

INTERVIEW OF DOUG AND STEVE HELLINGER, THE DEVELOPMENT GAP, JULY 2021, BY RICHARD SAICH FOR "SOCIAL MOVEMENTS AND RESISTANCE TO NEOLIBERALISM IN AMERICA, 1979-2000," SEPTEMBER 2022

RS Richard Saich, **DH** Doug Hellinger, **SH** Steve Hellinger

SUMMARY KEYWORDS

Structural adjustment policies, World Bank, IMF, local projects, development, Washington, Latin America, Nicaragua, Caribbean, Congress, World Bank, civil society, Mexico, forum, NAFTA, the media.

RS – Perhaps we can begin with something about your background, and how you became involved in development policy advocacy and activism?

DH – We come from a family with a business background in New York. We both studied international economics and political science at university. And we had both worked a little bit overseas in Latin America and in England and had started a graduate course, a very eclectic graduate course, at the business school at Columbia University. The eclectic education we got there was interesting because we were not only studying business and understanding how the global economic system worked, but we were able to take courses in anthropology, we took courses with Margaret Mead, with Lady Jackson (Barbara Ward) in economics and courses at the law school.

But the real turning point for both of us was when we began working as volunteers in the US Peace Corps in Latin America, in 1970. Steve was in Nicaragua and Venezuela, and I was in Northeast Brazil. And we lived in these very small communities, both towns that we were in, at least in Nicaragua and Brazil, had about a thousand people. So very basic. And we grew to have friends in the community, to understand what was going on in their lives, to be embedded in that reality. And it's a reality that we brought with us in our heads when we came back to the States to finish graduate school and start working in a couple of development organizations here in Washington. And what we found was that the world that we had become acquainted with was not understood at all by people back here, even in the aid institutions, and particularly in the aid institutions I should say. Their view of what's going on in the countries of the South, particularly at the local level, was not very respectful. There was this inclination, almost necessity, to impose a point of view, to impose development programs. Steve worked at a development think tank. I worked briefly – off and on – as a very low paid consultant with the World Bank. We began to understand how official Washington worked, what didn't work, that those institutions represented interests other than the interests of poor people in the South, and therefore the projects and programs and policies that emanated from these institutions didn't reflect their reality or their priorities.

This, combined with our experience on the ground overseas, prepared us for the cynical world out there. We have been wrong, a lot, but when we're wrong it's usually because we're not cynical enough. I think you have to be cynical in this world about the way things work. About what foreign aid is really meant for, for example. Not that it can't be used for some good, and is in some isolated areas. But official foreign aid carries with it, for example, damaging structural adjustment policies. The same cynicism needs to be applied to analyses of trade and investment agreements. We are told that trade is based on comparative advantage, but hands-on work on trade shows just how political trade policies are and how they're related very much to investment access. You have to understand the political economy of trade to understand what it really is meant for. And same thing with structural adjustment policies. And people overseas we have dealt with, they understand this. They might not have understood the ins and outs of the institutions in

Washington. But they are cynical about how their own governments operate and whose interests are being served. And I think this cynicism has served us well in our work through the years. If you're not cynical, there are many ways that your impact can be marginalized.

We can get into this more, but our skepticism back in 1976 led us to organize ourselves with a friend and colleague, Fred O'Regan, to challenge those perspectives and to present alternative perspectives, in conjunction with the people of the South, via linkages that we eventually developed. We formed an organization called The Development GAP, or The Development Group for Alternative Policies, and began working in the first instance, and primarily from about 1976/77 to more or less 1983, on foreign aid, and particularly foreign aid project formulation. And we were able to get inside the World Bank because we had done a little consulting there. And we wound up going on missions, if you would, with the World Bank, putting together urban projects, particularly income-generating components. And we demonstrated alternative ways of doing that, working with institutions that were more in touch with local populations.

We had actually cut our teeth in Washington at an organization called the Inter-American Foundation, which we found out about upon returning to Washington in 1972/73. And it was an institution created by Congress, of all things, but it had great leadership and had people on staff who were familiar with the local realities across Latin America. And we saw what was possible. **SH** – And I should add that the purpose of it – it was a foundation - was to fund grassroots development in Latin America, which it did quite effectively. They had some very good people working there. **DH** – So we took up that model of “they know how” – that people locally had a better idea about their own reality than those of us sitting afar, imposing, even out of good faith.

And we came to understand pretty quickly that development programming and policy formulation weren't always or ordinarily done in good faith. There are a lot of interests being pushed by corporations, other institutional interests, foreign policy interests. We used to say, and still do, that this process of foreign aid or policy formulation is open at the top to all types of influences of institutions in the North, a lot of moneyed interests, but closed at the bottom to local people. And we took on what we saw as a responsibility to open that process at the bottom and where possible to – in particular instances – level the playing field between those vested interests and the local people, and to try to bring about a fundamental change in the way policy was made. And key to that was identifying all the time the institutions or organizations that either encompassed poor people, farmers, workers, peasants, small businesspeople, women, and/or those who actually supported those groups. **SH** - NGOs and other civil-society organizations in the South.

DH – So that's how we got started. And for the first seven years we were demonstrating how to support in a different way the initiatives of local people when we were going overseas on World Bank missions or with USAID. And then we would take what we had learned from this experience into the policy realm – Congress, the media, and so on – and challenge the established institutions to change. We can get into how foreign aid and other aspects of economic policymaking changed over the years. But those first seven years we were getting our hands dirty, feet on the ground, connecting with the reality in the South, and then challenging the institutions back here. **SH** - It was an interesting period, it was one of the few periods during which the World Bank, for example, was looking for answers. They were having a lot of problems on the ground, they were meeting with resistance from urban populations as they got into urban lending. So they approached us. And they were very curious about how we operated, because we often chose non-governmental institutions to work with rather than government, with which the World Bank normally operated. And so that was a learning experience for us and a learning experience for the good people at the Bank who wanted to take the Bank in a somewhat different direction. And, as Doug said, it was something that we were able to share with policymakers in Washington.

DH – I'm going to have Steve tell you a story about the work in Nicaragua that we did with the World Bank. But let me just say, framing this, that foreign aid had been a very top-down affair into the late 60s, and when McNamara took over the World Bank there was a real push from a lot of sources to get away from these kinds of infrastructure projects. They never got fully away from them, of course, but they got into new sectors like health and education and into agriculture and small-scale enterprise, but, as Steve suggests, the Bank didn't really know how to deal effectively with these populations. There were some good people in the World Bank who were doing this work and they knew about our orientation, our interests, and our ability in this area, and they would bring us in to design, implement and demonstrate alternatives. And there were even some leaders in the Bank who wanted to shake the place up. Of course, the Bank is an institution run essentially by finance ministers, so that represents a powerful set of Northern interests. So we all were working under those constraints and under the additional constraints of national governments that wouldn't want money to go through non-governmental organizations in their countries, either because they wanted the money themselves or because these non-governmental groups were opposed to the way the government was doing its work. So I thought that maybe Nicaragua would be an interesting case, because when Somoza was nearing the end of his time in power in the late seventies, we were asked to go on a mission to Nicaragua ...

SH – Maybe I should pick up here, and just to put it into context, the US helped put the Somoza family in control in Nicaragua in the 1930s. And that family dictatorship continued until 1979. So now we're talking about 1977, and the World Bank asked us to go on a mission to Nicaragua, to put together an urban loan program that included housing and upgrading of communities and income generation. And so I went as a consultant on behalf of The Development GAP as one of the people on that World Bank mission. And clearly the government agencies were inappropriate for reaching the kind of populations that the Bank stated it wanted to reach with small loans around the country to generate income and to help upgrade the community. So to make a long story short, I chose a national savings and loan cooperative that we had come across during previous work in Nicaragua and through the Inter American Foundation. And it was a very middle-of-the-road institution that helped people save money and spend it on local production. Well, Somoza himself stepped in and refused to allow us to fund that institution. It's striking, because the same thing is happening today in Nicaragua with the Ortega government, which is prohibiting any involvement of NGOs that are not supporting the government. So, the World Bank, to its credit, said, "If you don't allow us to fund the institution that our consultant has picked, then the World Bank is going to pull the entire loan, the entire project funding from you. So, for the better part of a year, they withheld the money. And a year later, the war that was going on underground came to the surface. And just as the Bank was getting cold feet, it became obvious that no lending was possible, that no projects were possible. And within nine months after that the government had fallen, and the Sandinista government took over. It was quite a moment. And so I went down two months later, as part of a very large World Bank mission to again put together a loan, but this time to help generate income in the seven cities where the war had been fought. And so what we did, or I did, was to go to each municipality and talk with the young people who had fought the war as Sandinistas. They were operating with virtually no resources, but they had put together a tremendous amount of information about what the needs were to rebuild their cities. And using a program that had been implemented by a Nicaraguan NGO and consulting the local people in the seven cities, I put together with the Ministry of Commerce a program that was designed to reach everyone from small groups of women making tortillas to medium-sized enterprises and production cooperatives. And as it turned out, that program, as the World Bank wrote it up, became one of the most successful urban programs in their history. And the reason was that clearly people had a direct stake in it, they paid back the loans rapidly, and the money was turned over three times during the 18 months, where it was only designed to be used once. And I think

it says a lot about what can be done when there's an understanding of the local realities and local people are participating in the process. That was one of several eye openers for us during this period, as we worked in another five or six countries for the Bank.

DH – I'd also like Steve to talk about how we took what we learned about what was going on in Nicaragua and took that into the policy realm in Washington, both with the Administration and with Congress and the media, which is what our modus operandi was. But just like when Steve went down there with contacts from the Inter American Foundation, we often spoke to other groups like the American Friends Service Committee, people who worked in Latin America, about the good organizations in a country we were going to. We would also talk to European NGOs, particularly the Dutch, the Germans, and British. And so let's say we're going to Africa to work in Cameroon or a place like that, we would talk to these NGOs in Europe, and we formed a pretty tight relationship with them. We asked "who are the best groups, which are the best groups that you're working with?" And it was through this process that we developed networks of organizations, colleagues around the world. So over the years, starting with our project work, we got to understand that there existed – more in Latin American nations and in Asia than in Africa – a broad array of alternative organizations that work directly with local populations. And in fact, one of the first things we did when we put together The Development GAP in the mid-seventies, respecting what the Inter-American Foundation had done, was to create an African Development Foundation through the US Congress. And that still exists today, as does the Inter-American Foundation. That methodology of working with local populations we sought to carry into policymaking, as well. Steve might want to talk about the policy angle regarding work in Nicaragua.

SH – We were very involved in the Nicaragua situation. We even did some sports diplomacy, taking down the baseball team with a Nicaraguan player – the Baltimore Orioles – to Nicaragua just after the Sandinistas prevailed, in order to improve relations between the US and Nicaragua. We testified in the Senate, worked with members of Congress, and advised the Carter Administration on the issue. This was our modus operandi. We had extensive experience in working with good and influential policy people. Through the years we combined our grassroots work and experience with our relationships with power, our access to institutions and people in power, and also with an analysis that was structural in its nature. Knowing where power really lies is essential in Washington or anywhere to understand where to focus your efforts. In the United States, that has largely been the US Treasury. You need to understand that, and our colleagues in the South really appreciated the fact that we could inform them and create platforms for them, but we'll get back into that in a moment.

But I think that we might want to get into how foreign aid changed and how our work changed. With the Thatcher government coming in in 1979, following the implementation of the economic policies of the Chicago Boys in Pinochet's Chile, by the very end of the Carter administration and of course during the subsequent Reagan Administration there developed in the US, as well, these neoliberal policies, structural adjustment in particular. Policies of privatization and deregulation, austerity, liberalization of trade, and labor market reforms, and so on, and export promotion to help countries repay their debts to banks at the expense of local populations. By the Mexico crisis of 1982, the World Bank, the US and other Northern countries had begun to attach policy conditions to their foreign aid lending. This was something relatively new, and these policy conditions were neoliberal in their nature and, therefore, you might say, anti-developmental. And clearly these policies would be transformational in a whole range of sectors and thus would have a far greater impact than simply the development project that was being funded. To address this what we did was to take the methodology of participation of local populations that had been utilized by us and many others for quite a while in project work, and

took it to the policy level. And we began to push and to demonstrate how the involvement of local populations was indispensable to the development of appropriate policies, that not only did local group groups have the right to be at the table, but that without their knowledge there could not be good policy development. And if they're not at the table, their interests are not likely to be promoted. And that began a whole new era for The Development GAP in which maybe 80% of our time, which had once been devoted to what we might call advocacy consulting, now was dedicated to pure policy, supported by grants, mainly from foundations. And that happened within a period of a year, 1983-84.

DH – Let me just say one thing, that we had done some work for USAID on participation in regional planning. It was, I think, quite a good piece of work, drawing on experiences by planners around the world, including in Britain, whose techniques had been used for quite some time to get the input of local populations, first as to what their priorities were for their cities and their regions and then to get feedback on plans that were developed based on those priorities. So it was very participatory, it wasn't just consultative. There was some accountability involved.

We took this methodology into economic policy, into structural adjustment programming, into trade policy. And to a certain extent, we and others, particularly in the global South, have made it almost an essential part – at least rhetorically, I don't want to be naive about this – in any type of work done by the major international institutions on foreign aid, economic policy, and trade. At least they must give lip service to consulting all types of interest groups on the ground to be credible. And as Steve says, starting in the early 80s, this is the way we worked. The first major piece of work we did in this fashion was related to the Caribbean Basin Initiative, which had been developed, for mainly geopolitical purposes in Central America, by the Reagan administration. We got involved on the Caribbean side, particularly on economic issues in the Eastern Caribbean. And to show you how we work, we collaborated with, and eventually brought onto staff, a major activist named Atherton Martin from Dominica. We started, before the CBI was fully shaped, by bringing together a number of activists in Jamaica to discuss the CBI and what might be done as an alternative, particularly in that era of real progressive change in Michael Manley's Jamaica.

RS – Did you have contact with those activists before? Or were they people that you contacted for this particular project? **SH** – Well, Atherton Martin, who Doug mentioned, was the person that we had contact with, and actually this was also through the Inter-American Foundation. And Atherton is the one who knew people throughout the Caribbean. **DH** – We had actually first met him after we saw a film made by public television about some of the projects supported by the IAF, including the Castle Bruce cooperative in Dominica, which Athie managed. Athie is a very dynamic guy and was part of a network of people like feminists Peggy Antrobus and Joan French, leaders of small-farmer associations, people in the trade union movement in Trinidad, and so on. Steve will tell you how we took this a step further and worked with the US Congress. And we wound up working with almost every sector in the Eastern Caribbean, including the business sector and government, and pan-Caribbean organizations.

SH – About 1986, the Western Hemisphere Subcommittee in the House of Representatives came to us and asked us if we could pull people together in the region so that the subcommittee and other Members of Congress they would invite could hear their points of view. They knew that we had this capability. And so what developed was a two-day forum in Barbados with two dozen people representing the many sectors that we mentioned and televised throughout the region. And there were the Members of Congress who came down to hear them critique the Caribbean Basin Initiative, which was being discussed by Congress, and come up with recommendations for different types of policies. And we documented all this and went back to Washington, wrote up a report for the Foreign Affairs Committee, and then drafted legislation. We sent the draft legislation

down to all the people who had participated. We went down a few months later for them to, in essence, “mark up,” as they say, the bill in front of the Chair of the Foreign Affairs Committee and many other Members who were working on aid and trade issues and came up with a finished product, which was passed by the US House of Representatives. So, to us, this is an ideal example of the democratization of international economic policymaking. **DH** – Let me say also, to deepen that point, that, as I said before, the groups that were present were representatives of trade unions, women's groups, agricultural groups, small business organizations. **SH** – And the largest corporation, GraceKennedy, in the Caribbean. **DH** – And the head of the Caribbean Development Bank and representatives from CARICOM... **SH** – CARICOM, which is the common market of the Caribbean, plus a couple of government ministers. And it was an opportunity to bring people together and to level the playing field. In other words, we had US Representatives down there, from districts back in the US, who represented, say, garment workers in New York. You had businesspeople in the Caribbean, you had small-business and small-agricultural people, and they are all sitting around the same table for two days and then they came back to discuss it again. And around that table everybody was equal. In other words, everybody listened to each other, they respected each other, they talked about whether or where they had common interests, where they didn't.

And we've used that model in a number of places since then. Look, we're not naive about how power works. No matter what you develop, you still come up against the reality. There are many times when we've done things like this, – not always the same way, but we brought people together, we came back, we developed alternatives – but then the White House, embassies, Treasury, the IMF, you know, they see what's going on and they try to squash it as quickly as possible. I mean, there is often a limit to what you can do. But if you keep on plugging away, some change is possible and you expose the lies that people are telling, you help to ignite or empower movements with information and involvement. Knowing how the other side works is imperative. The environmentalists have been good at that. We worked with environmental groups that were challenging World Bank projects that were being imposed overseas.

DH – I want to get into this. They took on the World Bank and other multilateral development banks. They understood what these institutions were about and challenged them on the basis of their supporting the wrong interests – not those of the people being marginalized or being dislocated, but those interests that rely on cheap power from dam projects, or construction companies that get the work. So we aligned ourselves, wherever possible, with people who also understood power relationships, while trying to level the playing field for people on the ground overseas who could not get to the decision-making table. We had a very Madisonian approach, where we felt that if we could get as many underrepresented interests as possible to the table, and to empower them to at least have themselves heard, that change was possible.

RS – Can I ask how your work kind of informed your wider worldview? So, you've mentioned that this was a time of considerable change within the United States and globally. And you've mentioned the different regimes, for example, in Nicaragua. So I just wondered if there was a consciousness of that kind of wider political context, or whether you were very focused on the task in hand. And, you know, obviously, you were traveling a lot. So how far were you aware of that, and thinking about that?

SH – I would say that, at the time, the first several years, we were more focused on the task at hand, and we were trying to change foreign aid. We understood this was a global problem, and that US policy was dedicated, as were the policies of other Northern countries, to supporting the interests mainly of their corporations overseas. We understood that, but we did take up the mantle of trying to change US policy towards Nicaragua, for example, in that period. But I do think that it

wasn't long after the Mexico crisis, the first Mexico crisis in 1982, when the World Bank and others imposed the neoliberal agenda on Mexico – it wasn't long after that that we understood that this was a global project by the United States and other Northern countries and the institutions that they ran, especially the World Bank, the IMF. This was a global economic agenda. And that this was the major fight, perhaps the major fight in the world. I tell people now who are not old enough to remember this that over the last 40 years, next to the crises of global warming and climate change, that the transformation of the global economy from a Keynesian approach, by and large, to a neoliberal approach, sacrificing more than ever the well-being of people locally, has been the most transformative phenomenon in the world. And the problem is, at least in the United States, very few people are aware of this. It may be different in Britain. But when you start talking about this to people here who are quite liberal, they're not even aware that there has been a profoundly different set of policies. And so a lot of what we did was to raise consciousness among activists, and a lot of that was done by bringing together or joining with groups, from many different sectors – church organizations, women's groups, trade-unions federations – to broaden the reach around the country and to connect with their counterparts overseas. And we can get into that a bit more. But certainly by the early- to mid-eighties, we had a very concerted view and a broad agenda, and we were aware of what we were up against.

DH – Look, you know, we are more Latin Americanists, and we have worked in Africa and Asia, as well. But all you have to do is look at the history of Latin America and US relations from the 1950s, Guatemala through the Dominican Republic, and Brazil, and Chile, Argentina. **SH** - All the places where the US intervenes. **DH** – And they intervened because US corporate interests were being compromised, whether it's with agriculture in Guatemala, the mining sector in Chile, other US business interests in Brazil, with progressive governments being replaced. And the US utilized, directly or more often supporting, military intervention on the part of local armies, to take power. And this was not always an effective way. It had a lot of negative repercussions. There were human rights concerns, of course, all the time. And so the US and the Brits, who ran institutions like the World Bank, basically installed the economic philosophy conveniently developed by Milton Friedman and others, the Chicago School, to control countries economically, so they didn't have to intervene militarily. **SH** – And what I would add to that, which is critically important, is the US military experience in Vietnam. The US really had paid such a high price there, that to be able, as Doug said, to control these countries by controlling their economies through policy imposition has been a dramatic change. And, from that point of view, it's been a very successful few decades.

DH – To touch on just a few of the policies, when you take away state support for local and small-scale agriculture, the inputs and the marketing, they are vulnerable to seasonal changes and exploitation by local traders. You're undercutting their existence, particularly when you open up the economy under neoliberal policies, not only taking away state support, but dropping import barriers. So in come American and European goods, which compete with local production, with economies of scale, advertising and other things, so it's not going to be a fair fight. And so you see, over the years, exactly what you would have expected. You see that food-based agriculture locally is compromised. You see the countries are deindustrialized, because they can no longer compete with the industrial imports from abroad. And in just those two sectors alone you see economic decimation, declining employment and diminishing wages. Labor policies that would help workers in these countries were being prohibited by the World Bank, saying “unless you do the things we want, you are not going to get a loan.” And that's what structural adjustment was about. I mean, they even sometimes insisted that national legislatures change country laws, like labor laws and so on, before they could get a World Bank loan or an Inter-American Development Bank loan. And countries were smart to begin with in the early 80s. They would say “okay, fine, thank you very much. Give us the loan, and we'll make the changes,” and they didn't make the

changes. So, pretty quickly, the World Bank and others figured out what they were doing and would insist then they implement “homemade” adjustment programs, economic adjustment programs which are basically prescribed in Washington. Countries would make those changes, and then they would get another loan. And these loans, a series of them, over and over again basically transformed 80, 100 or more countries around the world and made them extremely vulnerable economically. And you could control them politically as well, and to US corporate and European corporate advantage. And that's the system we live under now. We can come back to this, but only in the late 90s and in the early part of this century, first in Asia, with the Asia crisis, which turned into a depression when the IMF intervened and insisted on certain policies, and in Latin America, when structural adjustment so badly failed, did countries begin to refuse to be bullied by these institutions. And I think we would have emerged to a certain extent from the neoliberal period if it had not been for the financial crisis in 2008, which, of course, in part was created by these very neoliberal policies. And many countries that were no longer taking IMF and World Bank loans now had to in order to find financial equilibrium. So these policies that came in the 1980s were transformational. The Northern countries knew exactly what they were doing.

Let me just say that throughout this whole period we were perpetually challenging the World Bank and World Bank staff members who were developing operational directives on adjustment and poverty reduction strategies without changing at all the Bank's basic approach when it came to economic adjustments. And these staff members, as vice presidents, were getting marching orders from the US Treasury. So, we would, as part of the work we were doing for two decades, fight the battle inside the Bank, sometimes along with our colleagues in the global South but sometimes on their behalf to challenge that power.

RS – Would it be fair to say that at the beginning of the 1980s, when structural adjustment was really starting to kick in... would you say that that marked a turning point for you in terms of moving from an internal strategy to an external strategy? Or, how did your approach change given that wider change within the policy environment?

DH – Well, we did move, as Steve said, from trying to affect the way the World Bank intervened when it came to project development to challenging the World Bank and other institutions that were imposing economic policy, because policy imposition was becoming a major part of the World Bank agenda. 25% of their lending by 1985 was for economic policy, and even project loans had sectoral policy conditions attached to them. By the time of the Asia crisis, I think 60% of all World Bank lending was for structural adjustment or sectoral policy. But, we used the same methodology when it came to challenging these policies, because we had these relationships with groups in the South and they were informing us about what was happening.

Christian Aid sometime, I think, in the late 90s, came out with a report. They reported that in those 20 years starting with the IMF riots in the late 70s, the reaction, particularly in the Caribbean and in parts of Latin America, to the IMF basically insisting on the withdrawal of subsidies for food, energy, transport, health care, etc. took the form of something like 10,000 public demonstrations and challenges around the world to these policies, whether they be road blockages in Bolivia, or riots on the streets, or demonstrations and marches. This was pretty invisible up here in the North. But it was very, very visible down in the South. It was *the* issue that was challenged. As often has been said, “The Devil's greatest trick was to convince the world that he didn't exist.” **SH** – That came from *The Usual Suspects*. **DH** – No, no, it came from a philosopher in England, back in the 19th/18th century, I think. And that's what these institutions did, they just made it invisible in the North. So we had to educate people that this was going on. And believe me, it's still a challenge today. We relied on our colleagues around the world to provide us information about what was going on in certain sectors in their countries, and we would bring this information to policymakers

in the North and take it to the media – we had a major intervention in the media, as well as with Congress and other policymakers.

In the late 90s, we challenged the president of the World Bank, Jim Wolfensohn, to join civil-society groups in taking a first-hand look at these policies and their impact at local levels. And that led to a five- or six-year participatory investigation in various economic sectors with affected populations in some 10 countries across four continents as to what was going on with these policies. We dealt in the policymaking area in the same participatory way that we dealt with projects. **SH** – And let me say one other thing. That by working with such groups around the world, not only did it greatly improve advocacy work in Washington as well as in their own countries in the South, it also helped build international networks that remained involved on other issues and strengthened or created institutions. So the capacity in the Global South to address issues in the North that were affecting them expanded tremendously. **DH** – And let me say just one thing, and anybody who has worked at that level understands what I'm saying: The people we've worked with are extraordinary people. And I'm talking about countries as diverse as Ghana, Nicaragua, Bangladesh, Mexico, Jamaica, Zimbabwe and Ecuador. They are people who one day could be out in the campo working with small farmers and finding out what their needs are. And the next day, they would be in the president's office or a minister's office, arguing their case, or they would be up in Washington with us telling their story to the media and to the Congress. And then we would go down there, and because we could explain power in the North, we sometimes were able to get access to the media they couldn't get. So we had this kind of complementary relationship, where we worked together in groups, and we were involved in a lot of networks, some of which we initiated ourselves, some which we were invited to. But a Canadian friend said once, "The problem isn't that we are so different. The problem, maybe, is that we are so alike." The various groups were fighting for justice, willing to get their hands dirty. They had a job to do, they understood power, we helped them understand power in Washington, they helped us understand the realities of their countries. It was, for us, the best part of our work. And we really enjoyed our work through the years. There were some victories. And we'd like to think that over time what was done has some legs for the future. But in terms of our work, probably what we miss the most now that we're not that active are those relationships, some of which are very strong friendships. **SH** – And the nice thing now that we are working far less is that we have the benefit of still being in touch with many of those people.

RS – Who were the people that most shaped your understanding of the impact of structural adjustment on the ground? Which groups were most fundamental in feeding back information to you and helping you to appreciate what the situation was in the South?

SH – It's an interesting question, and the first thing that comes to mind is a relatively small NGO in Mexico called Equipo Pueblo, given that Mexico was one of the first places where we got involved and subsequently remained involved on many different issues. Carlos Heredia, who was working there at the time and has gone on to the Mexican Congress and to play many different roles in Mexico, has had a tremendous impact on us and our understanding. That's one. I think there are people, remember Richard Bernal in the Caribbean, an economist who became ambassador from Jamaica to Washington. I learned a tremendous amount from Richard. **DH** – Oh, Otton Solis in Costa Rica, who almost won the presidency there. And I remember being in Zimbabwe, and a Dutch NGO guy took me into his file and showed me the debate that was going on in the local newspapers in Zimbabwe that was so sophisticated about structural adjustment, so far beyond anything we have in our papers. And we eventually worked in Zimbabwe, where there were people like Godfrey Kanyenze, who was with the trade unions. It was through networks of such people that we learned, as well as country by country. And I think other people we have worked with were also educated by their involvement in these broader networks, because they

came to see that the imposition of these policies and the impacts they had weren't just happening in their country, but it was happening all over. They began to understand the neoliberal revolution, if you would, globally. **SH** – We also learned a great deal, for example, from Lidy Nacpil in the Philippines, a leader in the fight against debt. This is something we've worked on together, how adjustment reinforced the debt. And I think people I mentioned before, like Peggy Antrobus and Joan French in the Caribbean, particularly in terms of the impact on women of structural adjustment. **DH** – Jorge Carpio, in Argentina with a small group called FOCO, was someone else we learned a tremendous amount from, as were Charles Abugre and subsequently Yao Graham in Ghana. Charles, who worked for Euro Action Acord in Uganda, eventually helped to found a group in Ghana that we in turn helped bring into a trans-global organization called Third World Network, which may be the best organization working on neoliberal issues in the world. They had brought us in as a Northern partner, and they asked us to identify a group in Africa they could work with.

RS – When was this happening that you got involved with Third World Network?

DH – Probably the late eighties, because I remember it was 1990 when I was in Penang for one of their meetings, and Vandana Shiva, the Indian environmental activist, her sister was part of that meeting. Before she came into the meeting, she was outside in the hallway, crying that India now was under the thumb of the World Bank and the IMF, when it came to structural adjustment. It was their big entree into Asia. So that was 1990, and we were already involved with Third World Network. We developed a kind of a library for them. They asked us if we could develop files on every country that had gone through structural adjustment programming. And so we found newspaper clippings, and papers that had been written, books and so on that we put together and shared with them. And that was with Martin Khor, who unfortunately has passed away. Martin was just outstanding, but he did not have much experience with the adjustment issue. They were focused on trade. And at that time, we were focused more on adjustment. And we really learned a lot from Martin, and he began to see what we were saying about adjustment and it hit them really hard in Asia. The name of the person was Raghavan who worked with Martin. He was based in Geneva. Focus on the Global South also had a really good understanding of neoliberalism. And two of the founders of that were Walden Bello, who was terrific on these issues, as was Kamal Malhotra, both of whom we came to work with in different capacities. So, at the end, we just named more than a dozen people. If people got to know people like this, they would have a lot of faith in change, because these people are very oriented towards participation and respect for local populations, they understand that reality. And yet they have the training, self-confidence, and experience to take those issues into policymaking circles in their own countries and then with people like us into global policymaking fora. **SH** – There's a long answer to a short question. **RS** – No, that's, that's great. Thanks. **SH** – We probably left out about 100 people.

RS – So you mentioned the kind of conjunction between trade policy and structural adjustment. I'm just wondering if you could say when that happened, was that in the early nineties? Or was there some sense of that beforehand?

SH – Well, I think it started earlier, in the eighties. When the Caribbean Basin Initiative was first proposed, what the US was trying to do, besides use this new legislation to address US geopolitics in Central America – El Salvador, Nicaragua and so on – they were also trying to get *inside* the Caribbean. They wanted to create a structure that was an economic union in a region that the US would be inside of. And that's what they have of course done with NAFTA. That was the model for NAFTA, where the US became more equal among others, with Canada and Mexico. So, yes, that began in the early eighties. Beyond the passing of the Caribbean Basin Initiative legislation in the late eighties came the Enterprise for the Americas Initiative, which was short-lived. That

quickly morphed in the early nineties into the effort to create a North American free trade area. And we were brought into that, which we can get into, when we began to understand that, while what adjustment was doing was creating the grounds overseas for low-cost production by US corporations, what was then needed was for policymakers to knock down the barriers to inputs, going from the United States to these countries, and then exports by US companies back from these countries into the US. So, we understood pretty early on, when the trade agenda was pushed, what that agenda was, how it related to adjustment.

DH – And I think the reason we did, and it started with the work we did on the CBI, was because we were taking our cues from what was going on in the South. We saw this through the eyes of our colleagues and others, who understood as Steve said, that the two were connected, that adjustment was used to prepare these countries to be part of the global economy, on Northern terms. And I think the problem in the US, why there wasn't much of a connection between those two parts of the movement, the one fighting against trade, whether it be NAFTA, or the broader integration of the Americas, or the WTO, on one hand, and economic-policy initiatives, like structural adjustment, or a nationalist kind of economic imposition, is because it was kind of siloed in the United States. There was one group of people dealing with trade, the kind of global issue that affected directly interests within the US. And then with structural adjustment, we tried to move people working on development policy and aid policy to include increasingly work on structural adjustment, that being the main technology, as they say, or philosophy, of foreign aid. And so those were kind of like foreign-aid people. And we were, I guess, among those who saw this in an integrated way, because we saw it through Southern eyes. **SH** – Yeah, and in the North, as Doug suggested, people living locally in the United States were affected by these trade agreements directly. Companies were picking up and moving to Mexico or to Vietnam, etc. Or they were threatening to leave, and therefore, in negotiations with labor unions, were getting back a couple of dollars an hour in the negotiations on wages. And on the other hand, structural adjustment programs in, say, India or in Argentina, are not going to affect local populations in the US directly, though overall, cumulatively, and over time, they have a tremendous impact.

DH – That's interesting, because as Steve said, they're creating cheaper and cheaper labor overseas, and so you are undercutting US labor. But I think one could point to the work we were doing and see a particular weakness, or at least an opportunity lost, because clearly we in the North were undergoing our own neoliberal transformation. And it was happening in Europe, as well. So looking back, perhaps an approach could have been to align people across regions, including in the North, and help start a movement against deregulation, privatization, austerity-oriented programs, export orientation, but the American public, and to a certain extent myself, weren't educated. Americans are still not that well educated about what's happening in their own backyard, that we have been transformed as a nation as you have been in Britain. And that has marginalized people across our nations and has led to such internal conflict, whether it's Brexit or what's happening with Trump and the divide we have in our country. It's all being generated by the failures of our economic systems to generate equity. It's undercutting equity, and people are being pitted against each other. And that's a fight that the Democratic Party in this country has been very slow to get to. They lost touch with the working class in this country, it's only now trying to get it back. They're not going far enough, but at least they're taking the first steps toward it. So we were fighting the battle in the Global South, with our colleagues, and through fighting against NAFTA, and some of the other accords, we were also fighting to preserve jobs and wage rates in the United States. **SH** – And we can, in the future, get into this, the fight over NAFTA.

RS – One of the things that's clear from what you're saying is that a huge task that you were faced with in the early eighties was this task of educating people, trying to “raise consciousness,” I think was a phrase that you used, about the debt issue and about structural adjustment. Would you

say that that's what the Debt Crisis Network was for? Was that one of the primary tasks of that endeavor?

DH – Yeah, I'm sure it was, looking back at it. You had people like Fantu Cheru, who came here from Ethiopia, you had others in the church world, particularly Carol Barton, who were involved. It was a consciousness raising project, indeed – we put out a small book, we did radio, and so on – but it was an attempt to also understand the structural changes that were taking place, and how debt was being used to control. But not only debt, which made countries vulnerable, but also debt relief, so to speak, because the conditions attached to debt relief, such as adjustment policies, were making countries even more vulnerable. So it was, yes, it was a consciousness-raising issue, which Jubilee, which came along later, out of this network, continued to do. But it was also an entree into fighting battles, political battles, because of the exploitation, if you would, that was taking place because debt was used as a tool to control countries, and still is. So, yes, but you know, consciousness raising and political advocacy kind of go together. I mean, it's how you use the media, public education more generally, Congressional initiatives, changes in policy and Administrations, the activation of civil society around the world. It's a dance, you know, it's something that is thought of tactically and strategically more broadly. But you're fighting a certain type of power, which holds most of the cards. **SH** – One needs to be realistic about what change is possible, but you can't be limited in your efforts, and in the use of the tools in your kit. But I do think, for example, one thing was achieved, and we'll get into this a bit later if you like, when we launched with our colleagues the “50 Years Is Enough” campaign. We have to look back, at that point, the World Bank's armor had not really been chipped away yet. It still had a positive image.

DH – I would say with one caveat that I think the environmental groups had really succeeded in raising consciousness in particular population groups about the destructive nature, and potential destructive nature, of World Bank-financed infrastructure projects. And, of course, the World Bank – I don't want to just pick on the Bank, but they are the mother or father institution of all the other regional banks, right, that work in Latin America, Africa, Asia – works hand-in-hand, sometimes not so easily, with the IMF. But the Bank was doing infrastructure lending, it was a very colonial type of institution coming out of World War II and into the late sixties. So, when the World Bank funded large dam projects, road programs, mining programs, this was nothing new, but it carried over into the 1970s, 1980s. And the environmentalists, to whom the World Bank was not any great institution, they saw it as an institution doing damage. They were not involved in the development field, where the World Bank reigned, so as lawyers, as anthropologists, they took on the Bank. This is what we really respected them for. One is that toughness, and their diagnosis of the problem. And second was that they worked with groups marginalized or dislocated from their homes by the building of the projects that might have enriched the construction companies that built them, they might have helped out those industries, local and foreign, that got cheap energy in the cities. But, they were not helping people, obviously, who were dislocated because of the dams, or rural people were not getting cheap energy because adjustment policies involved privatization of these types of services, and privatization favored urban people getting the services rather than the rural. So the World Bank understood this. And the environmentalists understood this, they did battle, and the latter had a great public relations way about them. They reached into a conservative constituency in the US, they worked with a conservative member of the US Senate, Senator Kasten. We linked up with the environmentalists, who we got to know through the German Greens, who pointed out what they were doing in the mid-1980s. And we joined them in their campaign. **SH** – the US groups. **DH** – Yes, the US groups, and we had knowledge internally of the World Bank because we'd worked inside the Bank off and on as consultants for seven years. So we brought this experience and an economic analysis to the environmentalists' work. By the time we got to 1992, we had encouraged some of the church-based groups and other groups involved in economic justice issues and foreign aid, we had encouraged them to enter the fight

on structural adjustment, helped them out in certain ways. And then we linked the two groups, environmental and economic, which we can get into, to form a common movement, which became known as “50 Years Is Enough.” But that's another story, but if you'd like to get into...

RS – Can you talk a little bit more about how that merging happened and how you met the key figures in the environmental movement and how that came about?

DH – Sure, I mean part of it I just mentioned. We'd gone to Germany, met Thomas Fues and Barbara Unmüßig. Barbara eventually took over the Böll Foundation, did some really good work, as did Thomas. Actually, we first met them at a meeting in Washington, I then went over and visited them in Germany, in Bonn. And they told us about the environmental movement in the US and when I got back to Washington, we looked up people like Bruce Rich. These people moved around some. Bruce was then with the Environmental Defense Fund. And Larry Williams was with the Sierra Club, Barbara Bramble with the National Wildlife Federation, and Jim Barnes, Brent Blackwelder and Marika Torfs with Friends of the Earth after a merger with the Environmental Policy Institute. NRDC – Natural Resources Defense Council – was also involved. Anyway, there were five of them. And we got on really well, we were both going after the World Bank for their sins.

And there was, every year from about the mid-eighties on, started by the Bank Information Centre, there was an annual meeting or conference or forum, parallel to the World Bank-IMF meetings. The World Bank and IMF, two out of every three years would meet in the spring and fall in Washington, and then in the third year, they would meet in a country overseas. And BIC – Bank Information Centre – started out with a luncheon in the US Congress, the broad international environmental movement together with Congressional people. They also would set up other meetings for the environmentalists, some of whom came from abroad, fighting battles over environmentally destructive projects financed by the World Bank, i.e., a number of infrastructure projects the Bank was supporting overseas. And they would go to the World Bank executive directors, of which, at that time, there were like 20 or 22. That was the extent of those early meetings paralleling the Bank/IMF Annual Meetings. They grew in complexity and breadth over the years, however. We helped out, bringing economic issues and critics into those fora. So it became more a forum relating to Bank-supported infrastructure projects and structural adjustment programs. Those were the main themes along with participatory processes, the attempt to infuse Bank programming with meaningful local-level participation, but those were the two main issues.

We ran a couple of these meetings ourselves over the years. That's how we got to “50 Years Is Enough” because in – and hopefully I have this correct – thank you, '92, we organized the meeting in Washington of 100 people on structural adjustment from which the idea of the movement emerged. **SH** – From countries all over the world. **DH** – They were, we brought in 50 people from abroad. And there were 40 or something percent of them women, from all over the world. And there were some environmentalists there, but mainly it was people fighting structural adjustment. And it was decided that there would be a global campaign, or campaigns, against structural adjustment at the time of the World Bank 50th anniversary in 1994. And that the US groups should go first, organizing, and then others would follow. But shortly after that, if my memory serves, maybe a month later, the Charles Stewart Mott Foundation, which was essential to this campaign – Mott supported mainly environmental organizations and campaigns, but they also supported groups like ours, who they saw as allies of the environmental movement, and understood the economic underpinnings to the environmental crisis – had one of their meetings – you know, they had them every few years – in October, I think, of '92. And they were very interested in supporting a challenge in 1994 to the World Bank, as were the groups there; they were environmental groups, mainly. And they told us, if we were interested, they would be supportive, and we were interested

in launching this campaign. And we reached out to our colleagues in the South to see what they thought. Some of them had been at that meeting in September, and they were supportive. So we then reached out to the environmental and economic-justice groups we worked with in the US to start first as a US campaign. These partners told us what they thought were the major issues that should be part of that campaign, and we combined and narrowed them down to four straightforward campaign planks. One was fighting against structural adjustment, and another was on the importance of full participation of local citizenry. Another was fighting the large dams that the World Bank was supporting. And there was a fourth that was important to the environmentalists, I can't remember, right off. Eventually gender was added as a fifth issue. And we all launched this campaign in 1994. And we started off as a media campaign but spread to address the US Congress. We were working at the time with a number of people in Congress on World Bank-IMF legislation. They drew on our expertise to write legislation to limit the influence of these institutions, because a part of "50 Years Is Enough" was a congressional initiative.

And the World Bank actually had to go out and hire somebody to take on this issue, because by the time Jim Wolfensohn took over in 1994-95, he was going everywhere, complaining that all over the world there was "50 Years Is Enough." That was an overstatement. It did grow up in another 10 countries... **SH** – It was like, when he was visiting the British Parliament, people were talking to him about "50 Years Is Enough," and he was getting very irritated. **DH** – Yeah, he would talk to British NGOs, and they would say, "well, this is not us." Okay. So, it got under their skin, which I guess is somewhat of a victory. And it indeed went global. We attended the World Bank-IMF Annual Meetings in Spain that year – quite a spectacle, which I can go into if you like some time. But there was a forum on the Bank and IMF on a beautiful evening in a new labor auditorium. And at the end of the debate, at the end of the meeting, people got up and pounded their feet, chanting *cinquenta años basta!* "50 Years Is Enough!" And it was written actually on the walls in Cordoba, in the streets.

I mean, the thing went global, and I think it's because it touched on a lot of people's interests. You know, it touched on the environment, it touched on economic justice, it touched on labor. And really, that was the real issue with these structural adjustment programs, to say nothing of the large dam programs and others. They were both driven by the same economic logic. They were both driven by a profit motivation that did not take into account, in fact, that exploited local populations in order to be successful. And this caught the imagination of people around the world and, actually, it was nice to see something as esoteric as World Bank-IMF lending – it's not something that is central in people's lives – catch fire and be known throughout the world and not be invisible by any means. Things hit the newspapers, and an act was taken up in parliaments and Congress. So it was successful, and you have to count your victories. I mean, just because we're in the world we are today where neoliberalism still reigns doesn't mean that we didn't have certain successes. They are markers along the way to success. I think we are going to get there sometime soon because the failure of these policies has been both destructive and obvious here. **SH** – And as you probably know, structural adjustment policies, where they've been implemented, not only have greatly increased poverty and inequality, but the growth rate, the national growth rates of these economies, have been greatly reduced during this period. The growth rate around the world in the last 30 years, 40 years has been much less than in the postwar era when Keynesian policies were in effect.

DH – So I don't know if that answers your question about how the connection was made. But it was made on the basis of our mutual respect, the knowledge of these institutions, working with local populations, and a common economic logic, that we understood undergirded the problems that were created by these interventions by the World Bank and others. **SH** – And I should mention, to reinforce what Doug said, there were a few, a number of foundations – Charles

Stewart Mott might be paramount, the Moriah Fund was another – that really got it. They were funding both environmental and economic justice groups. **DH** – These foundations which, in fact, the World Bank tried to stop from funding the most problematic NGOs in the US, and other funding sources along the way made this movement possible.

We challenged Wolfensohn at the World Bank to take a look at structural adjustment from the grassroots up. Camdessus, who was the head of the IMF, couldn't believe that Wolfensohn was opening the door to this type of investigation. And Steve can you tell stories about the US government, when it came to us trying to open up a discussion of trade policy in Mexico, how the US government worked to shut down any exploration, public exploration of this issue. Whenever we worked to open up the possibility of a challenge to structural adjustment through the United Nations, the Treasury would go to the State Department, which was responsible for dealing with the UN, and say, "Tell these people to get out of our territory. The UN should have nothing to do with economic policy. This is a Treasury issue." Treasury of course relates to the finance houses, the banks. So, the system works, and the people inside the World Bank, for instance, will gatekeep, there are people who are gatekeepers. They are the ones who talk to Treasury. No matter who is leading the World Bank, their job was to make sure that the Bank did its job to open up these economies to corporate America, corporate Europe. We befriended some people on the board of the Bank. So it was interesting, because we went around talking to these people because we were the ones when it came to the initiative to look at World Bank lending, adjustment lending, around the world – that was SAPRI – who were the link between the Bank and other NGOs. They asked us to go around to World Bank executive directors to explain to them what was going on. We got to know some of the Bank executive directors, and one of the people on the Board who we knew was the Dutch executive director. I was told she represented not only Holland, but some of the Central European countries, and when she brought up the protests and the imposition of these policies at World Bank board meetings, she was told in no uncertain terms by the Americans and the Brits that this was none of their affair, that the Dutch should stay out of this. So there's a power structure in these institutions and into which these institutions fit. So we were picking our spots to try to find a wedge into exposing what these institutions were doing and in whose names they were doing it. And we did this with our Southern colleagues and colleagues here in the North.

SH – I don't think we've talked about this, but as far as foreign aid is concerned, in 1993, when Bill Clinton was elected, The Development GAP became, more or less, the transition office for foreign aid. We were brought into this, as we were known as promoters of participatory development, and we were asked, "how do we prepare a new USAID?" We brought in some good people. And then the new head of AID, Brian Atwood, asked us to work with him, and to propose how we could make USAID into a supporter of participatory development. We and others were pushing it in that direction. But he, of course, does not act independently. He reports to the Secretary of State. But it had been a long time since the US Secretary of State had a great deal of power, because foreign policy is essentially run by the US Treasury, which controls international economic policy. And so we found ourselves in this situation where we're dealing with people who really didn't have the power in that area. Doug can explain his encounters with Atwood and Warren Christopher, the Secretary of State.

DH – Yes, we had one limited encounter with Christopher at a meeting in which we challenged him to take back some power from Treasury over US economic policymaking, particularly foreign aid. He was kind of staring, because I think this is something that's been a traditional battle, which State has lost. Shortly after, Christopher goes to China to read the Chinese a kind of limited human rights warning. And right behind him is the Secretary of Commerce, who tells the Chinese, "Don't listen to this guy, he doesn't really represent US policies - business is business." They get a similar message from Sandy Berger of the National Security Council. But we saw there was

interest in USAID's country programs to implement some of the participatory measures that we were pushing in all parts of USAID work. At the same time, we saw that there was resistance within the agency in Washington. So, we went to see Atwood, and Atwood was with his chief of staff and with his deputy director. And we explained to him that if you open the door to local participation, what you're going to hear is about the evils of structural adjustment, which was the subject of another policy paper he wanted us to write. But we also told him about resistance at Treasury, about what we're fighting, and I remember him saying, "So what you're telling me is that if I take this issue on, I'm taking on the rest of the US government." And I said to him, "No, no, much more than that, you're taking on the most powerful forces in the world." **SH** – The banks. **DH** – The banks, and businesses, especially companies that want access to these countries to invest, sell their products, whatever. So I remember that he said, "I'm going to have lunch with the Secretary, Secretary Christopher. And afterwards, my colleagues and I are going to get together and talk, and then we'll get back to you." That, I think, was January 5, 1994. And we still have not heard a word.

We've been fortunate to be able to work with some people, good people in government, good people at the World Bank, leaders of these institutions, but it's only so far that most people are going to take it. We challenged Wolfensohn when he became president of the World Bank to work with us to create a platform for civil society. Joe Stiglitz, who was at that time his chief economist, was helping to create a platform for alternative economic perspectives. But we also needed people like Wolfensohn to get out there with us. And to his great credit he did enter into a joint, multi-country, grassroots investigation with us – that is, SAPRI, which The Development GAP coordinated on behalf of civil-society groups globally. But It was an interesting thing he had to say at the end of the five-year process that had produced a damning indictment of adjustment. At a meeting in DC with all the members of these investigative teams, great NGOs from around the world, he walked up to me during the coffee break and said, "Where do we go from here?" I said to him, "We need you to join us, we need you to get out there on the platform we've created. And he said, "They'll have my head." And it's very clear from what had happened before, that by "they" he meant the IMF and Treasury. Its power around the world notwithstanding, the World Bank is the poor sister when it comes to those two institutions. When the Asia crisis hit in the late nineties, it was the Treasury and the IMF who ran the response. The World Bank, Wolfensohn and Stiglitz, were relegated to the role of raising \$3 billion, additional \$3 billion of grant funding or cheap loans, money from the US Congress and establishing a social development fund to mitigate some of the pain that was going to be created by the IMF-induced depression that was being used to get out of the crisis.

So it's important to understand where even the people who work at the top of organizations stand, and how much power they really have. And one of the problems is that Washington is very seductive. And they know how to manipulate. And unfortunately, there are a lot of people who are willing to accept far less than what is possible. You can imagine that, if civil society gets its foot in the door of the US Treasury, they are given coffee in nice cups and saucers, and when they are ushered out one door, the bankers are literally ushered in the other door and, you know, they get champagne. So the access that you get is not indicative of the impact that you're going to make. But we've also learned that people in power are going to talk to you seriously for only two reasons – because you can help them or you can hurt them. Our raison d'etre has been to try our best, in the most responsive way, to represent the interests of people overseas to whom our country is doing harm. And at times we have been able to level the playing field, and when we have, it's because the powers that be knew we could hurt them, we could hurt them in the media, we can hurt them getting their funding from Congress. We could hurt them because there were people, civil society in the streets overseas, who could make implementing policies difficult. So, an understanding of power and how to relate to it is essential.

RS – So should we get back to “50 Years Is Enough?”

DH – Sure. Now, “50 Years Is Enough”, as we discussed, emanated from a series of meetings, particularly one in 1992, that The Development GAP organised in Washington, bringing people from all over the world, 100 activists to discuss structural adjustment. And there was a commitment by most everybody there that we should have a campaign to challenge the World Bank and the IMF on their 50th anniversary, two years later. And, soon after, if memory serves correctly, there was a meeting of the Mott Foundation and its grantees who were involved in particularly environmental challenges to the World Bank, but we were included in that for quite some time, because a lot of our work dovetailed with those environmental organisations. And we were asked by Mott if we would be the group that would carry forward a campaign, because we were already committed globally to do that. The global group wanted the US to get started with one, and they would follow suit. And that campaign grew. It started with us reaching out, first to our partners overseas to see what type of thing they would like to do, and then reaching out to some key US environmental and economic justice organisations to see what were the issues that would be most important in a common platform. And that I believe grew into almost 200 organisations, behind four or five different issues, particularly structural adjustment, participatory development, the large-scale infrastructure projects, including dams that had such a deleterious effect on many countries in which the World Bank was lending. And debt was part of it, eventually gender became part of it. And that campaign was quite successful in getting attention in the media, and somewhat in the US Congress, and it helped to sprout other movements, “50 Year”-type movements around the world. We hear there were 10 or 12 other ones. I think Brazil had one, Kenya. I know we went up to Canada, we were asked to help launch the Canadian campaign.

By the time of the World Bank-IMF meeting in Madrid in 1994, the campaign was in full throttle, it had become a media campaign. We and the International Rivers Network had financed an office in which we had a media person reaching out to particularly US press and other media, and it put the World Bank on the defensive. In Madrid, the World Bank was trying to recover some ground. I think, as you may have documented in some of your writing, it didn't work for the World Bank very well. There was more activism at these meetings, dollar bills were dropped on the king and queen of Spain, blood was spilled at the front door of the meeting hall. And the Bank came out with a bloody nose from those meetings. The Bank, around that time, hired a PR firm with Alex Shakow, as you have commented upon, who was the person who became the head of external affairs, but they also brought in Mark Malloch Brown, who in later incarnations was, among other things, the head of the UNDP. And we got to know Mark pretty well, and Mark said, “Thank you very much for my job, because I was brought in, basically, to try to counter the “50 Years Is Enough” campaign. And so, to jump ahead a little bit, the campaign accelerated around the United States, the environmental groups on the East coast, West coast, globally. Of course, there were always challenges to World Bank-supported projects overseas. People, indigenous people, rubber tappers, others who were dislocated, were getting more attention because of the environmental groups, globally, because people were killed, livelihoods were uprooted. And when Jim Wolfensohn took over as president of the World Bank in 1995, he was going around complaining about “50 Years Is Enough.” **SH** – Because he was being asked about it all the time.

DH – Yes. But, you know, he was coming into a situation where the Bank was now seen as part of the problem, not the solution. Now, I think to understand institutions like the Bank, which are on the front lines of the battle for control overseas by corporate America, corporate Europe, they are the ones who are being asked to organize development approaches which open the door to investment, and access to resources, cheap labour, and for corporate production in those countries that could eventually find markets back in the North. And the Bank was, as I was saying, on the defensive, because they always saw themselves, including Bank staff, as the good guys. They were the ones who got the big salaries and could be seen as globalists. Certainly in Europe, multilateral lending was seen as much better than bilateral lending. Robert McNamara had come in and, in real terms, had increased bank lending

by five times what it was earlier in the 1960s. So it was a big organization, kind of a front organisation, but vulnerable to attack, because its development model had become one that was clearly disruptive of the lives of working people overseas, both in the rural and urban sectors, despite all their supposed emphasis on urban development and rural development and education and health. So, this was kind of a shock to the Bank staff. And we and International Rivers Network actually developed a quarterly, *Bank Check Quarterly*. It began as an everyday publication at the time of World Bank-IMF meetings. But eventually, it was put out four times a year up until the late 1990s. And we among others, were distributing to the Bank staff and IMF staff as they went into their offices. And you could see the defensiveness of these people. Now, there are some good people in the Bank. But they are a small number, and they tend to be in enclaves and are fighting the same battle we are there. They're a rather tiny minority. Some of them are very interesting people. We went overseas with some of them, putting together projects, in our case, putting them together with local populations, rather than with repressive governments. But this was a sea change for these institutions.

So, when Jim Wolfensohn took over in 1995, we went to see him after talking to our Southern colleagues, along with a few people, most of whom were from the US "50 Years Is Enough" campaign. And we challenged him to take a look at what really was happening at local levels of these countries as a result of World Bank adjustment lending, which was at that point the centerpiece of World Bank lending programmes... And I remember the meeting, and he couldn't have been more solicitous. He really was trying to win our favour, apologizing for not getting back to us, and whatever, and then eventually said, "Give me something." So, we went back, talked to some of our colleagues in DC, but mainly we talked to people around the world, about what should we give Wolfensohn as a proposal to investigate the real impact of these policies. And we put together an outline, and sent it to him. And it took a long time to get through the bank bureaucracy. But eventually, we went in to see him again.

I remember meeting with him and Rachel Lomax, who was a Brit, had been in the Bank, I think working on Asia. She was almost as mercurial as Wolfensohn himself. They were an interesting pair, apparently she eventually got the boot, as they threw papers at each other, subsequently. This is something that happened to Wolfensohn at least a couple of times. But, I don't want to paint the picture of a terrible person. Whether he was a good person or a bad person, I guess, isn't really important. He was a business guy out of Australia. Our father did business in Australia, we knew these type of guys. He eventually made his way onto Wall Street, he worked with Paul Volcker and then started his own boutique finance firm. And on the way, he had been on the Australian fencing team, he learned how to play the cello, he played at Carnegie Hall, I think, no Kennedy Center. And he was actually, to a certain extent, mocked inside the Bank behind his back as being very ego oriented. So we were dealing with somebody who really wanted to do something, and he wanted to be known for it. And it was clear, he even told people, he wanted to win a Nobel Peace Prize. And of course, Joe Stiglitz, who was the Bank Chief Economist, eventually did win the Nobel Prize for economics for something he had done long before that. But then Wolfensohn over one Christmas vacation, went in and developed a development model, rather a simple kind of liberal model, which did not fit at all into these square holes, these round pegs of liberal development model into square holes of structural adjustment.

But he saw us when we came in the door as people who maybe he could do business with. And when we sat down, he apparently, earlier in the week, had had another very frustrating meeting with a lot of a staff in which he saw that the Bank had created – and he was right about this – a glass wall between themselves and the people of these countries. He saw this, this proposal that we were giving him, as a way to break through that wall. And he said to us, "I can't say I've read your whole proposal, I've read some of it. And I want to do this..." And I remember him saying, "But I have to trust you," implying that he has a board of directors he has to answer to. And we said back, "Well, we have to trust you. Because, you know, we can say we represent civil society, but we clearly don't represent civil society globally. But although we're well regarded in many places, we speak for perhaps a small segment of

that community that has given us the charge of negotiating this with you. But we have to trust you as well.”

Well, I can tell you, after going into another room and talking to Rachel about how the Bank used to be and how it evolved, we waited for a few weeks, two or three weeks, and nothing came back as a response to what we had proposed. But eventually something came in which had nothing to do with what we were talking about. Mark Malloch Brown had taken all the different things that other groups had sent to Wolfensohn, and merged it into some soft and fuzzy type of proposal. I'm just trying to paint a picture of what things were like. And so we had to play, of course hardball, as the intervener, as a link between global civil society and the Bank, which we were asked to be by both the group and by the Bank. And so, it wasn't as if we entered this in cooperation with the Bank as much as we were two separate parties, negotiating around a table, across from each other, negotiating a process of how this was going to be done. And understanding that we had different interests. The Bank might not have thought that.

There was a guy in our group, Kamal Malhotra, with Community Aid Abroad who then had gone to Focus on the Global South, as I mentioned, one of the better, large, significant NGOs in Asia, with reach elsewhere. And he really insisted that the approach, or the plan, or the programme, that we put in place was going to include significant organizing in each of the countries that were selected for these investigations. And the... **SH** – Organizing by civil society **DH** – Civil society, not by the Bank, and what was decided with the Bank, based on what Kamal and others had to say, was a three-pronged, three-step process of civil society. First, civil society on its own, organising itself around what they in each country felt were the most important issues, say, financial sector liberalisation and its impact on small business, or the withdrawal of government agricultural services and the impact on small producers, particularly women. And each country would have three or four issues to deal with. And you would start in each country having a forum, a very public forum with the Bank and government and civil society. And then have participatory research done in the field, with the results of that participatory research being discussed in a second forum, and a final country report would be written. Interestingly, the Bank insisted that government would be sitting with the Bank. It was very clear why, it was because the governments – not all but most – were always resisting the Bank's imposition of structural adjustment. I mean, the government will always be in a bind, because structural adjustment was destroying the livelihoods, and in some cases the lives, of a broad array of local populations. And so, in the end the governments, for lack of a better word, tended to hide behind the skirts of the NGOs. NGOs that went out into the field would bring detailed local experiences to bear on the issue of what happened in their sectors and their cooperatives and among their workers. And the governments would stay silent. But they certainly would not, in most cases, disagree with the Bank.

SH – Let me just interject. The way it worked was that a civil society organisation was decided upon to coordinate the effort of each country, and then hundreds of organisations in each of the countries participated. And in the end, there were nine countries, but we added others in which the Bank refused to participate. The organizations would cooperate across all sectors and all regions of the country. And they would hold their own local workshops and do research at the local level to compile these findings. **DH** – Yeah, I mean, it was an extraordinary process of NGOs organising themselves, and there was a key. I don't know how much detail you want to go into. But one thing we decided on was that we would, all the NGOs that made up the steering committee, some who had started the process, as we got into countries, add people who were from the South, or even more from the South, so it became very South-oriented. But groups would start the organising without being paid, which meant that you only got those groups that were committed to economic justice willing to do this for free. And then, once they brought together people from all different walks of life, all different sectors, as Steve says, those sectors would then choose an organising, a formal organising NGO, which was, in almost every case, the one that started out doing it. It turned out to be a very effective approach. We got, in almost every case, very good organising NGOs.

SH – Do you want to explain fundraising? **DH** – Yeah, and the fundraising was interesting, as well. First of all, when we went to raise funds in Europe, we were told to access money from certain spigots where we were not competing with local groups in Africa, for instance. They said there was a lot of money that was going through to the World Bank via World Bank trust funds, and that we should tap into that. So, we went to the World Bank, we found that we both were trying to get money from Norway, and we struck a deal, not a very good deal. They got one third of the money, we got two thirds of it. And they did very little organising at all and we were organising for years. They didn't have to organise very much overseas, because the government was already there, the Bank staff was already there. For all of us, and the groups, the organising groups in each of these countries, there was a hell of a lot of work to do, to try to bring people together around particular issues. But we needed a way to get access to the money. So we had to negotiate with the Bank and their lawyers the use of one of their four trust fund models, which brought in grant funding, particularly from Europe, that was distributed to a variety of projects, sometimes river blindness, some types of cooperative projects, but it certainly wasn't meant for something like this. So we had to get lawyers, we had to negotiate the details of this. And in the end, we got rid of almost every way that the Bank could co-opt the process through the control of this money. In the end, they didn't have to give us the money, and that came up as an issue at the very end with the last country, Belgium. We, the civil society groups, received \$900,000 from the Norwegians and half that again from the Swedes and the Dutch. Eventually, the Germans gave some money, the UNDP contributed money, and with the help of a lawyer we got the Bank to release the Belgian money it was holding. **SH** – And the European Union. **DH** – The European Union gave a big chunk of money, like \$900,000. And in the end, we raised additional money to help cover our central organising. As The Development GAP served as SAPRIN's Secretariat, we also had to fight with the bank to make sure the rules were being followed. And we needed to get reports from the field, financial reports and programme reports. The UNDP insisted on reporting on some 300 line items. So in the end, we had to account for \$4 million of activity in 9 or 10 countries in a few currencies in five or six different languages. It was a mammoth effort. **SH** – We had a finance person, Sarah, who was fantastic. And in the meanwhile, the World Bank had four line items they had to account for.

DH – And every day – just to let people know what it was like – there wasn't a day when there wasn't a battle with the Bank. I mean, the Bank was not used to working on a level playing field. We were trying to create a level playing field for the local organisations that were participating in this, to be heard with the same credibility as the World Bank economists in these forums and in the research. So there was always a battle about the rules, and I could tell you lots of stories about meeting at seven o'clock at night with managing directors who insisted that, you know, Jim Wolfensohn said we can do this with fewer countries and then having to fight that battle. And getting a lawyer to sue the Bank. It got dirty at times, but we succeeded in holding the Bank accountable to the rules.

And the people overseas doing the work in countries like Ecuador, El Salvador, Mexico, in Zimbabwe, Uganda, Ghana, Philippines, Hungary, I'm probably leaving out... **SH** – Bangladesh – **DH** – Bangladesh was an interesting one. These were great people. And they had the ability to reach out across their countries, through their networks to involve every type of organisation, every sector. And they also had the capacity to reach out and form decent relationships with the governments in most cases, with the media. In Bangladesh, every day, when they had the second forum, for five days, there were front page headlines about this going on, about the fight against structural adjustment. One of the forums in Ecuador was going on while there were street protests against structural adjustment. It was an extraordinary exercise of public participation in the planning process.

SH – Can I say one thing? Just so people understand, even though in the United States and in Europe structural adjustment and Bank lending might not have been issues that people were aware of, these were issues that were in the newspapers all the time in countries receiving Bank loans. Whenever, for example in Argentina, which I know very well, the IMF sends a team out to negotiate a loan with the

government - and this is true in a hundred countries around the world – this is front page news. So, when SAPRI was launched, this was something that was going to cause great interest not only among groups affected by Bank lending, but among the media as well.

DH – Yeah, and we should say also, in some Northern countries, we did a big forum. By the way, the exercise was called the Structural Adjustment Participatory Review Initiative, called SAPRI. The network was the SAPRI Network or SAPRIN. **SH** – That is the civil society network. **DH** – But we did a big forum with the European Union late in the process, which generated press coverage. Then in Sweden, the main newspaper in Stockholm had a coloured spread in the front of the business section that talked about this investigation and the failure of structural adjustment around the world. There was a forum in Norway, in front of about 700 or 800 people at night with the minister of development cooperation and others in Norway, who had supported this process, but who were now turning out to be somewhat apologists for the Bank and adjustment, because they are supportive, generally in Scandinavia, of multilateral aid. And they were embarrassed by the SAPRIN people, who challenged the views that were being put forward, and the audiences were not happy with what they were hearing from their government. The same thing happened in Sweden. So this had some outreach in the North, as well.

SH – But what happened was there were reports prepared by the SAPRIN networks of each of these countries. And then they were supposed to be integrated into a final report. And Doug might want to tell you what happened. **DH** – Yeah, the Bank wanted to bury this as fast as they could. Not so much Wolfensohn, but the people under him who felt it was their responsibility to keep this from doing any damage to bank lending. And they refused to have a big public forum, they tried to put it overseas somewhere, and in the end we had a semi public forum in Washington. But the Bank refused to participate in the final report because of how damaging it was going to be. So all the members of the SAPRIN steering committee, in a matter of a couple of months, put together an 80 or 90 page report, which eventually became a book of a couple of hundred pages, which we dropped on the World Bank desk and went public with. It was tremendously damaging, quite technical, but very readable, did very well on Amazon, and Wolfensohn put it in the World Bank library. I think he thought it was a coup for him and the Bank to actually be seen as being self-critical. But when we had the final forum... **SH** – Well, I think it's really interesting that when the Bank was sort of keeping Wolfensohn out of the loop and we weren't getting much response about the final report or cooperation in producing a final report with the Bank, we went to Europe. And the European Union hosted a meeting, which got a good deal of press coverage. And when Wolfensohn read about the press coverage, he was caught unaware. Mainly the US had tried to take him out of the loop. And he then asked us SAPRIN people to come back from Europe and to meet with him. Doug might want to tell that story. **DH** – Yeah, and I think I mentioned earlier that he asked why he was not informed, and I told him that he probably didn't want to know. When he said he did and then learned that his staff hadn't told him, he was not very happy.

SH – Let me intervene just for a second. There was a vice president at the Bank, who was from the US, and he was a key actor in staying in touch with the US Treasury, which is, of course, quite significantly on the board at the Bank. So there was an inside game being played. And there was opposition from the US Treasury and from Camdessus, who was running the IMF. So Wolfensohn was pretty much caught unawares. **DH** – Yeah, and kind of isolated in some ways, because that's the way these institutions work. They know that presidents come and go, but the established staff was there to protect the interests of the institution. When it comes to things like structural adjustment, economic policy, it was a very Anglo affair at the Bank. It was basically run by the US and Britain. And when at a break in a meeting with SAPRIN, Wolfensohn came up and wanted to know where we go from here and we said he had to step forward and join us in making structural adjustment a public issue, he said, as we mentioned before, "Well, they'll have my head," by whom he meant, clearly, the US Treasury and the IMF. And we told him that he was going to get shellacked, there's no doubt, but that he would be a hero. And we'd give him a parade down Main Street, because we needed somebody of his status to make this a public issue. And to his credit, when we went back in the

meeting, he contemplated the possibilities, and committed to something we had asked for, which was that the Bank, which had pushed something called Poverty Reduction Strategy Papers in the poorest countries, which were country assistance strategies void of any investigation of structural adjustment and the contributions that adjustment policies made to poverty, be changed to include such analysis. In fact, the whole idea about these poverty plans had been to do so within the construct of structural adjustment programmes. And some NGOs, and Oxfam had been one of them, were willing to go along with this, but we and the groups in the South that we were working with absolutely would not do that. The battle was over the basic ideology that the Bank was implanting in these countries, which was very pro-corporate, through these adjustment programmes. And so to give Wolfensohn credit, he was willing in one country, in Ecuador, to look into the impact that adjustment had on poverty, and to shift policy-oriented lending away from adjustment. But for months, the Bank staff there, and in Washington, were unresponsive. We had to literally chase them around the world. And after months, we finally had to report back to Wolfensohn, and we talked to him privately about it. And in the end, even though he tried to talk to staff, he said, "I can't keep undermining my vice presidents."

Nonetheless, I think this was an important experience. One, there was a lot put out there in the North on adjustment. It was covered in some media, the book was made available at the World Bank and it became a best seller among those types of books on Amazon. In the ten countries it not only highlighted the problems faced by the groups that had been silenced for so long and gave a voice to them, but it really helped organising in those countries. And, it turned out, new activists were working on these issues. Also, I was going to mention two things. One, because of the failure in Asia with the IMF creating a mess after the Asia financial crisis, which was in part due to neoliberalism, countries stopped borrowing from the IMF and the Bank, certainly significant countries, large countries. And adjustment started to fade, and it didn't really re-emerge in any robust way until the financial crisis made countries more desperate for global finance. **SH** – That's in 2008. **DH** – And finally, colleagues who saw the success of starting an initiative like this with the Bank, and with Wolfensohn, consulted with us, and they launched, within a year or two, an investigation with the Bank into large scale dams, called the World Commission on Dams, using a different methodology, because the Bank would not use the same methodology that we used, because it got burned so badly. The people working on dams and civil society, great job, got out the information, embarrassed the Bank again, and in fact stopped some lending for larger dams. And, in the process of doing this, other groups working on extractive industries, like oil and gas, initiated another investigation with the Bank using a different methodology, and, once again, embarrassed the Bank publicly using more of an expert-led approach.

We wanted to do more work on alternatives to adjustment with groups locally, but the times changed and it was more difficult without support in Europe, and then the financial crisis hit. But there had been an opening there and it grew out of a process of civil society organising, first on the ground in the South in the late 70s, not only organising but protests, demonstrations, riots, road blockades, that we in the North, people like ourselves, picked up on, fought the battles in the media and in Congress, did our national campaigns like "50 Years Is Enough," which included 200 groups across the US, that kicked off other types of organising of the same type in perhaps another dozen countries in the North and South. This was then the springboard, if you would, or the wedge, that we used to get the attention of Bank leadership, to then demonstrate the failure of adjustment and, more importantly, involve the very people who started this whole process as protest. These demonstrations that were taking place in the South, these protests, this organising, were also taking place in the North. For instance, we joined Bank Information Centre and other environmental groups in the U.S., Europe and the South in counter, alternative conferences in the United States, and in some years in places like Thailand, Berlin, and Prague, where Bank/IMF Annual Meetings were held. We had 80,000 people show up in Berlin, and we had people being arrested on the streets of Washington. There were tanks on the streets in Prague. In Spain, the same thing with police everywhere, actually beating up some demonstrators. Parallel to organized meetings, there was a somewhat integrated street protest in Germany with the same people, the Greens, leading both. This large protest that we all marched in got a lot of publicity. So, there were these two strains, taking to the street, starting in the South, and

the organising around these issues and creating more level playing fields that those people who were protesting had a chance to play on with the big actors. Both highlighted the problems and embarrassed the institutions that were the protectors of corporate interests.

SH – Can I just say something? While we and the other civil society groups weren't supportive of the violence and the rioting and so on, we certainly understood it, and it reflected a great frustration in these societies over what outside forces, the Bank and the Fund, on behalf of Northern interests, were effecting throughout their countries. So, it just gives a flavour to what the times were like. **DH** – It was very intense. All over the world there were newspaper articles that were about the debates in which we were all engaged. In the *Financial Times*, in the *New York Times*, and throughout the global South. In Zimbabwe a friend showed me that every day there were discussions in the newspaper, and in the letters column, and in op eds about structural adjustment programmes. **SH** – You know, it's funny, I represented the Secretariat of SAPRIN at the second and last forum in Zimbabwe and got into arguments with the World Bank representative, as we were sitting on the panel talking to the audience about findings. And the media wanted us to continue our discussion across the press table afterwards. I wasn't around to see the big spread on it two days later in the media in Zimbabwe. The media was thirsty for this kind of debate.

DH – Yeah, if I can kind of conclude about the work that environmentalists did starting in places like Brazil with the rubber tappers and others, and what was done by the anthropologists and the lawyers in mainly US, and eventually some European, environmental groups, and then the work of economic justice organizations, which we tried to bring together with the environmental groups and to encourage deeper work on structural adjustment and find common cause in challenging institutions like the World Bank, which have been effective agents of support for the corporate sector around the world that had a totally different set of interests. They wanted to export from these countries, get cheap labor by undercutting unions and wages, they undercut small scale production and support for food-based agriculture, which worsened the plight of women in many places, particularly Africa. They would undermine state protection of mining communities, which generated tremendous environmental and health damage. These corporate interests were now, indirectly and in some cases directly, under fire, because they were protected by the World Bank, which provided them both loans and a good reputation for their investments, but now everywhere around the world they were seen as the bad guys. So I don't know what would have happened to Bank lending if the financial crisis had not happened. I think that the expose, if you would, the exposure of the detrimental things that these institutions and their corporate clients – and policymakers like the British Exchequer and the US Treasury – were up to, had all kind of been out there. And, as I said, the IMF was no longer having its loans accepted by the larger borrower countries. The financial crisis changed the equation on this, but certainly there was this sea change involving these organisations by the end of the nineties.

RS – That's a very helpful and detailed explanation of what happened there. But, I wonder if I could also ask you, how did you, given the fact that the Bank was a very powerful organisation, and you obviously thought strategically about how to leverage influence there while, as you mentioned, a lot of your efforts were constantly being resisted in one way or another – how did you sustain yourselves during this presumably very intense period of time when you were constantly negotiating with them and also working with your partners? And how did your strategy for dealing with them evolve over time? Or was it fairly clear to you how you were going to deal with those challenges?

DH – Well, I think it was clear, but it was clear in part because the groups that we were dealing with in the South are just as committed, just as hard-headed, as we were. And we felt that we had a responsibility to those organisations to follow their lead. And they were fantastic people who were consistently in favour of pushing the envelope. So, I think, to answer the question in another way: At the Bank the guy who we were dealing with in SAPRI in the first instance, the head of development economics research, said, "In the end, you can't make us do anything." And they're right. We could bring the horse to water, but we couldn't make them drink, even if they were reluctantly brought to

water. **SH** – But you can certainly change the environment in which they operate. Among the media, and the US Congress and others who controlled assets that the World Bank needed, what changed during that period? **DH** – I would say that we – I think I can speak for most of the people – we felt it was possible that through this exercise we could contribute in a significant way to stopping most adjustment lending. That was a major goal. And I can tell you that people who were part of this process felt really empowered by this. To be in the same room with, not only top Bank officers – both people from Washington and heads of Bank missions – but also with their countries' governments, and to be meeting on the same level playing field, it's very empowering, especially with the media there covering it. Now for the first time there was an expose of what was going on that was presented in a way that the media could really catch on to. Yes, there was a discussion all along about the harmful effects, but here was the World Bank trying to protect their turf. The more we got into this, the more conflict we had with the Bank, and the more we won out on issues of methodology. And we would hold the Bank accountable by going public about its threatening to withhold something or other. The Bank actually threatened to hold back money in a couple of instances, and there was a battle. But I think that the more we won out, the more empowered people felt and therefore the stronger we were in every instance. And in fact, in the end, the Bank said, "Well, we're not going to write a report with you." And we said, "Thank you very much, it's much easier to write it ourselves and go public with it." So, I think we were emboldened, to answer your question.

SH – But I think your question is broader, tell me if I'm wrong, Richard. You are talking about our work generally, during that period, vis-a-vis the Bank. We and our colleagues used many different tactics. The "50 Years Is Enough" campaign was something that was done unilaterally by civil society. And its effect was actually to bring the Bank to the table, to do a joint exercise, i.e., SAPRI, with civil society, and in theory, to negotiate. But you asked how we sustained ourselves during this period. And, first of all, as far as finances are concerned, we and the environmental groups and other economic justice groups had some very loyal, middle level foundations that stuck with us for all that period. We have to give them a lot of credit. **DH** – And if I could put it in historical terms, to pick up on what Steve said, the people who were part of this process, many of whom were involved in each of the different countries, saw this exercise, SAPRI, as part of a larger process. They were involved in other things, we were involved in other things, other US groups and European groups were involved in other things. The Bank, I believe, thought, "Well, we'll get all these activists who have been criticising us under one roof. We'll keep them quiet for five years doing this" – we thought it would take two years, but when we got started we had a pretty good idea how long this was going to take – "and so we'll tie them up." But the fact is, that's not what happened. That this exercise, and ancillary things that were being done by other people and in other fora, continued and fed on each other. SAPRI was not an end in itself even though we thought we could put a dent into adjustment lending, but it was seen mainly as a contributor, both in these countries overseas and in the broader fight against neoliberal policies. But it was, Richard, if you're asking about sustenance and how sustainable it was in an emotional sense, it felt empowering to everybody.

RS – I think all of those things, all of those elements were needed to continue the work that you were doing.

DH – You know, it's like you're sitting across the table from a corporation and you're a labour union. The struggle isn't a one-time thing, it's an ongoing battle to bring about a more fair arrangement.

SH – And sometimes you're not even sitting across the table, you are campaigning, you're working with the media, you're going on strike. **DH** – So I just want to be clear that SAPRI was just one of many things that we and others were involved with. It was the use of one type of methodology, but we needed to use many different tactics, and we and our colleagues did that. But it, again, was important in its legitimacy. This was a forum that involved and was led in good part by Southern NGOs. But even more than that, it involved hundreds of Southern organisations. **SH** – In every country. **DH** – In every country. So nobody could claim that this was not a legitimate expression of local angst because of these policies. And nobody can say that elites were leading this or that it was totally an ideological

attack on the Bank. This had demonstrative proof that what we all had been saying, what we'd been bringing back from the field, what people who had come up and commented in the US media, was true. So, it was both instructive and a kind of backbone of the movement. And I think that's our role as an organization, not only as kind of a connective tissue among US groups, environmental, economic justice, and others, but also with the South, so that this was being defined as local level as possible to fight against neoliberalism. The problem was being defined, and also the solution, vis-a-vis the changes in economic direction and defined locally. I know the issue that you are discussing is the battle against neoliberalism and corporate globalisation, in the US, in the 1990s and the 1980s. But this battle, although we have neoliberalism in the North, is over the lives of others. And so the legitimacy of the battle has to be established by taking the needs, and drawing on the experiences and the direct involvement, of the people overseas. Movements are not necessarily legitimate unless they are defined by the people who are most acutely affected by the policies. And that's how we approached it.

RS – I think you've summarised that perfectly. And I think we've got what your fundamental principles were and why you were doing what you were doing. Shall we move on and talk about trade? **SH** – Sure. **RS** – Steve, where would you like to start? **SH** - What I can try to do is to put trade in the context of neoliberal policies and how it emerged in its relationship with the lending of the Bank and the Fund and other Northern lenders using adjustment conditionality. And then we can get into the work that was done, particularly in the Western Hemisphere. We were not, that is The Development GAP, was not involved, in any significant way, with the global trade issues, the WTO (the World Trade Organisation) in particular, but I can touch on that. So, first, conceptually, I think it's important to understand the relationship between trade and adjustment. The adjustment lending, that Doug went into in some detail, was pushed upon the South, the Southern countries, often using their debt as leverage, to reduce the cost of production for Northern companies. It affected labour market reforms, which had the effect of reducing returns to workers, it reduced environmental costs. **DH** – Small farmers were being undercut. **SH** – Yeah, support to small farmers was reduced. So, companies that were producing abroad, in the South, that, for the purpose of trading back to countries in the North, needed to have those trade barriers reduced, and that was a major reason for the WTO and for NAFTA and subsequent trade agreements that the United States initiated.

We got involved in the issue, first, on the Caribbean Basin Initiative, where the US tried to get inside the Caribbean and Central America, effectively forming a union, ostensibly for development purposes. There were geopolitical purposes in Central America, as well. But we got involved, and we went into some detail about that already. That morphed, that is, the Administration's policy, morphed into the Enterprise for the Americas Initiative, that was a short term initiative taken by the first Bush Administration, Bush Sr., which was conditioning debt forgiveness on countries in the hemisphere adopting certain adjustment policies that were pushed on them. But, quickly, this in turn morphed into a proposal by the Administration to create a North American Free Trade Agreement. Now, there had already been negotiated an agreement between the United States and Canada, and by creating a trade agreement that included Mexico, you can see that this would be a very uneven, unbalanced arrangement amongst three countries because Mexico, although the country is quite large, in negotiating with the United States it was working from a great disadvantage.

So, in January of 1991, there were hearings called by Representative Don Pease, a Democrat in the House of Representatives, that brought people from Mexico and Canada and the United States to testify. And then he, through his aide Bill Goold – and Bill had been responsible for virtually all of the progressive GATT legislation in the 1980s – asked us to host a meeting that evening at our offices of the people from Canada, Mexico, and the United States. And there we were introduced by our Mexican colleague, Carlos Heredia, to other members of the Mexican delegation, including Jorge Castaneda, who later became Foreign Secretary, and Adolfo Aguilar, who later became national security adviser. So we began working with them and other members of Mexican civil society who represented

environmental groups, labour unions and other sectors. And we began talking with them about putting together a forum in Mexico with representatives of a wide range of sectors to debate this issue.

Now, in the meantime, the groups in the United States began to organise to challenge the proposal by the administration for a North American Free Trade Agreement. This coalition, which grew to include dozens of environmental, church, labour and other groups, included, for example, a representative of the AFL-CIO. So, it was a coalition that was quite representative of different sectors in the United States and it had some leverage. Pharis Harvey of the International Labor Rights Forum, which was actually created by Bill Goold, for the first few months coordinated the coalition and then The Development GAP took over. So we were very involved in this, serving as the secretariat and coordinator. I was very involved in the first couple of years, that is to coordinate the challenge to NAFTA. Karen Hansen-Kuhn of our staff, who worked with me, took over and she has a very good perspective on what happened subsequently, as the US tried to extend NAFTA around the hemisphere. **DH** – And I believe we could put you in touch with her.

SH – The coalition was first called MOTLEY, standing for Mobilisation on Trade, Labor and the Environment – the name came out of the fact that the Wall Street Journal had called us a “motley group” – and eventually, MOTLEY became known as the Alliance for Responsible Trade, or ART, so I’ll be referring to it as ART. And we as a coalition from 1991 until NAFTA was actually passed by Congress after a battle in late 1993, developed a critique, analysis and alternatives that we shared with the media and with Congress. And we participated in doing this with our Mexican and Canadian coalition colleagues. It was a very good example of a transnational, in this case tri-national, coalition and cooperation where we were able to raise issues publicly throughout North America that the Clinton Administration would like to have kept as low profile as possible. As it was, the mainstream US media gave three to four times – someone investigated this – as much coverage to the pro-NAFTA perspective as to the challenge from civil society. But still, it achieved the purpose of raising the profile of the issue around the country, in Mexico, and in Canada. Our counterpart in Mexico was known as RMALC. In Canada, it was Action Canada Network, as well as Common Frontiers. So I’ll be alluding to those things from time to time.

There was another network or initiative, Citizens Trade Watch, led by Public Citizen, that worked mainly in the US Congress. We formed sort of an unholy alliance. Public Citizen, did, and still does, excellent analysis on trade. And they have been really invaluable in the challenge to neoliberal trade deals. The problem was they didn’t always represent the interests of Canadians and Mexicans. Their focus was narrower, and there were times when Mexican organisations challenged them, for example, about the rights of Mexican truckers to cross into the United States. I remember the issue of tuna and the rights of fishers off the coast of Mexico and the US. But we worked out an arrangement with Public Citizen where we were responsible, that is ART, for working with our Mexican and Canadian counterparts. And their focus was mainly on policymakers in the US. Although, of course, we shared our findings with, and worked with, people in the US Congress, as well.

I should discuss a little bit about NAFTA itself. You have to understand that NAFTA and subsequent trade deals were as much about investment as about trade. Because what we’re talking about are US corporations overseas, in Mexico in this case, but in many other countries around the world. They’re subsidiaries of US-based corporations. And trade, what do we mean by trade? Well, trade mainly within companies. So, corporations, having gained from the World Bank adjustment policies because the cost of production was lowered, were now able to send productive inputs from the United States, in this case to Mexico, and then to export back from Mexico to the United States the final product, all without paying tax. And there were chapters in the agreement that dealt with finance and so on. And there was one other major issue that shows you what NAFTA was really about. And that is the adjudication process. When there were any disagreements, challenges by corporations to government policies – for example, if a Canadian corporation felt that it was being adversely affected in California because of a California law, it went to an adjudication panel, and that panel was made up of trade

lawyers, and the panel deliberations were completely secret, and the local government could not represent its own interests, it had to be represented by the US Federal Government.

So you can see why there was so much resistance to NAFTA. There were a number of Democrats in the US Congress who were very ardent in their opposition, and they at times would take away streamlined trade negotiating authority – Fast Track they called it – for periods of time. Ultimately, the US finished its deliberations with Mexico and with Canada. And it looked like they were going to lack 20 votes in the US Congress. But those 20 votes in a very short time were bought by the Clinton administration by offering those Members of Congress what they wanted for their districts. It was the horse trading that normally goes on in Congress. So NAFTA passed. Within a year, the Mexican economy and the Mexican peso crashed. And I remember that very well, because there was a Summit of the Americas, the first one, which was held in Miami in December of 1994. And we went down there with many of our colleagues, went down representing civil society. And I remember talking to a US reporter and saying to her that this kind of economy that had been created in Mexico through adjustment and through "free" trade was not sustainable. And I'm not normally so prescient, but within 10 days, the economy and the peso collapsed. And that is significant, not my prescience, but the fact of the collapse, because that and the bad taste that this whole process had left in the US Congress made it subsequently very difficult for the US, for the Clinton Administration, to negotiate more trade agreements.

The purpose of the summit in Miami was to begin talking with countries, governments around the hemisphere, about extending NAFTA to the entire continent. In fact, Clinton talked about creating a free trade area from Anchorage to Tierra del Fuego. But in subsequent years, Congress continued to deny Fast Track negotiating authority to the Clinton administration. I don't know if you have any questions about that, but subsequent negotiations with Chile took years to finally bring to fruition. And when Clinton said in Miami in 1994, that by 2005 we'd have a free trade area for the Americas, well, by 2005, a lot had happened. First of all, the WTO became a major issue in the United States. And in 1999, in Seattle, the opposition around the country coalesced and prevented the launching of a new round of trade negotiations. In the meantime, the Bush Administration was voted in, and they became very aggressive on the trade front. But things were changing in the Americas. First, there was the fact that there were progressive governments coming to power in Argentina, in Brazil, Venezuela, Paraguay, and Uruguay. And I was down in Mar del Plata in 2005 for that negotiation, and the opposition of those five governments prevented the Free Trade Area of the Americas from being adopted.

But I do think that it was a lot more than simply the opposition of governments, because during the previous five years, the people in the groups that were working on NAFTA began their opposition to the Free Trade Area of the Americas. And we, at The Development GAP, had continued as the secretariat, and Karen had taken over coordinating the work. Now this work extended to civil society throughout the hemisphere. And there were national coalitions of civil society in Chile and in Brazil, as well as Mexico, Canada, and the United States. But there were also networks like CROC, which was the peasant and small farmer coalition throughout the hemisphere, and there was ORIT, which was the labour federation for the Americas. Somebody calculated that if you included everyone in what became known as the Hemispheric Social Alliance, there were more than 50 million members. So the Hemispheric Social Alliance was really quite an extraordinary network of groups that worked together for 10 years, challenging not only the proposal for a Free Trade Area of the Americas, but also subsequently, when the FTAA looked like it was going to fail, challenging the proposals by the US government for a free trade agreement with the Central American countries, known as CAFTA, and with the Andean countries, including Ecuador, Colombia, and Peru. It's what the United States did because it couldn't get anything through on a hemispheric level. And the HSA, the Hemispheric Social Alliance, did a very effective job in feeding analysis, critique, and alternatives – and there were a number of papers done on alternatives for trade in the hemisphere – to the governments and the legislatures of countries around the hemisphere. So, in that regard, I think civil

society played a key role in putting the brakes on a more holistic trade accord for the hemisphere. So that's just to give you a broad outline.

RS - I wonder if we can go back to NAFTA and talk a little bit about different components of your coalition and what the dynamics were there, and also wondered if you could say something about the side agreements and how you dealt with that issue?

SH - Right. The side agreements, as you are obviously aware, were an effort to sideline the issue of labor rights in NAFTA. Now, subsequent agreements, because of the opposition from Congress, have been somewhat tougher, but the ones then had no teeth. It became a major area of contention in Congress. It was probably the main reason why it almost failed to clear the US Congress. I'm trying to remember the day-to-day fights on those issues. It was clearly a major issue for the AFL, for the unions that were there. It wasn't as big an issue, or an issue at all, for the environmental groups that were participating. And environmental groups were split on the issue of NAFTA, and not all those that opposed adjustment opposed NAFTA. But some did. There were also a lot of church groups, there were local groups, there were think tanks. I don't remember, and Karen might remember, how many groups were actually represented. But the dynamics within ART were quite congenial. We did have problems with Public Citizen at times. It was over policy at times, but it was mainly over process.

DH – I imagine that relationships with groups in the South, much like with SAPRI, helped to enhance relationships within the coalition, because people were now working with those who were actually going to be affected in these countries. **SH** – Well, people stood to be profoundly affected in both the South and the North. And just as there were some great people working in Canada, the Mexicans were an outstanding group of folks. It brought reality to the table. And we did there what we did on the adjustment issue. There were negotiating sessions going on continually in Mexico, Canada and in the United States. And we would always be present. We, at The Development GAP, because we were Spanish speaking, tended to represent the coalition at the meetings in Mexico. And we were able to get access, thanks to our Mexican partners, to the media. And we would create access for our Mexican partners to the media in the United States.

Now, to give you an example of how we worked together, I brought up this issue of a forum in Mexico, and maybe I should tell the story. Because it's a good example of how civil society can work effectively together and then how power operates. We, with our Mexican colleagues, moved forward with the idea of having a forum in Mexico with all sectors of Mexican society represented, as we did in the Caribbean, on the Caribbean Basin Initiative issue. And I remember... **DH** – The concept was to make it a fully public issue in Mexico, right? **SH** - Yes, because the Mexican government did not want this issue to be public. They were trying to push NAFTA through as quietly as possible, because it would, and it eventually did, undercut small Mexican producers, labour unions, environmental concerns, and so on. This was the Salinas government in the early 1990s. So, I remember working with Carlos Heredia, who was our closest colleague and who eventually worked for a couple of years with The Development GAP in Washington. And we, with the blessings of the US Congress, approached the Mexican Congress and invited members to a forum. And a few things happened. First, we had to get the permission, we were told by the US Congress, of the US Embassy in Mexico. So, I went to somebody I knew in the US embassy there who thought this was a great idea. He was not a high-level person, and he said, "Well, I've got to talk to my superior political officer." And when that political officer came, it turned out to be the guy who had been working closely with John Negroponete. Negroponete had become the US Ambassador to Mexico, having previously been the ambassador in Honduras, where he had helped run the Contra war in Nicaragua against the Sandinista government. And this guy had been working with Negroponete. He was not pleased with this initiative. So he said, "When the ambassador comes back into town, you'll need to talk to him." And I remember walking in to talk to Negroponete, who really was a type. He was a, what's the word, a fixer. He's the person that whenever the Republicans or the Democrat establishment needed something done, in one way or

another, he was the person that they talked to, and it wasn't a fair fight. Once I walked into his office, we both realised that he was holding all the cards, and I don't think I was even out of his anteroom before he was calling Washington. And he got the Congressman who we were working with, who was a Democrat. I don't know if he called him directly or if he worked with the Administration. But he got the Congressman to withdraw from this initiative. And then we got another Congressman to pick up from there until a couple of days later when he backed out. And then I remember being in touch with Marcy Kaptur from Ohio, who was a strong opponent of NAFTA, and in the end she bailed. So it was a good example of how power works in Washington. I don't know what was going on behind the scenes.

But in the end, because we had the support of the Ford Foundation for this forum, we went forward with a civil society event. I remember trying to get the famous anthropology museum in Mexico City as the site. Carlos and I got their permission to use their auditorium. And then the Mexican government pulled out some archaic stipulation in the bylaws of the museum to prevent us from doing that. Ultimately, we moved to a university in Zacatecas, which a few days later said, "Oh, we have to do repairs." And they wound up taking out every other row of seats from the auditorium. This is the kind of opposition that civil society was encountering all the time in trying to stop these trade agreements. In the end, we actually had a very good civil society forum, which got a lot of coverage in the media. So anyway, that's the story, an example of the work that was done on NAFTA.

RS - Thanks to both of you for sharing your reflections on this important, and historically significant, work.