

F: Your film "Encirclement" tells the story of neoliberalism. The term was coined in 1938 at the Walter Lippmann Colloquium in Paris and Friedrich August von Hayek was amongst the attendants, who in 1947 founded the Mont Pèlerin Society - the first neoliberal think-tank. There are several others today. Which ones do you reckon to be the most important?

The most influential descendants of the Mont-Pèlerin Society are located in the United-States and in Great-Britain, but there are several others all over the planet. They are mainly divided into two categories: libertarians and conservatives. In the libertarian field, the Cato Institute enjoys a great deal of influence in the US and abroad. It publishes every two years, or so, the "Cato Handbook on Policy" which is distributed amongst the parliamentarians. According to the Cato Institute, this handbook "...sets the standard in Washington for real cuts in federal spending, taxes, and power. It offers an issue-by-issue detailed blueprint for reducing the federal government..."

The conservative branch of think tanks has had even more influence on policy making in the past decades, starting with the Reagan and Thatcher administrations. In the US, the Heritage Foundation, the American Enterprise Institute, the Hudson Institute and the dreaded Project for the New American Century, are closely tied to the Republican Party. In the UK, the Institute of Economic Affairs, the Centre for Policy Studies and the Adam Smith Institute were key figures of the Thatcher and Blair eras.

There are also other very important players in the US: the Atlas Economic Research Foundation, which purpose is to foster the development of right-wing think tanks around the globe. The Hoover Institution, which is not a descendant of the MPS (it was founded in 1919), but is one of the most important and active conservative think tanks (it even hosts all the archives of Friedrich von Hayek and the MPS).

As François Denord points out in the film, think tanks become influential when they have ties with big corporations (and their CEOs), medias, political parties and university faculties. Those are all characteristics of the think tanks I mentioned above.

F: There's nothing new or liberal in neoliberalism, claims Noam Chomsky in the film. And that Adam Smith's "Wealth of Nations" can be read as critical of neoliberalism. Have you ever tried to do this? And what were the results?

In reality, I was stunned when I heard Chomsky say that during the interview. And so, as soon as I got back home, I went back to the source and read the chapter where Adam Smith explains his theory of the "invisible hand". I must admit I had never read the whole *Wealth of Nations*. I had just read a few excerpts.

Actually Chomsky says that the context from which the "invisible hand" metaphor comes from is most of the time ignored. He goes on saying it can be viewed as critical of neo-liberalism.

The quote appears in a chapter entitled "*Of Restraints upon the Importation from Foreign Countries of such Goods as can be produced at Home*". The sentence very explicitly states: "*By preferring the support of domestic to that of foreign industry, [every individual] intends only his own security; and by directing that industry in such a manner as its produce may be of the greatest value, he intends only his own gain, and he is in this, as in many other cases, led by an invisible hand to promote an end which was no part of his intention.*"

So, Smith partly says that, for security reasons, everyone is unintentionally inclined to support domestic rather than foreign industry. Under that aspect Chomsky is right in asserting that Smith meant that "by an invisible hand England will be saved from the ravages of what we call neo-liberalism". But it is also true that Smith explains in this chapter that restraints on the importation of goods create local monopolies which are in many cases disadvantageous to most of the society and advocates for free trade considering that imported goods may be cheaper in the context of what David Ricardo will later call his theory of "comparative advantage". That's why Chomsky also says in the film "his intuition was right, the argument was wrong". In fact, Chomsky thinks that a totally free market is a destructive force.

F: A crucial form of trickery is the alleged depoliticization of language. "Would you welcome an inflation?" is the wrong question, maintains for instance the economist Bernard Maris. correct would be: "Do want the rich to lose their wealth and enable ordinary people to pay off their debts?" Thus, should one vote for an inflation?

Actually, I think we, as citizens, should have at least something to say about the central banks' policy, whether it is the ECB, the US Federal Reserve or the Bank of Canada. Their "autonomy" is absolutely unacceptable. Only accountable elected parliamentarians should be able to take decisions regarding monetary policy. To simplify things, people should be able to vote for inflation or for its macroeconomic opposite unemployment, for a strong national currency that is profitable to importers or for a weak one profitable to

exporters, etc.

What Uncle Bernard is saying is absolutely true. Maintaining a low rate of inflation has put a lot of pressure on the labor force by creating more unemployment and has thus considerably reduced the power of unions, just because workers felt the threat of losing their job. It is also true to say that a controlled inflation profits mostly to those who have capital and savings, because their money is less depreciated over the years. On the opposite, people who borrow money (e.g. mortgages) take advantage of inflation, because the value of their debt is reduced over the years.

So basically it's a choice between investment and consumption, between orienting the economy towards supply or demand. And citizens should be able to make that choice with their votes.

F: Regarding the relationship between neoliberalism and democracy the economist Michael Chossudovsky claims that the constitution of Bosnia-Herzegovina has been written by members of the US-military. That might have also been the case in Afghanistan and Irak, don't you think?

Yes indeed. I had a lot of material with professor Chossudovsky who exposed the geopolitical goals of the US (and of Western Europe). He wrote a lot about this and still does. But my film was already pretty long and I had to cut most of it, very unfortunately. But yes, basically, the goal is to establish "protectorates" all around the planet (former Yugoslavia, Iraq, Afghanistan, etc.) and the constitution and governments of these protectorates are of course imposed by the occupation forces. They are drafted by government and military officials, but also by consultants coming from prominent foreign policy / military think tanks like the RAND Corporation or the Council on Foreign Relations.

F: The film clarifies: there is no free market today and society in general wouldn't benefit from it either. What do you think of the counter model, the socialist planned economy?

Well, first I've never been in a communist country and the only country governed by a so-called socialist party I have been to is France. Really, I wouldn't call Lionel Jospin a socialist and there wasn't much of a planned economy in France. So it's hard for me to judge. But from what I have read, I can tell that unfortunately there was never something like a true socialist regime where everyone had an equal part to play in the society. There were always people "more equal than others". And I think an economy planned by a bureaucracy is not desirable. The plan must come from the people, the producers as well as the consumers. I define myself as a collectivist anarchist and I am very much interested in participatory economics, developed by Michael Albert and Robin Hahnel, which I have learned about from Normand Baillargeon (one of the participants in my film). I think collectivist anarchism has enjoyed success in small groups of people, like autonomist campesinos (peasants) in South America, but it has yet to be applied on a large scale.

F: Your film formally presents a challenge in so far as it presents 160 minutes of talking heads, with a little bit to read an piano music, a few minutes of archival footage. In Germany we have documentaries by for instance Alexander Kluge, that work similarly, but slightly more conventional. These films hardly find an audience. Has your message definitely no mass appeal at all?

I wouldn't say my film has no mass appeal at all. But it is true that I have made it without any compromise. I refused to conform it to the usual television conventions. I think there are plenty of films made according to the tv mold, why make another? I had the rare opportunity to get the funding to make a truly independent film and so I decided to make it my own way. I gave renowned intellectuals the chance to develop deep and complex reflections on a troubling phenomenon that is affecting us all, without interrupting them every 30 seconds for the sake of making my film "more dynamic" to satisfy tv advertisers. I didn't want to use cinematic "lubricant" like archival or illustrative footage because I wanted to put all the emphasis on the interviewees' speech. Nevertheless, I think people who are curious, who are politicized will want to see this film. And I am convinced that if it would play on tv, people would be captivated by it and would watch it from start to finish.