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# INTERNATIONAL VIEWPOINT

News & Analysis from the Fourth International – April 2009 # 411

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**Economic Crisis: “A G20 meeting for nothing”**



Pro-privatisation plans of 5th World Water Forum  
Denounced

*It's not for people and workers to pay for the crisis, the capitalists should pay!*

The swine flu crisis lays bare the meat industry's monstrous power

*Thailand: The other side of the scenery*

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## International Viewpoint

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## Economic Crisis

### A G20 meeting for nothing

Damien Millet, Éric Toussaint

The G20 summit meeting in London from April 1st onward was loudly announced and publicized. Those 20 industrialized and emergent countries (G20) were meeting to find solutions to the crisis. But long before the end of the summit, it was clear that they would not rise to the challenge.



The G20 was not created in order to provide genuine solutions; it was hastily summoned a first time in November 2008 to salvage the powers that be and try and to plug the breaches in capitalism. It is therefore impossible for this body to opt for measures that are sufficiently radical to save the day.

Public opinion will be told to look in the two directions that are expected to focus aggravation: tax havens and the CEOs' incomes.

Tax havens have to be abolished, that goes without saying. To achieve this it should be easy enough to make it illegal for companies and residents to have any assets in, or relationships with partners located in, tax havens. The EU countries that function like tax havens (Austria, Belgium, the UK, Luxembourg...) as well as Switzerland must do away with bank secrecy and put an end to their outrageous practices. Yet such is not at all the orientation chosen by the G20: a couple of emblematic cases will be cracked down on, minimal measures will be required from those countries, and a black list of non-cooperative territories eventually made public will have been carefully vetted (the City, Luxembourg or Austria have already been promised they will not be on it).

On the other hand CEOs' incomes, including golden parachutes and other bonuses, are indeed outrageous. In time of growth the employers claimed that those who brought in such benefits to their companies had to be rewarded to prevent them from moving to another. Now that we live in a time of crisis and those companies have to admit to increasing losses, the same executives still claim similar rewards. The G20 will try to regulate their incomes for a limited duration. The logic of the system is not questioned.

Apart from tax havens and CEOs' superbonuses, which will not be hit by any specific penalties anyway, the G20

countries will further bail out their banks. Though globally discredited and de-legitimized, the IMF will be put back at the hub of the political and economic game thanks to a new provision of funds which will have been made available by 2010.

The G20 strategy is to put a fresh coat of paint on a world which is collapsing. Only a strong popular mobilization will make it possible to lay solid foundations to build another world in which finance is at the service of people, and not the other way round. The 28 and 30 March demos were big ones: 40,000 people in London, thousands and thousands in Vienna, Berlin, Stuttgart, Madrid, Brasilia, Rome, etc. with the common motto "Let the rich pay the crisis!"

The week of global action called for by the social movements from all over the world at the WSF at Belém last January thus had a gigantic echo. Those who had announced the end of the movement for another globalization were wrong. It has proved that it is able to bring large crowds together, and this is only the beginning. The success of the mobilizations in France on 29 January and 19 March (three million demonstrators were in the streets) is evidence that the workers, the unemployed and young people all want other solutions to the crisis than those which consist in bailing out bankers and imposing restrictions on the lower classes.

As a counterpoint to the G20 summit, the president of the UN General Assembly, Miguel d'Escoto, has called a general meeting of Heads of States and Governments in June and asked the economist Joseph Stiglitz to chair a commission that will draft proposals to meet the global crisis. The suggested solutions are inadequate because too timid, but they will at least be discussed at the the UN general Assembly.

A new debt crisis is looming in the South, it is a consequence of the real estate private debt bubble bursting in the North. The recession that now affects the real economy of all countries in the North has led to prices of raw material plummeting, which considerably has reduced the strong currency revenues with which governments of countries of the South repay their external public debts. Moreover the current credit crunch has induced a rise in borrowing rates for countries of the South. The combination of these two factors has already resulted in suspensions in debt repayment by those governments that are most exposed to the crisis (starting with Ecuador). Others will follow suit within one or two years.

The situation is absurd: countries of the South are net creditors to the North, starting with the US whose external debt is over US\$ 6,000 billion (twice the total external debt of all the countries of the South). Central banks in countries of the South buy US Treasury bonds instead of setting up a democratic bank of the South to finance human development projects. They should leave the World Bank and the IMF, which are tools of domination, and develop South-South relations of solidarity such as those which exist between countries that are members of ALBA (Venezuela, Cuba, Bolivia, Nicaragua, Honduras, and Dominica). They ought to audit the debts they are asked to repay and put an end to the payment of illegitimate debts.

The G20 will see to it that the core of neoliberal logic is left untouched. Its principles are asserted again and again, even though they have blatantly failed: the G20 maintains its attachment to a global economy based on an open market. Its support to the god of free market is non-negotiable. Everything else is hocus-pocus.

► *Damien Millet is president of CADTM France. With Eric Toussaint, he co-authored the book "Who Owes Who?" published by Zedbooks, London, 2004.*

► *Eric Toussaint is President of the Committee for the Cancellation of the Third World Debt (CADTM).*

**Other recent articles:**

[G20](#)

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## Protesters challenge water theft

# Pro-privatisation plans of 5th World Water Forum Denounced

[Peoples Water Forum](#)

**Istanbul, March 19, 2009**

**After Mexico City 2006, which was an important milestone of the continuous work of the global movement for water justice, we have now gathered in Istanbul to mobilize against the 5th World Water Forum. We are here to delegitimize this false, corporate driven World Water Forum and to give voice to the positive agenda of the global water justice movements!**

Given that we are in Turkey, we cannot ignore that this country provides a powerful example of the devastating impacts of destructive water management policies. The Turkish government has pushed for the privatization of both water services, watersheds and has plans to dam every river in the country. Four specific cases of destructive and risky dams in Turkey, include the Ilisu, Yusufeli, Munzur and Yortanlı dams.

For ten years, affected people have intensively opposed these projects, in particular, the Ilisu dam which is part of a larger irrigation and energy production project known as the South East Anatolia Projects, or GAP. The Ilisu dam "one of the most criticized dam projects worldwide" is particularly complex and troubling because of its implications on international policy in the Middle East. The dam is situated in the Kurdish-settled region where there are ongoing human rights violations related to the unsolved Kurdish question. The Turkish government is using GAP to negatively impact the livelihood of the Kurdish people and to suppress their cultural and political rights.

We, as a movement, are here to offer solutions to the water crisis, and to demand that the UN General Assembly organize the next global forum on water. The participation of important United Nations officials and representatives in our meeting is evidence that something has changed. There is a tangible and symbolic shift of legitimacy: from the official Forum organized by private interests and by the World Water Council to the Peoples Water Forum, organized by global civil society including, farmers, indigenous peoples, activists, social movements, trade unions, non-governmental organizations and networks that struggle throughout the world in the defense of water and territory and for the commons.

We call on the United Nations and its member states to accept its obligation, as the legitimate global convener of multilateral forums, and to formally commit to hosting a forum on water that is linked to state obligations and is accountable to the global community.

We call upon all organizations and governments at this 5th World Water Forum, to commit to making it the last corporate-controlled water forum. The world needs the launch of a legitimate, accountable, transparent, democratic forum on water emerging from within the UN processes supported by its member states.

Confirming once again the illegitimacy of the World Water Forum, we denounce the Ministerial Statement because it does not recognize water as a universal human right nor exclude it from global trade agreements. In addition the draft resolution ignores the failure of privatization to guarantee the access to water for all, and does not take into account those positive recommendations proposed by the insufficient European Parliamentary Resolution. Finally, the statement promotes the use of water to produce energy from hydroelectric dams and the increased production of fuel from crops, both of which lead to further inequity and injustice.

We reaffirm and strengthen all the principles and commitments expressed in the 2006 Mexico City declaration: we uphold water as the basic element of all life on the planet, as a fundamental and inalienable human right; we insist that solidarity between present and future generations should be guaranteed; we reject all forms of privatization and declare that the management and control of water must be public, social, cooperative, participatory, equitable, and not for profit; we call for the democratic and sustainable management of ecosystems and to preserve the integrity of the water cycle through the protection and proper management of watersheds and environment.

We oppose the dominant economic and financial model that prescribes the privatization, commercialization and corporatization of public water and sanitation services. We will counter this type of destructive and non-participatory public sector reform, having seen the outcomes for poor people as a result of rigid cost-recovery practices and the use of pre-paid meters.

Since 2006, in Mexico, the global water justice movement has continued to challenge corporate control of water for profit. Some of our achievements include: reclaiming public utilities that had been privatized; fostering and implementing public "public partnerships; forcing the bottled water

industry into a loss of revenue; and coming together in collective simultaneous activities during Blue October and the Global Action Week. We celebrate our achievements highlighted by the recognition of the human right to water in several constitutions and laws.

At the same time we need to address the economic and ecological crises. We will not pay for your crisis! We will not rescue this flawed and unsustainable model, which has transformed: unaccountable private spending into enormous public debt, which has transformed water and the commons into merchandise, which has transformed the whole of Nature into a preserve of raw materials and into an open-air dump.



The basic interdependence between water and climate change is recognized by the scientific community and is underlined also by the Intergovernmental Panel on Climate Change. Therefore, we must not accept responses to climate chaos in the energy sector that follow the same logic that caused the crisis in the first place. This is a logic that jeopardizes the quantity and quality of water and of life that is based on dams, nuclear power plants, and agro-fuel plantations. In December 2009, we will bring our concerns and proposals to the United Nations Climate Change Conference in Copenhagen.

Further, the dominant model of intensive industrial agriculture, contaminates and destroys water resources, impoverishes agricultural soils, and devastates food sovereignty. This has enormous impact on lives and public health. From the fruitful experience of the Belem World Social Forum, we are committed to strengthening the strategic alliance between water movements and those for land, food and climate.

We also commit to continue building networks and new social alliances, and to involve both local authorities and Parliamentarians who are determined to defend water as a common good and to reaffirm the right to fresh water for all human beings and nature. We are also encouraging all public water utilities to get together, establishing national associations and regional networks.

We celebrate our achievements and we look forward for our continued collaboration across countries and continents!

**Other recent articles:**  
[World Water Forum](#)

## Anti-Capitalist European left conference statement, Strasbourg, April 3, 2009

### It's not for people and workers to pay for the crisis, the capitalists should pay!

#### European Anti-Capitalist Left

The next European elections will be held during the worst crisis capitalism has known since 1929.

Economic, social, financial, banking, food, climatic, it is a global, general crisis. Once again, the ruling classes want to make workers and peoples pay for the crisis. Governments have given hundreds of billions to banks but at the same time millions of layoffs fall on employees. Unemployment is going through the roof. The purchasing power of wages is falling. The destruction of public services continues.



Anti-capitalist Left rally, Strasbourg, April 3

It's not for people and workers to pay for the crisis, the capitalists should pay!

This policy of European Union institutions has been rejected by the "No" votes in France, the Netherlands and Ireland.

We reject the plans of EU governments that save banks and not people.

We put forward an emergency social and democratic plan:

- ▶ No layoffs! A stable and secure job with decent pay for all!
- ▶ For an increase of wages and incomes in every country for workers, unemployed and pensioners!
- ▶ Harmonisation of social rights in Europe upwards: minimum wages, reduction of work time without wage cuts, pensions and social security!

- ▶ European cooperation in promoting social protection for the unemployed and the poor, and for common policies for the sustainability of public pensions!
  - ▶ For the defence and extension of public services, across Europe!
  - ▶ For a public health system guaranteeing equal access to medical care for all!
  - ▶ For the defence of public education: withdrawal of the Bologna reforms!
  - ▶ No to the payment of the deficits of failed Banks, and for the creation of unified public banking and financial system under public and popular control! For the closure of all offshores! European countries must give the example starting to close the offshores located in their own territories which are responsible for 2/3 of the world offshore business!
  - ▶ For the cancellation of the third world debt!
  - ▶ For the defence of the undocumented and for equal rights for all residents in Europe, whether "national" or from a foreign country!
  - ▶ For the legalisation of all undocumented immigrants!
  - ▶ For equal rights between men and women!
  - ▶ For women's rights, the right to free and safe contraception and abortion!
  - ▶ For LGBT rights and equal rights for heterosexual and homosexual couples!
  - ▶ For the repeal of antiterrorist and laws and exceptional procedures!
  - ▶ For an ecological Europe, to fight effectively against climate change, we need a public service of energy production and distribution under the supervision of employees and consumers and we need to develop transport and housing public services!
  - ▶ No to war! Disbanding of NATO and all European militaristic bodies! Withdrawal of foreign troops from Iraq and Afghanistan! Israeli army's withdrawal from the West Bank! End to the blockade of Gaza! Recognition of all national rights of the Palestinian people!
- In these circumstances, and taking into account the particularities of each country, we are committed to building convergences in opposition against employers' and governments' attacks and at the same time to creating the conditions for a political alternative and an anti-capitalist pole based on the popular mobilizations, one which would stand for a Europe of social rights, and refuses any support of or participation in social liberal governments with social democratic parties or the centre left.

Indeed, what is needed is to break with capitalism and its logic. In this sense, the anticapitalist European left put these aims in the perspective of the struggle for 21st century socialism, and commits itself to restarting the debate on questions of a new distribution of wealth, of property and of democracy.

On this basis, and in the framework of the choices of each organisation, the undersigned will intervene during the next weeks in the electoral campaign for the European Parliament.

The signatory organisations :

**Belgium :** Ligue communiste révolutionnaire, Parti socialiste de lutte

**France :** Nouveau Parti Anticapitaliste

**Germany :** internationale sozialistische linke, Revolutionär Sozialistischer

**Great Britain :** Socialist Party, Socialist Workers Party, International Socialist Group-Socialist Resistance

**Greece :** EnAntiA (ARAN, ARAS,OKDE-Spartakos, SEK) and organisations DEA, KEDA, KOE, Kokkino, Roza, Xekinima from Syriza (Radical Left Coalition)

**Italy :** Sinistra critica

**Poland :** Polska Partia Pracy

**Portugal :** Bloco de Esquerda

**Scotland :** Scottish Socialist Party

**Spanish State :** Izquierda Anticapitalista

**Sweden :** Socialistiska Partiet

**Switzerland :** Gauche Anticapitaliste, Mouvement pour le Socialisme, Solidarités

The Interventionistische Linke of Germany and the POR of Spanish State didn't take part in the meeting and sent solidarity messages.

► *The European Anti-Capitalist Left brings together a range of broad parties from across Europe to co-ordinate policy discussions and practical actions.*

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[European parliament adopts Bolkestein directive](#) - March 2006

[Together against the Bolkestein directive](#) - February 2006

## Swine Flu

# The swine flu crisis lays bare the meat industry's monstrous power

Mike Davis

**THE SPRING Break hordes returned from Cancún this year with an invisible but sinister souvenir.**

The Mexican swine flu, a genetic chimera probably conceived in the fecal mire of an industrial pigsty, suddenly threatens to give the whole world a fever. Initial outbreaks across North America reveal an infection rate already traveling at higher velocity than the last official pandemic strain, the 1968 Hong Kong flu.



Stealing the limelight from our officially appointed assassin—the otherwise vigorously mutating H5N1, known as bird flu—this porcine virus is a threat of unknown magnitude. Certainly, it seems far less lethal than SARS in 2003, but as an influenza, it may be more durable than SARS and less inclined to return to its secret cave.

Given that domesticated seasonal Type-A influenzas kill as many 1 million people each year, even a modest increment of virulence, especially if coupled with high incidence, could produce carnage equivalent to a major war.

Meanwhile, one of its first victims has been the consoling faith, long preached in the pews of the World Health Organization (WHO), that pandemics can be contained by the rapid responses of medical bureaucracies, independent of the quality of local public health.

Since the initial H5N1 deaths in Hong Kong in 1997, the WHO, with the support of most national health services, has promoted a strategy focused on the identification and isolation of a pandemic strain within its local radius of outbreak, followed by a thorough dousing of the population with anti-viral drugs and (if available) a vaccine.

An army of skeptics has rightly contested this viral counter-insurgency approach, pointing out that microbes can now fly around the world (quite literally in the case of avian flu) faster than the WHO or local officials can react to the original

outbreak. They also pointed to the primitive, often nonexistent surveillance of the interface between human and animal diseases.

But the mythology of bold, preemptive (and cheap) intervention against avian flu has been invaluable to the cause of rich countries, like the U.S. and Britain, which prefer to invest in their own biological Maginot Lines, rather than dramatically increase aid to epidemic frontlines overseas—as well as to Big Pharma, which has battled Third World demands for the generic, public manufacture of critical antivirals like Roche's Tamiflu.

The swine flu, in any case, may prove that the WHO/Centers for Disease Control (CDC) version of pandemic preparedness—without massive new investment in surveillance, scientific and regulatory infrastructure, basic public health and global access to lifeline drugs—belongs to the same class of Ponzified risk management as AIG derivatives and Madoff securities.

It isn't so much that the pandemic warning system has failed as it simply doesn't exist, even in North America and the EU.

Perhaps it is not surprising that Mexico lacks both capacity and political will to monitor livestock diseases and their public health impacts, but the situation is hardly better north of the border, where surveillance is a failed patchwork of state jurisdictions, and corporate livestock producers treat health regulations with the same contempt with which they deal with workers and animals.

Similarly, a decade of urgent warnings by scientists in the field has failed to ensure the transfer of sophisticated viral assay technology to the countries in the direct path of likely pandemics. Mexico has world-famous disease experts, but it had to send swabs to a laboratory in Winnipeg (which has less than 3 percent of the population of Mexico City) in order to identify the strain's genome. Almost a week was lost as a consequence.

But no one was less alert than the legendary disease controllers in Atlanta. According to the Washington Post, the CDC did not learn about the outbreak until six days after the Mexican government had begun to impose emergency measures. Indeed, the Post reported, "U.S. public health officials are still largely in the dark about what's happening in Mexico two weeks after the outbreak was recognized."

▶ -----

THERE SHOULD be no excuses. This is not a "black swan" flapping its wings. Indeed, the central paradox of this swine flu panic is that while totally unexpected, it was accurately predicted.

Six years ago, Science dedicated a major story (reported by the admirable Bernice Wuethrich) to evidence that "after years of stability, the North American swine flu virus has jumped onto an evolutionary fast track."

Since its identification at the beginning of the Depression, H1N1 swine flu had only drifted slightly from its original genome. Then, in 1998, all hell broke loose.

A highly pathogenic strain began to decimate sows on a factory hog farm in North Carolina, and new, more virulent versions began to appear almost yearly, including a weird variant of H1N1 that contained the internal genes of H3N2 (the other type-A flu circulating among humans).

Researchers whom Wuethrich interviewed worried that one of these hybrids might become a human flu (both the 1957 and 1968 pandemics are believed to have originated from the mixing of bird and human viruses inside pigs), and urged the creation of an official surveillance system for swine flu. That admonition, of course, went unheeded in a Washington prepared to throw away billions on bioterrorism fantasies while neglecting obvious dangers.

But what caused this acceleration of swine flu evolution? Probably the same thing that has favored the reproduction of avian flu.

Virologists have long believed that the intensive agricultural system of southern China—an immensely productive ecology of rice, fish, pigs, and domestic and wild birds—is the principal engine of influenza mutation: both seasonal "drift" and episodic genomic "shift." (More rarely, there may occur a direct leap from birds to pigs and/or humans, as with H5N1 in 1997.)

But the corporate industrialization of livestock production has broken China's natural monopoly on influenza evolution. As many writers have pointed out, animal husbandry in recent decades has been transformed into something that more closely resembles the petrochemical industry than the happy family farm depicted in schoolbooks.

In 1965, for instance, there were 53 million American hogs on more than 1 million farms; today, 65 million hogs are concentrated in 65,000 facilities, with half of the hogs kept in giant facilities with 5,000 animals or more.

This has been a transition, in essence, from old-fashioned pig pens to vast excremental hells, unprecedented in nature, containing tens, even hundreds of thousands of animals with weakened immune systems, suffocating in heat and manure, while exchanging pathogens at blinding velocity with their fellow inmates and pathetic progenies.

▶ -----

ANYONE WHO has ever driven through Tar Heel, N.C., or Milford, Utah—where Smithfield Foods subsidiaries each annually produce more than 1 million pigs as well as hundreds of lagoons full of toxic shit—will intuitively understand how profoundly agribusiness has meddled with the laws of nature.

Last year, a distinguished commission convened by the Pew Research Center issued a landmark report on "industrial farm animal production" underscoring the acute danger that "the continual cycling of viruses...in large herds or flocks [will] increase opportunities for the generation of novel virus through mutation or recombinant events that could result in more efficient human-to-human transmission."

The commission also warned that promiscuous antibiotic use in hog factories (a cheaper alternative to sewer systems or humane environments) was causing the rise of resistant Staph infections, while sewage spills were producing nightmare E. coli outbreaks and Pfisteria blooms (the doomsday protozoan that has killed more than 1 billion fish in the Carolina estuaries and sickened dozens of fishermen).

Any amelioration of this new pathogen ecology, however, would have to confront the monstrous power exercised by livestock conglomerates such as Smithfield Foods (pork and beef) and Tyson (chickens). The Pew commissioners, chaired by former Kansas Gov. John Carlin, reported systemic obstruction of their investigation by corporations, including blatant threats to withhold funding from cooperative researchers.

Moreover, this is a highly globalized industry, with equivalent international political clout. Just as Bangkok-based chicken giant Charoen Pokphand was able to suppress investigations into its role in the spread of bird flu throughout Southeast Asia, so it is likely that the forensic epidemiology of the swine flu outbreak will pound its head against the corporate stone wall of the pork industry.

This is not to say that a smoking gun will never be found: there is already gossip in the Mexican press about an influenza epicenter around a huge Smithfield subsidiary in the state of Veracruz.

But what matters more (especially given the continued threat of H5N1) is the larger configuration: the WHO's failed pandemic strategy, the further decline of world public health, the stranglehold of Big Pharma over lifeline medicines, and the planetary catastrophe of industrialized and ecologically unhinged livestock production.

► *Mike Davis is one the foremost Marxist authors writing in English and author of City of Quartz, Planet of Slums, Monster at the Door and many other books. He is professor of history at the University of California, Irvine. His latest books are Buda's Wagon, a Brief History of the Car Bomb, and a collection of his essays, In Praise of Barbarians.*

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##### [Swine Flu](#)

## Thailand

### The other side of the scenery

Danielle Sabai

**Thailand's idyllic image is starting to seriously crack. The continual demonstrations of recent months, which have led to the takeover of Bangkok's two airports and the overthrow of two democratically elected governments, have eroded the image of a peaceful and progressive country.**



Harry Nicolaidis, associate professor at the University of Chiang Rai and a writer in his spare time, has languished in Thai jails for the past few months. His crime? He wrote a novel inspired by the dissolute life of prince Vajiralongkorn, son of the current king of Thailand. Although never named, the prince could be recognised and he took umbrage. Result: Six years in prison (changed to three years after Harry entered a guilty plea). And no protest from Australia, his country of origin. Friendly states, like the United States, have until now closed their eyes to Thai political reality as they benefited from an ally in this sensitive region which had been faithful since the cold war.

The case of Harry Nicolaidis is not an isolated one. Numerous persons are now threatened with imprisonment for having dared to register viewpoints differing from the official propaganda which is all the ruling regime will allow. Among the targets have been the BBC's correspondent and an associate lecturer at the university of Chulalongkorn and left activist, Giles Ji Ungpakorn, accused of having insulted the monarchy in a book entitled "A coup d'état for the rich" [1]. A campaign of solidarity has been launched in defence of Giles Ji Ungpakorn and others accused of the crime of lèse-majesté, against this law and for freedom of expression [2].

Thailand is not the idyllic country described in the tourist brochures. It is a dictatorship resting on well oiled mechanisms: the crime of lèse-majesté, media self-censorship and a programme of dragooning of its citizens through school.

#### Crime of lèse-majesté

In countries where the role of the monarchy has been reduced to the extent that democratic rights have advanced, the crime of lèse-majesté has tended to disappear. The trend is in the exact opposite direction so far as Thailand is

concerned. The crime of *lèse-majesté* is the most significant of crimes there. Every year people are arrested for offending the king, the queen or their children. Any person convicted of defaming, insulting or threatening the king, the queen or one of their heirs is liable to a prison sentence of 3 to 15 years. It is one of the most repressive laws in the world. The term "insult" is left deliberately vague to allow the sentencing of anybody without real justification. The annals witness to its regular use (17 cases for the year 2005 alone). Since the coup of September 19, 2006, and above all through 2008, its use has clearly widened. This is not by chance. This was also the case during the repression of 1976. Because it is a tool to silence dissident voices.

### Setbacks to democracy

The coup d'état of September 2006 can be seen as an attempt by the military to close what they see as the parenthesis of 2001-2006. Although the objective set by the junta was to overthrow the former Prime Minister Thaksin Shinawatra, accused of corruption, the main target was in fact the political system set up by the Constitution of 1997. The democratic advances made in Thailand at this time are on the way to being eliminated. The new Constitution, written at the diktat of the military, includes serious obstacles to democratic functioning such as the possibility of dissolving a party if the courts consider that one of its members is guilty of misconduct. This possibility has already been used twice in one year against Thaksin's party, the Thai Rak Thai (TRT, Thai's love Thai's) and its heir the People's Power Party (PPP).

This change has not however been made without political opposition. Despite very intense propaganda, the junta has not convinced the masses of the legitimacy of the coup d'état. Very much to the contrary, for the first time in Thai history, the workers and peasants had the sense that a political party, the TRT, implemented measures in their favour (a virtually free health care system, moratorium on the debts of peasants among others). The coup d'état was, then, experienced as an injustice: the denial of the result of the ballot boxes when it favoured the popular layers.

### Authoritarian laws protect authoritarian systems

In this political construction in the service of the military and the bureaucrats, the monarchy is used to guarantee the unity of the country. Postulate number 1 is that Thailand is necessarily a monarchy. Any person who contests this postulate places themselves outside of the Constitution to the extent that the latter proclaims on the one hand that Thailand is a monarchy and on the other hand that it is the duty of Thai citizens to defend the form of government determined by the Constitution (sic). Supposed to protect the prestige of the monarchy, the crime of *lèse-majesté* has been used to suppress any alternative political expression guaranteeing thus to the military and other bureaucrats the political stability of the system that they have put in place.

This is done, of course, at the expense of popular sovereignty. Political parties are only accepted if they support "the form of government decided by the Constitution". To debate the role of the monarchy is considered an insult to the monarch. There is obviously no chance of questioning the role of the "Crown Property

Bureau" which manages the colossal property of the royalty in complete opacity. Nor of questioning the role and place of the "Privy Council" of the king in Thai politics in general and at the time of the coup d'état in particular. Still less of questioning the fact that the coup d'état was legitimated by a royal decree. To affirm oneself republican or communist is a crime. In these conditions few people dare to defy the authorities and risk fifteen years in prison. And although all the Constitutions have officially guaranteed freedom of expression under one form or another, freedom of thought is in fact forbidden to Thai's. The only liberty guaranteed in theory by the Thai regime is freedom of religion. In theory only because it is forbidden to not "follow" a religion and it is better to be Buddhist in this country where a civil war rages in the Muslim majority southern provinces.

### Control of society

One of the constants of Thai élites is the contempt that they hold for the popular classes. They are judged uncultivated and unprepared for democracy. Thus, since the 1970s programmes of education of the people have been implemented so as to inculcate them with the national ideology and the duties of citizens. There is no mention of rights and liberties.

History was rewritten so as to make out that the monarchy had encouraged and supported the progress of democracy in Thailand. The image of the king was modified so as to present him as a person with a high moral authority, guarantor of the unity of the country and its stability. Three specific aspects were stressed. The king was associated with numerous development projects in the countryside, showing thus his interest in the "small people" and their difficulties. One of the objectives was to lessen tensions between the peasants of the north and north east and the so called "civilised" inhabitants of the capital Bangkok.

King Bumiphol was also associated with orthodox Buddhism. Texts of the Sukhothai era (1250-1350) justifying the monarchy and social hierarchy were exhumed. Finally, large scale ceremonies glorifying the king and the Thai nation have flourished throughout his reign. The king is present everywhere and at all times in the context of a cleverly orchestrated propaganda which presents him as a father showing the greatest devotion to the peasants (he is seen visiting the most remote corners of Thailand), as a man of culture (he plays the saxophone, he is a photographer), a man of science (he is the promoter and — Thai's believe — the inventor of the pseudo-theory of the sufficiency economy), a pious man who respects the teaching of the Buddha.

Thai's are raised from the cradle to respect the trilogy: king, Buddha, country. There is not a place in Thailand where one can escape a giant portrait of the king, a Thai flag, or a statue of the Buddha. Public places, shops, private houses, cars carry the attributes of the trilogy. The national anthem is broadcast every day on all media, in the street and in public places at 6 pm. You cannot go to a play or a film without rising to hear it at the beginning. Children in schools raise the flag every morning and sing the national anthem and do the same in the evening when lowering the flag. It is very imprudent to question this, as Chotisak Onsoong has learnt to his cost. An anti-coup activist in 2006 and considering himself left and republican, he decided on September 20,

2007 to remain seated in the cinema when the national anthem was playing. Called on by his neighbours to get up and show respect, he refused and was accused of the crime of lèse-majesté.

### The role of the media

Such a straitjacket could not be imposed on Thai society without the complicity of the dominant media. The crime of lèse-majesté has also had the effect of creating a climate of self-censorship to the point where Thai journalists are afraid to criticise the institutions. The regime has no need for censorship; the journalists do the work themselves. Foreign journals like "The Economist" which dare to criticise the monarchy are simply not distributed by their Thai partner. In the Thai press, whether in Thai or in English, journalists learn with experience not to develop "sensitive" subjects. No newspaper defends a critical posture towards the monarchy. It could in the best of cases cost the career of a journalist, at the worst it could mean several years in prison. The economic interests at stake are also very important. Advertising glorifying the king paid for by companies generates significant income for the press. Some big media companies are listed on the stock exchange and take a dim view of possible problems engendered by indelicate articles.

Thus, all the newspapers give the same positive image of the monarchy. This has contributed to spreading the idea that the king is a person of absolute morality, disinterested, who only seeks the well being of his subjects [3]. That has also contributed to developing the idea among the population that everybody adores the king, that nobody has any reason to criticise the monarchy, the king, his family, friends, advisers... No space is left for doubts or reservations.

Thus, at the death of princess Galyani, elder sister of the king, on January 2, 2008, the editorial in the "Post Today" of January 3 claimed that: "When the day of the passing [of the Princess] arrived everyone couldn't refrain from sorrow...The joy that everyone received during the year end and new year festivity simply evaporated, only to be replaced by sorrow of all Thai people.ir sadness... The joy that everybody had received during the new year celebrations simply evaporated and was replaced by the grief of all Thais" [4].

### The army returns

The current government led by the head of the Democrat Party, Abhisit Vejjajivah, has championed the use of the crime of lèse-majesté. His party is in the minority in the country and has not won elections for more than a decade. This is not particularly astonishing inasmuch as the Democrat Party has spent its time in opposition criticising the measures in favour of the poorer sectors put in place by Thaksin. On the contrary, it supported the coup d'état of 2006, then the demonstrations by the PAD [5].

Abhisit has obtained in return favours from the army and the king. Some parliamentarians of the pro-Thaksin faction were bribed to allow him to obtain by a narrow majority the post of prime minister. In return, Abhisit has given serious rewards to his sponsors. Thus, on a visit to Japan, where he attempted to convince the main investors that the kingdom of Thailand was again "on the rails", Abhisit was questioned on the situation of the Rohingya migrants. Thai soldiers were

accused of having thrown these Muslim migrants who had fled persecution in Burma into the sea without food or water, and sometimes with their hands tied behind their backs, Abhisit assured the questioners that if the officials had committed exactions they would be pursued but stressed the fact that there was no proof that human right had been infringed, "the accusations being only based on tales told by these people and nothing more". The tales do not lack a basis, however, as witnessed by the Indonesian authorities who received 198 hungry and dehydrated Rohingya who had drifted for three weeks. They had been forced to take to the sea by Thai soldiers on a boat with no motor. At least 600 Rohingyas were not so lucky and died.

From his coming to power Abhisit has launched a crusade against all those who refused to support these attacks on democracy. The objective is to silence all potential opposition. Thousands of internet sites have been closed in a few weeks and numerous people sentenced for the crime of lèse-majesté. No fish is too small it seems. Alternative internet sites like Fah Diaw Kan (<http://www.sameskybooks.org>) or Prachatai (<http://www.prachatai.com/english>) which in no way represent a threat to the regime, are controlled, threatened, indeed closed.

Two and a half years after September 19, 2006, the military are no longer directly in power but they have finally succeeded in their coup. They are more powerful than ever and dispose of a government which is tied to them hand and foot. Abhisit is only a puppet serving their interests.

► *Danielle Sabai is one of IV's correspondents in Bangkok.*

### NOTES

[1] 1. The book is available in French, English and Spanish at the address: <http://wdpress.blog.co.uk/2009/01/12/3588-3604-3637-3627-3617-3636-3656-3609-les-majesty-case-5366164/>

[2] 2. To sign the petition: <http://www.europe-solidaire.org/spip.php?article12667>

[3] 3. For another portrait of the king see The Economist, "A Right Royal Mess". [http://www.europe-solidaire.org/ecrire/?exec=articles&id\\_article=12233](http://www.europe-solidaire.org/ecrire/?exec=articles&id_article=12233)

[4] 4. Quoted by Pravit Rojanaphruk, "Lèse-majesté law and Mainstream Newspapers' Self-Censorship : The Upward Spiral Effect and its Counter Reaction"

[5] 5. For an analysis of the PAD see Chang Noi, "The Evolving Anatomy of Pad". <http://www.geocities.com/changnoi2/anatomypad.htm>

## South East Asia

# Malaysia between change and political tension

Danielle Sabai

The elections of Saturday March 8, 2008 represented an earthquake in Malaysian political life. The ruling coalition, the Barisan Nasional (BN, National Front) and its main party, the United Malays National Organisation (UMNO) suffered their most significant electoral defeat since independence in 1957. The coalition, which until then had held 198 of the 220 seats in parliament, only won 127 and lost control in 5 of the 13 states of the federation. It was a significant victory for the opposition, the Pakatan Rakyat (PR, People's Alliance), putting an end to the 2/3 majority held by the BN for 40 years which had allowed it to pass any laws it wanted in parliament. It is also a sign that Malaysian society aspires to profound changes.



Parti Socialis Malaysia

### The Malaysian social contract

A legacy of British colonisation, the organisation of Malaysian society is on racial if not racist bases. Different groups, in particular the Malays, Chinese and Indians (the three main ethnic groups in Malaysia representing respectively 60%, 25% and 8% of the population) live in a quasi separate manner with their own neighbourhoods, schools, stores, clubs and so on.

During colonisation, the British brought tens of thousands of Indians to Malaysia to work in the hevea plantations and tin mines. The Chinese came freely, poor migrants from southern China, but the community enriched itself to the point where today they control the essence of the country's commerce. During decolonisation, the British negotiated citizenship for the Chinese and the Indians in exchange for advantages given to the Bumiputeri, the sons of the soil, in their great majority Muslim Malays. Malaysia became a constitutional monarchy, the throne being shared in turn by one of the nine hereditary sultans of the peninsula. Malay customs were at the heart of the construction of the federation and Islam became its religion. The UMNO was, from independence, the party of the interests of the Malay community, who dominated political life, and consequently the main force of the country.

In 1969, the electoral alliance led by the UMNO suffered a significant electoral setback. Race riots broke out, opposing the two main ethnic groups — the Malays and the Chinese. These events began on May 13, 1969 and ultimately led to the end of the government of the Prime Minister, Tunku Abdul Rahman, who represented the old Malay aristocracy, to the profit of the representatives of the emergent Malay capitalist class.

These events constituted the beginning of a new page of the history of the country during which this new capitalist class established its power, notably through the initiation of the New Economic Policy or NEP. The repression and climate of terror against non-Malay peoples after the riots allowed the imposition of this policy favouring only one of Malaysia's components. Since this period, the spectre of race riots has allowed the UMNO, and its youth wing in particular, to intimidate all movements for civil rights [1].

### Malay supremacy

At the end of the 1960s, the Bumiputeri only possessed 2.4% of company shares, the Chinese community possessed 27.2% whereas more than 60% were held by foreigners. Started in 1971, the New Economic Policy (NEP) was presented as a policy with the objective, through positive discrimination, of redistributing wealth equitably, eradicating poverty inside all communities and forging national unity.

The Bumiputeri, mainly confined to agriculture and with an educational background and economic situation much inferior to that of non-Malays, in particular the Chinese, were the main beneficiaries of the measures implemented concerning access to the land, the recruitment of civil servants, the obtaining of licences for certain trades, scholarships, access to housing and so on. These measures were supposed to be temporary but in 1990, the NEP was replaced by the National Development Policy (NDP) whose spirit did not differ from that of the NEP, then in 2000 by the National Vision Policy (NVP).

The various positive action measures would effectively allow the emergence of a Malay middle class. But this policy became synonymous with Malay privileges and fashioned an increasingly open racist ideology.

The supremacy of the UMNO found its expression in the racist concept of Ketuanan Melayu, "Malay dominance". Parallel to this, ever more repressive laws were put in place to ensure this supremacy and strictly control an ever more profoundly divided society [2]. They would serve an authoritarian state whose main objective was rapid economic development. Under the rule of Mahathir Mohamad, prime minister from 1981 to 2003, the concept of the "Asian model" was elaborated and developed. Neoliberal measures favouring investment were introduced, accompanied by very restrictive labour legislation. Meanwhile, political pluralism was perceived as a threat to political stability and economic interests as more important than individual rights. In the name of economic development, the courts were stifled and "Asian values" opposed to human rights equated with "Western values". Freedom of expression was seriously limited, all media strictly controlled by the government. Repressive laws on internal security, media, sedition, state

secrets, universities, religions and inter ethnic relations allowed a strict control of individuals and organisations.

### Tensions between communities

Whereas all surveys and research show that the objectives of the NEP have long since been attained, no government wishes to challenge these “statutory privileges” and the special position of Malays inside society. This policy of “acquired privileges” has contributed to worsening the tensions between communities. The Chinese no longer wish to pay for the privileges of the Malays and feel constricted in the areas of access to banking credit, public employment and education. In November 2007, Indians revolted against the second class status allotted to them in terms of citizenship. Since 1950, the date of Malaysian independence, the government has shown little concern with the difficulties of the Indian community and has left the destruction of Hindu temples (motivated by land speculation) unpunished. Rather than taking into account the demands of the Indians who revolted for the first time in the history of the federation, the government reacted with force by arresting the leaders of the Hindu Rights Action Force (HINDRAF), organiser of the demonstration of November 25, 2007. Since then three leaders have remained detained in the context of the Internal Security Act (ISA) which allows unlimited arbitrary detention without trial [3] of any person convicted of threatening state security.

As to the Malays, not everyone has the luck to be well connected and profit from the manna. The NEP has not allowed all Malays to enrich themselves. Malay peasants have remained relatively poor. The NEP has rather contributed to creating a caste of business men influential inside the UMNO and profiting from state contracts. Business and politics are closely linked and the advantages drawn from the NEP are very largely used by the members of the UMNO to win Malay votes, enrich themselves personally and firm up their position inside the party.

### The social movement

The opposition to the BN emerged following the protest movements of September 1998, called “Reformasi”. The imprisonment of Anwar Ibrahim, then vice-prime minister and president of the UMNO, led to powerful mobilisations then the creation of a front of opposition to the ruling coalition, the Barisan Alternatif (BA, Alternative Front). This coalition included the main opposition parties, the Parti Se Islam Malaysia (PAS, Malay Islamic Party), the completely new Parti Keadilan Rakyat (People’s Justice Party), led by Wan Azizah Wan Ismail, Anwar’s wife and the Democratic Action Party (DAP), a Chinese based party.

Unleashed by the fall of Anwar, who opposed the measures taken by Mahathir to save friendly enterprises from the debacle caused by the crisis of 1997, the Reformasi movement demonstrated a powerful desire for democratic changes and more justice in Malaysia. The demands of the demonstrators also reflected the desire for a real political pluralism. This movement did not lead to the fall of Mahathir, but it did lasting damage to his reputation and undermined his grip on power. During the general elections of 1999 which followed the economic and financial crisis of 1997 and the Reformasi movement, the BA succeeded in sapping the

influence of the BN and the UMNO, in particular in its electoral bastions, namely the rural states with a Malay majority. The loss of influence of the UMNO led to a resistance to Mahathir even inside the party and to his retirement in 2003 (after 22 years in the post of prime minister) to the profit of Abdullah Ahmad Badawi, the current prime minister.

### Political alternation

The elections of 1999 opened a political period of challenging of the racial organisation of society and showed a desire by Malaysians to win democratic advances. That was reflected in particular by a political alternation at all elections since 1999.

In 1999, the UMNO lost its title as champion of the Malay cause, acquired from its constitution in 1946. It was the PAS, an ultra-conservative Islamic party, and not the Parti Keadilan Rakyat de Anwar which constituted in the eyes of the Malay electorate an alternative to the UMNO and emerged victorious from the elections. This victory was short lived because the PAS suffered a reversal of fortune at the following elections in 2004. What the leaders of the PAS had taken for an acceptance of their pro-Islamic policy was probably only a way for the Malays to show their disenchantment in regard to Mahathir and his policies [4]. The electoral success of the PAS in 1999 had however as its consequence that the UMNO sought to counter it by progressively mixing an Islamist discourse with the traditional nationalist discourse of the party. In fact, while the main disputes were until then essentially of a cultural and ethnic order, the use by the UMNO of religion to political ends contributed to poisoning relations between the different confessions and strengthening the weight of Islamic law on Malays of the Muslim confession.

In 2004, one year after the resignation of Mahathir, his successor Abdullah Badawi won the parliamentary elections by promising notably to fight corruption and to favour more transparency and democracy. These promises have remained at the level of speechifying and no attempt to change the different anti-democratic laws like the ISA or to favour the freedom of the press has taken place. Abdullah, a not very charismatic prime minister, was also disavowed inside the UMNO — and in particular by Mahathir who had chosen him as successor — and at the elections which followed in March 2008.

The elections of 2008 were marked by the most significant electoral reverse ever recorded for the ruling coalition, the Barisan Nasional and its main party the UMNO. The BN won 52% of the vote against 60% in 2004. For the first time in 40 years, the BN lost its 2/3 majority in parliament which allowed it to amend the Constitution at leisure and to push through whatever reforms it wanted without debate or opposition.

So as to gain votes the government had promised all sorts of gifts to the different communities: more scholarships for peasants and the most deprived Malays, increased expenditure for infrastructures in the villages, the creation of two million jobs in five years. The government had promised funds for Chinese schools and land for Indians for the reconstruction of destroyed temples. It reaffirmed its will to

maintain the NEP in the face of demands for reforms from the non-Malay communities.

The desire to break with the management of the UMNO was, it seems, stronger: the opposition won the elections in the industrial states of Penang, Perak, Selangor and in the capital Kuala Lumpur. Malay voters also showed their disenchantment with the UMNO which supposedly defended their interests: in the peninsula, half of the Malay voters opted for the Pakatan Rakyat (PR), an opposition formed for these elections by the three main opposition parties (the PAS, PKR and DAP). The PAS won the elections in the states of Kedah and Kelantan (this state had been governed since 1990 by the PAS).

### The Return of the "Mahathir system"?

Since the elections of March 2008, new partial elections have taken place and have been won by the opposition. These electoral reverses, as well as the political instability inside the UMNO, contributed to strengthening a current and forced Abdullah Badawi to withdraw at the next party congress in March 2009. His successor at the head of the party, Najib Razak, took over the position of Prime Minister at the end of March 2009 because the leader of the UMNO automatically becomes the chief official of the Barisan Nasional, the majority group in the Assembly and consequently Prime minister.

The accession of Najib to power seems to show that far from taking on board the message of the voters — demand for transparency, integrity, competence, justice — the UMNO could return to an autocratic system as at the time of Mahathir. This could well deepen the gap between the UMNO and Malaysian civil society as Najib is associated with corruption. In January, manoeuvres brought about the defection of members of the state parliamentary majority in Perak, led by the opposition, and the formation of a new government loyal to the Barisan Nasional. This took place with the complicity of the Sultan of Perak who authorised the constitution of a new government led by the BN whereas the number of parliamentarians for the PR remained equal to that of the BN after the defections. Recently, the BN has again sought to discredit a member of the state assembly of Selangor and advisor of the PR by circulating photos of her asleep and naked on the internet. These photos, although taken by a former boyfriend unbeknownst to her, were a bombshell in this conservative country and have obliged her to offer her resignation, which could lead to new elections. There are many examples of such manoeuvres. All means are good to reconquer the powers lost at the ballot box and silence the opposition led by the charismatic Anwar Ibrahim.

Meanwhile the Pakatan Rakyat seems to be an alliance of convenience and the differences between the parties are considerable. Anwar's Parti Keadilan Rakyat is a multiracial party whereas the PAS is an Islamist party advocating Sharia law, and the DAP represents the interests of the Chinese community. Their main points of agreement are the necessity of changing the system of management imposed by the UMNO for the past 40 years so as to combat corruption and the peddling of influence and to break with a social system based on racial privileges. Differences, notably on the religious questions between the PAS and the DAP, have not stopped the coalition parties from governing together in the states won in March 2008 and following policies more

respectful of the people. The Pakatan Rakyat benefits moreover from being new to power; its members are not worn down by it or enmeshed in corruption.

### The Parti Sosialis Malaysia

Malaysian politics has been dominated since independence almost exclusively by racial and communal logics. The policy of "Malay dominance" has not benefited the Malay Muslim community as a whole but mainly the ruling coalition and its networks of big Malay entrepreneurs. The Abdullah government has sharpened the neoliberal policies initiated by Mahathir. The global economic crisis has not spared Malaysia and unemployment is growing. The exploitation of Malay workers is no different to that of the Chinese and Indians of Malaysia. The economic questions, the class struggle, until now eclipsed by racial questions like the constitution of an Islamic state, could well come to the forefront. That is the task the Parti Sosialis Malaysia (PSM – Malay Socialist Party) has set itself. Set up in 1994, after the Malaysian left had completely disappeared since the end of the 1980s, the PSM has succeeded in implanting itself among the popular layers. Its main objective is "The PSM's main task is to unite the different races into a working-class movement to win the war against capitalism." [5]. .

Since its constitution, the PSM has led struggles in the context of coalitions notably against the privatisation of hospitals, against increased fuel prices and against the war in Iraq. It is the only party to wage a struggle against the free trade agreements between Malaysia and the United States. Up until last year, the PSM had not obtained legal registration despite a 10 year legal battle. That is why during the elections of 2004 and 2008, the party ran under the banner of the Parti Keadilan Rakyat of Anwar. During the elections of 2008 two members of the party were elected. Dr. Jeyakumar, a member of the central committee of the PSM, won a seat in parliament against an eminent member of the ruling coalition, the minister for labour. Dr. Nasir Hashim, president of the PSM, won a seat in the Selangor state assembly. It is the first time in 40 years that socialist representatives have been elected to Parliament or to a state assembly. Although running under the banner of the PKR, the PSM campaigned with its own material and around its own programme. The election of the two comrades is above all the result of a real activist implantation among the plantation workers, the poor of the cities and the industrial workers.

Since its registration, the PSM has worked with the Pakatan Rakyat on a minimal basis: No to the Barisan Nasional! It supports the demands for suppression of the NEP, abolition of the ISA and all initiatives favouring the workers. Inside parliament, Dr. Jeyakumar is part of the opposition but not bound by any decision which goes against the interests of the workers or the socialist principles to which he adheres. The election of two of its members has been a formidable trampoline for the PSM which is now established in 7 of the 13 states of the federation and claims around 10,000 members in its committees [6]. One can only rejoice at such developments on the left in Malaysia and wish the PSM well in strengthening itself.

► *Danielle Sabai is one of IV's correspondents in Bangkok.*

## NOTES

[1] For more details see "Racial Conflict in Malaysia : Against the Official History", Kua Kia Soong, Race and Class 2008; 49; 33

[2] "Touching the Heart of Malaysian Race Relations", Kim Quek. On the ESSF site: <http://www.europe-solidaire.org/spip.php?article11966>

[3] On the human rights situation in Malaysia see Alice Nah, "Human Rights in Malaysia under International Review", [http://www.europe-solidaire.org/ecrire/?exec=articles&id\\_article=12926](http://www.europe-solidaire.org/ecrire/?exec=articles&id_article=12926)

[4] See Khadijah MD Khalid, Voting for Change? Islam and Personalised Politics in the 2004 General Election. In Politics in Malaysia — The Malay Dimension, Directed by Edmund Terence Gomez (Routledge, 2007)

[5] See S. Arutchelvan, Socialism is Here to Stay in Malaysia. Site ESSF: <http://www.europe-solidaire.org/spip.php?article6878>

[6] For more, the website of the PSM is <http://parti-socialis.org>

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## France

## The New Anti-Capitalist Party, a promising birth

*Guillaume Liégard*

On February 5, the Revolutionary Communist League (LCR) politically dissolved itself and the founding congress of the New Anti-capitalist Party (NPA) took place immediately afterwards, over the next three days. At the moment of its founding, the new party had 9,123 members, spread over 467 local branches throughout Metropolitan France. Approximately 5,900 members took part in the various local congresses which prepared the national congress, a sign of the active character of the new party. To complete the picture, it as should be mentioned that there exist equivalents of the NPA outside Metropolitan France, in particular on the island of Reunion and in the French West Indies.



The founding of the new party was an event both in France and for very many anti-capitalists across the world. All those who were afraid that it would just be the LCR under another name were proved wrong by the congress of the NPA. We really are seeing a change of nature and of scale, but the NPA is also the continuation in other forms of the same combat for the emancipation of humanity.

### A project that was the fruit of long preparation

It is not superfluous to re-examine here the reasons which resulted in launching the process of building a new party and doing something that is not so common, by dissolving an organization, the LCR, with forty years of existence and which, in terms of its accumulated political capital, its membership, its political, social and electoral audience, had never been in such good shape.

Fundamentally, it was the imbalance between, on the one hand, the political situation, the scale of the class struggle in France, including its expression on the electoral terrain, and on the other hand the weakness of the organisational reality of the anti-capitalist and revolutionary Left, which led us to take such an initiative. It was a question of starting to readjust this imbalance and at the same time offering a political perspective on a clear orientation that measures up to the upheavals taking place.

Without going too far back, since 2002, practically every year we have had the concrete expression of a deep-seated rejection of capitalist policies, and manifestations, diffuse though they were, of the search for a political alternative.

► 2002: The presidential election, almost 3 million votes, 10 per cent, for the candidatures of Arlette Laguiller (Lutte Ouvriere) and Olivier Besancenot of the LCR.

► 2003: A long strike (up to three months in certain sectors) by civil servants against the reform of the pension system. In spite of the silence of a Socialist Party (PS) which basically supported the reforms and in spite of the conduct of the majority of the trade-union leaderships, this strike really almost turned into a general strike. In fact, to prevent the convergence between the struggles that were taking place and their generalisation, it was necessary for the principal French trade-union confederation (the CGT) to break the beginnings of a full-scale transport strike.

► 2005: The rejection by 55 per cent of voters of the European Constitutional Treaty, in a context where after a unitary, militant campaign, the 'no' from the left played a decisive role.

► 2006: The victorious strike against an attempt to impose a low-wage work contract on young people (the CPE, First Job Contract). The mobilization was primarily organised by youth, but it was backed up at key moments by the entire workers' movement through one-day strikes and mobilizations.

To all these elements should be added the evolution taking place in the Socialist Party, its increasingly complete conversion to social-liberalism and the extent of its integration into bourgeois institutions, whether national or international (in particular, the World Trade Organisation and the International Monetary Fund, presided over respectively by the French Socialists Pascal Lamy and Dominique Strauss-Kahn).

For the LCR, the period from 2002 to 2007 was one of reinforcement, one might say of primitive accumulation. Faced with the broadening of our audience, from 2002, we made the choice of opening wide the doors of our organization. That was not always easy, our old ways of doing things were sometimes shaken up, but really, above all, that prepared us to do what we are doing today, to move on to bigger things. Because if for us, going from 1500 to 3000 members during this period was a real success, it appeared quite flimsy in comparison with the political space that we were occupying.

Faced with the possibilities expressed in the social mobilizations, considering the 1.2 million, then the 1.5 million votes that we won at the presidential elections of 2002 and 2007, there really was too much of a difference between what we were and what we represented. This contradiction could only be transitory and without an initiative on our part, it is our audience which would have been brought down to our reality, not the reverse.

The catalyst was the result of the presidential election in 2007. The election of Nicolas Sarkozy marked a turning point in the political situation. He was elected with nearly 53 per cent of the votes, but above all he won after a campaign

conducted that was very far to the right and which openly hunted for votes from supporters of the far-right National Front. For its part, the Socialist Party, which had been absent from the second round of the presidential election in 2002, made full use of the reflex of the 'useful vote' and in the person of its candidate, Segolene Royal, failed to take up the key issue of this election, the question of purchasing power. We obtained a relative success with 1.5 million votes (4.1 per cent). Above all, the other candidates to the left of the PS took a hammering, with 1.9 per cent for the candidate of the Communist Party and 1.4 per cent for Lutte Ouvriere.

Under these conditions, taking into account the social and political context and because we had the best result, we, the leadership of the LCR, had a particular responsibility.

The experience of Lutte Ouvriere is also eloquent. Twice, in 1995 and 2002, its candidate crossed the threshold of 5 per cent of the vote ...and then nothing. After a certain point, the expectations that have been aroused must find the beginnings of an answer, failing which you will pay a heavy price. However to stay the course, you need an alternative project, a collective force to lead it, in short a party.

And this party could not be the LCR. Because of its historical identity, Trotskyism, because it was the product of a certain conception dating from the 1970s of what a far-left organisation should be, the LCR, even though it had changed a lot, was not the answer that measured up to the scale of the challenge. In June 2007, during the meeting of our National Leadership, we took our responsibilities by launching an appeal for the constitution of a new anti-capitalist party.

### An appeal

The will to build a new party is not new. Since 1992, synthesized in the form "new period, new programme, new party", we had had this project. But the perspective remained rather abstract. In particular, the search for partners as a preliminary to any real step forward remained, to say the very least, unfruitful.

By launching this appeal, we made a daring choice which in its modalities probably has very few precedents.

First of all in the content of the project, because the appeal was situated on a clearly anti-capitalist orientation. From then on our project was really to create the conditions to bring together within the same party those who had not lost the will to overthrow the system. To put an end to this system of exploitation, domination and destruction of the resources of planet, that was the delimitation that we laid down. Other projects certainly exist to the left of the Socialist Party, but over and above the programmatic aspects, it is really the question of alliances and of taking part or not in running bourgeois institutions along with the social liberals which is the core of the problem.

Indeed, the corollary, the practical translation one might say, of this anti-capitalism is strict independence with respect to the Socialist Party. That implies in particular the refusal of any agreement to govern within the framework of bourgeois institutions with the PS. At the governmental level obviously,

but also at the intermediate levels like the departments or the regions.



This position is, as we know, a casus belli for many organizations which affirm their anti-liberal positions. This is the case in particular with the French Communist Party (PCF). Admittedly in 2009, for the European elections it will run a list along with the Left Party of Jean-Luc Mélenchon [1], on quite insufficient axes, moreover. But a year ago, in order to preserve its municipal positions it sought a systematic agreement with the PS even if that meant accepting in many cities an agreement with the Modem [2]. And it is already announcing that it is seeking an agreement with this same PS for the regional elections in 2010. It should be mentioned that it participates in the regional executive, in a subordinate position, in 17 regions out of 22.

In the light of international experience, as in Brazil and in Italy, or quite simply in view of the disastrous balance sheets of the various governmental alliances in France (Union of the Left 1981-84, plural Left 1997-2002...), this independence with respect to the PS is an absolutely essential safeguard. But it is true that this precondition has a consequence: in the political field to the left of the Socialist Party there do not exist in France national partners to carry out this project along with the LCR. Either because of dependence on the Socialist Party, as in the case of the PCF, or from sectarianism in the case of Lutte Ouvrière. The positioning of this organization in recent years has been quite extraordinary. After having displayed the most unbridled opportunism at the time of the municipal elections of 2008, with the sole aim of getting councillors elected, and sometimes accepting agreements with the very worst in French social democracy (the first-round agreement to be on the Guérini lists in Marseilles, for example), the orientation laid down for the European elections consists of affirming a revolutionary Marxist current. There is however one constant theme: above all, have nothing to do with the LCR yesterday and the NPA today.

This absence of partners is not something we wish, and in many ways, the existence of another organization ready to commit itself would have made things simpler for us. In particular, as regards the not always well-intentioned reproach of only wanting to build a new version of the LCR, that would have been an asset. Convinced of the political urgency and the possibilities of taking a step forward, we decided not to make the launching of the process conditional on the existence of an agreement with this or that organization, by initiating a process of building from the bottom up.

This approach is unquestionably a change of tack with respect to the past policies of the LCR aimed at finding a way out of the crisis of the workers' movement. But it also relates to an evolution on our part as to the relative place, between the old and the new, between the recomposition and the rebuilding of the workers' movement. It is not a question of making a clean slate of the past, and many political, trade-union and associative sectors can be points of support for building an anti-capitalist party. On condition of course that organisational inertia does not prevent us from moving forward and that the old does not suffocate the new. And to do something new, it is also necessary to have new forces... That was the meaning of the appeal that we launched.

The mobilizations of the last several years showed that there were forces that were ready to commit themselves, that there was a radical new layer of activists and new layers of the working class. With our appeal, we made it possible to advance concretely towards the construction of a first political alternative.

### First experiences, and a large consensus in the LCR

The period which opened in June 2007 and which went on until the Seventeenth Congress of the LCR in January 2008 was marked by the emergence of a broad consensus within the LCR and by the first experiences of committees for a new party.

The first challenge after the appeal of the National Leadership was to win the widest possible support among the members of the LCR for this project. A very broad agreement took shape within the DN, comprising four of the five currents that there had been at the previous congress in January 2006. It remained to ensure that the organization was thoroughly convinced by the launching of the process. To carry forward such a project, such an ambition even, a comfortable majority is not enough, it is necessary to obtain the broadest possible backing, for the membership to be enthusiastic. Although it was not always easy, and it took time to debate and to convince, in January 2008 nearly 83 per cent of the members of the League supported this orientation.

Parallel with this, the development and the success of the first experiences on the ground showed us that we were not taking a wrong turn. The support for the idea of building a new party that we had felt was there was confirmed, sometimes beyond our hopes.

It is not possible to describe the process in detail here, but it is useful to read François Coustal's book on the subject [3]. But these first experiences already concentrated all the elements which would make for the success of the committees for a new party. The first element was the broadening of the social implantation, which was without common measure with what the LCR had been able to do. From the beginning, trade union cadres, including some with responsibilities at the Departmental level, committed themselves to the process. This was in particular the case in Marseilles, where the LCR took the initiative for the process, but also in the region of Mulhouse (in the Haut-Rhin department) where, it has to be said, it took place completely independently of us. In both cases, the project of the NPA

found an echo in the concerns of local groups and currents with very different trajectories, but which took up the appeal launched by the LCR.

The second element, which was confirmed everywhere, was the emergence of concerns that could be described as ecosocialist. There was an ecology commission in the LCR which had been working and producing quite serious material over the last several years. But the place that this ecosocialist dimension occupied, not as an afterthought but as something that was present in all domains, was clear from the start. The third element, even though at present it is still embryonic, though real, was a development of our implantation in the popular neighbourhoods. From this point of view, although the work that has been accomplished remains fragile, it represents a real break with the sociological reality of the LCR, even though the League was conscious of the problem.

### An irreversible choice

With the assembling of a very broad majority of 83 per cent, and on the basis of successful first experiences, we decided at the LCR congress in January 2008 to throw all our forces into the battle. Above all, by fixing a date for the foundation of this new party, at the end of 2008 or the beginning of 2009, i.e. by fixing a date for the dissolution of the League, we were making an irreversible choice and we knew it.

2008 was the year that that the process really developed, but also when there was a gradual shift away from the LCR and towards the NPA. Once the municipal elections, which were a real success for the LCR, were over, dozens of new committees sprang up all over France. But it happened so quickly that when there were between 300 and 350 local committees, the only national structure that existed to direct the process remained the leadership of the LCR. That is why we propose a first national meeting of the committees at the end of June 2008.

The aim was to make possible the first contact between the different committees, with a double objective: on the one hand, to have an appeal which was no longer just the appeal of the LCR but of an assembly of committees for the NPA, of a party that was in the process of being established; on the other hand, to set up a national structure whose role would be to lead all the committees until the founding congress. The gamble largely paid off, and to tell the truth it exceeded our expectations. 800 delegates from between 330 and 350 committees adopted a new appeal and set up the National Organizing Collective (CAN) which from then would organise and coordinate the national activity of the committees, until the founding congress. Let us note in passing that the LCR made the choice of being a minority within the CAN. This National Organizing Collective had a lot on its plate. It met for the first time at the beginning of July, then again during the LCR summer school in August, and it had to create the conditions to produce the first draft documents and to organize a democratic discussion among the members and the committees.

Then a real constituent process was put in place, with an ongoing dialogue between the CAN and the committees. Hundreds of amendments were produced; a national meeting of the committees that was organized in November

made it possible to reach a new synthesis of the three documents which then set off again towards the committees... and led to hundreds more amendments. This approach, because it enabled all those who were taking part in the process to really appropriate the documents, made it possible to cement, around a common project, different histories, trajectories and experiences.

This took place around the documents, but also through common practical activity. As an activist party, the NPA progressively, as it developed, built up its different interventions. Gradually the militant activity of the LCR was replaced by the activity of the various committees for a new party. In fact, during the autumn, many sections and cells of the LCR ceased to have a political intervention, and their meetings discussed nothing other than the preparation of the congress of dissolution, which was rapidly approaching.

### The Founding Congress

After the LCR congress on February 5 which voted to dissolve the League by a very large majority, 87 per cent, the congress of the NPA opened – the culmination of a long constituent process. The serious and attentive character of a meeting of more than 1000 people, including more than 650 delegates, was widely remarked on. The way in which the various commissions dealt seriously with the hundreds of amendments on each of the three documents (founding principles, statutes, orientation), was experienced as an exercise in direct democracy with few equivalents.

It is not possible to recall here all the decisions that were taken by the founding congress of the NPA. All the documents that were adopted, as well as a number of videos that were made in the course of the three days of the congress, can be found on the site of the NPA [\[4\]](#). But let us remain traditional, since a party is first of all a programme, and deal briefly with some of the elements which figure in what we called the “founding principles”.

The NPA does not define itself as a revolutionary party, but as a party wanting “to revolutionize society”. Some people wanted to see there just a semantic trick, but the reality is very different. In fact behind the term of revolutionary party are concealed several ways of understanding it. For some, and this is probably on a large scale the meaning most commonly shared, behind the word revolution, there are the experiences of the French Revolution, the Paris Commune, even the experiences of June 1936 and May 1968. For the revolutionary Marxist current to which the LCR belonged, the definition was narrower: a revolutionary party is a party which has a programme and a strategy to make the revolution. Under these conditions, and taking into account our project, to revolutionize society makes it possible to define a camp, consisting of those who have not abandoned the idea of bringing this system down, without advancing any further concerning the strategic hypotheses for achieving this end. On the other hand the founding principles are clearly of Marxist inspiration, including in their relationship to such a crucial question as the nature of the state. Our programme indicates that the state and its institutions are instruments of the bourgeoisie, that they cannot be put at the service of a political and social transformation, and that consequently they must be overthrown.

The NPA is also a party which fights for socialism: our founding principles indicate that "the only answer to the globalized crisis of capitalism, the battle on which the future of humanity depends, is the battle for a socialism of the 21st century, democratic, ecological and feminist". After some hesitations between "socialism", "ecosocialism" and "socialism of the 21st century", it is the latter which was retained, after a vote. But the ecological dimension is strongly present, with the fundamentally correct approach that there can only be a battle for socialism if the planet continues to exist...

### The NPA, internationalism and the Fourth International

The New Anti-capitalist Party, faithful to its founding principles, will have his own policies and its own international relations. But because it is a party that is really internationalist, because it knows that there cannot be the development of the anti-capitalist forces in France without equivalent developments in Europe and in the world, the NPA carries a project of regrouping anti-capitalist forces. Moreover, the conclusion of our founding principles is explicit on the subject: "Our party seeks to link itself to all the forces in the world which fight against capitalism. That is why the NPA will engage in dialogue and political collaboration with other anti-capitalist and revolutionary forces in the world with a view to the constitution of a new International".

Obviously, it has to be understood that in its practical concretization, in its choices, in its method of construction, there are elements which are very deeply related to French social and political reality, to the way that the political landscape in France is made up. So the NPA is not and cannot be any kind of model.

It is true that concerns have been expressed both in the ex-LCR and in the rest of the Fourth International. The choice of the LCR to dissolve, considering its importance in the International, is not without consequences. The NPA is not and does not have a vocation to be the French section of the Fourth International. However with the NPA, even after the dissolution of the League, there is much more space, more influence for the Fourth International.

The large number of foreign delegations at the founding congress is enough to demonstrate this: there were more than 100 people, coming from 70 organizations, from 45 countries on the five continents. Such a force of attraction was possible because the project of the NPA carries within it a dynamic which interests many organizations and currents throughout the world. But without the existence of the Fourth International and its networks, none of that would have been possible.

What are the perspectives prospects from now on? The founding congress was a big success. With more than 9,000 members, the NPA is already a force to be reckoned with on the French political scene. But although the congress was an important stage in the process, it was really only one stage in the construction and the development of our project. The dynamic continues, and in the three weeks which followed the creation of the NPA, we received more than 3,000 contacts and applications to join. The reality of this new party, its dynamic and the developments of the crisis of capitalism must lead to new processes of crystallization and

differentiation within certain sectors of the French workers' movement.

Above all, in the face of the gravity of the international financial, economic, food and ecological crisis, in the face of the extent of the disastrous social effects that the world recession is generating, the level of social exasperation can only increase. Already important mobilizations are developing: 2.5 million people in the streets on January 29, the ongoing strike of the personnel of higher education and of course the general strikes in Guadeloupe and Martinique.

At this moment, at the beginning of 2009, the newly-born NPA is developing an extremely active united front policy. It was on its initiative that a common statement of 11 left organizations was published, calling for the continuation of the mobilization after the success of the demonstrations of January 29 and in support of the struggle in Guadeloupe. One of the most urgent tasks of the hour for the NPA is to be an effective instrument supporting the broadest unity. But in parallel, the NPA defends its own positions, and in particular the demand for an across-the-board wage increase of 300 euros, which is having an increasing echo.

The exemplary strike led by the LKP in Guadeloupe shows not only that such demands are necessary and that they can find a broad echo at a mass level, but that partial victories are also possible. The next European elections in June 2009 are also an important date. In the first place because these elections will be dominated by the gravity of the social effects of the capitalist crisis.

Faced with the sharp rise in unemployment and with the layoffs that are in the pipeline, it is necessary to defend a project that represents a break with what European construction has been since the Treaty of Rome in 1957, a clear and consistent break with the capitalist system. There cannot be one electoral tactic for even years and another for odd years. It is not only derisory in comparison with the depth of the social and political crisis; it encourages reactions of despair and prevents the emergence of a real political alternative. On the other hand, it is undoubtedly possible with these elections to begin to build an alliance of anti-capitalist forces in Europe.

An alliance that will no doubt be partial and limited at this stage, but which would already represent a first step forward.

Anti-capitalist sentiment and the search for a political alternative to this absurd system are developing in this country. However, we are approaching this period full of uncertainties with a new instrument which by its programme and its positioning can bring together part of the aspirations for a radical break with the system. So are we able, with the NPA, to answer all the political questions of the day? The answer is obviously no. The perspective remains that of a mass anti-capitalist party capable of building a different relationship of social and political forces. That will undoubtedly take time, even though elements of acceleration are far from being excluded given the situation.

But let us pose the question differently: have we, with the constitution of the NPA, crossed an important threshold, and even entered a new stage in the realization of this objective? Unquestionably, this is the case. To amplify the dynamic

around the NPA, to be able to incorporate new traditions coming from the French workers' movement, above all to encourage, by our practical activity and our demands, the coming mobilizations; that is the challenge. The task will undoubtedly not be easy but it fills us with enthusiasm and we are ready for it.

► *Guillaume Liégard, former member of the Political Bureau of the LCR, was elected to the National Political Council of the NPA at its founding congress. He is a member of the International Committee of the Fourth International.*

## NOTES

[1] The Left Party (PG) was launched on November 12, 2008 by Jean-Luc Mélenchon (senator) and Marc Dolez (deputy in the National Assembly), who left the PS and joined, both in the National Assembly and in the Senate, the parliamentary groups organized by the PCF.

On November 18 the PG constituted with the PCF a "left front for another Europe, democratic and social, against the ratification of the Treaty of Lisbon and the present European treaties", for the European elections of June 2009. Two other independent parliamentarians, Jacques Desallangre (deputy and mayor of Ternier) and François Autain (senator) joined the PG, which held its launch meeting on November 29 in the presence of Oskar Lafontaine (Die Linke, Germany) and from January 30 to February 1, 2009 its launch congress (with 600 delegates), which had on its agenda the adoption of a constitution, emergency measures in response to the economic crisis and a decision on electoral strategy.

A congress which will discuss the program of the PG has been announced for autumn 2009.

[2] The Democratic Movement (Modem) was created in 2007 by François Bayrou (who was up until then president of the Union for French Democracy, UDF), following the presidential election in which Bayrou stood against Sarkozy. The Modem defines itself as centrist, social-liberal and Europeanist and consists of that part of the liberal Right which refused to join Sarkozy's party, the UMP.

[3] François Coustal, *Incroyable histoire du Nouveau Parti Anticapitaliste*, Editions Demopolis, Paris 2009.

[4] <http://www.npa2009.org>

### Other recent articles:

#### France

[NPA launches newspaper](#) - March 2009

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[From the LCR to the NPA](#) - January 2009

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[France: The anti-capitalist hope](#) - February 2009

## Europe

# Conference and meeting of the anti-capitalist left in Strasbourg

During the recent counter summit to NATO's 60th anniversary meeting in Strasbourg, a new conference of the European anti-capitalist left was held at the invitation of France's New Anti-Capitalist Party (NPA).

Represented : The "Bloco de Esquerda" from Portugal, "Izquierda Anticapitalista" from the Spanish state, "Sinistra critica" from Italy, "Syriza" and "Antarsia" from Greece, the "Polish Party of Labour", the "ISL" and "RSB" from Germany, the "Anti-capitalist left" and "Movement for Socialism" from Switzerland, the "LCR" and "PSL" from Belgium, the "SWP" from Great Britain and the "Socialistiska Partiet" from Sweden. The "Interventionistische Linke" from Germany, the "Pore" from Spain, the "Socialist Party of England and Wales" and the "Scottish Socialist Party" were unable to participate in the meeting and sent messages of solidarity.

This conference discussed the international situation and the coming European elections. It denounced the fraud of the G20 which claimed to "organise a new world order" and stressed the need to "deconstruct" all the announcements of the great powers and the IMF.

It registered a common approach from the participants on the link uniting the two events of the week: the G20 and the NATO summit, which constitute two of the apparatuses essential to world imperialist domination.

"It is not the peoples who should pay the crisis, it is the capitalists! Taking up the slogan of all the demonstrations, the conference adopted a declaration which stressed the demands and objectives of a "Democratic, ecological, social emergency plan". Struggle against dismissals, for wage increases, for the defence of public services and social protection, for the harmonisation upwards of social rights, for the eradication of tax havens and the setting up of a unified public finance and banking service under popular control. It has also shown that to really beat the crisis, to define "new regulations", it is necessary to attack the hard core of capitalism, impose a new division of wealth and make inroads into capitalist ownership.

The conference also surveyed the social resistance to the crisis in each country, from which a contradictory situation emerged: National strike action days in Greece, Portugal, Italy, France, mobilisations of sectors of the trade union movement in Germany, strikes in Great Britain but also acceptance indeed fear of the crisis, where the workers, under the pressure of the employers and the trade union bureaucracy, as at Seat in Spain, vote to accept wage freezes.

The crisis also strengthens nationalist or xenophobic reactions in countries like Italy or Britain.

Finally remembering the policy of the anti-capitalist left, rejecting all support or participation to social liberal coalitions with social democracy or the centre left, all the organisation decided, for the coming European elections, to strengthen their links and participate in common initiatives and meetings. The first meeting of the European anti-capitalist left, where each organisation spoke, was held at Strasbourg with more than 800 persons in attendance!

Other recent articles:

[Anti-capitalist left](#)

## Sri Lanka

# For an immediate ceasefire in Sri Lanka and recognition of the Tamil right to self-determination

New Anti-capitalist Party (France)

For several months now, the Sri Lankan government has been waging a broad offensive against the forces of the Liberation Tigers of Tamil Eelam (LTTE) – an offensive that has been particularly murderous for people living in the combat zones. Several hundred thousand people have lost their homes and been forced into refugee camps, where they live in extremely precarious conditions.

The government's present objective is to crush the LTTE, but there cannot be a lasting military solution for a conflict whose origins are fundamentally political. Even if the army were to win a major victory on the battlefield, the national question would remain unresolved in a context where Sinhala chauvinist forces and the Sinhala Buddhist far-Right have been continuously growing in strength in recent years.

The Sri Lankan state bears a major historic responsibility for the creation of a situation of endless war, given the consistent denial of the linguistic, cultural, political and national rights of the Tamils. These are the rights that must finally be recognized if there is to be a way out of the crisis.

The NPA calls for:

- The recognition of the Tamil people's right to self-determination by the Sri Lankan government and, in particular, by the French government and the European Union.
- The protection of the civilian population in combat zones.
- Assistance to refugees and, especially, for women and children who live in conditions of tremendous insecurity in the camps.

- An immediate ceasefire and the resumption of negotiations between the government and the LTTE in order to find a political solution to the conflict.

## Greece

# Left perspectives on the December Revolt

Tassos Anastasiadis, Andreas Sartzekis

Nearly four months after the immense youth revolt that followed the killing by a policeman of young Alexis Grigoropoulos, it is indisputable that it has become a reference point not only in Greece, but also at least in Europe, where you can hear for example on French student demonstrations: "Guadeloupe everywhere, a general Greece!". In addition, Greece continues to experience mobilisations which, while certainly less massive, reflect the fact that, in the face of the broadening crisis and the repression which seems the only stable policy of the right, the fires of revolt continue to burn.



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Even if the powerful wave of December did not lead to what was then possible, the overthrow of the right wing government, many things are beginning to profoundly change here, as witnessed by the impressive mobilisations of recent years (port workers, farmers, students, environmental struggles and so on). Without going back on the causes of this unexpected mobilisation, there are many reasons to review rapidly some key points of the period, so as to clarify for the reader some questions which are debated, some of them more outside Greece than in Greece itself. And it certainly seems necessary to us to evoke the development of the Greek anti-capitalist left which, after

"December 09" has begun to regroup its forces and discuss programmatic axes.

### **1- DECEMBER: A MOBILISATION WITHOUT POLITICAL DIRECTION**

This is clear: No political force can claim to have led the movement in any way. Activists from the revolutionary left, from Synaspismos, without forgetting the KKE (Greek CP), fairly well implanted in the high schools which, while denouncing the other forces and dividing the mobilisations, could not refuse to mobilise, massively and immediately participated in this movement. What is certain is that the movement, seeking a determined response to the police violence, was influenced, initially massively, by somewhat anarchistic practices, without the groups of this current being able to organise anything concrete in relation to this multiform tendency. On the contrary, it should be recalled that one of the axes of intervention of the anti-capitalist left in the movement was to propose a self organised structuring, of which the difficult establishment of the coordination committees was an element. Nonetheless, the absence of a democratically self-organised structuring at all levels was one of the main, if not the main, weaknesses of the movement.

### **2- THE QUESTION OF THE JUNCTURE OF THE MOBILISATIONS**

In any movement of the breadth of the December revolt, there are crucial moments, which, according to how they pan out, affect the likelihood of a victorious generalisation. The date of December 10, four days after the killing and the immediate extension of the movement to all the regions of Greece, thus became a crucial moment: the trade union movement, with the single confederation the GSEE and the Public Federation ADEDY, had for some weeks called for a one day general strike against the anti-worker policy of the government. In the context opened since December 6, the stakes became very high for a right hesitating between the strengthening of repression and political disorientation before the breadth of the revolt. The Prime Minister Karamanlis then asked the GSEE to postpone this strike, obviously fearing the juncture of the revolt of youth and angry workers combined (remember that in spring, when the right introduced pension reforms, the reformist PASOK bureaucracy, Synaspismos and KKE succeeded with great effort in preventing the extension of the renewable strike). The president of the GSEE (PASOK has the majority of its leadership) very firmly refused to sacrifice the workers' interests to Karamanlis.... but he transformed the planned demonstration on the streets of Athens to a rally without demonstration at Syntagma square in the centre of the capital. The objective was clear: to prevent a common and determined demonstration of tens of thousands of workers and youth, which could be transformed into an immediate demand for the departure of a government henceforth clearly in the minority (30 to 35% in the polls, if we add the scores of the far right).

It was one of those moments where history can accelerate and the choice was clear: either to maintain the appeal to carry out the planned demonstration, or to align with the trade union bureaucracy rejecting class confrontation with the right and the possibility of a power vacuum which the institutional left did not want. And the choices have been

made according to this alternative: on the one hand, a determined demonstration on the planned 2 km route, attracting numerous youth (in particular students), teaching unions, groups of radicalised workers, numerous groups from the anti-capitalist left, and, among them, the KOE, the main group of the revolutionary left in Syriza. On the other, numerous workers who listened to the speeches of the reformist union leadership without demonstrating before dispersing without worrying the government too much. Let's be clear, with regard to the massive participation in the two initiatives and in measuring then the possibilities, it is obvious to many in Greece that the reformist bureaucracy had saved the government on that day and indicated the political framework in which it wished to contain the movement. The demand for the resignation of the government became secondary to slogans, certainly indispensable, on the disarmament of the police and the dissolution of the special corps. And the absence of a living democratic self-organisation prevented a real discussion in the movement on the importance of this political question and on the necessity of the workers' movement taking it up.

### **3- FIRST EFFECT OF THE MOVEMENT: A GROWING MOBILISATION**

Of course even if it hasn't fallen, the right has since December been more discredited. But it keeps its nuisance power, in a situation where the economic crisis is now reflected by thousands of dismissals in February (80,000 jobs lost between September and December 2008) and still darker perspectives. Traumatized by the youth revolt, it seems that at least a part of the right sees the accentuation of the repression as the sole possibility: we saw it in early January, with resumed youth demonstrations attacked by police, and in mid March when the right took up the proposals of the far right against wearers of hoods and anti-police slogans! But also with the recourse to para-state forces against those protesting against the destruction of a green space in a popular neighbourhood, with the throwing of a grenade at a café which was a meeting place of the Network for Political and Social Rights (DIKTYO) and other radical organisations. However, the key issue today for broad mobilisation has been the aggression against an immigrant trade union coordinator, Konstantina Kouneva, a heated defender of rights of cleaning workers. Attacked with vitriol and very seriously wounded, his support was initially limited to the radical left and combative trade unions like his own. But support has spread following several big demonstrations and now even PASOK leader Giorgos Papandreou inveighs against companies who turn workers into slaves. Meanwhile, PASOK and Syriza have proposed Kouneva as a candidate on their respective lists at the European elections. Kouneva, who as a class struggle trade union leader has had to confront the Pasok or Synaspismos union bureaucracy several times, has rejected the proposal. This struggle has a significant impact in a context where racist attacks and propaganda have sharpened (and not just from the neo Nazi "Golden Dawn" group, Chryssi Avgi, one of whose members has just received a light sentence following his trial for armed attacks against revolutionary activists).

### **4- SECOND EFFECT OF THE MOVEMENT: POLITICAL RECOMPOSITIONS**

Of course, there are premises, with the existence for some years of MERA and ENANTIA, two separate groupings of

several groups of the revolutionary left. And the very successful meeting with Alain Krivine in the spring on May 68 saw a fairly broad co-organisation. In addition, many of these groups participated in meetings organised in France for an anti-capitalist left. One can then say that for nearly a year now, things have been moving. But the December revolt allowed the shift to a higher gear: It is now clear that to weigh politically in the struggles and at the national level, the Greek revolutionary left must regroup to launch a credible anti-capitalist left. That is what was set up at the end of January, the idea being to reach agreement on some key programmatic axes, on the basis of activism in the big mobilisations.

It is about building a left rejecting entry into institutional management, which already makes all the difference with PASOK as well as with the KKE and Syriza. If the two latter are capable of a class struggle language (KKE) or acceptable programmatic orientations (Syriza), their practice very often denies it. Many in Greece remember that Synaspismos regrouped in 1989 the two Greek CPs ... to form a government with the right, first against PASOK (July-November 1989) then with the right and PASOK (the so-called ecumenical government of November 1989-April 1990). If the KKE left Synaspismos in 1991, it continues as we saw in December to back the right. Synaspismos inherited from this period of coalition with the right three former ministers of whom two were among the main leaders of Syriza (belonging to two different currents): Fotis Kouvelis, parliamentary spokesperson for Syriza, and Giannis Dragasakis. One could multiply the examples of the enmeshment inside the bourgeois institutions of the KKE and Synaspismos. The young leader of Synaspismos, Alexis Tsipras, is presented by the media as the "Greek Besancenot", although our postman comrade would never cordially fraternise with a right wing minister and one of the country's biggest employers as Tsipras has just done in the context of the beginning of the construction of a new football stadium in the centre of Athens.

Independence in relation to PASOK is obviously a key element: if we cannot at this level reproach the KKE, which denounces the "gang of three" but has in its turn been accused of being allied to the right, we cannot say the same of Synaspismos. Here also we must distinguish proclamations from everyday practice. But first examine a fact which has been little examined in recent months by triumphalist analyses: The percentages given in 2008 in the electoral polls to the Syriza grouping have been in fact, beyond a base of 5 to 7% clearly attributable to Synaspismos (1996: 5.12% for Syn; 2007: 5.04 for the Syriza grouping.), generally variable according to the pressures of the PASOK electorate on the Papandreou leadership. Today when the electoral credibility of PASOK as the way to beat the right has in part been re-established, the percentages give Syriza from 5 to 9% (in a poll on March 20: 5.6% for the parliamentary elections, 7.3% for the Europeans, PASOK being given 33% in the 2 cases), and in 3 polls out of 4, it has fallen behind the KKE.

But this close electoral relationship is reflected in the approach to the "big questions": thus, the journal "Eleftherotypia" noted at the end of February that Papandreou and the president of Syriza, Alavanos, had come together around what should be demanded of the prime minister at the European summit, the measures

proposed being classically reformist if not technocratic! Like PASOK it supports the classically reformist parliamentary proposal, for reorganisation of the police put forward by the group Syriza. Let us add that the "renewer" current of Synaspismos leans openly to governmental cooperation with PASOK. This current has just moreover rendered an invaluable service to the government: At the elections for the leadership of the higher education teachers union (POSDEP), it coalesced with the rightist tendencies and PASOK to overthrow the outgoing leadership, close to the majority current of Synaspismos!

Indeed, in a context where university struggles are politically important, the old leadership rejected the "dialogue without preconditions" which the minister for education had just proposed: the new POSDEP leadership is on the verge of accepting, the better to smother rank and file combativeness. But so far as the majority of Synaspismos is concerned, Alavanos, the president de Syriza, has just written to Karamanlis (for the right) and to Papandreou (for PASOK) to propose to them to work for the recomposition of the student union EFEE, fragmented for several years, as if that was not the strict area of the students themselves through their debates and struggles! We will say no more on this reality which in fact distances Synaspismos and Syriza from a practice or a will for rupture with the bourgeois institutions, but we must obviously state that there are differences (the Synaspismos youth organisation, which has grown, is clearly more to the left) and that it is necessary to lead mobilisations and discuss with Synaspismos and Syriza. We are content to restate here what the Greek section of the Fourth International has said for some year: What is urgent in Greece is to build an independent anti-capitalist left, which could weigh on the developments expected in both Synaspismos and the KKE (sign of the times? The most Stalinist of its deputies was not re-elected at the CC during its congress!) as in PASOK (through its worker militants).

##### **5- A SPACE 100% LEFT: THE NECESSARY REGROUPING OF THE ANTI-CAPITALIST LEFT ADVANCES IN ALL INDEPENDENCE**

Following the appeal of January 31 and during the months of February and March there was a whole series of local and sectoral rallies to discuss the idea of a unitary and structured anti-capitalist left. Baptised "anti-capitalist assemblies" they were in fact veritable rank and file meetings of all the organisations who had signed the appeal. Open to various anti-capitalist left activists beyond organised elements, these meetings discussed the possibilities of local construction but also of unitary structuring of the anti-capitalist left at the national level.

It should be said that the ground was not completely virgin, at the level of mobilisations, pre-existing contacts, and even sometimes of informal co-ordinations. But a specifically political discussion, with a precise organisational point, was not part of the habitual practices of most!

The conference of March 22, which crowned this movement, constituted a very significant step forward while also registering limits, insufficiencies, needs and so on. A general political text, as well as a political declaration and central slogans for the period were adopted and the undertaking to advance together in the coming battles (including in the European elections) constituted a new point of departure. A

national coordination has been set up, but it should be strengthened to the extent that the local structuring acquires a closer character.

The Left Anti-capitalist Coordination for the Overthrow (of the system), whose name was in part chosen for its initials, Antarsya, which means in Greek "mutiny" or "revolt" or again "take to the maquis" (the "antartes" were the "partisans" of the anti-Nazi resistance), was then launched in the immediate battles of the class struggle, with a common consciousness of the urgency of radical responses faced with the crisis of capitalism and the damage it causes. All the questions could not be answered, like the ideological references, strategy or also organisational questions. But the unitary framework now exists, and some of these questions will find a response with time, experience, debates.

The urgency is to develop an instrument which can weigh decisively on the resistance and struggles of the workers, who must face, beyond the repression of the right, divisions and impasses which, under various forms, are those of PASOK, Synaspismos and the KKE. It is vital for the combats of the working class and youth that the anti-capitalist forces, through "Antarsya", propose a response at the level of the social anger, which if it was doubted, has been verified with the very high participation in a one day general strike on April 2nd whose only official perspective was that it be followed in some time by a new 24 hour strike! The hope is that from now on the workers can take their affairs into their own hands, aided by the militant presence of the anti-capitalist left.

► *Tassos Anastassiadis is a leading member of the OKDE-Spartakos, Greek section of the Fourth International.*

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## Anti-capitalist movement

# The socialist project has been betrayed and must be reinvented in the 21st century

Éric Toussaint

Interview with IHU On-line (Brazil)

**As he assesses the international crisis and the proposals made by the Left to meet a fast deteriorating global situation, Eric Toussaint distinguishes between two very different kinds of Left that suggest different ways of resolving the interconnected crises of capitalism.**



Photo: Agência Brasil (Creative Commons)

As he assesses the international crisis and the proposals made by the Left to meet a fast deteriorating global situation, Eric Toussaint distinguishes between two very different kinds of Left that suggest different ways of resolving the interconnected crises of capitalism.

One alternative, he explains, is still concerned with socialism and the environment, it proposes a form of ecosocialism, and finds its expression in social movements and struggles to implement anti-capitalist, feminist and anti-racist solutions. The other alternative, the social-liberal or social democrat Left, is to be found in governments such as those of Barack Obama, Lula, Gordon Brown, José-Luis Zapatero. These, he claims, while they are still caught in the neoliberal economic model, just cannot perceive the depth of the environmental crisis; they boost the productivist mode of production, possibly sprinkling some green measures without ever considering the required radical measures.

He also sees the current civilisation crisis as a reflection of the history of the social-democrat Left that adapted to capitalist society. In this special interview given to IHU ON-Line [1]

Toussaint claims that apart from not respecting a genuine democracy based on self-management, the deep crisis of the Left is somehow related to a distortion of the proposals of socialists such as Karl Marx and Friedrich Engels. As he stands up for socialism in the 21st century, he stresses that we must not reproduce what was done in the 20th century,

but on the contrary develop a deeply democratic and self-managed response to the negative experiences of the past.

When asked about the possibility of building a more radical proposal to put an end to capitalism, he becomes sharper: This involves massive social mobilisations to set up a truly revolutionary process similar to the one that triumphed 50 years ago in Cuba on 1 January 1959. And unambiguous: We need a new anti-capitalist, socialist and revolutionary policy which must include feminist, environmental, internationalist, anti-racist dimensions. These dimensions must be consistently integrated into what is at stake in 21st century socialism.

#### Interview

**IHU On-Line – You claim that in order to solve global issues we need a radical break. Can this be achieved only by the Left, and how?**

You can see that proposals for a radical break away from capitalist society come from sectors of the Left that include parties and social organisations. It derives from the radical Left the world over through such parties of the revolutionary left as PSOL or PSTU in Brazil.

Other parties in Latin America share the same orientation. In Europe revolutionary parties are under construction as in France where the 'Nouveau Parti Anticapitaliste' was founded in February 2009, with the emblematic figure of postman Olivier Besancenot. [2] We can observe the same process in other countries, also in Asia. As to social movements we should read the declarations they adopted at the World Social Forum at Belém on 30 January. You'll notice that this declaration of social movements proposes a complete break with capitalism and rejects the possibility of reforming capitalism through new regulations. When we read the declaration of the Women's Assembly [3] adopted at Belém on 1 February and the final declaration of indigenous peoples, we are aware of the same determination. My answer is therefore, yes, it is clear that nowadays a number of parties and social movements propose a radical break from capitalism.

**Among sectors of the Left two alternatives are presented when thinking of change. Some try to go beyond the neoliberal stage by retrieving state-regulated development while others stand for a socialist break. Are these avenues possible? Hasn't the time come to propose something different?**

Yes, clearly these avenues are possible. The first approach has been implemented by left-wing organisations and also the Peronist party in Argentina that are in power. This is the policy developed by Luiz Inácio Lula da Silva in Brazil, by Cristina Kirchner in Argentina, Michelle Bachelet in Chile, etc. In Argentina, two months ago, Cristina Kirchner's government renationalised pension funds. So policies that fit the first alternative you described are actually developed. Yet I do not think they make it possible to meet the challenge of the global crisis. As we can see it rather supports the domination of a capitalist society in which the State steps in as firefighter to quench the fire lit by the global crisis of capitalism.

The other alternative that proposes a genuine socialist break still has the status of proposals. I cannot mention governments that implement it consistently even though some, such as Hugo Chavez' and Evo Morales', are moving partially in that direction. Their discourse calls for a socialist break but their actions are more moderate. Is the more radical approach possible? It certainly is.

But it requires massive social mobilisations to initiate a genuinely revolutionary process such as that which triumphed in Cuba fifty years ago on 1 January 1959. In the years that followed the victory of the Cuban revolution we could observe several changes on the island: redistribution of resources to the people, loss of the capitalists' control of the means of production, and a process of democratisation. Afterwards, as Cuba was under US embargo and felt the influence of the USSR, there was a partial change. But we cannot forget the deep revolutionary momentum of the early years. I cannot see why, when facing a global crisis, we could not go through similar revolutionary explosions in the future.

**You are saying that the current crisis is not just financial and economic but reaches much further. In what way is this global conundrum related to the crisis of the left? Can we say that the two are indeed linked?**

Yes. This is a good question. There is indeed a crisis in social-liberal management. I am referring here to the policies of the Lula government, but also to Zapatero in Spain or Brown in Britain. The crisis is deep because those who voted those governments into power expected other policies. We must remember the election of Lula and how the programme on which he was elected in 2002 announced a break at least with neoliberalism (I am not talking about a break with capitalism). Instead of a break what we have had is continuity in neoliberal policies. So a crisis of credibility for those parties of the Left is part of the global crisis.

On the other hand it is clear that the dramatic experiences of what was called 'real socialism' in the past century cannot be dismissed. In our collective memory 'socialism' is often somehow associated with state economy, the domination of one single party, and the negation of democratic freedom.

In short, on the one hand the outcome of social-liberal management, i.e. of social-democrat policies, is utterly negative; on the other, the outcome of the Stalinist management of 'real socialism' that dominated the Soviet bloc in the 20th century was disastrous. We still have to overcome this credibility crisis. This is what is at stake in the debate on what some call 21st century socialism.

21st century socialism must be a democratic and self-managed response to the negative experiences of the past. So we must not reproduce what happened in the 20th century. In the face of this global crisis of the capitalist system, combined with a crisis of civilisation, we have to counter the crisis of the Left with a new anti-capitalist, socialist and revolutionary approach which includes feminist, environmentalist, internationalist and anti-racist dimensions. These various dimensions must be consistently integrated and taken into account in 21st century socialism.

### What does the Left propose to meet the global financial crisis?

There are two different answers depending on which 'Left' you mean. The Left that carries out social-liberal policies – Lula, Brown, Zapatero – does not propose very different policies from those we find in France with Sarkozy, or even in Italy with Berlusconi or with Bush before Barack Obama. It consists of bailing out bankers: spending enormous amounts of public money to salvage a private banking system dominated by capitalist finance corporations. This is the answer provided by the Left that is in power, and it looks very much like right-wing policies. You cannot distinguish either between Lula's response to the private financial system and Sarkozy's policy in France.

But there is another alternative. The proposals of that other kind of Left are expressed in the Declaration adopted in Caracas on 10 October 2008, during the International Political Economy Conference: Responses from the South to the Global Economic Crisis, the text of which can be read on various websites including CADTM. This final declaration demands the nationalisation of the banking industry, which means transferring the banking industry from the private to the public sector without compensation. The State must run the banking industry without any compensation to large shareholders. We must go even further since the policy of the banks' large shareholders and CEOs is responsible for the global finance crisis, and of the bankruptcy of several banks.

### Measures to deal with the crisis

The States that nationalise these banks must recover the cost of the operation by taking back the money from the assets of the large shareholders and directors of these companies. Other measures must be taken to face the crisis. For example, a radical reduction of working time for employees, without wage cuts, is needed. The work available in our society must be shared, thus giving employment to many more people than has been the case so far, and to allow those already employed to work less with guaranteed wages. In this scenario, where wages for those already working are guaranteed and employment is given to the unemployed, the purchasing power of workers rises and the economy is boosted. This urgently needed measure has various advantages. It gives jobs to the jobless, increases the social security contributions paid by employees and employers, and ensures the financing of retirement pensions. It also contributes to the revenues needed to pay unemployment benefits, and possibly to finance the universal allowance that is talked about in some countries.

As a more structural measure, the private control of the main means of production, distribution and credit as well as private control over the cultural and information sectors must be brought to an end. Nowadays the main means of production, communication and services are in the hands of private capital. The control and property of the main means of production, distribution and services (including the means of communication) must be transferred to the public sector. And the public control and property of the main means of production must be combined with other forms of ownership: small private and family ownership in the sectors of agriculture, craft industry and services.

For instance, electricians, plumbers, retail trade, catering, a whole range of occupations that are essential to everyday life, for which it is natural that there be small private ownership. Other forms of property are also to be fostered, such as cooperative or communal property and the traditional property of indigenous peoples must be preserved. As far as public ownership is concerned, a democratic control of the public sector by the citizens is needed. If these structural reforms are implemented, a radical break with the capitalist system will be achieved. A series of other measures would be necessary to tackle the various dimensions of the global crisis.

To deal with climate change and other aspects of the environmental crisis, radical measures are needed to reduce greenhouse gas emissions. In order to solve the food crisis, it is clear that a policy of food sovereignty should be implemented so as to ensure that local producers meet the population's needs without depending on food imports from the global market. These are some proposals for a radical, revolutionary reform of the system.

### What is going on within the global Left? Why is there such a gap between the theory and practice of political left-wing thought?

Eric Toussaint – The global Left is going through a deep crisis due to its history. The history of the social-democrat current is the history of a profound defeat, for it fitted into the capitalist society. The defeat of the Left is also the one of the Stalinist Left, i.e. the experience that dominated the attempts at building socialism in the Soviet Union and China. It was also a profound defeat because genuine democracy based on collective management was not respected in the sense that the bureaucracy in power in these countries wanted to bring it all under state control. It was a serious mistake! Socialism is not about the state controlling the whole economy.

The Left's deep crisis is somehow related to a betrayal of the proposals made by socialists and communists, such as Karl Marx and Friedrich Engels. Karl Marx said that the society we aspire to, i.e. communism, is the free association of free producers. He also said the emancipation of the workers will come from the workers themselves. He added that in socialism, the State should tend to disappear. And socialism is a transition from capitalism to communism (which implies the extinction of the State). In a socialist society, the State still exists but as a provisional institution that must aim at its own disappearance.

Now, what did the Soviet experience consist in? Instead of making the State disappear, the communist party, under Stalin's leadership, reinforced it more than ever and forbade a whole range of democratic expressions. It was a complete perversion of the socialist project which, quite to the contrary, is eminently democratic. If we take the experience of socialists, what is called social-democracy, Lula, Zapatero, Brown or Daniel Ortega in Nicaragua, they are not in favour of the State's disappearance either. They are in favour of maintaining the capitalist State with socialists in the government. In their opinion, what is needed is a capitalist State which regulates the activities of capital, but not too much.

The Left which is in power and has dominated in the past has betrayed the true liberating and emancipating socialist project. These are the root causes of the crisis of the Left.

A radical and revolutionary Left defends the original socialist project; it tries, from the action of the social movements, to strengthen it by different means. This radical Left also takes part in election campaigns. It tries to get members elected in Parliament who wage an anti-capitalist struggle in the parliamentary institutions, with a view to breaking with the system and not conforming to it. The idea is to foster a genuine revolution, a radical change in property and social relations in society.

**Were the guidelines of Marxism diverted from what they really meant? What is the place of the environmental issue in Marxist thought?**

As regards the socialist project as designed by Karl Marx during the 19th century, it has to be mentioned that, among the dimensions analysed by Marx, some were not developed, or not enough. The important feminist dimension, which challenges patriarchal domination, and the environmental dimension were not developed by Marx even if he designed an emancipating project placing human beings in nature. Marx considered humankind as an integral part of nature. There is not, in Marx, a dichotomy between humankind on the one hand and nature on the other. This Marxist approach prepared for environmental issues to be taken into account.

The current environmental problems are the legacy of a little more than two centuries of a capitalist and productivist mode of production, which has entailed the destruction of nature. To be fair and complete, it has to be said that the 20th century experience of 'real socialism' (in the Soviet Union or in Maoist China) is also extremely negative in terms of the environment. In these countries a brutal and aggressive mode of production contributed to the destruction of nature in the same way as capitalism did in Western Europe, North America or Japan.

The gap between theory and practice has to be bridged. We must go back to the revolutionary and innovative fundamentals in theory. It is necessary to include in Marx's contributions a reflection on the issues faced by society today, such as the environmental issue. The feminist dimension is also crucial. Women have been struggling for equality for centuries. There were female revolutionary leaders long before Marx, especially female revolutionary leaders who actively took part in the 1789 French revolution and who already put forward feminist claims at that time. But the feminist movement really expanded and questioned patriarchal domination during the past 60 years; today, it bears a revolutionary project. This is why the feminist dimension must absolutely be included.

**Besides the economic and political issues, in this time of crisis, it seems that a new energy and environmental paradigm is perceived as urgent and essential to overcome the problems. Is the Left still unaware of the seriousness of these issues?**

Quite the opposite, I think that the radical Left has fully taken into consideration the seriousness of these issues. That is

why it proposes a feminist, environmentalist, antiracist, anti-capitalist and socialist alternative. The environmentalist dimension is extremely important and that is precisely why the radical Left talks about « ecosocialism », a notion that embraces environmentalism and socialism. On the other hand, the social-liberal Left has not measured the extent of the environmental crisis. It can be noted that during Lula's social-liberal administration, the destruction of a region such as the Amazon has continued at the same pace as under the governments of Fernando Henrique Cardoso and his predecessors.

Over the past five years of Lula's government, the Brazilian Amazon has been deforested over a surface as large as the territory of Venezuela. And if we take the examples of other governments of the traditional Left such as the Brown or Zapatero governments in Europe, we can see they are equally unable to realise the extent of the environmental crisis. So my answer to the latter question is that the radical Left has taken into account this environmental crisis and proposes an ecosocialist response whereas the traditional Left continues and strengthens the productivist mode of production, sprinkling some green measures without ever considering the required radical measures.

**What does this historical moment mean for humanity?**

Humanity is again at a historical crossroads. The global crisis has various dimensions: environmental, food, migration, financial, economic as well as a crisis of global governance, not to mention the series of wars of aggression like the ones waged in Iraq and Afghanistan, combined with non compliance with the rights of the peoples such as the right of the Palestinian people to have a territory and a State. Humanity is faced with two alternatives: on the one hand, the capitalist solution of the crisis, that is, the solution proposed by Barack Obama, Lula, Sarkozy, Brown, Zapatero, the Chinese government, Putin, etc; on the other hand, the option of turning one's back on capitalism and implementing anti-capitalist, environmentalist, feminist and antiracist solutions. I hope humanity will choose the latter option, because if we want to respond to the global crisis as a whole, we need a global anti-capitalist, ecosocialist and feminist response.

Interview by Patrícia Fachin

Translated for CADTM by Stéphanie Jacquemont and Christine Pagnouille in collaboration with Judith Harris. First English publication at [CADTM](#) where documents referred to in the text can be found.

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► *Eric Toussaint is President of the Committee for the Cancellation of the Third World Debt (CADTM).*

**NOTES**

[1] The original Portuguese version was published in Revista do Instituto Humanitas Unisinos in Brazil: Eric Toussaint's answers are mainly geared to a Brazilian or Latin-American

audience but they are equally valid for other parts of the world.

[2] Olivier Besancenot, member of the Communist Revolutionary League, was the youngest candidate for the French presidency, representing a far Left party. At the 2002 elections he obtained 4.25%. From 5 to 8 February 2009 he participated in the foundation of the 'Nouveau Parti Anticapitaliste' just after the 'Ligue Communiste Révolutionnaire' had voted its own dissolution by 87% after forty years of existence (IHU On-Line).

[3] See complete text

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## Martinique

# The time of anti-capitalist and anti-colonial contestation

Gilbert Pago

In Martinique, the general strike launched on February 5 by the Intersyndical (inter-union coordination) immediately took on, by its scale and its ongoing dynamic, just as in Guadeloupe, a political dimension of challenging the injustice, the exploitation and the oppression that exist in Martinique society. On the evening of the immense success of Thursday 5 February, (there were more than 20,000 demonstrators in the streets of the capital, Fort-de-France), the Intersyndical took the decision to transform itself into the "February 5 Collective" so as to be able to broaden itself out to all the forces from different movements and associations which had spontaneously joined the movement.



This broadening was done in somewhat the same way and following the example of the "Lyannaj Kont Pwofitasyon" (Collective Against Exploitation), which had brought together, two months earlier, all the trade-union and progressive organizations, and also the cultural associations, of Guadeloupe for a general strike against the high cost of living, against oppression and exploitation.

### A full-scale social explosion

The social movement which has developed since February 5 is exceptional in the recent history of workers' struggles in this country. This exceptional character comes from the force that it is unleashing, from the scale of the demonstrations. Since the powerful social mobilizations that took place from October 1973 to February 1974, (that was 35 years ago!), such a tidal wave had not submerged the streets of the capital and other towns. This unitary, radical and prolonged movement is an example of resistance. The demonstrations, the road blocks around commercial, artisanal and industrial zones, the blockades of the big supermarkets, are paralyzing all the economic sectors of the island, as well as transport. For the people engaged in the struggle, it is a question, by acting in this way, of imposing a reduction in the prices of essential products, energy: water, fuel, the telephone, rents, taxes, banking rates; an increase of at least 200 euros for low-paid workers, for pensioners, for those living on minimum social benefits; a minimum level of income for

young people; jobs for everyone in Martinique, through a very serious decline in unemployment and through putting a stop to lay-offs.

The population, by its determination, imposed a tripartite meeting between the February 5 Collective and the representatives of the government, local authorities and employers, to discuss measures that would make it possible for the population to break out of the poverty that is a consequence of the high cost of living in Martinique. So for more than a month, several demonstrations mobilizing thousands of people have taken place to demand that this tripartite meeting stop dragging its feet, because of the delaying tactics of the employers and their various evasions and blockages, which they hope will provoke the lassitude of the population, the stagnation of the conflict and general discouragement. In spite of privations which are very hard to put up with and the propaganda of the employers and the French government, the lamentations about economic chaos, the intimidations and provocations, the population actively supports the movement. This strike movement is revealing the determination of the population to resist liberal policies and the capitalist system which wants to make the workers and the popular masses pay for the crisis.

### **The workers on the front line**

The movement initiated by February 5, 2009 has for the last month demonstrated its power, affirmed a conquering spirit, released an exciting energy of thousands of young people, women, workers, unemployed. In fact, the working class of Martinique in all its components (regular workers, those engaged in precarious and temporary work, the unemployed, those living on the minimum income benefit, white collar workers, industrial workers), by responding to the call of the trade unions for the general strike of February 5, has drawn the rest of the population into this ongoing movement. This combat, placed from the start under the impulsion of the workers and their trade unions, interests the majority of the layers of the population, because the cost of living also affects small artisans, small planters, the middle classes, the increasingly impoverished liberal professions, etc. It has been demonstrated that it is the organized and united workers' movement which can best pose all the problems of the people, which can propose and impose solutions. That means imposing decisions on the profiteers, those who control the import-export business, those who own the majority of the shopping malls, those who possess financial wealth, those who employ, lay off and underpay workers. Unquestionably, the power of this ongoing general strike movement, like the even more spectacular one in Guadeloupe, comes from having been able to draw other layers of the population into the mobilization, but also from the adoption of two unifying demands: a reduction of 20 per cent in the price of essential products and an across-the-board pay increase, for all those on low wages, of 354 euros (since brought down to 250 euros, of which 200 euros is to be paid immediately).

### **Young people take part in the explosion**

The majority of the strikers and demonstrators did not experience the great mobilizations of 35 years ago. But it is not astonishing that the young people - whose unemployment rate borders on 50 per cent for those under 28, reaching 70 per cent in the popular quarters of Fort-de-

France, such as Lamentin and Schoelcher - feel concerned by this movement which has something to say to them. Many of them come out of the school system without any diploma, or with diplomas which are good for nothing. Since the minimum income benefit is only applicable to those over 25, those under 25 suffer from lack of autonomy because they have no income, and in most case from the lack of housing accommodation. Such is the lot of these young compatriots whom the colonial system deprives of having any dreams and of course any project. Systematic stigmatization, social rejection, discrimination because of their appearance: that is what is offered to them by leaders who are quick to trot out their law-and-order discourse at the first occasion and who make a great display of the whole arsenal of police and judicial repression.

Thirty-five years have passed since 1974, which means that more half of the population had not yet been born then, or was less than 10 years old, and so had not shared the last experiences of the popular movement. However the young people spontaneously found the road of struggle alongside those who were more experienced. With such enthusiasm! With such impetuosity! With such impatience! But also with such generosity! Because we should not hold the mass of young people responsible for the regrettable and counter-productive incidents which have taken place and which serve very well the propaganda of those who want to criminalise strike action. These young people experienced as a terrible affront the Canal+ broadcast which gave an echo to the discourse of some of most antiquated, most arrogant and most racist békés [1]. Its pride in its identity was outraged and it intends to make it known. As a result initiatives of all kinds blossomed: for example the young specialists and whizz-kids of audio-visual and the Internet who launched the initiative, much appreciated by the public, of the "TV Otonom Mawon" along with some artists and journalists who are sympathizers of the movement. For four weeks there has been a free TV station, established on the Boulevard de la Levée, right in the heart of the demonstrations, and open to all those who wanted to express their thirst to live in another kind of world. It was a question for these young women and these young people of "ribat jé kat la" (redistributing the cards).

### **Women take the movement forward**

The demonstrators are in their very great majority female. Women are the most involved, the most visible in the demonstrations and blockades. But it is not just a question of the weight of numbers, there is also the fact that their visibility comes from them speaking out and from the demands that they express. Who is concerned by precarious work? By imposed part-time work? By underpaid work? Who is concerned by the inequalities in the working environment, both when they are hired and when it is a question of promotion and remuneration? Who is concerned by earning a living from selling goods from a little stall at the roadside, on the pavement around the city centre or around the market? Who is concerned by the structure of the single-parent family, with having difficulty making ends meet faced with high rents, with high prices for essential products and for transport? Who is concerned by sexual harassment, moral harassment and violence at work? And in a social movement, who raises the question of a better life? Who is concerned by marital violence, by new kinds of relations between men and women? These problems have already

existed for a long time but they came to maturity with the movement of February 5. This is the fruit of the work of the feminists of the Union of the Women of Martinique (UFM), who in this movement, by holding almost daily forums, by publishing leaflets, by regular demonstrations, including a particularly successful March 8 demonstration, have contributed to making women become aware of their strength and their ability to make things move. Women have always been the spearhead of social movements in Martinique: what is new is that now they know it and are consequently making their influence felt.

### **The intellectuals and the artists get involved**

The movement has seen many intellectuals and academics taking a stand, both in Guadeloupe and in Martinique. Since the exchange of ideas does not recognise the separation that their sea-bound character imposes, discussions are taking place between intellectuals from the two islands. The discussion pages in the written press, on Internet sites and in the radical West-Indian weekly magazines, newsletters such as *Madin' Art*, *Creole Carib One*, satellite television channels such as Canal 10, A1 Guadeloupe and KMT, served to greatly multiply discussions and to make ideas, positions and proposals widely known. In this effervescence, there was something of everything; good, less good and frankly bad. But the radical public is perfectly capable of separating the wheat from the chaff. However, in Martinique the "Manifesto for very necessary products" signed by Edouard Glissant and Patrick Chamoiseau, as well as the standpoint of the poet Monchoachi de Lakouzémi with his incisive text "jé a bout kon yé la", should give matter for discussion to all those who want to seize the opportunity to question their ideas and to position themselves in a different way for the period to come.

The guest columns in the press of the Socialist Revolution Group (GRS), the Internet site of our organization, the quasi-daily leaflets that we have distributed have also served to inject our proposals into the debate. People are rediscovering the poems of Joby Bernabé demanding respect for his people. They are filled with enthusiasm when they hear the words of Nico Gernet and his group "Tambou Bo Kannal" who make thousands of demonstrators vibrate as they greet the song "tambou libération, tambou révolution, tambou neg mawon". It is the same for other singers, other visual artists, other film-makers, etc.

### **The movement draws in many social layers**

One is struck by the involvement of all the layers of society in this social explosion. In addition to the old people, the pensioners concerned by the derisory minimum pensions, in addition to professional bodies such as that of lawyers, we have seen, especially in the first weeks, artisans, small farmers, small shopkeepers, independent transporters, small employers. But very quickly, elements of incomprehension appeared and these categories were less and less visible, even though some of them are still present in the mobilizations. It is true that these various categories were much more worried by the problems of the cost of living than by the issue of pay rises.

### **Where the great earthquake has come from**

Everything did not erupt suddenly, like a storm in a clear blue sky. For a long time we have been fighting in the Antilles against lay-offs in the building sector, in agriculture, commerce, industry, the hotel trade. But often they were compartmentalised struggles, fought sector by sector or even company by company, farm by farm, even hotel by hotel. It is a long time ago that the alarm was sounded on the issue of ecology. The question of the 50 geometrical steps and the dilapidation of the coastal patrimony, poisoning by chloredecone, the wasting of water, as demonstrated by the Grande Rivière affair, were fights largely conducted by ecologists, (and especially those from Assaupamar, whom we find on the front line today) with the sympathy of public opinion. For a long time there have been demonstrations against the lack of social housing. For a long time we have fought against repression and the many iniquities of a biased judicial system which strikes hard at those who are weakest and those who cannot make their voices heard. It was obvious that there was widespread discontent, but the defensive struggles, even when they were not defeats, did not give the signal for a generalized fight.

To take an eloquent example, let us go back to one of these sectors about which there was a lot of talk at the end of the year 2008: the hotel trade, whose workers (mostly women) saw that their situation was worsening.

The crisis that the hotel trade is going through does not fall from the sky... The choice that was made by the tourist industry, in its original conception, was not part of a global perspective of development. Never, at the beginning of the 1960s, was the policy on tourism thought out and conceived of as a locomotive pulling other sectors (agriculture, fishing, craft industries, cultural and patrimonial activities ...). Today we are faced with a real disaster and the weeping and wailing of those who accuse the social movement of destroying the economy will not succeed in making us believe that it is the strikers who created the situation that we will describe, and which their trade unions, including the Democratic Workers'Confederation of Martinique (CDMT), have unceasingly combated.

At Sainte Anne, in the south of the island, the Caritan site is being sold in separate lots, bungalow by bungalow; the site is being degraded because the joint owners do not have the means of paying for good maintenance or for a capable trustee. There are few tourists in what remains of the hotel, where service is poor and which will soon close. Still in Sainte Anne, Anchorage has just gone into receivership and is already being sold bit by bit; there will be fewer tourists because there is no one to welcome them to a place that is next to one of the most beautiful beaches in the country. We could be delighted about this and say that we will be able to better protect the environment. That will not be the case, because this splitting up among joint owners who are eager to make a return on their investment will encourage the building of concrete structures on the site and especially the addition of shacks so as to pack in more holiday makers. We can say good-bye to well cut lawns, massive flower beds, shaded hedges, country paths, landscaped car parks! Here come asphalt car parks, fences that block your view, tiled patios, houses fitted up with barbed wire and noisy alarms to keep out intruders and thieves! The whole set-up will look like Alcatraz!

At Trois Ilets, the former Méridien Hotel, which had hosted the meeting between Giscard and Ford in 1976, became, after many disappointing experiences, the Kalenda. On the pretext of repairing it the new owners cynically demolished the principal structure and made, in a Machiavelian fashion, the whole complex unusable. If nobody does anything to stop them, they will transform the site into luxury residences, with direct access to the beach and with an idyllic view over the bay of Fort-de-France. It is a well thought out plan, since it involves the prolongation of the highly profitable operation carried out on the Pointe de Lazaret, a historic military patrimony. We can see today that allowing it to fall into disrepair was quite intentional, in order to facilitate selling it off to greedy and thoroughly unprincipled promoters.

At Saint Marie, the Primerêve Hotel, renamed in 2003 Domaine de Sainte Marie, which was supposed to redynamise the North-Atlantic, has begun the transformation of its rooms into tourist residences, with of course a "social plan": a circumlocution which translates as lay-offs.

At Basse-Pointe, the Leyritz residence is closed and is falling into ruins. Its superb park has been left neglected and infested by weeds. It is an essential element of the architectural heritage of our Martinique. It was the other prestigious place where the Giscard-Ford meeting took place. It was the scene of an excellent jazz festival ("Jazz at the Plantation") which only lasted for three or four seasons, with the participation of Dee Dee Bridgewater and other major artists from the United States and the Caribbean. There too, there are some people who would like to engage in property speculation.

To turn to Carbet and other places, is it worth going into details about the case of Marouba, which was saved from being dismantled by a long and vigorous trade-union struggle, not without sacrifices. What can we say about the way the Lido was chopped up, the Anse Collat transformed temporarily (?) into a health care centre, about the Victoria at the Didier crossroads, demolished and replaced by luxury apartments, about the Vieux Moulin which was replaced by a residential blockhouse? And the list is not complete. Without wanting to be a Cassandra, there are rumours that there will soon be redundancies in some important structures, such as for example Framissima Batelière.

There were trade-union protests and struggles in opposition to the operations of property speculation related to the various laws on tax exemption, against the laying off of hundreds of people, against the auctioning off of Martinique by property sharks, against the destruction of our ecological, architectural, historical and military heritage. The CDMT sent round a petition for the defence of employment in the hotel trade. The confederation demanded that those in charge of local and regional government (communes, regroupments of communes, the department and the region) take the problem in hand. The impression we had at the beginning of the year 2009 was that nothing about this situation was going to change. Hope came from the mobilizations that took place, first of all in Guyana at the end of November 2008, then in Guadeloupe, with the initiative taken in December to create the LKP. Would the working classes of the Antilles and Guyana move on to offensive struggles?

#### Today and tomorrow

Tens of thousands of the people of Martinique who have occupied the streets for over a month already will not simply leave a free hand to those opposite (the employers and the government) so that they can continue their "pwofitasyon"(exploitation) just as before.

The mobilization of Saturday March 7, 33 days after the beginning of the conflict, which was massive and determined, was an answer to the provocation of the day before, when employers sought to test the capacity of the population to resist their attacks. Tractors, trucks and trailers cannot overcome a population. They had some mercenaries who were paid well to drive the tractors while they paraded in their four by fours, but it was the other side (the members of the Collective and the population, all together) that had the numbers and they protected the city. This mobilization of Saturday March 7 was also an affirmation that thousands of Martinique workers were demanding that the movement lead to concrete results.

After a month of hard sacrifices, of privations and of mobilization, the objectives have not entirely been attained or guaranteed on wages, on jobs, on minimum social benefits, in spite of the serious progress that has been made. Those opposite will have to understand clearly that even if the movement decides to change form, it will not change its objectives, except in the direction of a deepening, even of a hardening.

This certainty is the first and the greatest victory of the movement. The mobilized people has become very conscious of its strength. It has massively developed its understanding of society, of what is at stake, of its conflicts, of the forces that are present and the work that has to be done to get the country of the rut it is in and the weakest out of dire poverty.

As we approach the conclusion of the first phase of the struggle, while the balance sheet is acceptable, it must be stated frankly that the struggle continues and even that in certain respects it is only beginning.

#### Beyond trade-union demands

The emergence of the LKP and the February 5 Collective gave fresh hope to all those who wanted their struggles to lead to significant retreats by the employers and the colonial government. It has been demonstrated that only popular struggles make things move, make the employers retreat, block the government's attacks. By doing this, this movement is embracing more than trade-union demands. It is bearing witness to all the popular aspirations, all the aspirations of society.

The affirmation of our dignity and our pride in our identity in the face of the racist contempt of some of the more retarded representatives of the béké caste.

The aspiration for a Martinique in which ecological development would have an essential place.

The affirmation of the combat for equality between men and women, to build a Martinique without sexist oppression.

The attachment to Martinican cultural creation, through valorising for the people its music, its painting, its traditional arts, its Creole language.

All of that explains this massive presence of young people, women, artists, ecological activists, academics. All of that explains the very strong adhesion of the Martinican people to this movement. All of that explains the multiplicity of groups which, after having marched in the morning, congregate all afternoon and until late in the evening and the night around the Prefecture, at the Trade Union House, in the car park and in front of the hall of the Atrium to discuss, play and dance the bèlè, hold forums, give their points of view, approving or critical, on the discussions and negotiations in progress. This is a public that is new, young and female. Blasé and over-hasty observers of Martinican society could not suspect that it would erupt onto the social scene and would thus engage in "politics" in the real sense of the term, i.e. would take it upon itself to give its opinion, but especially to act on the course of events by taking its destiny in its own hands.

It is clear that a new generation has entered the arena and is serving its apprenticeship.

### **Maintain our course**

This popular resistance, which has lasted for more than a month, is a considerable achievement. It will be necessary to maintain our course on the demands of the movement, while adapting them to the relationship of forces, to the way the negotiations develop, to the situation on the 34th day of the strike. It is clear that it is becoming possible to obtain a reduction of prices on a large number of the products that are necessary for the satisfaction of the needs of the mass of the population and to win a significant increase in the income (wages, pensions, minimum social benefits) of the popular masses and above all of the most underprivileged.

It is possible to win against the capitalists and the state, and that is what is making them furious. The people has started to move. It has said "enough"!

As we approach the conclusion of the first phase of the struggle, while the balance sheet is considered to be acceptable, strikers and demonstrators are convinced that the struggle continues and even that in certain respects it is only beginning. The new phase, which will be one of vigilance for the implementation of the agreements, of opposition to repression, will have to count just as much on the mobilization of the activists.

But it is already necessary to look further and to prepare to "redistribute the cards".

Because for things to really change, it is not a question of replacing béké profiteers by Black profiteers! "It is necessary to knock sense into the heads of all these Niggers who believe that making the revolution consists of taking the place of the White, and of playing the White in place of the White". Thus spoke Aimé Césaire, through the mouth of King Christophe [2].

Yes, the moment has come to work for a real social transformation which puts the interests of the mass of the population above capitalist logic.

### **Impose a new political set-up**

The popular movement is a powerful challenge to all the official political programmes. The struggle must serve to make a clean sweep of the past and start again.

The people has spoken, but it is only a small beginning. Many plans have been made "for the people", but not by the people, nor even with the people. We have seen how ill at ease have been those elected representatives who had not taken the measure of the extent of popular anger and who wanted after a few days to get everyone to go back home. This struggle must serve to radically change the relationship between the elected representatives and the people, to change the conception of what an elected representative should be, to change the conception of how democracy should operate.

A new mystification has been announced: Sarkozy's extraordinary conference. However what is urgent is to organise an extraordinary conference of the people, of its authentic organizations, without the supervision of the dominant economic forces (békés and others), without paternalist sponsorship by anyone.

It is up to the workers' and people's organizations to implement such a perspective, which will be nothing other than the political expression of the social uprising of today. To give such a prolongation to the strike action of thousands and thousands of ordinary people is to be faithful to the spirit of what is happening at this moment.

### **The GRS in the movement**

The GRS, whose members have been fighting daily for decades for the people to stand up as they are doing today, is very much at home in this social insurrection and is playing a full part in it. Those of our members who have responsible positions in the trade unions and in the women's movement are very involved in the Collective.

As of January 21, the GRS held a public meeting with a hundred participants on the question of the change of status [3] and issued a call for solidarity with the general strike movement that had been launched the day before by the LKP in Guadeloupe.

On January 25, that is 5 days after the beginning of the strike in Guadeloupe, the GRS addressed a letter to all the left and anti-colonialist organizations of Martinique, proposing a united initiative in solidarity with the struggle of the people of Guadeloupe.

On February 2, eleven organizations answered the call and held a rally, with a public meeting on the Place Abbé Gregoire des Terres Sainville. They greeted the arrival of an activist of the LKP as well as messages from the comrades of the New Anti-capitalist Party of the island of Reunion and from Olivier Besancenot (who was still at that time spokesperson of the LCR).

From February 5 onwards, the GRS has produced practically every day a leaflet analysing the course of events, as well as two issues of its newspaper.

On February 13, there was a public meeting of the GRS on the social situation in Guadeloupe on the 25th day of the strike there and the 8th day of the strike in Martinique. At the same time, the Collective was holding its first public meeting, so we decided to cut our own meeting short and invite people to go to it.

On February 21, , Olivier Besancenot came to Martinique at the invitation of the GRS. He was interviewed by Télé Otonom Mawon, as was Alex Lollia from Guadeloupe. He took part in the meeting of the Collective in François.

On February 22, there was a big meeting of the GRS, with 1500 participants in the Aimé Césaire floral park in Fort-de-France, with the participation of the February 5 Collective and of Olivier Besancenot. Later Olivier Besancenot addressed a large crowd of strikers at the Trade Union House.

On February 26 the GRS launched an appeal "to lay the bases for a new party of anti-colonialist, anti-capitalist, feminist, ecologist, internationalist and democratic forces, who really want to act for a radical transformation of society". The appeal declared: "This party must be born from the coming together, from the fusion of all those who, even though they do not have the same origins and ideological traditions, share solid common values (as outlined above) and are in agreement on the great tasks to be achieved in the new period that is opening up. Yes, we are candidates for building, with those who are willing to do it, this essential political instrument".

In any case, after February 2009, nothing will ever be the same again in the Antilles!

Fort de France, March 9, 2009.

*Shortly after this article was written, on March 11, the negotiations between the February 5 Collective and representatives of the Martinique employers were concluded by an agreement which represented a victory for the Collective and for the workers and people of Martinique on the key demands concerning reductions in the prices of essential products and increases for those on low incomes.*

► *Gilbert Pago is a member of the Socialist Revolution Group (GRS, Antilles section of the Fourth International)*

## NOTES

[1] "Béké" is the popular (and pejorative) name for the members of the White minority in Martinique, numbering about 3,000 (in a population of over 400,000). These descendants of slave-owners still control much of the economy of the island

[2] Aime Césaire (1913-2008) was a Martinican poet, author and political figure. He played a key role in the affirmation of an Afro-Martinican identity and was an influence on Frantz Fanon, whose teacher he was

[3] From Martinique's situation as an "overseas department" of the French Republic

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## Capitalist leaders try to reinvent the system

### G20: their agenda and ours

Josep María Antentas, Esther Vivas

If anything characterized the recent G20 summit in London it was the grandiloquence of the declarations of its participants, bent on giving historical importance to their decisions and searching for phrases that could make an impact. But what lies behind the agreements announced and the policies followed by governments from the outbreak of the crisis? In the words of the respected geographer David Harvey "What they're trying to do is to reinvent the same system... the fundamental argument they are making is, how can we actually reconstitute the same sort of capitalism we had and have had over the last thirty years in a slightly more regulated, benevolent form, but don't challenge the fundamentals?"



**Dole queues get longer**

The agreements of the summit deepen the policies adopted up until now by its participants in relation to the situation. The final declaration maintains the commitment of the G20 to the bases of the model of neoliberal globalization and its institutions. The necessity is reaffirmed of continuing with the liberalization of world trade and investments within the framework of the World Trade Organization (WTO) and avoiding measures that limit the circulation of capital.

The necessity is indicated of giving a new activist role to the International Monetary Fund (IMF) which is to receive an injection of USD 500,000 million. This represents the umpteenth attempt to restore the credibility and functions of one of the symbols and institutional pillars of the present model of globalization. Strengthening the role of the IMF, in the eye of the hurricane from its ominous role in the Asian financial crisis of 1997, is a revealing declaration of intention.

In the area of the financial system the agreements announced are far from bringing structural change, in spite of

the announcement of more regulatory and control measures seeking to avoid the recent excesses. Rescuing of financial organizations will continue as before. The rhetoric and pressure against tax havens has toughened but concrete measures to bring about their effective disappearance have not been taken. Also there are no clear proposals for the regulation of the wages of the directors of the big companies. Beyond some measures to palliate popular indignation at scandalous situations, there is no substantial change in the dynamics that have tolerated the explosion upward of the remunerations of those in top positions and the spectacular increase of the differential between their wages and those of the average worker.

In reality, as Eric Toussaint and Damien Millet, members of the Committee For the Cancellation of the Third World Debt (CADTM) put it, the agreements of the summit represent "a minor paintjob on a planet in ruins (...). The G20 will ensure that the essence of the neoliberal logic is preserved. The principles are again propped up, although their failure is clear".

The meaning of the policies of the main governments of the world is clear: to make the popular sectors pay the cost of the crisis and to try to prop up the present model with timid reforms that assure its viability. As opposed to this it is necessary to raise another agenda with a logic of rupture with the present order of things. The declaration of the assembly of the social movements approved in the recent World Social Forum in Belém draws up the outlines of an alternative agenda of exit from the current systemic crisis:

"We must contribute to the largest possible popular mobilisation to enforce a number of urgent measures such as:

- ▶ Nationalising the banking sector without compensations and with full social monitoring
- ▶ Reducing working time without any wage cut
- ▶ Taking measures to ensure food and energy sovereignty
- ▶ Stopping wars, withdraw occupation troops and dismantle military foreign bases
- ▶ Acknowledging the peoples' sovereignty and autonomy ensuring their right to self-determination
- ▶ Guaranteeing rights to land, territory, work, education and health for all.
- ▶ Democratise access to means of communication and knowledge."

It is the time for deepening and radicalizing the alternatives, to go to the root of the problems, aiming at the "hard core" of the present economic system, and not being satisfied with cosmetic adjustments, the "moralization" of capitalism or, simply, the domestication of its "neoliberal excesses". That has been made patent by the demands of the demonstrations in London and elsewhere in the world within the framework of the Week of Global Action agreed in Belém.

Although Gordon Brown affirmed on the eve of the summit that he had understood the message of the demonstrators in London, in fact, between the policies of the G20 and the demands expressed in the mobilizations, there are two irreconcilable logics. In the words of Daniel Bensaid: "One of profit at any price, egoistic calculation, private property, inequality, competition of all against all, and another of public service, the common good of humanity, social appropriation, equality and solidarity". For us the choice is clear.

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▶ *Esther Vivas is a member of the Centre for Studies on Social Movements (CEMS) at Universitat Pompeu Fabra. She is author of the book in Spanish "Stand Up against external debt" and co-coordinator of the books also in Spanish "Supermarkets, No Thanks" and "Where is Fair Trade headed?". She is also a member of the editorial board of Viento Sur ([www.vientosur.info](http://www.vientosur.info)).*

## Crisis

# The Economy in a World of Trouble

Robert Brenner

**ROBERT BRENNER, AN editor of Against the Current and the author of The Economics of Global Turbulence (Verso, 2006), was interviewed by Seongjin Jeong for Hankyoreh, Korea's leading daily newspaper. This interview was published on January 22, 2009 and has been slightly edited for publication here.**



Songjin Jeong: Most media and analysts label the current crisis as a "financial crisis." Do you agree with this characterization?

Robert Brenner It's understandable that analysts of the crisis have made the meltdown in banking and the securities markets their point of departure. But the difficulty is that they have not gone any deeper. From Treasury Secretary Henry Paulson and Fed Chair Ben Bernanke on down, they argue

that the crisis can be explained simply in terms of problems in the financial sector. At the same time, they assert that the underlying real economy is strong, the so-called fundamentals in good shape. This could not be more misleading.

The basic source of today's crisis is the declining vitality of the advanced economies since 1973, and, especially, since 2000. Economic performance in the United States, western Europe, and Japan has steadily deteriorated, business cycle by business cycle in terms of every standard macroeconomic indicator — GDP, investment, real wages and so forth. Most telling, the business cycle that just ended, from 2001 through 2007, was — by far — the weakest of the postwar period, and this despite the greatest government-sponsored economic stimulus in U.S. peacetime history.

SJ: How would you explain the long-term weakening of the real economy since 1973, what you call in your work “the long downturn”?

RB: What mainly accounts for it is a deep, and lasting, decline of the rate of return on capital investment since the end of the 1960s. The failure of the rate of profit to recover is all the more remarkable, in view of the huge drop-off in the growth of real wages, over the period.

The main cause, though not the only cause, of the decline in the rate of profit has been a persistent tendency to overcapacity in global manufacturing industries. What happened was that one after another new manufacturing power entered the world market — Germany and Japan, the northeast Asian Newly Industrializing Countries (NICs), the southeast Asian Tigers, and, finally the Chinese Leviathan.

These later-developing economies produced the same goods that were already being produced by the earlier developers, only cheaper. The result was too much supply compared to demand in one industry after another, and this forced down prices and in that way profits. The corporations that experienced the squeeze on their profits, moreover, did not meekly leave their industries; they tried to hold their place by falling back on their capacity for innovation and speeding up investment in new technologies. But of course this only made overcapacity worse.

Due to the fall in their rate of return, capitalists were getting smaller surpluses from their investments. They therefore had no choice but to slow down the growth of plant and equipment and employment. At the same time, in order to restore profitability, they held down employees' pay, while governments reduced the growth of social expenditures.

But the consequence of all these cutbacks in spending has been a long-term problem of aggregate demand. The persistent weakness of aggregate demand has been the immediate source of the economy's long-term weakness.

SJ: The crisis was actually triggered by the bursting of the historic housing bubble, which had been expanding for a full decade. What is your view of its significance?

RB: The housing bubble needs to be understood in relation to the succession of asset price bubbles that the economy

has experienced since the middle 1990s, and especially the role of the U.S. Federal Reserve in nurturing those bubbles.

Since the start of the long downturn, state economic authorities have tried to cope with the problem of insufficient demand by encouraging the increase of borrowing, both public and private. At first they turned to state budget deficits, and in this way they did avoid really deep recessions. But as time went on, governments could get ever less growth from the same amount of borrowing. In effect, in order to stave off the sort of profound crises that historically have plagued the capitalist system, they had to accept a slide toward stagnation.

During the early 1990s, governments in the United States and Europe, led by the Clinton administration, famously tried to break their addiction to debt by moving together toward balanced budgets. The idea was to let the free market govern the economy. But because profitability had still not recovered, the reduction in deficits delivered a big shock to demand, and helped bring about the recessions and slow growth between 1991 and 1995.

To get the economy expanding again, U.S. authorities ended up adopting an approach that had been pioneered by Japan during the later 1980s. By keeping interest rates low, the Federal Reserve made it easy to borrow so as to encourage investment in financial assets. As asset prices soared, corporations and households experienced huge increases in their wealth, at least on paper. They were therefore able to borrow on a titanic scale, vastly increase their investment and consumption, and in that way drive the economy.

So, private deficits replaced public ones. What might be called “asset price Keynesianism” replaced traditional Keynesianism. We have therefore witnessed for the last dozen years or so the extraordinary spectacle of a world economy in which the continuation of capital accumulation has come literally to depend upon historic waves of speculation, carefully nurtured and rationalized by state policy makers — and regulators! — first the historic stock market bubble of the later 1990s, then the housing and credit market bubbles from the early 2000s.

SJ: You were prophetic in forecasting the current crisis as well as the 2001 recession. What is your outlook for the global economy? Will it worsen, or will it recover before the end of 2009? Do you expect that the current crisis will be as severe as the Great Depression?

RB: The current crisis is more serious than the worst previous recession of the postwar period, between 1979 and 1982, and could conceivably come to rival the Great Depression, though there is no way of really knowing. Economic forecasters have underestimated how bad it is because they have overestimated the strength of the real economy and failed to take into account the extent of its dependence upon a buildup of debt that relied on asset price bubbles.

In the United States, during the recent business cycle of the years 2001-2007, GDP growth was by far the slowest of the postwar epoch. There was no increase in private sector employment. The increase in plant and equipment was about a third off the previous postwar low. Real wages were

basically flat. There was no increase in median family income for the first time since WWII. Economic growth was driven entirely by personal consumption and residential investment, made possible by easy credit and rising house prices.

Economic performance was this weak, despite the enormous stimulus from the housing bubble and the Bush administration's huge federal deficits. Housing by itself accounted for almost one-third of the growth of GDP and close to half of the increase in employment in the years 2001-2005. It was therefore to be expected that when the housing bubble burst, consumption and residential investment would fall, and the economy would plunge.

SJ: Many assert that the current crisis is a typical financial crisis, not a "Marxian" one of overproduction and falling profit, arguing that the financial speculation-bubble-bust has played the central role in this crisis. How would you respond?

RB: I don't think it's helpful to counterpose in that way the real and financial aspects of the crisis. As I emphasized, it is a Marxian crisis in that it finds its roots in a longterm fall and failure to recover the rate of profit, which is the fundamental source of the extended slowdown of capital accumulation right into the present. In 2001, the rate of profit for U.S. non-financial corporations was the lowest of the postwar period, except for 1980. Corporations therefore had no choice but to hold back on investment and employment, further darkening the business climate.

This is what accounts for the ultra-slow growth during the business cycle that just ended. Nevertheless, to understand the current collapse, you have to demonstrate the connection between the weakness of the real economy and the financial meltdown. The main link is the economy's ever-increasing dependence on borrowing to keep it turning over, and the government's ever greater reliance on asset price run-ups to allow that borrowing to continue.

The basic condition for the housing and credit market bubbles was the perpetuation of low costs of borrowing. The weakness of the world economy, especially after the crises of 1997-1998 and 2001-2002, plus East Asian governments' huge purchases of dollars to keep their currencies down and U.S. consumption growing, made for unusually low longterm interest rates. At the same time, the U.S. Fed kept short-term interest rates lower than at any time since the 1950s. Because they could borrow so cheaply, banks were willing to extend loans to speculators, whose investments drove the price of assets of every type ever higher and the return on lending (interest rates on bonds) ever lower.

Symptomatically, housing prices soared and the yield in real terms on U.S. treasury bonds plunged. But because yields fell ever lower, institutions the world over that depended on returns from lending had an ever more difficult time making sufficient profits. Pension funds and insurance companies were particularly hard hit, but hedge funds and investment banks were also affected.

These institutions were therefore all too ready to make massive investments in securities backed by highly dubious sub-prime mortgage, because of the unusually high returns they offered, ignoring their unusually high risk. In fact, they

could not get enough of them. Their purchases of mortgage-backed securities allowed mortgage originators to keep lending to ever less qualified borrowers. The housing bubble reached historic proportions, and the economic expansion was allowed to continue.

Of course, this could not go on for very long. When housing prices fell, the real economy went into recession and the financial sector experienced a meltdown, because both had depended for their dynamism on the housing bubble. Today, the recession is making the meltdown worse because it is exacerbating the housing crisis. The meltdown is intensifying the recession because it is making access to credit so difficult. It is the mutually reinforcing interaction between the crises in the real economy and financial sector that has made the downward slide so intractable for policymakers, and the potential for catastrophe so evident.

SJ: Even if one grants that postwar capitalism entered a period of long downturn in the 1970s, it seems undeniable that the neoliberal capitalist offensive has prevented the worsening of the downswing since the 1980s.

RB: If you mean by neoliberalism the turn to finance and deregulation, I do not see how it helped the economy. But if you mean the stepped-up assault by employers and governments on workers' wages, working conditions, and the welfare state, there can be little doubt that it prevented the fall in the rate of profit from getting worse.

Even so, the employers' offensive did not wait until the so-called neoliberal era of the 1980s. It began in the wake of the fall of profitability, starting in the early 1970s, along with Keynesianism. Moreover, it did not result in a recovery of the rate of profit, and only further exacerbated the problem of aggregate demand. The weakening of aggregate demand ultimately impelled economic authorities to turn to more powerful and dangerous forms of economic stimulus, the "asset price Keynesianism" that led to the current disaster.

SJ: Some have argued that a new paradigm of "financialization" or "finance-led capitalism" has sustained a so-called "Capital Resurgent" (Gerard Duménil) between the 1980s and the present. What do you think of such a thesis?

RB: The idea of a finance led-capitalism is a contradiction in terms, because, speaking generally — there are significant exceptions, like consumer lending — sustained financial profit-making depends on sustained profit-making in the real economy. To respond to the fall in the rate of profit in the real economy, some governments, led by the United States, encouraged a turn to finance by deregulating the financial sector. But because the real economy continued to languish, the main result of deregulation was to intensify competition in the financial sector, which made profit making more difficult and encouraged ever greater speculation and risk taking.

Leading executives in investment banks and hedge funds were able to make fabulous fortunes, because their salaries depended on short-run profits. They were able to secure temporarily high returns by expanding their firms' assets/lending and increasing risk. But this way of doing business, sooner or later, came at the expense of the executives own corporations' long-term financial health, most

spectacularly leading to the fall of Wall Street's leading investment banks.

Every so-called financial expansion since the 1970s very quickly ended in a disastrous financial crisis and required a massive bailout by the state. This was true of the third-world lending boom of the 1970s and early 1980s; the savings and loan runup, the leveraged buyout mania, and the commercial real estate bubble of the 1980s; the stock market bubble of the second half of the 1990s; and of course the housing and credit market bubbles of the 2000s. The financial sector appeared dynamic only because governments were prepared to go to any lengths to support it.

SJ: Keynesianism or statism seems poised to return as the new Zeitgeist. What is your general assessment of resurgent Keynesianism or statism? Can it help to resolve, or at least, alleviate the current crisis?

RB: Governments today really have no choice but to turn to Keynesianism and the state to try to save the economy. After all, the free market has shown itself totally incapable of preventing or coping with economic catastrophe, let alone securing stability and growth. That's why the world's political elites, who only yesterday were celebrating deregulated financial markets, are suddenly now all Keynesians.

But there is reason to doubt that Keynesianism, in the sense of huge government deficits and easy credit to pump up demand, can have the impact that many expect. After all, during the past seven years, thanks to the borrowing and spending encouraged by the Federal Reserve's housing bubble and the Bush administration's budget deficits, we witnessed in effect probably the greatest Keynesian economic stimulus in peacetime history. Yet we got the weakest business cycle in the postwar epoch.

Today the challenge is much greater. As the housing bubble collapses and credit becomes harder to come by, households are cutting back on the consumption and residential investment. As a consequence, corporations are experiencing falling profits. They are therefore cutting back on wages and laying off workers at a rapid pace, detonating a downward spiral of declining demand and declining profitability.

Households had long counted on rising house prices to enable them to borrow more and to do their saving for them. But now, because of the buildup of debt, they will have to reduce borrowing and increase saving at the very time that the economy most needs them to consume. We can expect that much of the money that the government places in the hands of households will be saved, not spent. Since Keynesianism could barely move the economy during the expansion, what can we expect from it in the worst recession since the 1930s?

To have a significant effect on the economy, the Obama administration will likely have to contemplate a huge wave of direct or indirect government investment, in effect a form of state capitalism. To actually accomplish this however would require overcoming enormous political and economic obstacles.

The U.S. political culture is enormously hostile to state enterprise. At the same time, the level of expenditure and state indebtedness that would be required could threaten the dollar. Until now, East Asian governments have been happy to fund U.S. external and government deficits, in order to sustain U.S. consumption and their own exports. But with the crisis overtaking even China, these governments may lose the capacity to finance U.S. deficits, especially as they grow to unprecedented size. The truly terrifying prospect of a run on the dollar looms in the background.

SJ: What is your general assessment of the victory of Obama in the last Presidential election? Many regard Obama as a F.D.R. of the 21st century who will bring a "new New Deal." Do you think the anti-capitalist progressives can give critical support to some of his policies?

RB: The triumph of Obama in the election is to be welcomed. A victory for McCain would have been a victory for the Republican Party and given an enormous boost to the most reactionary forces on the U.S. political scene. It would have been seen as an endorsement of the Bush administration's hyper-militarism and imperialism, as well as its explicit agenda of eliminating what is left of unions, the welfare state, and environmental protection.

That said, Obama is, like Roosevelt, a centrist Democrat who cannot be expected on his own to do much to defend the interests of the vast majority of working people, who will be subjected to an accelerating assault from corporations trying to make up for their collapsing profits by reducing employment, compensation, and so forth.

Obama's backed the titanic bailout of the financial sector, which represents perhaps the greatest robbery of the U.S. taxpayer in American history, especially as it came with no strings attached for the banks. He also supported the bailout of the auto industry, even though it is conditional on massive cuts in the compensation of auto workers.

The bottom line is that, like Roosevelt, Obama can be expected to take decisive action in defense of working people only if he is pushed by way of organized direct action from below. The Roosevelt administration passed the main progressive legislation of the New Deal, including the Wagner Act and the Social Security, only after it was pressured to do so by a great wave of mass strikes. We can expect the same from Obama. Crisis and Expansion

SJ: According to Rosa Luxemburg and recently David Harvey, capitalism overcomes its tendency to crisis by way of geographical expansion. According to Harvey, this is often facilitated by massive state investments in infrastructure, to back up private capital investment, often foreign direct investment. Do you think that capitalism can find an exit from the current crisis, in Harvey's terminology, by way of a "temporal-spatial" fix?

RB: This is a complex issue. I think, first of all, it's true and critically important to say that geographical expansion has been essential to every great wave of capital accumulation. You might say that growth of the size of the labor force and growth of the system's geographical space are the essentials for capitalist growth. The postwar boom is a good example,

spectacular expansions of capital into the U.S. south and southwest and into war-torn western Europe and Japan.

Investment by U.S. corporations played a critical role, not only in United States but in western Europe in this epoch. Without question, this expansion of the labor force and the capitalist geographical arena was indispensable for the high profit rates that made the postwar boom so dynamic. From a Marxist standpoint, this was a classical wave of capital accumulation and, necessarily, entailed both sucking in huge masses of labor from outside the system, especially from the pre-capitalist countryside in Germany and Japan, and the incorporation or re-incorporation of additional geographical space on a huge scale.

Nevertheless, I think that by and large the pattern of the long downturn, since the late 1960s and early 1970s, has been different. It is true that capital responded to falling profitability by further expansion outward, seeking to combine advanced techniques with cheap labor. East Asia is of course the fundamental case, and unquestionably represents a world-historical moment, a fundamental transformation, for capitalism.

Yet even though expansion into East Asia represented a response to falling profitability, it has not, I think, constituted a satisfactory solution. At the end of the day, the new manufacturing production that emerged so spectacularly in East Asia is to a great extent duplicating the manufacturing production already taking place elsewhere, though more cheaply. On a system-wide scale, it's exacerbating not resolving the problem of overcapacity.

In other words, globalization has been a response to falling profitability, but because its new industries are basically not complementary for the world division of labor, but redundant, you have had a continuation of the problem of profitability.

To actually resolve the problem of profitability that has so long plagued the system — slowing capital accumulation and calling forth ever greater levels of borrowing to sustain stability — the system requires the crisis that has so long been postponed. Because the problem is overcapacity, massively exacerbated by the buildup of debt, what is still required, as in the classical vision, is a shakeout from the system of high-cost low-profit firms, the subsequent cheapening of means of production, and the reduction of the price of labor.

It's by way of crisis that capitalism historically has restored the rate of profit and established the necessary conditions for more dynamic capital accumulation. During the postwar period, crisis has been warded off, but the cost has been a failure to revive profitability, leading to worsening stagnation. The current crisis is about that shakeout that never happened.

SJ: So you think that only the crisis can resolve the crisis? That's a classical Marxian answer.

RB: I think that that is probably the case. The analogy would be this. At first, in the early 1930s, the New Deal and Keynesianism were ineffective. In fact, through the length of the 1930s, there was a failure to establish the conditions for a new boom, as was demonstrated when the economy fell

back into the deep recession of 1937-1938. But eventually, as a result of the long crisis in the '30s, you shook out the high-cost, low-profit means of production, creating the basic conditions for high rates of profit.

By the end of the 1930s, you could say that the potential rate of profit was high and all that was missing was a shock to demand. That demand was provided of course by the massive spending on armaments for World War II. So during the war, you got high rates of profit and those high rates of profit provided the necessary condition for the postwar boom. But I don't think that Keynesian deficits could have worked even if they had been tried in 1933, because you needed, in Marxian terms, a system-cleansing crisis first.

SJ: Do you think that the current crisis will lead to a challenge to U.S. hegemony? World-system theorists, like Immanuel Wallerstein, who was also interviewed for this newspaper *Hankyoreh*, are arguing that the hegemony of U.S. imperialism is declining.

RB: This is again a very complex question. Perhaps I am mistaken, but I think that many of those who believe that there has been a decline in U.S. hegemony basically view it as mainly an expression of U.S. geopolitical power, and in the end, force. From this standpoint, it's mainly U.S. dominance that makes for leadership, it's U.S. power over and against other countries that keeps the United States on top.

I don't see U.S. hegemony that way. I see the elites of the world, especially the elites of the capitalist core broadly conceived, as being very happy with U.S. hegemony because what it means for them is that the United States assumes the role and the cost of world policemen. This is true, I think, of the elites even of most poor countries today.

What's the goal of the U.S. world policeman? Not to attack other countries — mainly, it's to keep social order, to create stable conditions for global capital accumulation. Its main purpose is to wipe out any popular challenges to capitalism, to support the existing structures of class relations.

For most of the postwar period, there were nationalist-statist challenges, especially from below, to the free rein of capital. They unquestionably were met by the most brutal U.S. force, the most naked expressions of U.S. domination. Although within the core of the system there was U.S. hegemony [meaning general consensus, enforced by the threat of military power only in the final analysis — ed.], outside of it there was dominance by violence.

But with the fall of the Soviet Union, China and Vietnam taking the capitalist road, and the defeat of national liberation movements in places like southern Africa and Central America, resistance to capital in the developing world was very much weakened, at least for the time being. So today, the governments and elites not only of western and eastern Europe, Japan and Korea, but also Brazil, India and China — most anyplace you can name — would prefer the continuation of U.S. hegemony.

U.S. hegemony will not fall because of the rise of another power capable of contending for world domination. Above all, China prefers U.S. hegemony. The United States is not

planning to attack China and, until now, has kept its market wide open to Chinese exports. With the U.S. world policeman ensuring ever freer trade and capital movements, China has been allowed to compete in terms of cost of production, on an equal playing field, and this has been incredibly beneficial to China — it couldn't be better.

Can U.S. hegemony continue in the current crisis? This is a much harder question. But I think that, in the first instance, the answer is yes. The world's elites want more than anything to sustain the current globalizing order, and the United States is key to that. None of the world's elites are trying to exploit the crisis, or the United States' enormous economic problems, to challenge its hegemony.

China keeps saying, "we're not going to continue to pay for the U.S. to continue its profligate ways," referring to the way that China covered record-breaking U.S. current account deficits during the past decade and to the titanic U.S. budget deficits now being created. Do you think China has now cut the United States off? Not at all. China is still pouring in as much money as it can to try to keep the U.S. economy going, so that China can keep developing the way it did.

Of course, what is desired is not always possible. The depth of the Chinese crisis may be so great that it can no longer afford to finance U.S. deficits — or the ballooning of those deficits and printing of money by the Federal Reserve could lead to the collapse of the dollar, detonating true catastrophe.

If those things happened, there would have to be a construction of a new order. But under conditions of deep crisis that would be extremely difficult. Indeed, under such conditions, the United States as well as other states could easily turn to economic protection, nationalism and even war. I think, as of this moment, that the elites of the world still are trying to avoid this — they are not ready for it. What they want is to keep markets open, keep trade open.

They understand that the last time states resorted to protection to solve the problem was at the time of the Great Depression, and this made the depression way worse, because in effect when some states started to protect, everybody moved to protection, and the world market closed down. Next, of course, came militarism and war. The closing of world markets would obviously be disastrous today, so elites and governments are doing their very best to prevent a protectionist, statist, nationalist, militarist outcome.

But politics is not just an expression of what the elites want, and what elites want changes over time. Elites are, moreover, generally divided and politics has autonomy. So, for example, it can hardly be ruled out that, if the crisis gets very bad — which at this point would not be a big surprise — you could see a return of far-right politics of protectionism, militarism, anti-immigration, nationalism.

This sort of politics not only could have broad popular appeal. Growing sections of business might find it the only way out, as they see their markets collapse, see the system in depression, see a need for protection from competition and state subsidies of demand by way of military spending. This was, of course, the response that prevailed in much of Europe and Japan during the crisis of the interwar period.

Today, the right is on its heels, because of the failures of the Bush administration and because of the crisis. But, if the Obama administration is unable to counter the economic collapse, the right could easily come back...especially because the Democrats are really offering no ideological alternative. The Situation in Asia

SJ: You spoke about a potential crisis in China. What do you think of the current state of Chinese economy?

RB: I think the Chinese crisis is going to be a lot worse than people expected, for two main reasons. The first is that the American crisis, and the global crisis more generally, is much more serious than people expected, and in the last analysis the fate of the Chinese economy is inextricably dependent on the fate of the U.S. and global economy. This is not only because China has depended to such a great extent on exports to the U.S. market. Most of the rest of the world is also so dependent on the United States, and that especially includes Europe.

If I'm not mistaken, Europe recently became China's biggest export market. But, as the crisis originating in the United States brings down Europe, Europe's market for Chinese goods will also contract. So the situation for China is much worse than what people expected, because the economic crisis is much worse than people expected.

Secondly, in people's enthusiasm for what has been China's truly spectacular economic growth, they have ignored the role of bubbles in driving the Chinese economy. China has grown, basically by way of exports, and particularly a growing trade surplus with the United States. Because of this surplus, the Chinese government has had to take political steps to keep the Chinese currency down and Chinese manufacturing competitive. Specifically, it has bought up dollar-denominated assets on a titanic scale by printing massive amounts of the renminbi, the Chinese currency. But the result has been to inject huge amounts of money into the Chinese economy, making for ever easier credit over a long period.

On the one hand, enterprises and local governments have used this easy credit to finance massive investment. But this has made for ever greater overcapacity. On the other hand, they have used the easy credit to buy land, houses, shares and other sorts of financial assets. But this has made for massive asset price bubbles, which have played a part, as in the United States, in allowing for more borrowing and spending.

As the Chinese bubbles bust, the depth of the overcapacity will be made clear. As the Chinese bubbles bust, you will also have, as across much of the rest of the world, a huge hit to consumer demand and disruptive financial crisis. So, the bottom line is that the Chinese crisis is very serious, and could make the global crisis much more severe.

SJ: So you think the capitalist logic of overproduction is also applied to China?

RB: Yes, just as in Korea and much of East Asia in later the '90s. It's not that dissimilar. The only thing that hasn't happened yet is the kind of revaluation of the currency that

really killed the Korean manufacturing expansion. The Chinese government is doing everything to avoid that.

SJ: Then you do not agree with characterizing Chinese society as a kind of non-capitalist market economy.

RB: Not at all.

SJ: So you think China is currently capitalist?

RB: I think it's fully capitalist. You might say that China had a market non-capitalist economy maybe through the '80s, when they had very impressive growth by means of the town and village enterprises (TVEs). They were publicly owned, owned by local governments, but operated on a market basis. That economic form, you might say, initiated the transition to capitalism. So perhaps up to maybe the early '90s it was still a kind of non-capitalist market society, especially because there was still such a big industrial sector owned and planned by the central state. But from that point on there was a transition to capitalism, which has certainly by now been completed.

SJ: What do you think of the severity of the coming Korean economic crisis? Do you think it could be more severe than the IMF crisis of 1997-1998? In order to cope with the coming crisis, the Lee Myung-bak government is now reviving Park Chung-hee style state-led investment for the construction of huge social infrastructure, especially Korean peninsula's "Great Canal", while copying Obama's green growth policies. However, Lee Myung-bak's government still tries to stick to the neoliberal deregulation policies of the post-1997 crisis period, especially by turning to the U.S.-Korea free trade agreement. You might call this a hybrid approach, combining what seems to be an anachronist return to a Park Chung-hee style state-led method of development with contemporary neoliberalism. Will it be effective in combating or alleviating the coming crisis?

RB: I'm doubtful that it will be effective. This is not necessarily either because it represents a throwback to Park's state-led organized capitalism or because it embraces neoliberalism. It is because, whatever its internal form, it continues to depend on globalization at a time when the global crisis is bringing about an extraordinary contraction of the world market. We were just talking about China, and I was arguing that China is likely to be in serious trouble. But China has low wages, potentially a huge domestic market, so over time it conceivably could have a better shot than Korea of confronting the crisis, though I'm far from sure about this.

Korea, I think, will be hard hit. It was hard hit in 1997-1998, but saved by the U.S. stock market bubble and the resulting growth of U.S. borrowing, spending and imports. But, when the Wall Street stock market bubble burst in 2000-2002, Korea went into what promised to be an even more serious crisis than 1997-1998. Nevertheless, the U.S. housing bubble came to the rescue of Korea during the recent period; now the second U.S. bubble has collapsed, and there's no third bubble to get Korea out of the current crisis.

It's not necessarily because Korea is doing the wrong thing. It's because I don't think there's going to be an easy way out for any part of what has become a truly global, interdependent capitalist system.

SJ: So what you are saying is that external environment is far worse than ever before.

RB: That's the main point.

SJ: What then are the urgent tasks of progressives in Korea? Korean progressives are very critical of Lee Myung-bak, because Lee is very reactionary. They usually support the growth of the welfare-state and redistribution of income as an alternative to Lee's project of investing in Canal construction, of big social overhead capital. This is the hot issue in Korean society today. Korean progressives point out that although Lee Myung-bak talks about green growth, his construction project would destroy whole environments. Do you agree with them?

RB: We should oppose such ecologically-disastrous projects.

SJ: Do you think that building a Swedish-type welfare state would be the reasonable strategy for Korean progressives in the midst of the economic crisis?

RB: I think the most important thing Korean progressives could do would be to re-strengthen the organizations of Korean labor. Only by rebuilding the Korean working-class movement could the left build the power that it needs to win whatever demands it's advocating. The only way that working people can really develop their power is through building new organizations in the course of struggle, and it's only in the course of struggle that they are likely to come to a progressive politics, or indeed decide what a progressive politics actually should be at this moment.

I think the best way to forge a left political response today is to help the people most affected to gain the organization and power to decide what's collectively in their interest. So, rather than try to figure out now, from above in a technocratic way, what's the best answer, the key for the left is to catalyze the reconstitution of the power of working people.

The Korean labor movement has obviously been weakened a great deal since the crisis of 1997-1998. At minimum, the priority for progressives is to do what they can to improve the environment for labor organizing, for re-strengthening the unions right now. That goes not only for Korea, but everywhere around the world. That's the key objective. Without the revival of working-class power, the left will quickly find that most issues of government policy are truly academic. I mean if the left is to affect state policy, there must be a change, a big change, in the balance of class power.

SJ: Do you expect that there will be an opening for progressives in a world with recent failures of neoliberalism?

RB: The defeat of neoliberalism is definitely creating major opportunities that the left did not have before. Neoliberalism never much appealed to large parts of the population. Working people never identified with free markets, free finance and all that. But I think that large sections of the population were convinced of TINA, "There Is No Alternative."

But now the crisis has revealed the total bankruptcy of the neoliberal mode of economic organization, and you can already see the change very powerfully manifested in the opposition by American working people to the bail-outs for the banks and financial sector. People are saying today is that “We are told that saving the financial institutions, the financial markets, is the key to restoring the economy, prosperity. But we don’t believe it. We don’t want any more of our money going to these people who are just robbing us.”

There is an ideological vacuum, consequently there is an opening for left ideas. The problem is that there is very little organization of working people, let alone any political expression. One can say there is a big opportunity created by the change in the political environment, or the ideological climate, but by itself that will not provide a progressive outcome.

So once again, the top priority for progressives — for any left activists — to be active is in trying to revive the organizations of working people. Without the recreation of working-class power, little progressive change will be possible, and the only way to recreate that power is through mobilization for direct action. Only through working people taking collective mass action will they be able to create the organization and the power necessary to provide the social basis for a transformation of their own consciousness, for political radicalization.

► *Robert Brenner is an editor of Against the Current.*

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