Ivory Coast conflict deepens as sanctions choke economy

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Fighting is intensifying in the Ivory Coast between supporters of President Laurent Gbagbo and Alassane Outtara, the two rival candidates who both claimed victory in last November's presidential election.

Forty thousand refugees reportedly have fled to neighbouring Liberia, and many have been taken in by residents of 26 villages near the border. The United Nations has set up a camp, but all but 200 of the refugees have shunned the official facilities, preferring to rely on the hospitality of local people.

There have been several days of heavy fighting in the Abobo district of the capital, Abidjan. The city is home to between 4-5 million people and is the fourth largest French-speaking city in the world. Abobo has historically supported Outtara, and it appears Gbagbo's forces have been attempting to take control of the district.

Fighting has also been reported from the west of the country, on what was the front line in the civil war that split the country from 2002. A truce was imposed in 2004. The New Forces who control the north of the country backed Outtara in the presidential election. The renewed clashes threaten a return to all-out civil war, which may draw in neighbouring countries such as Liberia.

In a sign that Washington may begin to consider intervening in the political crisis in the Ivory Coast, UN Secretary-general Ban Ki-moon met with President Barack Obama this week. US ambassador to the UN Susan Rice reported that the two men discussed the situation in Ivory Coast: "They expressed their concern about the violence there and the need to enable the legitimately elected president to be able to govern."

Ban said that UN personnel were fired on by forces loyal to Gbagbo. The UN alleges that the Gbagbo regime has imported attack helicopters from Belarus. A team of inspectors sent to search for the helicopters was attacked and briefly detained by Gbagbo supporters.

The import of helicopters is banned under the weapons embargo the UN imposed on Ivory Coast. Gbagbo denies that he has received any helicopters and Belarus denies sending them. Whether the allegation is true or not, it is being used as a pretext to escalate action against Gbagbo.

Gbagbo is in an increasingly beleaguered position, as the major imperialist powers seek to force him from power by strangling the country's economy. United Nations and European Union sanctions have brought the export of the country's main export crop, cocoa, to a standstill. Foreign banks have closed. Cash machines are said to be empty and nearly half a million metric tons of cocoa beans are rotting in warehouses.

The ostensible purpose of the ban on cocoa exports is to deprive Gbagbo of funds and force him to accept that Outtara won last year's presidential election. There is a standoff between the two factions. Gbagbo continues to occupy the presidential palace and has the support of the army, while Outtara has established his base at the Golf Hotel, where he is protected by UN forces. The UN, the EU, the African Union and the United States have all recognised Outtara as president.

Sanctions have done nothing to resolve the impasse. Their most pronounced effect has been to make huge profits for commodity speculators in New York and London at the expense of the Ivorien masses.

The world price of cocoa has shot up to a 32-year-high. Hedge funds are taking positions in the market on the assumption that Ivory Coast will descend into civil war and the price rise still further.

New York commodity analyst Gary Mead told Bloomberg, "I think the price could go higher."

His assumption is shared by other speculators, who see vast profits to be made from the economic meltdown in what was one of the most developed economies in West Africa. The UN and EU have extended the embargo on Ivory Coast cocoa until mid-March, ensuring that prices will keep rising.

The livelihoods of millions of people from the plantation to the dockside depend on cocoa exports. There are 700,000 small farmers who grow cocoa as a cash crop. Cocoa growers recently protested outside the EU offices in Abidjan. They carried banners saying, "Shame on the EU" and "No to Economic Slavery".

"We are growers and without cocoa, we and our families risk dying," said Blehoue Aka, president of the planters association.

Farm gate prices have collapsed because of the export ban. But growers have no choice except to sell their crop on to the middle men and the exporters at the lower price. State officials are currently tabulating the stocks of cocoa waiting at the dockside, and exporters fear that Gbagbo will impose the usual levels of taxation whether or not they have been able to sell their beans on the world market.

The banking system also faces collapse. BEAC, the regional bank (*Banque Centrale des Etats de l'Afrique de l'Ouest*, the Central Bank of the West African States) has frozen Ivory Coast's accounts. The result has been to halt the clearing system for banks in Ivory Coast, which uses a common currency with other former French colonies in the region—the CFA franc.

By mid-February the five main banks operating in Ivory Coast closed their doors. Gbagbo's response was to nationalise the banks, including British Standard Chartered, France's BNP-Paribas and Société Générale, and America's Citibank. It is considered unlikely that he will succeed in gaining control of the banks' funds, however, as the system is controlled electronically from abroad.

French business risk analyst Lydie Boka commented, "Money is drying out. We live in a globalised world, and Gbagbo is trapped."

Gbagbo's resort to nationalisation is not an attempt to expropriate financial institutions that have profited from the Ivory Coast for decades, but an attempt to maintain a semblance of order while Gbagbo tries to mend relations with his imperialist patrons. Ivory Coast's civil servants are due to be paid, and Gbagbo's ability to maintain their loyalty is critical to his regime's survival.

In the meantime, Gbagbo has tried to rally support in France, among his traditional allies around the Socialist Party (PS). He is backed by Roland Dumas, a former foreign minister named by President François Mitterrand (of the PS) to the Constitutional Council, and the lawyer Jacques Vergès.

They are warning French authorities against intervention. "We want to tell the French authorities, remember Vietnam. If you attack the Ivory Coast, as you want to do, it will become your tomb," Vergès said. He claimed that Gbagbo represents the "new Africa, one that does not bow its head… and that's what French leaders cannot tolerate."

By trying to mobilise portions of the old France-Afrique networks of French imperialism, Gbagbo is exposing any pretensions he might try to make of being a force for the liberation of the African masses. These sections of the French political elite are heavily implicated in some of the worst crimes against humanity in the recent period—notably the 1994 Rwandan genocide.

Supporters of Outtara, on the other hand, are trying to compare their opposition to Gbagbo in Ivory Coast to the revolutionary upheavals in Egypt, Tunisia and Libya. Guillaume Soro, the prime minister in Outtara's administration, tried to describe events in these terms. "The people of Ivory Coast should not expect anything from the African Union," he said, referring to the repeated failed attempts at mediation. "The people of Ivory Coast must have its revolution ... chase Gbagbo from power."

In fact, the difference between the events and Egypt and those in Ivory Coast could not be starker. In the case of Egypt, mass strikes and protests by the working class against President Hosni Mubarak forced him from power, staggering the Egyptian ruling elite. In the Ivory Coast, two factions of the local bourgeoisie are fighting for support among different factions of world imperialism, while threatening to drag the country back into a bloody civil war.

Outtara and his supporters cannot lay claim to any revolutionary credentials. Outtara is a former deputy managing director of the International Monetary Fund (IMF). When he was prime minister of Ivory Coast, he backed IMF structural adjustment measures that resulted in the reduction of price subsidies and the privatisation of state-controlled companies. He differs from Gbagbo only in so far as he is closer to the IMF and Washington-based institutions—whose policies are hated by masses of working people, both in Egypt and the Ivory Coast, and around the world.