don't like to have to say "actually, I am in favor of maintaining capitalism", so whenever possible, they try to change the subject. So debates that are actually about whether to directly challenge capitalism usually end up getting argued out as if they were short-term debates about tactics and non-violence. Authoritarian socialists or others who are suspicious of democracy itself don't like to make that an issue either, and prefer to discuss the need to create the broadest possible coalitions. Those who do like democracy but feel a group is taking the wrong strategic direction often find it much more effective to challenge its decision-making process than to challenge its actual decisions.

There is another factor here that is even less remarked, but I think equally important. Everyone knows that faced with a broad and potentially revolutionary coalition, any governments' first move will be to try to split in it. Making concessions to placate the moderates while selectively criminalizing the radicals — this is Art of Governance 101. The US government, though, is in possession of a global empire constantly mobilized for war, and this gives it another option that most governments do not. Those running it can, pretty much any time they like, decide to ratchet up the level of violence overseas. This has proved a remarkably effective way to defuse social movements founded around domestic concerns. It seems no coincidence that the civil rights movement was followed by major political concessions and a rapid escalation of the war in

of democratic mass mobilizing by a return to war. But it has to be much more careful. Essentially, they have to design wars to be protest-proof. There is very good reason to believe that the first Gulf War was explicitly designed with this in mind. The approach taken to the invasion of Iraq — the insistence on a smaller, high-tech army, the extreme reliance on indiscriminate firepower, even against civilians, to protect against any Vietnam-like levels of American casualties — appears to have been developed, again, more with a mind to heading off any potential peace movement at home than one focused on military effectiveness. This, anyway, would help explain why the most powerful army in the world has ended up being tied down and even defeated by an almost unimaginably ragtag group of guerillas with negligible access to outside safe-areas, funding, or military support. As in the trade summits, they are so obsessed with ensuring forces of civil resistance cannot be seen to win the battle at home that they would prefer to lose the actual war.

Perspectives (with a brief return to '30s Spain)

How, then, to cope with the perils of victory? I can't claim to have any simple answers. Really I wrote this essay more to start a conversation, to put the problem on the table — to inspire a strategic debate.

Still, some implications are pretty obvious. The next time we plan a major action campaign, I think we would do well to

Here again, we find the same pattern. After the miracle of Seattle, short term — tactical — goals were rarely achieved. But this was mainly because faced with such a movement, governments tend to dig in their heels and make it a matter of principle that they shouldn't be. This was usually considered much more important, in fact, than the success of the summit in question. Most activists do not seem to be aware that in a lot of cases — the 2001 and 2002 IMF and World Bank meetings for example — police ended up enforcing security arrangements so elaborate that they came very close to shutting down the meetings themselves; ensuring that many events were cancelled, the ceremonies were ruined, and nobody really had a chance to talk to each other. But the point was not whether trade officials got to meet or not. The point was that the protestors could not be seen to win.

Here, too, the medium term goals were achieved so quickly that it actually made the longer-term goals more difficult. NGOs, labor unions, authoritarian Marxists, and similar allies jumped ship almost immediately; strategic debates ensued, but they were carried out, as always, indirectly, as arguments about race, privilege, tactics, almost anything but as actual strategic debates. Here, too, everything was made infinitely more difficult by the state's recourse to war.

It is hard, as I mentioned, for anarchists to take much direct responsibility for the inevitable end of the war in Iraq, or even to the very bloody nose the empire has already acquired there. But a case could well be made for indirect responsibility. Since the '60s, and the catastrophe of Vietnam, the US government has not abandoned its policy of answering any threat

Vietnam; that the anti-nuclear movement was followed by the abandonment of nuclear power and a ramping up of the Cold War, with Star Wars programs and proxy wars in Afghanistan and Central America; that the Global Justice Movement was followed by the collapse the Washington consensus and the War on Terror. As a result early SDS had to put aside its early emphasis on participatory democracy to become a mere anti-war movement; the anti-nuclear movement morphed into a nuclear freeze movement; the horizontal structures of DAN and PGA gave way to top-down mass organizations like ANSWER and UFPJ. From the point of view of government the military solution does have its risks. The whole thing can blow up in one's face, as it did in Vietnam (hence the obsession, at least since the first Gulf War to design a war that was effectively protest-proof.) There is also always a small risk some miscalculation will accidentally trigger a nuclear Armageddon and destroy the planet. But these are risks politicians faced with civil unrest appear to have normally been more than willing to take — if only because directly democratic movements genuinely scare them, while anti-war movements are their preferred adversary. States are, after all, ultimately forms of violence. For them, changing the argument to one about violence is taking things back to their home turf, what they really prefer to talk about. Organizations designed either to wage, or to oppose, wars will always tend to be more hierarchically organized than those designed with almost anything else in mind. This is certainly what happened in the case of the anti-nuclear movement. While the anti-war mobilizations of the '80s turned out far larger numbers than Clamshell or Abalone ever had, but it also marked a return to

marching along with signs, permitted rallies, and abandoning experiments with new forms of direct democracy.

II: The Global Justice Movement

I'll assume our gentle reader is broadly familiar with the actions at Seattle, IMF-World Bank blockades six months later in Washington at A16, and so on.

In the US, the movement flared up so quickly and dramatically even the media could not completely dismiss it. It also quickly started eating itself. Direct Action Networks were founded in almost every major city in America. While some of these (notably Seattle and L.A. DAN) were reformist, anti-corporate, and fans of strict non-violence codes, most (like New York and Chicago DAN) were overwhelmingly anarchist and anti-capitalist, and dedicated to diversity of tactics. Other cities (Montreal, Washington D.C.) created even more explicitly anarchist Anti-Capitalist Convergences. The anti-corporate DANs dissolved almost immediately, but very few lasted more than a couple years. There were endless and bitter debates: about non-violence, about summit-hopping, about racism and privilege issues, about the viability of the network model. Then there was 9/11, followed by a huge increase up of the level of repression and resultant paranoia, and the panicked flight of almost all our former allies among unions and NGOs. By Miami, in 2003, it seemed like we'd been put to rout, and a paralysis swept over the movement from which we've only recently started to recover.

The Argentine default, wasn't that really engineered by Nestor Kirchner? What does he have to do with the globalization movement? I mean, it's not as if his hands were forced by thousands of citizens were rising up, smashing banks, and replacing the government with popular assemblies coordinated by the IMC. Or, well, okay, maybe it was. Well, in that case, those citizens were People of Color in the Global South. How can "we" take responsibility for their actions? Never mind that they mostly saw themselves as part of the same global justice movement as us, espoused similar ideas, wore similar clothes, used similar tactics, in many cases even belonged to the same confederacies or organizations. Saying "we" here would imply the primal sin of speaking for others.

Myself, I think it's reasonable for a global movement to consider its accomplishments in global terms. These are not inconsiderable. Yet just as with the anti-nuclear movement, they were almost all focused on the middle term. Let me map out a similar hierarchy of goals:

1. Short-Term Goals: blockade and shut down particular summit meetings (IMF, WTO, G8, etc)
2. Medium-Term Goals: destroy the "Washington Consensus" around neoliberalism, block all new trade pacts, delegitimize and ultimately shut down institutions like the WTO, IMF, and World Bank; disseminate new models of direct democracy.
3. Long-Term Goals: (at least for the more radical elements) smash the state and destroy capitalism.

vive, it has already been reduced to a cardboard cut-out of its former self.

The World Bank, which early on took on the role of good cop, is in somewhat better shape. But emphasis here must be placed on the word “somewhat” — as in, its revenue has only fallen by 60%, not 80%, and there are few actual boycotts. On the other hand the Bank is currently being kept alive largely by the fact India and China are still willing to deal with it, and both sides know that, so it is no longer in much of a position to dictate terms.

Obviously, all of this does not mean all the monsters have been slain. In Latin America, neoliberalism might be on the run, but China and India are carrying out devastating “reforms” within their own countries, European social protections are under attack, and most of Africa, despite much hypocritical posturing on the part of the Bonos and rich countries of the world, is still locked in debt, and now also facing a new colonization by China. The US, its economic power retreating in most of the world, is frantically trying to redouble its grip over Mexico and Central America. We’re not living in utopia. But we already knew that. The question is why we never noticed our victories.

Olivier de Marcellus, a PGA activist from Switzerland, points to one reason: whenever some element of the capitalist system takes a hit, whether it’s the nuclear industry or the IMF, some leftist journal will start explaining to us that really, this is all part of their plan — or maybe, an effect of the inexorable working out of the internal contradictions of capital, but certainly, nothing for which we ourselves are in any way responsible. Even more important, perhaps, is our reluctance to even say the word “we”.

September 11th was such a weird event, such a catastrophe, that it makes it almost impossible for us to perceive anything else around it. In its immediate aftermath, almost all of the structures created in the globalization movement collapsed. But one reason it was so easy for them to collapse was — not just that war seemed such an immediately more pressing concern — but that once again, in most of our immediate objectives, we’d already, unexpectedly, won.

Myself, I joined NYC DAN right around the time of A16. At the time DAN as a whole saw itself as a group with two major objectives. One was to help coordinate the North American wing of a vast global movement against neoliberalism, and what was then called the Washington Consensus, to destroy the hegemony of neoliberal ideas, stop all the new big trade agreements (WTO, FTAA), and to discredit and eventually destroy organizations like the IMF. The other was to disseminate a (very much anarchist-inspired) model of direct democracy: decentralized, affinity-group structures, consensus process, to replace old-fashioned activist organizing styles with their steering committees and ideological squabbles. At the time we sometimes called it “contaminationism”, the idea that all people really needed was to be exposed to the experience of direct action and direct democracy, and they would want to start imitating it all by themselves. There was a general feeling that we weren’t trying to build a permanent structure; DAN was just a means to this end. When it had served its purpose, several founding members explained to me, there would be no further need for it. On the other hand these were pretty

ambitious goals, so we also assumed even if we did attain them, it would probably take at least a decade.

As it turned out it took about a year and a half.

Obviously we failed to spark a social revolution. But one reason we never got to the point of inspiring hundreds of thousands of people to rise up was, again, that we achieved our other goals so quickly. Take the question of organization. While the anti-war coalitions still operate, as anti-war coalitions always do, as top-down popular front groups, almost every small-scale radical group that isn't dominated by Marxist sectarians of some sort or another — and this includes anything from organizations of Syrian immigrants in Montreal or community gardens in Detroit — now operate on largely anarchist principles. They might not know it. But contaminationism worked. Alternately, take the domain of ideas. The Washington consensus lies in ruins. So much so it's hard no to remember what public discourse in this country was even like before Seattle. Rarely have the media and political classes been so completely unanimous about anything. That "free trade", "free markets", and no-holds-barred supercharged capitalism was the only possible direction for human history, the only possible solution for any problem was so completely assumed that anyone who cast doubt on the proposition was treated as literally insane. Global justice activists, when they first forced themselves into the attention of CNN or Newsweek, were immediately written off as reactionary lunatics. A year or two later, CNN and Newsweek were saying we'd won the argument.

this was at the very height of the impact of the global justice movement: the IMF was already the most hated institution on the planet, and willfully destroying what little remained of the Argentine middle class would have been pushing things just a little bit too far.

So Argentina was allowed to get away with it. After that, everything changed. Brazil and Argentina together arranged to pay back their outstanding debt to the IMF itself. With a little help from Chavez, so did the rest of the continent. In 2003, Latin American IMF debt stood at \$49 billion. Now it's \$694 million. To put that in perspective: that's a decline of 98.6%. For every thousand dollars owed four years ago, Latin America now owes fourteen bucks. Asia followed. China and India now both have no outstanding debt to the IMF and refuse to take out new loans. The boycott now includes Korea, Thailand, Indonesia, Malaysia, the Philippines and pretty much every other significant regional economy. Also Russia. The Fund is reduced to lording it over the economies of Africa, and maybe some parts of the Middle East and former Soviet sphere (basically those without oil). As a result its revenues have plummeted by 80% in four years. In the irony of all possible ironies, it's increasingly looking like the IMF will go bankrupt if they can't find someone willing to bail them out. Neither is it clear there's anyone particularly wants to. With its reputation as fiscal enforcer in tatters, the IMF no longer serves any obvious purpose even for capitalists. There's been a number of proposals at recent G8 meetings to make up a new mission for the organization — a kind of international bankruptcy court, perhaps — but all ended up getting torpedoed for one reason or another. Even if the IMF does sur-

What happened was that Argentina defaulted and got away with it. In the '90s, Argentina had been the IMF's star pupil in Latin America — they had literally privatized every public facility except the customs bureau. Then in 2002, the economy crashed. The immediate results we all know: battles in the streets, popular assemblies, the overthrow of three governments in one month, road blockades, occupied factories... "Horizontalism" — broadly anarchist principles — were at the core of popular resistance. The political class was so completely discredited that politicians were obliged to put on wigs and phony mustaches to be able to eat in restaurants without being physically attacked. When Nestor Kirchner, a moderate social democrat, took power in 2003, he knew he had to do something dramatic in order to get most of the population even to accept even the idea of having a government, let alone his own. So he did. He did, in fact, the one thing no one in that position is ever supposed to do. He defaulted on Argentina's foreign debt.

Actually Kirchner was quite clever about it. He did not default on his IMF loans. He defaulted on Argentina's private debt, announcing that for all outstanding loans, he would only pay 25 cents on the dollar. Citibank and Chase of course went to the IMF, their accustomed enforcer, to demand punishment. But for the first time in its history, the IMF balked. First of all, with Argentina's economy already in ruins, even the economic equivalent of a nuclear bomb would do little more than make the rubble bounce. Second of all, just about everyone was aware it was the IMF's disastrous advice that set the stage for Argentina's crash in the first place. Third and most decisively,

Usually when I make this point in front of anarchist crowds someone immediately objects: "well, sure, the rhetoric has changed, but the policies remain the same."

This is true in a manner of speaking. That is to say, it's true that we didn't destroy capitalism. But we (taking the "we" here as the horizontalist, direct-action oriented wing of the planetary movement against neoliberalism) did arguably deal it a bigger blow in just two years than anyone since, say, the Russian Revolution.

Let me take this point by point:

- **FREE TRADE AGREEMENTS.** All the ambitious free trade treaties planned since 1998 have failed, The MAI was routed; the FTAA, focus of the actions in Quebec City and Miami, stopped dead in its tracks. Most of us remember the 2003 FTAA summit mainly for introducing the "Miami model" of extreme police repression even against obviously non-violent civil resistance. It was that. But we forget this was more than anything the enraged flailings of a pack of extremely sore losers — Miami was the meeting where the FTAA was definitively killed. Now no one is even talking about broad, ambitious treaties on that scale. The US is reduced to pushing for minor country-to-country trade pacts with traditional allies like South Korea and Peru, or at best deals like CAFTA, uniting its remaining client states in Central America, and it's not even clear it will manage to pull off that.
- **THE WORLD TRADE ORGANIZATION.** After the catastrophe (for them) in Seattle, organizers moved the next

meeting to the Persian Gulf island of Doha, apparently deciding they would rather run the risk of being blown up by Osama bin Laden than having to face another DAN blockade. For six years they hammered away at the “Doha round”. The problem was that, emboldened by the protest movement Southern governments began insisting they would no longer agree open their borders to agricultural imports from rich countries unless those rich countries at least stopped pouring billions of dollars of subsidies at their own farmers, thus ensuring Southern farmers couldn’t possibly compete. Since the US in particular had no intention of itself making any of the sort of sacrifices it demanded of the rest of the world, all deals were off. In July 2006, Pierre Lamy, head of the WTO, declared the Doha round dead and at this point no one is even talking about another WTO negotiation for at least two years — at which point the organization might very possibly not exist.

- THE INTERNATIONAL MONETARY FUND AND WORLD BANK. This is the most amazing story of all. The IMF is rapidly approaching bankruptcy, and it is a direct result of the worldwide mobilization against them. To put the matter bluntly: we destroyed it. The World Bank is not doing all that much better. But by the time the full effects were felt, we weren’t even paying attention.

This last story is worth telling in some detail, so let me leave the indented section here for a moment and continue in the main text:

The IMF was always the arch-villain of the struggle. It is the most powerful, most arrogant, most pitiless instrument through which neoliberal policies have, for the last 25 years been imposed on the poorer countries of the global South, basically, by manipulating debt. In exchange for emergency refinancing, the IMF would demand “structural adjustment programs” that forced massive cuts in health, education, price supports on food, and endless privatization schemes that allowed foreign capitalists to buy up local resources at firesale prices. Structural adjustment never somehow worked to get countries back on their feet economically, but that just meant they remained in crisis, and the solution was always to insist on yet another round of structural adjustment.

The IMF had another, less celebrated, role: of global enforcer. It was their job to ensure that no country (no matter how poor) could ever be allowed to default on loans to Western bankers (no matter how foolish). Even if a banker were to offer a corrupt dictator a billion dollar loan, and that dictator placed it directly in his Swiss bank account and fled the country, the IMF would ensure billion dollars (plus generous interest) would have to be extracted from his former victims. If a country did default, for any reason, the IMF could impose a credit boycott whose economic effects were roughly comparable to that of a nuclear bomb. (All this flies in the face of even elementary economic theory, whereby those lending money are supposed to be accepting a certain degree of risk, but in the world of international politics, economic laws are only held to be binding on the poor.) This role was their downfall.