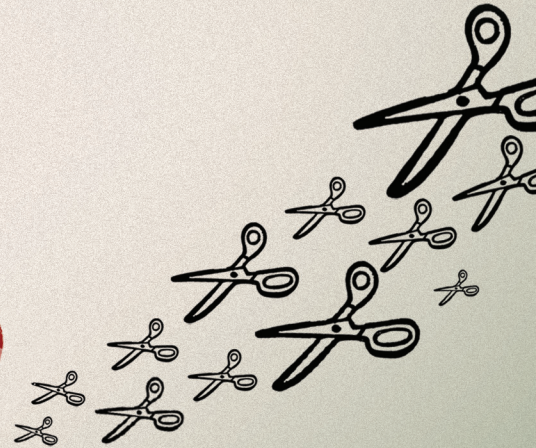


Disrupting the Austere World

A Primer on Austerity, Neocolonialism, and
Resistance



**Disrupting the austere world:
A primer on austerity, neocolonialism, and resistance**

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End Austerity is a global campaign by civil society organisations, trade unions, activists, and researchers calling to end austerity measures imposed by international financial institutions towards realising rights, development and social justice. Visit our website endausterity.org to learn more.

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Introduction

Billions of people struggle to make ends meet with stagnant wages and record-high inflation as governments spend more on debt and military build-up than on health, social services, and climate responses. Decades of policy advice by the International Monetary Fund (IMF), along with other neoliberal policies, has created this austere world. According to the landmark End Austerity Report released in 2022, around 6 billion people or 75% of the world population are projected to live under austerity in 2025. While UN Trade and Development's (UNCTAD) figures show that 3.3 billion people live in countries that spend more on interest payments than on health or education. But contrary to neoliberal rhetoric, there are alternatives to austerity.

This primer aims to provide an introduction to austerity that could be used by social movements and civil society organisations for campaigning. It discusses a brief history of austerity, relates it to current issues of climate crisis and war, and proposes alternatives that would advance social and climate justice and decolonial and feminist transformation.

The End Austerity Campaign was formed in 2022 by civil society organisations to challenge the norm of austerity. This was preceded by a statement released in 2020 signed by over 500 organisations and academics from 87 countries that articulated opposition to austerity for destroying social protection systems and making states incapable of responding to people's needs amid the pandemic. This primer hopes to contribute to the reinvigoration of the campaign in 2025 and beyond.

1. What is austerity?

Austerity is the definitive fiscal policy prescribed by the IMF to supposedly resolve governments' debt and budget problems by restricting public spending, conceding public infrastructure and services to privatisation, and wringing consumption taxes from wage-earners. Austerity is a fiscal policy that puts private capital first, at the public's expense. It is especially harsh on working-class people who depend on their wages for daily living, more so on women who make up the majority of employment in the public sector, earn less than their male counterparts, and tend to rely more on public services. Women's unpaid and underpaid labour make up for governments' underfunding and the gaps in social infrastructure. Substantial research has also shown that privatisation and public-private partnerships (PPPs) commodify and make social services more inaccessible, tend to be costlier than publicly-funded infrastructure, and drain public resources to the benefit of corporations.

Despite its harms on economies, and peoples' rights and wellbeing, austerity continues to be the norm. Besides short periods of increased government spending during and following crises, such as the 2008 financial crisis and the 2020 Covid-19 pandemic, austerity has been implemented across countries regardless of contexts. The 2022 End Austerity Report which analysed public spending in 189 countries identified eleven types of austerity policies: **(1)** targeting and rationalizing social protection; **(2)** cutting or capping the public sector wage bill; **(3)** eliminating subsidies; **(4)** privatizing public services/reform of State-Owned Enterprises (SOEs); **(5)** pension reforms; **(6)** labor

flexibilization reforms; **(7)** reducing social security contributions; and **(8)** cutting health expenditures;” including regressive measures to raise revenues: “**(9)** increasing consumption taxes, such as sales and value-added taxes (VAT); **(10)** strengthening public-private partnerships (PPPs); and **(11)** increasing fees/tariffs for public services.”¹

The majority of the global South is debt-bound, spending more than 20% of their budgets on foreign debt servicing while neglecting health and social services. The IMF uses technocrat jargon to gloss over austerity, recommending “fiscal adjustment” especially to low-income developing countries, as well as “fiscal and structural reforms.” They recognise that these have been met with public resistance for being proven to exacerbate social inequalities. A 2025 report by the International Trade Union Confederation (ITUC) on austerity measures stated that, “these policies squeeze the working class in the name of fiscal sustainability by hampering the coverage, quality, and levels of benefit.”²

1 Ortiz, I.; Cummins, M. (2022). End Austerity: A Global Report on Budget Cuts and Harmful Social Reforms in 2022-25. Initiative for Policy Dialogue; Global Social Justice; International Conference of Trade Unions; Public Services International; ActionAid International; Arab Watch Coalition; Bretton Woods Project; Eurodad; Financial Transparency Coalition; Latindadd; Third World Network; Wemos. https://www.eurodad.org/end_austerity_a_global_report

2 International Trade Union Confederation. (2025). Austerity vs protection: labour unions’ perspectives on the IMF’s social spending approach. <https://www.ituc-csi.org/imf-impact-on-social-policy>

Box 1. **What are austerity policies?**

- Targeting and rationalizing social protection
- Cutting or capping the public sector wage bill
- Eliminating subsidies
- Privatizing public services/reform of State-Owned Enterprises (SOEs)
- Pension reforms
- Labor flexibilization reforms
- Reducing social security contributions
- Cutting health expenditures
- Increasing consumption taxes, such as sales and value-added taxes (VAT)
- Strengthening public-private partnerships (PPPs)
- Increasing fees/tariffs for public services

Reference: Ortiz, I.; Cummins, M. (2022). End Austerity: A Global Report on Budget Cuts and Harmful Social Reforms in 2022-25. Initiative for Policy Dialogue; Global Social Justice; International Conference of Trade Unions; Public Services International; ActionAid International; Arab Watch Coalition; Bretton Woods Project; Eurodad; Financial Transparency Coalition; Latindadd; Third World Network; Wemos.

2. How did austerity become the norm?

It is important to understand the roots of a problem to determine how to address it. This section briefly discusses the history of austerity.

Austerity has not always been the norm. Its normalisation and spread around the world was part of the neoliberal turn that began in the late 1970s in the context of global economic crisis characterised by stagnant growth, high inflation, mass unemployment, and the attempts to weaken labour and social movements. There are academics who theorised that the adoption of the neoliberal paradigm was a means to resolve the “crisis of profitability”³ and “restore class power.”⁴ It is also a way to repair US hegemony after its defeat from the Vietnam War and realign the global South with US interests. The IMF and the World Bank Group played major roles in establishing neoliberal regimes, providing loans attached with conditionalities to global South countries that opened up and fundamentally changed their economies to accommodate foreign capital. These loans were commonly known as structural adjustment programmes.

Neoliberal policies were first experimented in Chile under the dictatorship of Augusto Pinochet, and then adopted by Ronald Reagan in the US, and former United Kingdom (UK) Prime Minister Margaret Thatcher in the 1980s. The US funded and engineered a military coup in Chile on September 11, 1973, to oust the socialist regime of Salvador Allende and install Pinochet. Economists schooled at the University of Chicago's Department of Economics, including by political economist Milton Friedman, worked with Pinochet and prescribed the “shock treatment” of trade liberalisation, deregulation, privatisation, and austerity to purportedly promote growth. The IMF provided support to the dictatorship as early as January 1974. The early experience

3 Barder, A. D. (2013). American Hegemony Comes Home: The Chilean Laboratory and the Neoliberalization of the United States. *Alternatives: Global, Local, Political*, 38(2), 103–121. <http://www.jstor.org/stable/23412532>

4 Harvey, D. (2005). *A Brief History of Neoliberalism*. Oxford University Press.

in Chile shows that austerity is applied in a violent and anti-democratic way, destabilising countries and undermining the sovereignty of the global South through military coups. A couple of years following the coup, the lessons from Chile were brought back to the global North, and applied in New York City.

The use of austerity as the fiscal fix to debt or economic crises as we know it today was modeled after the response to the New York fiscal crisis in the mid-1970s. At the time, capital movement and the deindustrialisation of New York caused economic decline and mass unemployment, which, in turn, resulted in dwindling revenues that did not keep pace with the city's growing expenses. As federal and state governments refused to lend more, the city resorted to borrowing from private lenders who profited from trading activity and high, tax-free interest. But following inflation triggered by the global oil crisis that made returns on municipal bonds volatile and uncertain, private lenders sold and saturated the city's bond market.

By 1975, the city had overextended debt and almost defaulted on its loans. Institutions such as the Municipal Assistance Corporation and then Emergency Financial Control Board were set up to manage the city's debt, and restructure its finances. These institutions did so by paying bondholders, raising the interest rates of banks' loans to the city, and imposing austerity measures of wage freezes as well as massive cutbacks on public employment and services, including transportation, health, and education. Fares were raised, and tuition fees were introduced to the previously free City University of New York. Moreover, municipal unions were forced to invest their pension funds in city bonds. The

risk of losing their pension subdued the power of unions to oppose austerity and its harsh consequences. Meanwhile, corporations enjoyed reduced taxes, subsidies, and other incentives. The resolution to the New York fiscal crisis exemplified how debt crises could be used to implement neoliberal restructuring.

Austerity along with liberalisation, deregulation, and privatisation became part of loan conditionalities to Latin American countries that sought help from the IMF during the regional debt crisis in the 1980s. These conditionalities were known as structural adjustment policies. Similar to what happened to the New York fiscal crisis, the debt crisis was catalysed by US commercial banks and other creditors that recycled petrodollars or earnings of oil-exporting countries into loans to developing countries. Latin American debt surged from USD 29 billion in 1970 to USD 327 billion in 1982. To pay their debts, most countries in the region took on IMF programmes with conditionalities that prescribed currency devaluation, austerity, wage freezes, deregulation and liberalisation of markets and investments to facilitate foreign capital. In Mexico, the government sold and closed 37% of state enterprises between 1982-1990, resulting in revenue losses and 400,000 job cuts, and impacts that are still felt in people's lives today.

IMF programs during the period resulted in the decline of real wages and the labour shares of national income, and contributed to the elite concentration of wealth. Massive capital flight and states' absorption of private external debt were the main sources of wealth accumulation by the local elites during the crisis. While states struggled with debt, domestic capital owners gained

interest earnings from capital flight. Moreover, at the time, foreign banks who wanted to ensure repayments and local elites who wanted to protect their interests forced states to absorb private external debt. Private external loans were then converted in local currencies that were payable to governments. States even subsidised these private loans as these were exchanged at lower rates. Moreover, the capital flight in the 1980s created the offshore economy of hiding trillions of wealth in secretive bank accounts in tax havens.

In countries without IMF loan programmes, the policy recommendation of financial and trade deregulation, removing of capital controls, and removing of monetary controls were applied as a result of currency speculators betting against currencies, and credit rating agencies seeing the neoliberal policy proposal as the only 'legitimate' one. Neoliberalism killed the previous Keynesian economic consensus of managing aggregate demand via state policies, and correcting market failures of underprovision of public goods and infrastructure.

The debt crises in New York and Latin America show that austerity is not a neutral fiscal policy, but a political choice that favours capitalists at the expense of the majority. These early examples showed that austerity policies, which include labour flexibilisation, wage freezes, and cutbacks on public employment and services, have increased unemployment and underemployment, and weakened unions, collective bargaining, and organising. Austerity has been used to discipline labour and make workers disposable. Employed workers are discouraged from organising as they are threatened by the increasing pool of unemployed workers who

could replace them. Consequently, the labour share in national incomes have consistently fallen since the neoliberal turn in the 1970s, while largely Northern-based corporations and billionaires have captured the world's wealth.

IMF interventions in Latin America during the 1980s debt crisis showed that loans and neoliberal conditionalities constrain the fiscal and policy space of global South countries, while aligning economies with foreign capital and local elite interests. These have also perpetuated neocolonial dynamics that foster economic dependence on debt, foreign investments on extractive industries, and commodity exports, and overall, undermine sovereignty and the right to development. For instance, the Pinochet dictatorship in Chile subsidised and promoted the expansion of foreign capital investment in monoculture plantations that dispossessed Mapuche Indigenous Peoples of their ancestral lands. Overall, austerity is a fiscal tool that helps capitalists profit off intensifying labour exploitation, and to extract wealth from the global South.

3. Neocolonialism, climate crisis, and war

This section tackles how IMF-imposed austerity relates to pertinent issues in the global South – neocolonial dynamics, climate crisis, and war.

As structural adjustment made them reliant on external finance, Southern states continue to borrow from the IMF in times of crisis. At such a time, most private banks refuse them business over fear of not getting their money back. The IMF has become known as the “lender of last resort” for offering loans in hard up times at low rates. But IMF lending comes at the price of sovereignty. States that borrow from the IMF have to apply austerity, and follow the IMF’s so-called advice on how they should run their economies. The IMF usually prescribes further liberalisation and deregulation of trade, investment, and markets to open up economies in the global South to transnational capital. Relatedly, it also advises low-income countries to court foreign investments, usually in fossil fuel and resource extraction, to generate revenues and pay debt. States are compelled to comply with IMF conditionalities and standards not only to receive loan disbursements, but also to signal economic stability to investors and creditors, and be able to access capital markets.

From a social standpoint, IMF interventions do not resolve, but rather aggravate, crises. Austerity compromises social welfare in already fragile contexts. Fossil fuel projects and other investments in resource extraction often violently displace peasant and Indigenous Peoples’ communities, and undermine their right to land. Overall, the IMF perpetuates global South economies’ dependence on debt and foreign investments, reproducing neocolonial dynamics that allow the appropriation of their financial and natural resources by the global North. Since 2020, low- and middle-income countries have spent more on debt repayments than they have received in new loans and aid. Organisation for Economic Co-operation and Development (OECD) donor countries are projected to cut aid by 23% by 2027.

Another aspect of resource drain are illicit financial flows. Illicit financial flows have proliferated as a result of unrestricted capital movements. There are different ways of measuring IFFs, but a simple trade disparity analysis between import prices and export prices of commodities shows that Africa loses USD 89 billion every year in extracted capital due to lack of recording the real value of commodities exported.

Since the 1960s, academics have estimated that the global North extracted USD 152 trillion worth of resources from the global South through unequal exchange, or when Northern corporations and states paid cheaply for the labour and resources in the global South compared to costs in the global North.

Greenwashing austerity

The IMF is even greenwashing austerity through its Resilience and Sustainability Trust (RST) amid the climate crisis. The RST is a lending instrument established in 2022 that rechannelled unused Special Drawing Rights to provide financing to low- and middle-income countries in making payments for foreign trade and debt, and contribute to countries' climate response and pandemic preparedness. To date, the RST has provided loans to 23 countries.

RST loan conditionalities known as Reform Measures (RMs) promote private investment in climate and health, emphasising that "climate and pandemic preparedness objectives are not attainable without the mobilisation of significant private finance."⁵ Such claims contradict actual private finance commitments to climate adaptation.

5 IMF. (2025). Resilience and Sustainability Facility—Updated Operational Guidance Note. <https://www.imf.org/en/Publications/Policy-Papers/Issues/2025/03/18/Resilience-and-Sustainability-Facility-Updated-Operational-Guidance-Note-565348>

RST conditionalities aim to incentivise so-called “green investments”,⁶ referring to investments in renewable energy, green hydrogen, and electric vehicles, by “establishing strong Public-Private Partnership frameworks or introducing frameworks for green-bond issuance and trading”, and implementing reforms that “can reduce impediments to investment.” RST loans have no social clauses to facilitate investment for health, education, care services or to meet sustainable development goals and human rights obligations.

Consistent with the IMF’s climate policy, RST reforms also include reducing energy subsidies, and market-based policies such as carbon pricing. These are implemented often without compensating for losses of income or resulting energy inflation, and disproportionately impact low-income families. The burden of carbon pricing is pinned on consumers, rather than on corporations, as the IMF has been reluctant to advise on windfall profits, or higher corporate income taxes for fossil fuel companies.

The IMF contradicts its policies on reducing carbon emissions as it continues to promote the expansion of fossil fuel production. A study by the Bretton Woods Project and ActionAid showed that the IMF “endorsed, or directly supported the expansion of fossil fuel infrastructure” in 105 member countries.⁷ It also showed that the Fund advised the privatisation of state-owned energy or electricity utilities in 69 countries, along with other austerity measures. Even countries with RST programs such as Senegal and Argentina are encouraged by the IMF to invest in fossil fuels to generate revenues for debt repayment.

⁶ Ibid.

⁷ Sward, J.; Amerasinghe, N.; Bunker, A.; Walker, J. (2021). IMF Surveillance and Climate Change Transition Risks: Reforming IMF policy advice to support a just energy transition. Bretton Woods Project; Action Aid USA.

In Morocco, RST reforms, such as the unbundling, or separating the different functions, of its publicly-owned electricity and water company, are linked with the European Union's investment interests in green hydrogen. In line with the European Green Deal, the European Commission came up with a hydrogen strategy that sought to fulfil the EU's hydrogen demand by investing in infrastructure for hydrogen production in North Africa. RST reforms facilitate European energy investments in the country, such as solar and wind projects by British company Xlinks, and a hydrogen project by French company Total Erens. In 2021, 98% of around 159,602 hectares of public land in the country were allocated for green energy investments. It is also noteworthy that Morocco has normalised its relations with the genocidal Israeli occupation through collaboration on green energy projects.

The IMF's bias for big private capital and its for-profit orientation—pointedly expressed in a policy note stating that attracting “green investments” would entail implementing policies that “ensure a reliable revenue stream to investors”—is antithetical to the imperative to transition away from fossil fuels and extractive systems, and to strengthening public finance to be able to do so.⁸ Overall, the IMF's climate policies incentivise false solutions to the ecological crisis, and reinforce green colonialism.

Military spending

If the majority of the world is under austerity, then where do public resources go? What are governments spending on? Besides debt servicing, governments across the world are spending more on

⁸ Jaumotte, F.; Kim, J.; Pienknagura, S.; Schwerhoff, G. (2024). Policies to Foster Green FDI: Best Practices for Emerging Market and Developing Economies. IMF.

their military. In 2024, over 100 governments increased military spending, with world military spending reaching USD 2.718 trillion. This is equivalent to 2.5 per cent of global GDP, greater than low-income countries spending on health and social protection in 2023. Countries affected by armed conflict spent 4.4 per cent of their GDP on the military. The US remains the highest spender (USD 997 billion in military spending) followed by China (USD 314 billion), Russia (USD 149 billion), Germany (USD 88.5 billion), and India (USD 86.1 billion). This trend contributes to the genocide in Gaza and the expansion of the conflict in the West Asia and North Africa region, to the war in Ukraine, conflicts in Africa, and militarism in the Asia Pacific.

Global powers' interests and competition among them are driving military spending across regions. The US is a key financier of major conflicts today, and is even pledging to spend USD 1 trillion in 2026. Between October 2023-October 2024, the US provided USD 17.9 billion in military aid to the Israeli occupation committing genocide in Gaza. Since January 2025, under the second term of Trump, the US has made USD 12 billion in arms sales to Israel. The US has also provided USD 69 billion in military aid to Ukraine since Russia's invasion in 2022, making it the largest single donor to the country.

The North Atlantic Treaty Organization (NATO) members' military spending in 2024 is equivalent to 55 per cent of world military expenditure. All NATO members increased military spending in 2024 amid Russia's threat and concerns about US withdrawal of support from the alliance. In early June, the US called on NATO countries to increase military spending to 5 per cent of GDP. In

the Asia Pacific, China, along with other big spenders, Japan, India, and Taiwan are investing in military build-ups. The US continues to challenge China's domination in the region, while the latter continues its aggression against neighboring countries over territorial disputes.

The global trend of increasing military spending contrasts with states' negligence of adequate and quality social services. Latest available data from 2022 showed that 141 countries spent less than 5 per cent of their GDP on healthcare, failing to meet even the UN's benchmark to achieve universal health coverage. Governments in low-income countries (LIC) only spent 1.2 per cent of their GDP on healthcare, passing cost burdens to household incomes. On average, 42.6 per cent of healthcare spending in LICs come from household incomes. Health expenditure is compromised as government revenues suffer from regressive tax measures. LIC countries have low tax to GDP ratio due to poor tax policy design that rely on consumption taxes, instead of improving progressive tax collection.

To summarise, IMF-imposed austerity is a policy tool that primes global South countries for the entry of transnational capital. It constrains states' policy and fiscal spaces, and hampers their capacities to invest in climate adaptation and sustainable development. Austerity feeds into the neocolonial, extractive, and carbon-based economic system that has caused the climate crisis. The norm of austerity happening alongside rising military spending foregrounds governments' erroneous priorities today.

4. Fighting austerity

This primer discussed a brief history of austerity to unpack its logic and role in maintaining a neocolonial, extractive, and carbon-based economic system. The preceding sections established that austerity weakens labour rights; contributes to class and gender inequalities; disciplines economies in the global South to facilitate transnational capital interests; and aligns with private capital interests. While austerity is imposed on the majority, governments spend resources on debt repayments, subsidising private investments in infrastructure and extraction, on wars and military build-up. The norm of austerity is unjust, and hinders climate adaptation and sustainable development. Extensive evidence-based literature has already debunked the necessity of austerity and established that there are financing alternatives (see Box 2).

Box 2. **Financing alternatives and policy recommendations**

The 2022 End Austerity report provided nine financing alternatives to austerity that would address social needs:

Increasing progressive tax revenues

- Restructuring and eliminating debt
- Eradicating illicit financial flows
- Increasing social security contributions and coverage, including adequate employers' contributions and formalising workers in the informal economy with decent contracts
- Using fiscal and foreign exchange reserves; reallocating public expenditure

- Adopting a more accommodating macroeconomic framework
- Lobbying for official development assistance and transfers
- New Special Drawing Rights allocations

The ITUC's report on austerity (2025) demands the IMF to:

- Abandon its promotion of austerity measures
- Promote fiscal policies that prioritise social protection and increase fiscal space through revenue-based policies such as progressive taxation
- Systematic, consistent and quality consultations with trade unions
- Convene policy discussion between trade unions, governments, employers and other stakeholders on social spending
- Analyse and communicate on the distributional impacts of its programmes, including social spending advice.
- Align its approach with international labour standards, including ILO Convention 102 and Recommendation 202, ensuring that social protection and fair wages are not undermined by fiscal policies.

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Ortiz, I.; Cummins, M. (2022). End Austerity: A Global Report on Budget Cuts and Harmful Social Reforms in 2022-25. Initiative for Policy Dialogue; Global Social Justice; International Conference of Trade Unions; Public Services International; ActionAid International; Arab Watch Coalition; Bretton Woods Project; Eurodad; Financial Transparency Coalition; Latindadd; Third World Network; Wemos.

International Trade Union Confederation. (2025). Austerity vs protection: labour unions' perspectives on the IMF's social spending approach. <https://www.ituc-csi.org/imf-impact-on-social-policy>

There are several examples of states implementing financing alternatives to austerity. During the Covid-19 pandemic, Argentina legislated one-off wealth tax on the richest 12,000 households that aimed to raise USD 3.5 billion. This progressive 2-5% wealth tax funded the COVID-19 grants to households in Argentina. Nepal taxed companies like telecommunications service provider NCell and a local Coca-Cola bottling company with capital gains taxes that the companies tried to dodge. Honduras is planning a Tax Justice Law that aims to boost revenues through progressive taxation such as removing tax exemptions at export processing zones. It also aims build more higher value added industries through an industrial policy framework.

Social movements have successfully campaigned against austerity policies. The 2022 End Austerity report cites that: “following demonstrations and protests, governments reinstated subsidies (Bolivia in 2010, Ecuador in 2019 and 2022, Nigeria in 2012), reversed tax increases on basic goods (Burkina Faso, Cameroon and Ivory Coast in 2008), restored social grants (South Africa, 2022), reversed water fee increases (Ireland in 2016) and higher student fees (South Africa in 2016).” In recent years, social movements have successfully overturned austerity and other neoliberal policies and highlighted the culpability of the IMF for harms such as: in Kenya against tax hikes imposed by a 2021 USD 3.9 billion IMF loan; in Bangladesh against an unfair job-quota system and economic crisis caused by the depreciation of the local currency, inflation, and reduced public spending as prescribed by a 2023 USD 4.7 billion IMF loan; and in Pakistan against electricity price hikes prescribed by a 2024 USD 7 billion IMF loan.

How do we fight austerity?

Social movements and civil society organisations could contribute to the campaign to end austerity through education, organising, building solidarity, and mobilisation:

- **Education** - Campaigning against austerity policies entails educating the public about their impacts, understanding the role of austerity in the current system, and its relation to pertinent issues such as the climate crisis and wars. Education is crucial to challenge the misconception that economic policies should only be left to technocrats; to contribute to peoples' capacities to assert their rights; and to develop linkages between social movements in countries resisting similar policies and systems. Researchers and CSOs have important roles in proposing alternative policies. They should work together with social movements to ensure that their proposals are grounded on people's realities and support their demands.
- **Organising** - People from different sectors such as workers, peasants, women and gender-diverse peoples, urban poor, Indigenous Peoples, among others, could be organised around their demands on wages, access to social services, and the right to land. Access to adequate and quality public services is crucial to redistribute care work that are traditionally borne by women and girls. As elaborated in earlier sections, the fight against austerity is related to peasant and Indigenous Peoples' struggles for land against resource extraction and mega-infrastructure, and Southern peoples' assertions for national sovereignty and the right to development. As Northern countries renege on their development and climate

commitments, invest their resources to profit from genocidal wars and the climate crisis, while states across the world impose austerity on the people, the fight against austerity is also part of peoples' struggles against wars and for climate justice.

- **Building solidarity** - Expanding and strengthening the campaign against austerity would entail building solidarity with broader struggles for rights, sovereignty, just peace, climate justice, and social transformation, and among social movements across the world who struggle against similar austerity and neoliberal policies.
- **Mobilising** - Social movements and CSOs could employ different kinds of mobilisation such as: petitions; organising forums and events; lobbying; advocacy at national and international policy spaces; and protest actions.

Box 3. **Lessons from the victorious farmers' struggle against neoliberal farm laws in India**

Between 2020-2021, farmers in India organised mass protests to pressure the government to overturn three neoliberal farm laws that were passed amid the COVID-19 pandemic. The farm laws provided a framework for contract farming with big corporations and deregulated agricultural markets. Farmers opposed the farm laws as it threatened to reverse the benefits of the public procurement and distribution system of farmers' produce, and facilitate the corporate capture of agriculture.

Protests began in the summer of 2020 even before the laws were formally passed and developed further in the next year, until the reversal of the laws in November 2021. Farmers cooperated with workers in organising sustained protests, including the world's largest general strike involving 250 million workers on November 26, 2020. They seized the moment of state elections, condemning the ruling political party's backing of the neoliberal laws, to pressure authorities to meet their demands. Farmers and labour unions organised education campaigns to raise awareness and popularise the issue and their demands; practiced mutual aid during protests and strikes; sustained mass mobilisations that challenged state power; and built global solidarity and garnered support from social movements facing similar struggles across the world. The tactics employed by farmers could be replicated in campaigning against austerity policies and similar anti-neoliberal struggles.

Reference: Narula, S. (2022). Confronting State Violence: Lessons from India's Farmer Protests. *Columbia Human Rights Law Review*. <https://digitalcommons.pace.edu/lawfaculty/1226/>.

Ending austerity is part of advancing structural transformation at the national level. Implementing sustainable industrial policy and broader industrialisation strategies in the global South today entail rebuilding domestic economies and encouraging regulation. This could include capital controls, progressive taxation, active labour market policies such as on living wages, and public ownership of social services – along the way requiring the reversal of austerity.

A people's industrial policy today also requires the democratic ownership of the means of economic production. Undoing dependence on IMF loans, the austerity imperative, and resource plunder requires developing strategic industries and breaking up corporate and elite monopolies on land towards agrarian transformation. Creating material conditions for economic self-reliance breaks from the dependence on external finance and neoliberalism.

At the global level, fighting austerity also entails shifting away from the current international financial architecture of outflows. This requires civil society organisations engaging policy advocacy processes to reject private finance-first approaches, support the role of public finance and greater global South fiscal and policy space in financing their own development.

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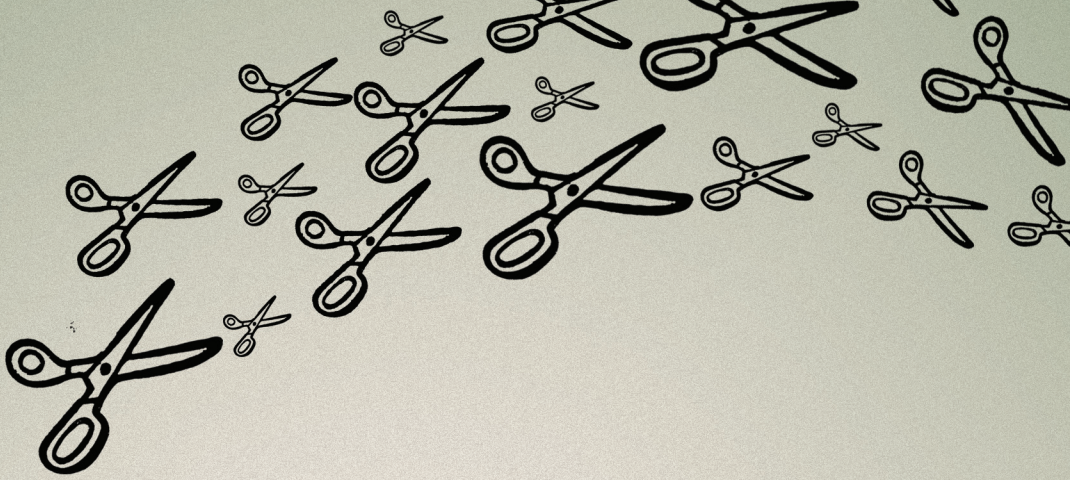


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