

International VIEWPOINT

International Viewpoint—magazine of the Fourth International

IV450 July 2012

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EUROPEAN UNION

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CONTENTS

European Union — Towards a European mobilisation in defence of public health	P4
Latin America — As mining conglomerates target Haiti, Latin America rises against them	P12
Mauritius — Victory in Mauritius on Abortion Decriminalization	P16
South Africa — Women's struggle in South Africa – still a long way to go	P18
Portugal — A programme against the debt tyranny	P20
Denmark — Historic changes in the support of workers' parties in Denmark	P24
USA: — Why the Tea Party?	P27
Russia — Stop the wave of repression against the opposition	P35
Paraguay — A "Parliamentary" Coup d'état	P36
Spanish state — Rescue or kidnapping?	P37
Spanish state — All of them must go!	P39
USA: — Occupy & the Fight Against Foreclosures in Detroit	P41
Greece — June 17: A temporary and unstable solution for the Greek political system	P43
Greece — Whither Greece?	P47
Europe: — What emergency programme for the crisis?	P48

International Viewpoint, 2 rue Richard Lenoir, 93100 Montreuil, France · ISSN 0294-2925 ·
www.internationalviewpoint.org

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Towards a European mobilisation in defence of public health

JAN MALEWSKI ·

"Liberalisation" and privatisation...

Health has experienced a growing "liberalisation", implemented by the WTO in 1995 and concretised by the signature of the General Agreement on Trade and Services (GATS), accelerated again since the bursting of the financial bubbles in 2001 and since 2007. Potentially it constitutes a very broad sector for the accumulation of capital, and the systems of health protection appear as a milk cow for capitalists in search of new sources of profits and liquidity.

Following neoliberal policies, the central concern of the EU governments has become that of financing of health protection because of the growing gap between income (reduced by the numerous reductions in social contributions and the taxation of capital) and expenditure (which continues to grow because of the aging of populations and the continued increase in the price of drugs and medical equipment). As the standard of competition is at the centre of European neoliberal construction, attempts to control health protection expenditure, that is budget cuts, have led to the introduction of market style mechanisms: the German reform of 1992, strengthened in 1997, introduced competition among health insurance funds. In France this competition has been generalised though supplementary coverage by opening mutual funds to the competition of the market, so that the previous coexistence of public and private non profit making health networks was definitively undermined by the establishment of pricing in activity and price convergence with the sole aim of profit making.

In Britain the reform of 1990 introduced competition at the level of health care supply between district health agencies and general doctor's surgeries, the management of the property stock being handed over to the private sector. This competition was increased by a new reform in 1999. These "quasi-market" mechanisms established in Britain have served as a reference model for Spain. Competition between public and private establishments has been most clearly implemented in Catalonia.

These developments, transforming carers into "care entrepreneurs" have led to the theme of the "enterprise hospital" which is reflected by the internal managerial reforms of hospital institutions, accompanied by an evolution of the sociological profile of their directors. Neoliberal ideological hegemony has led to the generalised diffusion of competition between care providers and the setting up of performance measurement instruments for care as well as the transfer of "solutions" (organisational schemas and so on) from one country to another. In the health sector, as in others, we have witnessed the appearance of a veritable international élite of "specialists" who impose in their countries the neoliberal recipes drawn up at a European and international level.

A recent report from the research department of Deutsche Bank [1], devoted to the possible growth of income from competition, indicates that there are "benefits to be derived from the privatisation of government services of general interest, e.g. water supply and disposal, healthcare facilities and non-sovereign administrative tasks" because "Fundamentally, these are private goods".

It continues: "facilities (such as hospitals) that are not covering their operating costs and/or are in

debt can probably only be disposed of at a corresponding discount. Nevertheless, privatisation will usually make sense here, too. This is one way the government can reduce its future payment obligations, while offering the facilities the chance to be successfully restructured in private hands". And as governments have obligations in the area of health services, the report announces that following privatisation of the health sector "the government should procure these services from private providers and pay for them. One example here is the requisite capacity reserves in hospitals in times of crises such as epidemics". In short governments should sell health institutions at a discount so as then to pay, without discount, for the reservations of the necessary capacities. The authors then indicate, in note form, that if the governments hesitate to sell off public property, because of a substantial civic opposition and accusations that they were "selling the family silver", then "a sizeable part of the potential is at the municipal level. As the municipalities are more or less autonomous..." — thus municipal representatives are more approachable ... or corruptible [2].

These recipes seeking the "restructuring" of the health service are consistent both in challenging the benefits of health employees (wages, working conditions, social protection and so on) so as to reduce labour costs and reorganising health institutions with a view to distinguishing that which is profitable, so that it can be privatised, and that which is not.

... and their results

Poland is an example of the results of this policy. Here the financing of care has been transferred to a national health fund, divided into regional structures, which finance fixed annual contracts — thus independent of developments in patient needs — for health services in public or private institutions. This system has first allowed the blocking of expenditure, then rendered the public hospitals, which are obliged to care even when their contract has been bypassed, loss-making. The ownership of local

hospitals has also been transferred to the localities and to the cantons, although they do not dispose of the necessary budgets. A new law envisages that all the indebted hospitals should be "commercialised" (transformed into public limited companies) by the end of 2012, or their public "owners" should repay the debt in six months. The desired effect has been attained: hospitals have been massively privatised. These private hospitals, oriented towards profit maximisation, profit from all the flaws of the financing system. A recent research report carried out in its region by the Medical University of Gdansk (GUM) concludes that "non-public institutions: 1. Offer a more restricted range of care and frequently use more than 50% of their contract for a single procedure; 2. Carry out the procedures whose profit margin is the highest; 3. Avoid patients whose hospitalisation could be lengthy; 4. In certain situations select patients on the basis of age." [3]

The daily "Gazeta Wyborcza" sums it up: "A patient affected by complications, necessitating a prolonged hospitalisation, will not go to a private institution because it is not profitable. Where will they be treated? In the public hospitals, where the majority of patients are not profitable, like them". [4]

The other side of the coin: the employees see their employment contracts challenged. An employee of the N Piekary Slaskie Medical Centre, which has been transformed into a public limited company held (still) by the municipality, wrote recently in a letter to the press: "Our respected CEO has had an excellent idea: that all the care personnel resign and she will take them back as hired labour, (...) women, who have twenty five years seniority, who are already exploited by hard labour, who accept such contracts will have no paid holidays, or sick leave. They will simply be destroyed. And what a farce — they will not be dismissed, they must dismiss themselves! (...) The women are broken, they don't know what to do, and they don't dare to say NO in a loud voice. So, in their name, I launch an appeal for help!"

Let us stress that the international media incessantly stress the fine economic health of Poland (growth rate in 2011: 4 %) and present it as an example, unlike Greece. But in Greece, following the memorandums of the Troika, we see a real humanitarian and health crisis. Whereas a movement had in the 1980s imposed a system of free public health, only the ruins of it remain. During the first nine months of 2010 the national health service budget was reduced by 60%, leading to the closure of care services, suppression of jobs and reduction of wages. Psychiatric hospitals, deemed dispensable, have been closed. Three million people, or nearly a third of the population, are without any social cover, because health insurance is linked to employment. The hospitals no longer have the resources to provide drugs. And all access to care institutions is conditional on payment of an "entry ticket" of 5 €. Finally a racist offensive has targeted immigrants, deemed "responsible for the deficit" and carers are asked to reject those without papers and denounce them. Immigrant women have suffered the "confiscation" of their newly born, returned to their mother after payment of the price of the confinement!

The Polish examples are not isolated. Alexis Benos writes: "The reality in the different countries is remarkably similar. Belgium has cancelled the right of universal access to health services and legalised the selection in the name of profit of patients of the private sector. In Britain, the list of diagnoses which are not covered by the free health services because they "are not immediately life-threatening" gets longer. It includes knee, hip joint and cataract surgery! In Spain, after the closure of beds in public hospitals, health is now recognised by the law as a commodity, and the treatment of immigrants is no more generous than that meted out by Papadopoulos and Loverdos [in Greece]. In Germany, 30% of public hospitals have already been handed over to the private sector. (...) In Italy, the share of patients in the payment of their medicaments has gone from 35 % to 40 %." [5].

We should add that in Germany there has been an increase of more than 11 % in the financial cost transferred to households, thus a fall in access to care, and in Belgium, where the hospitals still belong essentially to the non profit making private sector (associative, mutualist and so on), the services are little by little being "externalised". Old people's homes are experiencing a differentiation: the more profitable (the most expensive) are commercialised, which is accompanied by a deterioration of the working conditions of employees. In Italy, the Monti government is preparing to increase its expenditure cuts plan to 25 billion Euros. In this context spending on health "should be reduced by 1.5 billion Euros".

Victorious struggles against health privatisation

These policies justified by budgetary reasoning seek in reality to render the greatest part of the health sector profitable, in order to privatise it. It is the demands of capital which determine these "restructuring" projects. For example, the Penta investment group, which the Slovak doctors union LOZ/LUP has denounced as being the beneficiary of the privatisation of the hospital sector, writes on its webpage in relation to "investment criteria" that "the internal rate of profitability demanded is at least 20% for each investment" [6] For the hospitals to realise such a margin, the Slovak government must break the resistance of the doctors, in particular by rejecting their wage demands.

After weeks of protest actions by the doctors and strikes by medical students to "save the public care system" and fruitless negotiations with the government, a third of Slovakia's hospital doctors announced that they would resign on November 30, 2011 if their demands were not satisfied. These demands were: respect for the labour code and safety at work regulations, modification of the hospital financing system which does not reflect real costs and allows five health insurance companies to make profits, an end to the transformation of hospitals into public limited companies governed by the commercial code, a legal guarantee of salaries

for doctors of between 1.5 and 3 times the average salary. Although the government declared a state of emergency (allowing the requisition of doctors) and brought in Czech military doctors to replace them, 1,500 doctors blocked the functioning of hospitals and forced the government to capitulate on December 5, 2011. "By this action, the doctors have saved the public character of the medical services in Slovakia. The transformation of all the hospitals into public limited companies has been stopped. The real price of medical services, including the salaries of health professionals, has been adopted. A law on the minimum wage of doctors has been adopted — currently it is fixed between 1.05 and 1.6 times the average wage in the economy; starting from July 1, 2012 it will rise to between 1.2 and 1.9 times the amount of the national average salary". [7]

In Rumania at the end of December 2011, in the context of the austerity demanded by the IMF, the World Bank and the European Union, President Basescu's government began an attack on the health system. Its counter-reform specified a reduction of medical cover and the entry of at least four supplementary private insurers on the health insurance market as well as the "commercialisation" of health institutions. Raed Arafat, a doctor of Palestinian origin and under secretary of state for health, criticised the reform on a broadcast televised on February 12, 2012. Basescu then intervened on air and insulted Arafat, the latter then resigning. The day after the Romanian population, harassed by austerity, went onto the streets of Bucharest and other cities. Although the president had already announced the withdrawal of the reform and Arafat had rejoined the government, despite the snow and the cold, thousands of people occupied the streets demanding the resignation of the government led by Emil Boc, on February 6. A new coalition government of the right, led by Mihail Razvan Ungureanu, resigned in its turn three months later. Elections are to be held in November 2012. The mobilisation against the

health "reform" has opened the way to opposition to all austerity policies.

In Germany, the privatisation of the hospitals has already advanced. The multinational Fresenius, first centred on dialysis machines, then on dialysis clinics, before broadening its activities to the pharmaceutical industry and to hospitals, already owns 75 hospitals. The decentralisation of the health system — that is, the decentralisation of spending — leads the local administrative bodies to try to slough off the weight of health expenditure. It is in this context that the Dresden municipality has tried to merge the two municipal hospitals that it manages inside a public limited company and transfer its management to a private group, a first step towards its sale. To oppose this an "Alliance for hospitals" has been set up, bringing together hospital staff, the trade union Ver.di, the collective "Hands off the hospitals", and the political parties (Die Linke, SPD and so on). 37,000 signatures were collected for a petition for the maintenance of the municipal status of hospitals. A referendum was forced and on January 29, 2012, 84% of votes cast favoured the maintenance of the two hospitals as communal enterprises, which the municipality will now be obliged to respect for the three coming years.

A European resistance movement is born!

These victories have three characteristics. First, they mobilise force well beyond health workers alone, as in Rumania and Dresden (Germany). Secondly, the dominant trade union confederations, forming part of the European Trade Union Confederation (ETUC), do not play any motor role, indeed do not support them. Sometimes — as in Slovakia — it is a sectoral trade union that plays a central role. Finally, the ETUC, which has enormous resources which could allow it to publicise in all EU member countries information on the employers' and governmental attacks of which its members are victims and the struggles waged at the national level does not do so. Whereas the capitalists have multiple structures of coordination, the

European coordination of struggles waged by the health sector employees remains to be put in place. It is the ad hoc structures and sometimes European sectoral associations (like the European Federation of Employee Doctors) who publicise the demands of mobilisations in defence of health.

The bursting of the speculative financial bubbles (that is, the collapse of what Marx called "fictitious capital") and the recession (in other words the reduction of capital investment possibilities at rates deemed to be "profitable") have accelerated the search for new spaces of capitalisation. In health this leads to a qualitative leap in "liberalisation" and to an acceleration of "restructurings" to "open to the market" a sector which was largely protected. It is "a uniform international policy, whose characteristics are coherent. These main stages are the commercialisation of health services (creation of the internal market), dismantling of the public health service and social protection (which rests on its under-financing, leading to obsolescence of equipment and the reduction of the labour force, the elimination of services, the pillage of public insurance funds and so on) and finally the privatisation of services, characterised by the transfer of the costs to the individual budget of the patient and their family" [8].

The great majority of the dominant trade union leaderships do not take initiatives to react to this new situation, which demands breaking with routine, be it only to defend the right of unions to exist. For, as indicated by the example of the privatisation of hospitals in Poland, capital no longer needs "partners": the transformation of employees into "auto entrepreneurs" — with business contracts rather than employment contracts imposed on them — deprives them of their right to join a union, because Polish trade union law (correctly) does not allow entrepreneurs to be members. Trapped in the ideology of social partnership, the ETUC limits itself at most to protesting that it is no longer invited to negotiate at the European level.

It is this note that has led political, associative and trade union activists to attempt to regroup on a

European scale. In May 2011, with the help of the International Institute for Research and Education (IIRE-IIRF) (16), at the initiative of the Nouveau parti anticapitaliste (France) and the free trade union "August 80" (Poland), a first European conference in defence of the public health service took place in Amsterdam, with activists present from Germany, France, Britain, Ireland, Poland and Sweden. They were there to exchange experiences of struggles and collectivise information on attacks against public health services and the relationships of forces in the different countries. The idea of extending this experience, by a broadening of the network to a greater number of European countries and to all the popular organisations sharing this viewpoint was adopted.

A second conference took place in Katowice (Poland), in November 2011, at the initiative of the Polish National Union of Nurses and Midwives (OZZPiP), the free trade union "August 80" and SUD Santé Sociaux (France). The question of broadening of the network as well as the idea of making it a tool capable of initiating common actions on a European scale was raised. With this aim the Katowice conference called a new European meeting, which took place at the University of Nanterre (France), on May 12 and 13, 2012, with delegations from 28 organisations from Germany, Belgium, Spain, France, Greece, Ireland, Italy, Poland and Slovakia. It was co-organised by the NPA, SUD Santé Sociaux; the Coordination nationale des comités de défense des hôpitaux et maternités de proximité and another French organisation, FASE. [9]

The participants adopted a declaration calling for "the organisation in each country of a week of European action for the right to health of peoples and against the dismantling of public health services and their commoditisation, from October 1-7, 2012 "and decided to participate in the "European White Village" (a camp of health employees) in Warsaw on October 6, 2012 as well as in "the organisation of a European Conference on October 7, 2012 in Warsaw". A "campaign of coordinated com-

munication with a common petition and posters" will be realised.

These decisions constitute a big step forward. There is nothing obvious about bringing together political, associative and trade union activists. The history of the European workers' movement has created barriers between trade unions and political parties, the unfortunate experiences of the submission of unions to Stalinist and social democratic parties still weigh, the capacities of mobilisation differ, and so on. Even if, as we have seen recently, victorious struggles in defence of public health have been led by such groupings (in Dresden, for example) and collectives of this type exist in some countries ("Notre santé en danger" in France or "Keep our NHS public" in Britain, for example), traditions die hard. It is urgent that we face up to the coordinated attacks by capital against the public health sector and the ineffectiveness of the superstructures of the European trade union movement.

The European week of action was launched through press conferences held on June 5, 2012 in various European countries. The week of action should not be considered as an end in itself but as the point of departure for the broadening of the mobilisations to other countries and organisations not present in Nanterre. "A movement of resistance to the privatisation of health protection, against the favouring of private institutions, against the unacceptable treatment of employees and patients is born", said Iwona Borchulska, president of the OZZPiP during the press conference in Warsaw on June 5. "Across the continent there is a struggle against the commercialisation and privatisation of hospitals, dispensaries, and medical centres. The organisation of health employees and patients will not accept the commoditisation of health" added Zbigniew Zdonek of "August 80".

Health: Declaration of European conference in defence of health and public and universal social protection

Nanterre (France), May 12- 13, 2012

In the context of a crisis of capitalism, people's health has been significantly degraded across Europe by the economic, ecological and social crisis that exacerbates inequalities.

The past year has seen an acceleration of the crisis in Europe. A second banking crisis has begun in Europe; the austerity policies which are being carried out jointly in all countries and by the European Union, are leading to a widespread recession, or even, in Greece and in other countries, to a veritable depression.

In successive layers, European leaders want to make austerity stronger and more irrevocable through ratification of the fiscal pact and the European Stability Mechanism (ESM).

Public debt, unemployment, poverty and inequality are increasing at an alarming rate.

Austerity and debt, presented as inevitable, have everywhere become the pretext for harsh attacks on public health and systems of social protection and social rights. Greece, which is the emblematic case for all Europe, is living through an unprecedented humanitarian and health crisis. Today the countries of southern and Eastern Europe are the most affected.

Austerity plans for health and social protection are taken under pressure from the health multinationals and private insurance systems.

These multinationals play a major role in the destruction of the social rights of collective bargaining and trade union rights (collective bargaining, freedom of union activity, conditions at work and so on), in lowering wages and the wage share of GDP (which the new economic surveillance, with control of "unit labour costs" will exacerbate) and the casualization of employment (return to daily work, explosion of temporary work, pseudo-independent so-called auto-entrepreneurs and so on).

These austerity policies constitute a violation of the human right to health and destroy public health and social services. They concern all socially insured persons and especially affect certain citizens:

1. Women, very much in the majority in these public services, occupy the most precarious jobs, are the first to be laid off in the closures of hospitals, crèches, centres for the health of women and reproductive rights, and structures of care for the handicapped, and assume the bulk of the "work of social reproduction" which austerity policies re-transfer massively to the domestic sphere,

2. The disabled, are major victims of the crisis, excluded not only from work, but also often from the institutions supposed to welcome them;

3. Migrants and those without papers are often excluded from health and social protection systems.

Beyond the necessary national response, in each country, these measures require concerted action by health professionals, patients and citizens; this implies a pooling of experiences of national struggles in defence of public health and social security, the organization of a concrete solidarity in struggle, and reflection on the construction of international initiatives for the defence of a universal public health which is egalitarian and socially responsible.

At the end of the conference in Nanterre (France), which took place on May 12- 13, 2012, participants from trade unions, political parties and associations of struggles for the defence of health and social protection, defending a public health system of high quality throughout Europe, voted for:

- the construction of a European area of exchange, mobilization and action against the privatization of health and social protection systems, open to all those who wish to take action against austerity affecting the health of peoples, and regression of social rights and social protection.

- the implementation of a European program presenting an alternative to the neoliberal goals which defends public health and social protection as universal common goods that can no longer serve the private profits of shareholders private stakeholders in health or social welfare institutions. Such a program requires equal access to health, free care,

health democracy, and collective and public funding.

- a citizens' audit of debt, including the debt of hospitals, social bodies and social protection with particular emphasis on the impact of the debt for women.

- the setting up of a permanent network of exchange of initiatives and action against the privatization of the health and social security and systems and against any prescription charges or taxation of patients and any measure to reduce universal access to health.

- the organization of press conferences coordinated around this statement on June 5, 2012 and an appeal for solidarity with the Greek people.

- the organization in each country of a week of European action for the right to health of peoples and against the dismantling of the public health services and the commodification of health from October 1-7, 2012.

- a representation of each country at the "European white village" (a camp of health personnel) in Warsaw during the week of action.

- the Organization of a European Conference on October 7, 2012 in Warsaw.

- the coordination of a common communication with common posters and a joint petition campaign.

Conscious that action for a public health and universal social protection system cannot be the prerogative of only health professionals, associations for the defence of public health and concern the whole of society, the members of the conference:

- wish to register the specificity of this fight in all initiatives to rebuild a new European public space and to build inside it a permanent campaign in defence of the right to universal and public health services.

- will be involved in the European campaign for the non-ratification of the European stability pact

and the withdrawal of the ESM.

LATIN AMERICA

As mining conglomerates target Haiti, Latin America rises against them

ROGER ANNIS AND KIM IVES ·

In Haiti, U.S. and Canadian gold mining companies are rubbing their hands over the riches that they believe await them. A recent study by Haiti Grassroots Watch estimates up to \$20 billion, at gold's current price of \$1,600 an ounce, lies in the ground [1].

So it's no coincidence that Washington has used its proxy, the Organization of American States (OAS), to illegally install a compliant regime – that of President Michel Martelly – whose operative watchword is: "Haiti is open for business." Washington and Ottawa, which represent most of the international mining firms in the Americas, are adopting an increasingly interventionist response throughout the continent.

Nationalizations grow

"From expropriations in Venezuela, Bolivia, and Argentina to violent opposition in traditionally mining-friendly jurisdictions such as Peru and Chile, the rising political tensions pose a risk to a decade-long bonanza mining companies have enjoyed," reports the Canadian national daily *Globe and Mail* on July 11 [2].

The previous day, Bolivian President Evo Morales announced his government would expropriate the Vancouver-based South American Silver Corp. According to the company, its claim in Bolivia's Mallku Khota region contains one of the world's largest undeveloped silver, indium, and gallium deposits.

In May, Bolivia nationalized a Spanish-owned electrical generation company. That followed by several weeks a highly-publicized nationalization of a

Spanish oil company's operations in Argentina, the largest oil company in the country. Then in June, the Morales government nationalized the Colquiri tin and zinc mine owned by the Swiss global mining giant Glencore International PLC.

The mine nationalizations were prompted by inter-Bolivian conflicts that the Bolivian government accuses the companies of stoking. Tensions have arisen at mining sites between employees of the operations of large companies, artisanal miners who have a long tradition of working through cooperatives, and local Indigenous residents. The stakes are further fueled by sky-rocketing prices for minerals in international markets.

As well, nationalization of resource industries has been a key demand on the government by social movements in Bolivia, though this demand had apparently not been a large factor in Mallku Khota.

"Unfortunately, the so-called transnational companies...pit brothers, in-laws, cousins, neighbors, brothers from the same ayllu (community) against one another," said President Evo Morales about the decision to nationalize South American Silver.

Some Latin American populations are standing up to the mining transnationals, regardless of their government's stand. That's increasingly the case in Peru. Five people were killed by police during the first week of July at protests against the multi-billion dollar Conga gold and copper project, which would be the largest mine in Peru's history if it goes ahead. The project's owner is the U.S.-based Newmont Mining Group.

Area residents do not want the Conga mine, saying it will damage local water supplies. A string of protests against mining projects have occurred in Peru in recent years.

In Chile, similar concerns over water supply and quality as well as the effects of mining on electrical supply are driving protests. The Council of Canadians released a detailed report in March 2012 looking at recent developments and concerns in Chile's Patagonia region [3].

The U.S.-based Sustainable Development Strategies Group wrote in a 2010 study on mining in Chile, "If social movements in opposition to mining are now part of the landscape, and if mining is creating increasing intense competition for water and energy, the real question now is how, institutionally, politically, and legally Chile will accommodate the citizen voice in mineral development."

Interventionist responses

According to the Vancouver Sun, Canadian Trade Minister Ed Fast wrote to his Bolivian counterpart on July 11 expressing "deep concern" with reports that Bolivia was preparing to nationalize South American Silver. Fast's spokesman Rudy Husny said the minister has instructed officials to "intensify their engagement with the Bolivian government to order to protect and defend Canadian interests and seek a productive resolution of this matter."

The paper reported that Canadian officials were expected to meet with the Bolivian government and with Bolivia's ambassador to Canada.

President and Chief Executive Officer of the South American Silver Corporation, Greg Johnson, appeared on the Canadian Broadcasting Company (CBC) Radio One's *The Current* on July 12 and argued that his company has been wronged [4]. He reported, with satisfaction, that the Canadian government is pressuring the Bolivian government to reverse its decision.

The CBC host of the program sounded like a public relations spokesperson for the company. In an accompanying interview, he hectored Bolivia's ambassador to the U.S., asking if South American Silver would be compensated. He also expressed offense at Evo Morales' statements accusing foreign mining companies of "looting" Latin America's wealth for generations.

Evidently, the radio host has not read *The Open Veins of Latin America*, Eduardo Galeano's classic history of the continent. Galeano describes how Latin America became "a huge mine." [5]. The book details the unbelievable human toll and suffering and the environmental destruction perpetrated over the centuries starting with Spanish conquistadors until today's European and North American mining companies.

"The metals taken from the new colonial dominions not only stimulated Europe's economic development; one may say that they made it possible," Galeano writes. The book is appropriately sub-titled, "Five centuries of the pillage of a continent."

The Prospectors and Developers Association of Canada estimates there are 20 Canadian mining companies operating in Bolivia.

A recent series of articles translated from Spanish into French and published by the Belgium-based Committee for the Abolition of Third World Debt (CADTM) examines the role of the British-Australia aluminum mining giant Rio-Tinto in the parliamentary coup d'etat against Paraguay's President Fernando Lugo on June 22 [6].

The company had been lobbying heavily for a long-term agreement for cheap electricity prices as an incentive for it to establish aluminum smelting operations. Paraguay shares several very large hydroelectric dams with Brazil and Argentina. It has substantial installed electrical generation capacity, approximately equal to 5% of all of Canada's. In 2007, Rio Tinto acquired the Canadian-owned Alcan and its large aluminum operations in Quebec and British Columbia.

The coup has returned to power Paraguay's traditional economic elite, who, not coincidentally, are amenable to making a long-term deal with Rio Tinto. Among the few countries to recognize Paraguay's coup government is Canada, which, with the U.S., was also quick to recognize the Honduras coup d'etat in June 2009.

In the weeks ahead, Washington and Ottawa will inevitably heighten sharpen their rhetoric against

the Morales government as they contemplate how to further intervene in Bolivia.

Haiti's situation

In February 2004, Washington and Ottawa worked with Paris to carry out a coup d'état against the elected and socially progressive government of President Jean-Bertrand Aristide. As Wikileaks diplomatic cables released last year by Haïti Liberté showed, those three governments worked hard to keep Aristide in exile in South Africa for seven long years [7].

During his triumphant return to Haiti on March 18, 2011, Aristide gave a speech to the nation at the airport. "To honor [Haiti's founding father] Jean-Jacques Dessalines, we come to bring you our little bit of help," Aristide said in his metaphor-laden Kreyòl. "With the little ball of education centered in the court of dignity, we will kick exclusion off the field and this way, the new generation will begin to benefit from the wealth that slumbers deep within Haiti: gold, copper, uranium, bauxite, silver...

"The calcium carbonate to be found in Miragoâne is valued at more than U.S. \$23 billion. The petroleum reserves are no doubt larger than estimated."

This thinly-veiled nationalist message is precisely why U.S. and Canadian governments backed Aristide's ouster and maintain the ensuing UN military occupation of Haiti to this day. In his place, Washington and Ottawa have placed Martelly's "Open for business" regime.

Newmont Mining is partnered with the Canadian Eurasian Minerals in seeking to open gold mining operations in Haiti's three northern departments. The Haiti Grassroots Watch study, 'Gold rush in Haiti: Who will get rich?', published in May [8], examines how Haitian law has already been circumvented by the gold-mining companies as they forge ahead with exploration. HGW Co-Director Jane Regan spoke to Democracy Now on June 1 about the study. [9]

Among its findings are:

? Haiti's former Minister of the Economy and Finances is now a paid consultant for Newmont.

? Two Haitian ministers recently signed a "Memorandum of Understanding" with Newmont and Eurasian that says – in violation of Haitian law – the companies can begin drilling at one of their exploration sites. Haitian legislation states no drilling can occur without a mining convention.

? Nobody appears to be telling the communities in Haiti's north what is going on, and what deals have been made behind closed doors.

? Haiti has the lowest mining royalties (production taxes) in the hemisphere.

The UN military occupation of Haiti is what the imperialists hope will ensure that Haiti's mineral wealth can again be plundered like in the days of the conquistadors.

Eduardo Galeano spoke last September at an event at Uruguay's National Library discussing Haiti's current plight and its place in Latin America [10]. "The military occupation of Haiti is costing the UN more than \$800 million yearly," he said. "If the United Nations dedicated those funds to technical cooperation and social solidarity, Haiti could receive a good boost to its creative energy. Then they would be saved from their armed saviors who have a certain tendency to violate, kill, and deliver fatal illnesses."

"Haiti doesn't need anyone to come and multiply its misfortunes," Galeano concluded. "But Haiti does need solidarity, doctors, schools, hospitals, and a true collaboration that makes possible the rebirth of its alimentary sovereignty, killed by the International Monetary Fund, the World Bank, and other philanthropic societies."

If the transnational mining companies get their way in Haiti, that will surely "multiply its misfortunes." [11]

MAURITIUS

Victory in Mauritius on Abortion Decriminalization

LINDSEY COLLEN ·

This victory comes less than a year after another victory accredited to LALIT: the introduction into schools of the mother-tongues, Kreol and Bhojpuri, for the very first time in 2012.

The new abortion law passed last month decriminalizes abortion in the circumstances of serious ill-health of the woman or malformation of the foetus, rape, incest or statutory rape. But, it means that all women can now speak openly about abortion, and can, when ill after a complication resulting from a future illegal abortion, go to the hospitals for treatment with more freedom. And the struggle continues.

The law came into the National Assembly only two months after the women's organization, the Muvman Liberasyon Fam (MLF), had held ceremonies in two cemeteries with the families of women who had died as a direct result of abortion still being illegal. The MLF had over the past three years accentuated its campaign for abortion decriminalization, and putting into question the very wording of the archaic law, which referred to the woman being "quick with child". A woman had been charged in 2009 with illegal abortion, and the Director of Public Prosecutions had finally, after women's mobilization against the law as "not clear", dropped charges. In 2011 he admitted in public that the wording was not clear enough for him to arrest and charge women under, once the confusing expression "quick with child" was exposed to scrutiny. Jurisprudence showed that it usually meant around the 20th week of pregnancy, but the DPP's office had always for 174 years assumed it meant simply "pregnant", because the French version used the word "enceinte". MLF called a Common Front on Abortion which became very strong. The death of a woman photographically

journalist following an illegal abortion changed the balance of forces enormously, as all the reporters and other employees of the Press groups could no longer toe the line of the main companies that run the Press, which are historically close to the Catholic Church.

During the mobilization of women behind the Bill, even if only for partial legalization - mobilization organized mainly by LALIT women who are in the leadership of the Muvman Liberasyon Fam (MLF) - the law was finally passed with only 20% of MPs voting against. This massive support in Parliament was despite a campaign that would make you think "everyone" is against, or, if not, then too weak to stand up to the religious lobbies opposing abortion.

Every time Parliament met, there were dozens of women in the galleries, holding press conferences before or after, and even staying until after midnight. There was a candlelight ceremony in memory of women who had died from illegal abortions.

The mobilization was given strong, vocal support by the Nursing Association, the biggest union in the health sector. The leadership, including Ashok Callooa and Ram Nawzadick, and the women's wing representatives, all spoke out in favour of the law, and attended mobilizing events. The Union called for complete de-criminalization, and for women to feel free to come to hospital. "We are here to look after the sick, not to judge you," Ashok Callooa announced. He also said that nurses are the ones who see the suffering that results from back-street abortions, and he, like almost everyone else in the debate, put emphasis on the class issue. Poor women suffer disproportionately from the repressive law.

Other Unions also came in in strong support, including the Government Teachers' Union and a

Federation (the Federation of Para-Statal Bodies) as well as the big Confederation (the Confederation of Private Sector Workers, CTSP). This added to the growing support from human rights groups, and the family planning organization to the mobilized women's movement.

A surprisingly large number of MPs spoke in favour of well-nigh total de-criminalization, showing their reliance on the argumentation developed over decades of struggle, specially by LALIT and the MLF. Another surprise was the strong pro-secular approach amongst MPs of almost all parties. They put emphasis on the health issues, human rights issues, and need for a secular state. The only parties against were three parties that have only one MP in Parliament, the FSM (a fundamentalist party), the MMSD (a party run by a maverick capitalist), and the OPR (run by a former Catholic Priest). Two parties were 100% in favour, despite giving a "free vote". They were the biggest party, Labour, and the bigger of the two Rodrigues parties, the Mouvement Rodrigues, whose two MPs spoke eloquently from the point of view of working class women in the Republic as a whole. The Labour Party's coalition partner, the PMSD was 3 out of 4 in favour, while the Opposition MSM was 3/4 in favour. The Opposition MMM was split down the middle, and thus came out worst, with its anti-

abortion MPs making fools of themselves in speeches so outrageous that the Press denounced them unanimously. This once-long-ago left wing party is now a bastion of the reaction.

One of the MMM's MPs, Jean-Claude Barbier, in an all-time first-ever, actually told Parliament that God had personally spoken to him about what to say in "the august Assembly".

While some MPs spoke of "murderers", one MMM deputy, Lysie Ribot, said that women who had abortions, were also more likely to have road accidents and get cancer of the cervix. She said, in a grotesque statement, that women who were raped were unlikely to fall pregnant because their ovulation got "blocked".

Adil Meea, yet another MMM MP s said religion was one of the last ramparts against degeneracy and depravity. Soon, he said we will hear talk of same-sex marriages.

But, these were marginalized completely in the generally massive support for the law, not only in Parliament, but also outside. A survey of women's opinions in the country carried out by a big commercial opinion poll company found that over 2/3 of women are in favour, and only 20% against, thus reflecting neatly the vote in Parliament.

SOUTH AFRICA

Women's struggle in South Africa – still a long way to go

LAURETTA G NGCOBO ·

My first child was born on 6 February 1956. I was driven against the wall. It was inevitable. I could not accept the fate that awaited my miracle of creation: to be herded through life in indelible contempt as soon as he began to gurgle. The thought became more and more unbearable.

At about the same time, and perhaps in keeping with the tempo of the times, the women's campaign against the introduction of passes was escalating. The Federation of South African women drew women from all working sectors and trade unions, regardless of colour, race or creed, to fight for the removal of all social, legal and economic disabilities, and to work for the protection of women and children in South Africa. This powerful call raised an alert in all parts of the country, for every woman knew the severity of apartheid oppression whose main instrument was the pass. Throughout South Africa, women organised themselves for the first non-racial National Conference of April 1954 in Johannesburg, followed by the marches of 1955 and 1956.

I could not help but be swept into the wave of protest. At the time, I lived in the Pretoria township of Lady Selbourne, but kept in constant touch with some of the women I had worked with in Durban on matters of the struggle. I was in touch with Dorothy Nyembe, Bertha Mkhize and others who kept the issue burning. But since I had a small baby I only made up my mind to join the march at the last minute. We (a few other women from Pretoria and I) decided to join the amazing march, the stream of women who were arriving by trains and buses and on foot. We walked and climbed towards the Union Building slowly, without transport. We

were happy to be part of the show of strength that escalated from all corners of that historical hill.

The failure of Dr Verwoerd to come out and receive the multiracial delegation fostered in me a new fervent belief that some day we, the people of South Africa, would topple over the burden of apartheid. In that act alone, by that single mighty leader, I knew the superstructure was not invincible; I knew then that one day apartheid would come tumbling down.

The long years of exile were fired by the belief that my grandchildren, if not my own children, would one day live in a free South Africa. The journey has been long. Thirty years have not been without disappointment and sometimes outright hopelessness. But my conviction stayed with me until I returned to South Africa in 1994.

I am back home now, and apartheid is gone, but it would be untruthful to say the seeds of patriarchy on which apartheid itself was anchored have all been swept away, that all my dreams are fulfilled. The seeds of the patriarchy on which apartheid itself was anchored have all been swept away. But Africa has had her own malignant strain of patriarchy. This leaves the women of South Africa with only half the battle won. To compound the situation, the residue of apartheid, which left the African men scrambling on the lower rungs of the social ladder, has left many men disgruntled and feckless, turning on their own women to assuage their anger. Besides, apartheid left many totally unprepared to take over the institutions that might turn the tide of poverty into productive capacity.

One other legacy of the past is greed – everyone for himself. This is not what the struggle was about. Those who have the means, or who got there first,

are grabbing and looting, and are seen to have benefited more from the freedom than everyone else. But strangely enough, even those who do not grab everything for themselves, those who got there by their own sheer natural ability or opportunity, are often perceived as having done so in a negative

way. This has left us all with a bitter taste of an unfinished task. Where to next? How long shall we wait for freedom to be fulfilled? That is the task of the next generation.

Amandla "Still a Long Way to Go".

PORTUGAL

A programme against the debt tyranny

LEFT BLOC ·

This crisis moreover demonstrates the technical incompetence and fanaticism of the European leadership. They guaranteed that, in the Euro reality, an imbalance problem, such as that we are facing today, would never occur because the economy would automatically correct it. Take, for example, the statement of Vitor Constancio when inaugurating his position as governor of the Portuguese Central Bank, in 2000: "Without national currency, we will no longer have problems in balancing our budget like we did in the past. There is no macroeconomic currency problem and no need to take restrictive action because of our balance of payments. Nobody analyses the macro dimension of Mississippi's external balance, or any other region of a large currency zone." This statement by Constancio is now proven completely wrong by the facts: there are financing problems, these create an external vulnerability and Portugal is now under the IMF, ECB and EU custody.

2. However, the European governance has always refused a consistent European solution. On the contrary, it continues to ratify the Budgetary Treaty, which consists on an authoritarian response to the Euro crisis, by yielding the effective control over the national budgetary options to the ECB and European Commission and by prohibiting counter-cyclical public policies, given the permanent restriction over the core public deficit to levels never attained in Europe as a whole. This ratification had the Socialist Party (PS) support in Portugal and now has the German Social-democratic Party (PSD) and Green Party support in Germany.

The Left Bloc voted against this treaty and believes it represents an attack against Europe. If Europe fails to revoke this treaty and substitute it by European cooperation mechanisms for employment, the Union is fated to further instability.

3. There is an immediate problem of financing the economy and an even bigger problem of imbalance in the Portuguese external budget (the Portuguese balance of payments deficit, in the 2010-2011 average, was 7% of its GDP). These two problems must be solved.

The first must be solved within the European scope, with financing from the ECB. The second must be solved putting together efforts to cancel the external balance deficit and, consequently, the structural dependency of the Portuguese Economy. This demands budgetary and fiscal policies to promote investment and exportation and substitution of imports, in order to decrease the balance of payments deficit (for e.g., with the goal of reducing the GDP by 3.5%), as well as to cancel the debt to reduce its impact in the balance of payments (in this case, in at least another 3.5% of the GDP). This way, the need for financing would almost be reduced to zero, so that the Portuguese economy and the State would gain autonomy and power to decide.

4. To that effect, Left Bloc proposes a policy against the debt tyranny, summarizing its two main goals:

1) Portugal must reject the Memorandum signed with the IMF, ECB and EU and thus dismiss the conditions defined therein.

The Memorandum places the Portuguese economy at the mercy of speculation and leads to a degradation of the economical and social regimes, which diminish public services, quality of employment, social rights and democracy. The rejection of the

Memorandum has become a question of human rights: the one and a half million unemployed people that we will have at the end of the first years of the IMF, ECB and EU rule (2011-2013), prior to the second bailout, will be outcasts of the society.

The Memorandum should also be rejected because the policies it enforces are not a plausible alternative for our country. The conditions imposed will deepen the debt as well as increase unemployment and precariousness, making it even harder to face the increasing debt pressure. Privatizations are but a farce, disguising the surrender of strategic control of public goods, namely to Chinese and Angolan companies. The financial markets law is destroying people's lives.

2) Portugal should restructure the debt and renegotiate the conditions and deadlines of the payment, cancelling debt in order to reduce it to 60% of its GDP.

In 2013, the public debt will be higher than 100% of the GDP; in order to have stability for Portuguese economy future it is mandatory to have the annulment of 70 billion Euros of debt. If this restructuring does not occur, the economy will be insolvent and the country will plummet to bankruptcy or lose its sovereignty. The creditors will receive nothing in case of bankruptcy and the economy will not be financed, escalating the depression that oppresses workers.

At the end of the current year, the public debt will be allocated as follows: 86 billion Euros will be retained by the IMF, ECB and EU (IMF 21 billion; ECB 25 billion; EU 40 billion), 83 billion Euros will be managed by investors under Portuguese law and 10 billion Euros will be managed by investors under English law, which is less favorable. These numbers show that the IMF, ECB and EU have retained an important part (presently almost half) of the debt, which was previously managed by finance investors and international banks.

A small part of this debt is held by workers and taxpayers both directly and indirectly, and it should be protected: less than 20 billion Euros are held by

Portuguese people through Savings Certificates and Treasury Certificates and other workers pension funds also have further investments in this debt.

Therefore, the debt reduction should be directed thus:

a) Annulment of 50% of debt stock to the IMF, ECB and EU and the decrease of interests to 1%, as what is charged by the ECB to private banks.

In Greece's case, the IMF, ECB and EU accepted the reduction of 53% in the value of private investors debt, although they did not cut on debt stock (which means that the reduction did not reach 25% of the Greek debt, keeping an unacceptable pledge over the people). The reductions, both in Portugal as in Greece, should include the IMF, ECB and EU with similar conditions in the amounts.

b) Negotiating with the private investors, to swap the bonds they retain for 30-year Treasury Bonds, at 50% of its current nominal value and with interest rates indexed to the future growth of the GDP, with a grace period until 2020.

c) Negotiating with the public Social Security Capitalization Fund and other pension funds, and with holders of Savings Certificates and Treasury Certificates, in order to assure nominal payment of their bonds but with an interest rate indexed to the GDP growth, plus a bonus to promote savings and national debt financing.

Consequently, the public debt will be significantly reduced, with losses imposed on the financial capital instead of reducing salaries and pensions. Restructuring the debt is crucial to the survival of the economy and it is entirely justified: throughout the last decades, the cost-effectiveness of the investment in the Portuguese debt has always been guaranteed by the sacrifices of the taxpayers. This must end so the economy can respond to the difficulties of unemployed people.

Portugal paid 635 billion Euros in debt repayment plus 45,5 billion in interests and charges, between 2002 and 2011. During this period, it had an aver-

age growth of 0.01%. Continuing to sacrifice employment and the lives of people is an option that must be rejected.

The choice lies between employment policies or debt tyranny.

5. There is yet another debt that has to be negotiated, which is the internal debt, more specifically, the prodigious public-private partnerships (PPP). The Left Bloc has always condemned these contracts and has always shown that they represent an enormous advantage for the creditor capital, they damage the taxpayers and the end users, favoring ineffectiveness and corruption. Currently, this point has been thoroughly proven. The Left Bloc was correct in stating that these contracts were pernicious.

These contracts should be renegotiated to terminate the advantages of bank consortiums and constructors, to reduce their interests to values similar to those due to the ECB by private bank, terminating also the clauses that transfer risks (like lack of traffic) to the State. This is still a priority and a democratic demand.

The illegitimate debt must be unequivocally rejected.

Portugal does not have to pay what it does not owe. Debt that comes from unreasonable conditions of PPP, as well as ruinous interests sought by national and international finance, imposed contractual relations, submarine purchasing and other corruption acts, must therefore be repudiated.

6. Lastly, the Left Bloc proposes a national policy for credit control. Without this, no employment policy is successful nor any response to financial markets is viable. Although the national banks received more than 50 billion Euros in liquidity loans at 1% for 3 years, they have been reducing credit and thus the economy. If the economy's future depends on this bank's agendas, there will be no future.

A deviant cycle has thus been created, in which the ECB, which cannot lend money to the EU countries, lends to the private banks at 1% interests,

which in turn will apply their capital in Portuguese debt securities at 10% interests or in which the Portuguese state lends to banks so they can regain their capital endowment – which the private shareholders refuse to correct, in most cases – so that this banks profit over the public debt. In the end, it is always the taxpayer who pays.

This cycle must be terminated. Therefore, the Left Bloc proposes the inclusion of BPI and BCP in the public bank sector, of which the CGD is already a part. The state holds the majority of capital from these two banks, through the introduction of more than 5 billion Euros of so called "hybrid" capital, and the whole of CDG. If the taxpayers are financing this capital, then it is only fair to have the banks at the service of the economy and to direct their activities according to the economy and employment priorities.

This public bank service should organize its activities and brands in a way that promotes credit and protects the depositors. Furthermore, it should also create, in parallel with the commercial banking activity, a public development bank to stimulate the economy and to finance strategic investment programs of employment creation and innovation.

7. The slippage in budgetary execution has clearly demonstrated the ineptitude and the loss caused by austerity and recession policies. The government that increased taxes is the same government that will increase taxes and sacrifices once more, to make up for the drop in fiscal revenues. The government that eliminated two subsidies is the same that will now continue to reduce salaries and pensions in order to pay for the increasing interests in this recession context. The increase of unemployment and debt is the clear result from these strategies. These policies are not a solution.

The Left is now asked to demand a courageous political program to break with the IMF, ECB and EU policies and with austerity, and to recover our economy against the debt tyranny. The Left Bloc undertakes the responsibility of promoting the public debate about the solutions in this sense.

DENMARK

Historic changes in the support of workers' parties in Denmark

THOMAS EISLER ·

The tax reform

The tax reform initially proposed by the government looked like a clear invitation to the right. It came as part of its overall 2020 plan. During the last years the political agenda has been focused on how to ensure the balances on the state finances in the long run with the year 2020 as the target. This was an agenda put forward by the previous right wing government and backed by mainstream economics, the employers' organisations etc.

According to the main stream economics the main problems are public spending and the supply of labour. Accordingly cuts must be made, and initiatives must be taken to increase the supply of labour. This overall agenda has been accepted by the Social Democrats (SD) and the Socialist People's Party (SPP) leadership.

The main aim of the proposed tax reform was to give economic incentives to work. The main elements were:

- Raise the income threshold for a higher tax rate
- lower the level of the yearly wage/price indexed increase in benefits for unemployed, retired etc.
- higher tax for the most indebted owners of real estate (interests above a certain limit gives a lower reduction in taxes)
- lower tax for people who are employed

Initially the Liberal party was not willing to take part in an agreement with the government. This was more a tactical choice to isolate the government than a political choice.

This opened the door for the Red Green Alliance (RGA). Negotiations took place between the RGA and the government. The government accepted not to make cuts in social benefits, and it made a number of other changes, demanded by the RGA, as well. An agreement was made between the RGA and the government, only waiting for the approval two days later by the National Committee of the RGA.

Then suddenly the Liberal Party approached the government, and after less than a day they published an official agreement on a tax reform law, also including the Conservative Party. In that agreement the cuts on benefits are maintained and any rise in taxes for owners of real estate is off the table.

This led to very strong reactions from the RGA parliamentary group: "We no longer support this government - We're in opposition", said Johanne Schmidt-Nielsen spokesperson from the parliamentarian group of the Red Green Alliance.

For the Socialist People's Party this was another contribution to their crisis. The higher taxes for owners of expensive real estate was the part which would only harm the very wealthy thus giving the reform a social profile.

The crisis of SD and SPP

The tax reform was but the latest contribution to an increased disappointment with the Social Democrats and Socialist People's Party. In the spring 2011 Social Democrats was at 29 % and Socialist People's Party at 15 %. Today they are at 17 and 5.5 %. In the same period the Red Green Alliance has increased support from 4 % to 12 % according to polls. During the same period the

Liberal Party has been the big winner moving from 19 to 33 %.

Up until the elections to the parliament last year a new government seemed a sure thing. Discontent was growing with the conservative-liberal government and their tight alliance with the populist right Danish Peoples Party. But nevertheless the alternative was quite contradictory. The SD/SPP campaigned on themes like: Choose public welfare rather than tax reliefs, a higher tax rate for the rich and more teachers in the primary schools. Their answer to the crisis was public investments rather than austerity measures.

But as they were criticised by the right for lack of "economic responsibility" their reaction was to conform to all the right wing criticism. Also on the question of conditions for immigrants and refugees they made concessions to the right.

As the picture of an alternative political direction became more and more blurred the support for these parties began to drop. The Red Green Alliance promised to fight to keep a new government as much to the left as possible.

After the election the SD/SPP made a government with the Social Liberal Party. Negotiating the governmental program with the social liberals the SD/SPP gave up even more of their left policies including the tax on the rich. Since then the government has been loyal the neoliberal political agenda.

Tactics of RGA

The RGA has followed a tactic to be open to any negotiations with the government. The tactic was chosen is to avoid that abstract radicalism would make it easy for the government to explain a course of doing politics with the right.

This has been successful in two ways. A number of minor reforms, improving the situation for some groups on social benefit, immigrants and refugees have been made, and a comprehensive reform law on energy politics has been passed with the votes of the RGA. At the same time the support for the RGA

has steadily increased, even before the recent tax reform crisis of the SD/SPP.

The main discussion now will be how to deal with the national budget for 2013. The right wing has decided to use this opportunity to topple the government if they can.

This is contrary to situation during the last SD-lead government 1992-2001. In this period the RGA voted against the budget every year but one, when it abstained. To deal with this situation the RGA changed its tactics regarding the budget. Instead of seeing a vote for the budget as a general acceptance of the capitalist system as such, the budget is judged by the criteria: how does this budget change the allocation of resources compared to last year. Already in 2010 the National Conference of the RGA decided that it will vote for a national budget on some specified conditions. One of these conditions is that the budget does not "sum up a year of austerity policies with the right wing".

The RGA have now chosen to mobilise for a debate with people including trade-unions, movements etc. Based on this hearing and debate the RGA will specify a number of demands for the next budget. These demands must compensate for the wrongdoings of the government during the preceding year. Through this process the RGA want to mobilise pressure on SD and SPP to force them to change their current course.

One important element of this attempt to mobilise the working class behind demands to the government is the issue of unemployment benefits. The previous government shortened the period of unemployment benefits from 4 to 2 years and prolonged the period, you need to work to obtain the benefit rights, from ½ to 1 year. Just after the elections the new government gave in to demands from the RGA and trade union forces and postponed the implementation of the new 2-year limit for half a year. But in January 2013 thousands of unemployed workers are to lose their benefits if there are no changes. Already some MP's of the SD and SPP want another postponement, but this is rejected by

their governmental partner, The Social Liberal Party.

The position of SAP

SAP, the Danish section of the Fourth International, is one of the founding parties of the RGA. SAP members are actively building the RGA as militants, members of branch and national leadership, employees and MP's.

Commenting on the tax reform agreement the political bureau of the SAP said:

"The government is pursuing a suicidal course moving further and further away from a common platform with the RGA – and at the same time undermining destroying its support from working people.

"The electorate of the SD/SPP is leaving the two parties in historic dimensions. The tax reform has highlighted the failure of the reformist leaders for a whole new generation of young militants and supporters of the left, exactly those that brought the government to power.

"This gives the RGA a new position in Danish politics. The party is now seen as the only real alternative to bourgeois neo-liberal politics. At the same time this is dangerous, and it creates new opportunities.

"There is the obvious risk of disappointment and passivity. Those people that expected new politics from the new government have lost faith in the leaderships of the reformist parties. The same goes to some degree for the trade union leadership. The top echelons have uncritically accepted the tax reform – even if the reform is an attack on the rights and the income of many of its members.

"But the situation also creates the possibility of strengthening the fight for new politics. The main task of the RGA is to appeal to the disappointed and frustrated supporters of the SD/SPP – not to mock and denigrate their original hopes in the new government. Rather we must share their anger and give it a voice. The aim is to turn their disappointment into activity, mobilisation and demands to the government for a change course.

"One element of this is the political campaign to discuss which form of compensation will be needed to counter the negative effects of the tax reform. Another one is creating a broad trade union and militant movement to save unemployed people from losing their unemployment benefit.

"Finally the RGA must make an increased effort to show that there is an alternative to the different versions of the neoliberal agenda of the other parties: the anticapitalist road."

Explanation of graph.

The starting point is the elections September 2011.

A: Social Democrats

B: Social Liberal

C: Conservatives

F: Socialist People's Party

K: Christian Democrats

I: Liberal Alliance

O: Danish Peoples Party

V: Liberal Party

Ø: Red Green Alliance

USA:

Why the Tea Party?

CHARLIE POST ·

Capitalist governments around the world were pumping billions into their economies to forestall an economic implosion and stimulate new investment. In February of 2009, a lead article in the mainstream U.S. magazine, *Newsweek*, went as far as to declare, "We are All Socialists Now!" [1] A Rasmussen poll in April 2009 found that only 53 percent of those asked preferred capitalism to "socialism" (government regulation of a capitalist economy), while 20% preferred socialism and a full 27 percent were unsure. [2]

Yet, it is a new, militantly "free market" populist right that has channeled much of the popular anger sparked by the economic crisis in the United States and around the capitalist world. By the end of 2009, it was the "Tea Party" right that dominated the streets, mobilizing tens of thousands to oppose Obama's health care plan as "socialism"—despite its massive subsidies to private health insurance companies. The left, the labor movement, and movements of people of color, women, and queer people were completely marginalized, while the new right fueled a Republican sweep of the 2010 Congressional elections. In 2010, the "Tea Party" had its greatest impacts in Republican primaries and contested "swing" Congressional districts that Democrats had taken by relatively small margins in 2008. [3] The Republicans, with a substantial minority of "Tea Party" zealots committed to a new era of austerity and economic deregulation, won a majority in the House of Representatives and deprived the Democrats of their filibuster-proof super-majority in the Senate. As the 2012 Presidential campaign unfolds, candidates associated with the Tea Party—Ron Paul, Newt Gingrich and Rick

Santorum—scored upset primary victories against the Republican "establishment" candidate, Mitt Romney, and remain in the race in late March 2012.

Liberals and leftists have put forward a number of explanations for the rise of this militantly nativist, anti-labor, and libertarian populist right. Many have claimed that the 2010 election demonstrates the fundamental conservatism of the U.S. population. In some variants, the Obama program of change turned out to be "too radical" for most Americans, pushing them back into the arms of the Republican right. In other variants, the election of Obama was an anomaly, a temporary break to the left in a basically "center-right" country.

Has the United States Moved to the Right?

Exit poll data for the 2008 and 2010 elections does not support the claim that the U.S. population has moved to the right. The "seismic shift" in representation in the House in 2010 was the result of very small shifts in the participation of key groups in the electorate. [4] In 2008, the Democrats received a total of 54.2 percent of the popular vote, with nearly 62 percent of the electorate voting, and won 58 percent of the House of Representatives. In 2010, the Republicans won 53.8 percent of the popular vote, with only 40% of eligible voters participating, and won 55 percent of the House. An eight percent shift in an election where only 40 percent voted—a shift of approximately three percent of the total eligible voters—accounts for the Republicans' victory.

The Republican victory in 2010 was not simply a result of the sharp fall in overall voter participation compared with 2008, but in a marked change in the social composition of the voting population. The Democrats retook the House in 2006 with only 40% of voters participating. However, who voted

changed radically. In particular, several key Democratic constituencies—people of color, youth and union members—turned out in much smaller numbers in 2010. In 2008, people of color (African-Americans, Latinos, Asians, and others) made up nearly 26 percent of the electorate. In 2010, only 22 percent of voters were people of color. We see an even sharper drop in the participation of young voters. Voters under the age of 45 made up nearly half the electorate (47 percent) in 2008, but only around one-third (34 percent) in 2010. Finally, the share of the electorate made up of union households dropped by nearly one-fifth between 2008 and 2010, from 21 percent to 17 percent. Put simply, a significant portion of those who voted for Obama and the Democrats in 2008, giving them substantial majorities in the House and Senate, did not vote in 2010. In other words, we saw a return to the patterns of voter participation in the United States since the late 1970s—an electorate that is disproportionately middle class professionals and managers, white, older, and suburban.

Additional evidence that US popular opinion has not shifted to the right are polls that show consistent support among potential voters for a non-interventionist foreign policy, expansion of social services, and increased regulation of capital. [5] Recent Gallup Polls [6] have found that majorities of people in the United States have consistently believed that wealth and income should be more evenly distributed since 1984. In the most recent polls, 57 percent of those polls believed that income should be more evenly distributed, and 47 percent believed that the government should raise taxes on the wealthy. Almost two thirds of those earning less than \$30,000 annually and slightly over half of those earning between \$30,000 and \$75,000 wanted higher taxes on the rich. In sum, it was the massive disaffection of working class, minority, and young people with both major U.S. political parties that allowed the electoral victory of the Republican right and a further rightward shift in the center of gravity of mainstream U.S. politics.

Capitalist Manipulation?

An alternative argument is that the capitalist class is behind the Tea Party right and its street mobilizations and electoral victories. Many point to the role of right-wing billionaires like the Koch brothers in financing the Republicans' assault against collective bargaining rights in Wisconsin and across the midwestern United States. [7] It is clear that broad segments of capital in the United States support a resurgent and militant neoliberalism—demanding budgets balanced on the backs of working and poor people, social service austerity, and new attacks on public sector unions. There is also ample evidence that elements of the capitalist media—in particular the right-wing Fox News—has played a key role in creating and promoting the Tea Party. [8] However, there is little evidence that capitalists lead, finance, or direct the growing populist right.

Contributions to Congressional campaigns in 2010 do not show a marked capitalist preference for the Republicans or the right. In fact, the data indicates that capitalist donors had a slight preference for Democrats in 2010. [8] Of the total of \$1,331,535,623 contributed by individual capitalists and corporate Political Action Committees (PACs), \$640,651,184 (48 percent) went to Democratic Congressional candidates. Only \$616,930,199 (46 percent) was contributed to the Republicans. Corporate PAC contributions were evenly divided between Republicans and Democrats, while Democrats received 50 percent and Republicans 48 percent of individual capitalists' donations in 2010. As of March 1, 2012, Obama has raised a total of \$137 million, while Romney, Gingrich, Paul, and Santorum have only received a combined total of \$130 million. [9] Put simply, the capitalist class in the U.S. continues to finance both Democrats and Republicans.

On practical policy issues, capital is quite willing to back the new populist right when its interests coincide, pushing for tax cuts on the wealthy, cuts to social services, and further deregulation of capital. In

the context of a bi-partisan neo-liberal consensus, the issues of immigration and a willingness to risk a possible Federal credit default distinguish the Tea Party right from the rest of the political establishment. The two most important capitalist financed and led policy planning groups—the Business Roundtable and the U.S. Chamber of Commerce—have been publicly distanced themselves from the new right on these questions.

The Chamber of Commerce, which represents a broad cross-section of capitalists in the United States, welcomed Obama's 2010 budget proposal and "pledged to work with the administration, the new House majority, and Democratic legislators on the Chamber's priorities over the next year." [10] While supporting cuts to social services, including Social Security, Medicare, and Medicaid, the Chamber also wants to increase the Federal debt ceiling. In a message to members of the Chamber urging them to contact their Congressional representatives, Bruce Josten, the Chamber's Executive Vice President, Government Affairs, argued:

"And we are going to remind you again. If Congress fails to raise the debt ceiling, there will be real impacts, for every American. Interest rates will rise for everyone – which means higher rates for American consumers and the small businesses who drive our economy. Car loans, mortgages, and business and student loans will all be more expensive." "Now, make no mistake; too much spending and the need for real entitlement reform has led to the debt crisis we're in today. But jeopardizing our country's credit rating and fiscal security by refusing to compromise isn't the answer." [11]

On immigration, the Chamber has denounced Arizona's anti-immigrant law and initiated action in federal court, with the support of the ACLU and various Latino organizations and Arizona business organizations, challenging the constitutionality of SB 1070. [12] The Chamber of Commerce has also joined immigrant rights groups in denouncing the Obama administration's "silent raids"—in which Federal Immigration Control and Enforcement (ICE) officials inspect employers' hiring records

and force the employers to lay-off undocumented workers. [13] This is not surprising, given that many of the Chambers' members—small and medium firms in labor-intensive industries—depend upon the cheap and "flexible" labor of undocumented immigrants.

The Business Roundtable, which speaks for the largest transnational corporations, has distanced itself even more clearly from the Tea Party's most radical positions. On immigration, the Business Roundtable's agenda is quite different from the Tea Party's calls for militarizing the border, criminalization of undocumented immigrants, and mass deportations. For the CEOs of the largest transnational corporations, the immigration system is "broken" because it fails to give them the supply of "flexible" workers it needs:

"Immigration reform must address the need of American businesses to access qualified, highly skilled professionals around the globe to remain competitive. Reforms must also address the current green card backlog for our Chinese and Indian employees and include an H1-B cap that is flexible based on market needs." [14]

Like the U.S. Chamber of Commerce, the Business Roundtable supports the right's call for reductions in corporate taxes and the evisceration of Social Security and Medicare,[16] but clearly opposes any attempt undermine the credit of Federal government. During a conference call on March 30, 2011, Ivan Seidenberg, Chairman and CEO of Verizon Communications and the Chairman of Business Roundtable was quite clear:

"I don't think any of the CEOs would welcome a Government shutdown. I think you have all sorts of disruptions in the value chain, the supply chain, and our government services, so hopefully that could be avoided." [15]

On April 7, 2011, the Business Roundtable issued the following press release:

"We urge the Administration and Congress to agree on a sensible budget solution in time to avoid a government shutdown. A shutdown would have

negative and unforeseen consequences, including heightening uncertainty and disrupting basic business services to government agencies." [16]

The Business Roundtable sent a letter to both Republican and Democratic Congressional leaders—co-signed by the U.S. Chamber of Commerce and several dozen industry-based associations—calling for raising the debt ceiling by August 2, 2011. They argued:

"Raising the statutory debt limit is critical to insuring global investors' confidence in the creditworthiness of the United States. With economic growth slowly picking up we cannot afford to jeopardize that growth with the massive spike in borrowing costs that would result if we defaulted on our obligations...In making this recommendation, we remain extremely concerned about the level of federal debt and large annual budget deficits... Tough calls on U.S. spending must be made as part of a debate about the budget and we agree that restoring balance to our fiscal position will require the government to spend less and spend more wisely." [17] Obama's 2012 campaign had already raised \$46.3 million by July 2011—more than all of his potential Republican challengers combined. Approximately 40 percent of these contributions are collected by "bundlers"—wealthy individuals collecting hundreds of thousands of dollars.

A bi-partisan plan to raise the debt ceiling and preserve the credit of the U.S. state was passed despite objections from far-right Republicans in Congress. While Tea Party supporters on the right opposed any increase in Federal indebtedness and a small number of Democrats continued to demand small tax increases on the wealthy and corporations, the capitalist class was able to discipline its political representatives and avoid a U.S. debt default. The resulting cuts—especially to social services and education—will be severe. The establishment of a joint Congressional committee, whose proposals for future cuts will be subject to an "up-or-down" vote without any opportunities for amendments, will further restrict the ability of the new middle class

right to oppose the demands of the U.S. capitalist class. [18]

The Radicalization of the Middle Class

In sum, the rise of a new populist right targeting immigrants, people of color, and unions during the current economic crisis is not the result of either the majority of Americans embracing its politics, or the machinations of the U.S. capitalist class. The "Tea party" represents a radicalization of the white, suburban middle class of professionals, managers, and small business owners, who have garnered the support of a minority of white, native-born workers. [19] As Matthew Rothschild argues:

"With economic pain at the highest level ever seen by most Americans, and with minorities especially hard hit, we're seeing a revolt not by people of color, not by the unemployed, nor the foreclosed upon. Instead, we're seeing a revolt by the white middle class. It's a revolt against the very notion of a positive role for government in helping people. It's a revolt against Latin American immigrants. It's a revolt against Muslim Americans. And it's a revolt against...[a] black president... Opportunistic and right-wing Republicans, politicians, business front groups, and media outlets like Fox have ginned up the hatred." (23)

Capital is more than willing to use this nativist, racist and anti-worker movement of the middle classes when their interests coincide. However, the new right has an agenda independent of, and at points (like immigration and the Federal debt ceiling) opposed to that of capital. [20]

Clearly, the growth of the Tea Party has emboldened the still small and marginal fascist right—the Klan, White Christian militias, and the like. While there are ideological similarities between this new right and classical fascism, the Tea Party mobilizes elements of the middle class primarily as passive voters, not as armed paramilitaries attacking unions, people of color, and immigrants. [21] Paul Street and Anthony DiMaggio make a convincing case that the Tea Party was a thoroughly top-down,

primarily electoral and media-fueled phenomena with none of the characteristics (membership organizations, etc.) of a social movement—including classic right-wing populist movements. [22]

Ultimately, the rise of the right in the United States—as in the rest of the capitalist world—is the product of the dual crisis of liberal (in the rest of the world social-democratic) reformism in addressing the economic crisis, and of the labor and social movements to pose a political and social alternative to the failure of liberalism. [23] On the one hand, Obama and the Democrats have failed to address the economic crisis, in particular the persistent un- (and under-) employment rates that still hover in the region of 15-20 percent despite the "recovery" of the past few months. If anything, Obama and the Democrats continue to embrace neo-liberal policies—maintaining low corporate taxes, business deregulation and global "free trade," and a federal budget balanced on the backs of the poor, working people, and the elderly. Their willingness to concede additional budget cuts, including to "entitlement" programs like Social Security and Medicare, to the Republicans to avoid a federal government shut-down and raise the debt ceiling demonstrates, once again, the Democrats' commitment to neo-liberalism.

On the other hand, there is the inability of the labor and social movements—in particular their official leaderships—to mobilize working people in support of our own agenda. Rather than organizing for an immediate end to the wars in Iraq and Afghanistan, single-payer health care, universal amnesty for undocumented immigrants, the defense and expansion of public education and public services, the official leaders of our movements have gone along with Obama and the Democrats' pro-corporate agenda. Put another way, rather than giving a progressive and class direction to the growing anger over unemployment and falling living standards, the forces of official reformism—the officials of the AFL-CIO and CTW federation, the leaders of the mainstream civil rights, immigrant, women's, LGBT and anti-war movements—have helped cre-

ate the political space for the new racist, xenophobic and pro-imperialist right. The "Tea Party" is simply filling the political vacuum left by the failures of liberalism and the labor and social movements. [24]

Unfortunately, many on the anti-capitalist left have contributed to this situation by seeking "strategic alliances" with Obama, the Democrats, and the forces of official reformism. [25] Many believe that a coalition of the left, labor officials, and the leaders of the social movements can push the Democrats to the left—to take up more progressive demands in order to mobilize disaffected workers, people of color, women, and queers to retake the House and White House in 2012.

Unfortunately, the Democrats have never shifted and are not going to shift to the left to "recapture their base." Instead, they will continue, as they have for the past thirty-five years, to move to the right to attract middle class voters and corporate donors. [26]

Across the country, Democratic state legislators and governors like New York's Andrew Cuomo and California's Jerry Brown have joined hands with Republicans to gut social spending, cuts taxes on corporations and the wealthy, and attack public sector unions. At the federal level, the willingness of the Obama administration and the Congressional Democrats to meet the Republican leadership "half-way" will only embolden the Tea Party right to demand even deeper cuts in taxes and spending. [27] Even before the threats of a federal government shut-down and debt-default, Obama's Fiscal Commission issued a plan for "deficit reduction" in December 2010, including no new taxes on wealthy individuals and corporations, new regressive taxes (national sales tax, increased gasoline taxes) and deep cuts in social services, including Social Security pensions, Medicare, and Medicaid. [28] Despite the opposition of Moveon.org and other left-liberal organizations, the Democrats freely agreed to again sacrifice the living standards of its working class and poor constituents to prevent a U.S. debt-default. [29]

The Dead-End of "Lesser-Evil" Politics

Historically, attempts to simultaneously build an alliance with Democratic Party centrists and build social movements have led to the disorganization and decline of the movements and a shift to the right in U.S. politics. Time and time again—from the CIO upsurge of the 1930s, through the Civil Rights and Black Power movements of the 1960s and 1970s, to the movements against the Vietnam War [30]—the decision of the leaders of powerful and potentially radical social movements to pursue an alliance with the Democrats have derailed these struggles.

Today, trying to "push the Democrats to the left" or "make the Democrats fight" will not only be futile, but will actually strengthen the Tea Party right. Such calls became louder in the wake of Obama's speech of April 13, 2011 unveiling his plan for deficit reduction. [31] Obama's plans included a proposal for ending the Bush tax cuts for the wealthiest households, severe cuts to Social Security, Medicare, and Medicaid, small reductions in defense spending, and smaller overall cuts in federal domestic programs than the Republicans. Backing Obama's proposals will, again, lead the left to limit its organizing and demands so as not to confront and embarrass the Democrats.

In the name of "being realistic" we will not demand real, progressive taxation on individuals and corporations, the establishment of "Medicare for All" (single-pay health insurance), the dismantling of the military budget and expansion of public services. As we again adopt our politics to those of the Democrats, they will be free to "compromise" once more with the Republicans over cutting taxes on the rich and spending for working and poor people. With our movements further weakened and invisible, our "alliance" with the Democrats will allow the new right to remain the only voice of militant opposition to the failed policies of the Democrats. [32]

At the same time, the anti-capitalist left needs to be clear that growing disillusionment will not spontaneously lead to a left wing radicalization. [33]

Clearly, in the past few months there have been some hopeful signs that there are significant minorities of working people who are looking for a class alternative to the failures of liberalism and the rise of the right. In November, 2010, Howie Hawkins' Green party campaign for New York Governor, and the explicitly socialist campaign of Dan La Botz for Senate in Ohio raised the profile of the anti-corporate and anti-capitalist left. The outrage of former Obama supporters like Cornell West and Keith Obermann and the surprisingly positive responses to independent Senator Bernie Sanders of Vermont's attempt to filibuster the tax bill last year are also hopeful signs. Even more encouraging are the recent struggles against union busting and austerity, most importantly in Madison, Wisconsin in March 2011 and the "Occupy" movement in Fall 2011. Clearly, there are some working people who are ready and willing to fight back.

Reorganizing the "Militant Minority"

However, the experience of the struggle in Wisconsin and "Occupy" demonstrates both the possibilities and limits of working class and popular fight-back in the US today. [34] All of us on the anti-capitalist left were inspired by the sight of tens of thousands of workers, students and community people mobilizing day after day to block Governor Walker's union busting bill. The militancy and creativity of their struggle, their ability to draw in workers not directly affected by the bill (police, fire-fighters, private sector workers), and the massive mobilizations put a lie to claims that American workers are hopelessly conservative and passive.

However, the official union leaders in Wisconsin were able to keep the struggle within a framework acceptable to the Democrats. On the one hand, the labor officials accepted both cuts to public services and public worker concessions in the interest of "balancing the budget." On the other, they were able to undermine attempts to spread strike actions, like the sick-outs by Madison public school teachers, into a wider strike movement that could have defeated Walker's attack on public sector

workers and services. While there were and are continuing attempts to organize rank and file union and community activists to oppose austerity and build more militant actions, their relatively small numbers made them incapable of posing an effective alternative to the labor officials and their Democratic allies.

While much broader and militant than the Wisconsin uprising, especially on the West Coast where it inspired work-stoppages (Oakland "General Strike"), the Occupy movement that swept the United States in the fall of 2011 exhibits similar limits. Although it temporarily shifted public discourse to the left—making the issue of growing inequalities between the 1 percent (capital) and the 99 percent (the rest of us) a central issue of discussion—the movement failed to win many concrete victories. In early 2012, many of those radicalized by Occupy are facing tremendous pressure from the union officials to "move from protest to politics"—abandon militant demonstrations, occupations of public space and work stoppages to campaign for Obama's reelection.

Drawing on the work of David Croteau, Sheila Cohen [35] points out that the failure of rank and file workers to effectively counter the capitalist offensive is not the result of some innate social conservatism:

". . . workers agreed with almost all the radicals' demands on such issues as war, the environment, etc; the difference was that they did not see how these demands could be achieved. The study makes an important distinction between the "expressive" and "instrumental" orientations of these two groups. While radicals achieved solace from the experience of "movement" struggles per se, for workers the essential issue was not the demands, but how they would be achieved. Their reigning attitude was one of fatalism, a "Yes, but what can you do?" approach."

The root of the crisis of the labor and social movements is the long-term decline of the "militant minority"—worker and community activists who continue to organize, educate, and struggle indepen-

dently of the official leaders of the labor and social movements between big struggles. There are simply too few activists with deep roots in their workplaces, communities, schools, and universities who have a radical vision and a strategy for organizing to pose an effective alternative to the dead-end politics of the forces of official reformism. As a result, what the Canadian socialist Alan Sears [36] has called the "infrastructures of dissent"—working class and popular organizations (unions, tenants groups, immigrant rights organizations, etc.) and institutions (cultural centers, book stores, newspapers, etc.)—are much weaker than in the 1960s and 1970s.

Not surprisingly, most working people have been forced to pursue individual solutions to declining living standards over the past thirty years. [37] Put simply, workers' capacities to fight and win have been greatly diminished. The weakness of working class and popular organizations provides a fertile ground for deepening cynicism, which opens significant minorities of working people to appeals from the populist right.

Fighting the right will require the revival of working class and popular struggles that can effectively pose an alternative to the bi-partisan, neoliberal offensive. There will be opportunities for building broad political challenges—anti-corporate election campaigns, coalitions against budget cuts and social service austerity, mobilizations against the war. However, in the absence of the experience of mass, militant, and successful struggles the audience for a broad movement against neo-liberalism will be limited. The anti-capitalist left needs to commit itself not simply to educating and agitating for alternative political programs and demands, but the long-term process of rebuilding the capacities of working people to organize and struggle in the workplace, the community, and the streets.

This process of rebuilding will begin around very immediate and "limited" issues—speed-up or layoffs in a workplace, closing of a school or hospital, or opposing tuition hikes. Only through this experience of collective organization and action against

capital and the state—and some concrete victories—will be able to turn disillusionment with liberalism into left-wing radicalism.

From New Politics, Summer 2012 Vol:XIV-1 Whole #: 53: <http://newpol.org/node/642>

I would like to thank Paul Street, Dan La Botz, Sheila Cohen, and Derek Seidman.

RUSSIA

Stop the wave of repression against the opposition

On the orders of their superiors, the Moscow police provoked serious incidents, in particular through the use of undercover agents. In this peaceful and authorized demonstration, more than 500 people were arrested and even more received beatings.

A large number of photos, videos, eye-witness accounts and medical certificates confirm that the police acted illegally. However, although many citizens and defenders of human rights lodged complaints with the Prosecutor General's Office of Russia and with the Commission of Inquiry, no charges for abuse of power on the part of members of the police force or for obstructing the conduct of an authorized mass event were made.

The authorities were very well able to use the events of May 6 to launch an unprecedented campaign of repression and criminalization against the opposition. In the months of May and June, 12 people were charged with "breach of public order" and two others were under investigation. All the charges come under section 212 of the Criminal Code ("breaches of public order") or even under article 318 ("use of force against a representative of the security forces").

Many activists, including two famous figures of the opposition in Russia, Sergei Udaltsov and Alexei Navalnyi, have been invited to be questioned in their capacity as witnesses (and as the methods of the Russian police have taught us, you can fairly easily go from this category to that of being the accused).

There is already no longer any doubt that the authorities are mounting the most important political affair in recent years. According to the information obtained from the Commission of Inquiry of the Prosecutor General's Office, 160 witnesses are involved in the investigation and over 1,250 people have already been questioned with a view to being charged.

The number of persons already arrested or who are likely to be could come to several hundred, according to some estimates.

Only solidarity actions involving thousands of supporters around the world can help to counter such a development.

In Moscow, the May 6 Committee has already begun its work. It is a citizens' initiative which demands an end to these shameful charges and to the repression. The active members of the May 6 Committee - who represent different organizations, political, civic and for the defence of human rights - maintain permanent contact with the counsel for the accused, conduct a campaign of information and organize actions against police repression. We appeal to political and human rights organizations around the world. It is not only the fate of dozens of innocent demonstrators who are or soon will be in prison that depends on your solidarity and your willingness to act. The future of the movement of contestation in Russia depends on our ability to repel the repressive assault by the authorities.

Our strength lies in solidarity!

 PARAGUAY

A "Parliamentary" Coup d'état

FRANCK GAUDICHAUD ·

Lugo, known as "the bishop of the poor", who was elected in 2008 with the support of the popular classes against the candidate of the oligarchy, accepted the reality of this destitution, while denouncing an illegitimate act which "damages Paraguay and its democracy." The Right has thus sought - and been able - to use to its advantage a bloody confrontation in the North-East of the country, which recently led to the death of 17 people (11 peasants and 6 police officers), dramatic events which could, according to several sources, be the result of police provocation.

Three years after the coup in Honduras, the ruling classes are once again trying to keep the initiative and especially to stop social and peasant struggles: the key to this country remains the control of land, in a situation where 80 per cent of the land belongs to 2 per cent of the population, as well as to powerful transnational agribusinesses such as Cargill and Monsanto. The Paraguayan people is thus suffering the disastrous ecological, political and social consequences of a narrowly-based economy: exports of soya beans (often transgenic) represent 40 per cent of national exports and are worth more than \$ 2 billion.

The Lugo government was, from the beginning of its term of office, marked by weakness and beset by many difficulties. His election victory undoubtedly marked a political turning point and represented a broad aspiration for social and democratic trans-

formation, ending 60 years of hegemony of the Colorado Party, the corrupt and reactionary pillar of the dictatorship of general Stroessner (1954-1989). However, without a powerful political party to support him, without an organized social base and very much in a minority in Parliament, Lugo chose to negotiate with the liberal elites and with defectors from the Right in order to govern. Today, following this destitution, it is precisely his former Vice-President, Federico Franco, member of the Authentic Radical Liberal Party (a conservative formation), who takes over the Executive, for the greater happiness of the traditional oligarchy and transnational capital.

In the end, Lugo opted more for the institutional set-up and for parliamentary negotiations, abandoning little by little an ambitious programme of reforms, rather than relying on a social movement, admittedly still very weak and fragmented, but with a huge potential of organization from below. This is a major lesson for the progressive governments of the region, at a moment when in Bolivia tensions are building up, with – very recently - police mutinies that some left activists feared could turn into a coup.

While strongly condemning the "legal" coup and any repression of social struggles, it is urgent to mobilize in a unitary way to denounce the situation in the Paraguay and the existence of a de facto government. We also call for support for the ongoing peasant mobilizations for a radical land reform, the only way to begin to really democratize Paraguayan society.

SPANISH STATE

Rescue or kidnapping?

BIBIANA MEDIALDEA ·

In order to break the vicious circle between private banking debt and sovereign debt, the agreement empowers the European Stability Mechanism (ESM) to directly recapitalize Spanish banking institutions, so that the funds advanced by that institution are not included as additional public debt. A second novelty referred to in the agreement is that the ESM will not constitute a priority creditor in the event of non-payment (which will prevent further pressure on the Spanish risk premium).

However, the agreement not only presents important areas of obscurity, but it also maintains the perennial obstinacies of Brussels. While lighting a candle in a dark tunnel can save us some stumbling, it does not cause the tunnel to change its destination.

The ESM cannot provide funds directly to the Spanish banking sector until the ECB assumes the role of sole supervisor of the European banking system (a requirement raised by Merkel). This new transfer of national sovereignty - certainly complex and requiring a difficult consensus among the countries of the Euro area - may take many months yet. For this reason, the rescue of the Spanish banking sector will start in the "classical" manner: the European Financial Stability Facility (EFSF) granted a credit line of up to 100,000 million Euros to the Fund for Orderly Bank Restructuring (FROBR), which raises the Spanish public debt by 10 additional points on GDP. This new pressure associated with the increase in interest on the debt will have to be compensated for by more cuts in social expenditure so that the deficit does not increase, as the minister De Guindos has recently announced the. Only once the ECB assumes full powers of monitor-

ing will the rescue will be transferred to the ESM and the direct recapitalization of banking become possible.

On the other hand, as of now it is not clear whether nationalized entities are eligible for such direct recapitalization. In the event that they are not - and since this is precisely where extra funds are needed - the agreement would have little use for Spain.

But even when progress is made in banking and fiscal union and the ECB reaches full powers of supervision, the rescue to the Spanish banking sector entails tough conditions. Although the provision for bank recapitalization runs through the ESM and the Spanish state loses its role as intermediary and guarantor, Spanish citizens will with this agreement lose the right to decide on the future of their banking system.

Moreover, as stated in a note made public by the European Council of June 29, the recapitalization "would be based on the appropriate conditionality, [...]" which should be specific for each entity, specific to each sector or at an economy-wide scale". Thus, the conditionality associated with the loans will not be limited only to the private sector, but can reach out to the whole of the economy.

The agreement not only does not change the orientation of the policies of cuts imposed from Brussels - which have pushed our economy into recession - but rather deepens it. To the extent that the intervention of the EFSF and the ESM is subordinated in the agreement to the member states meeting the requirements of the Stability and Growth Pact and attaining a deficit of 3% of GDP by 2013, the troika (the European Commission, IMF and ECB) will not only supervise Spanish banking reform, but the government's economic policy. The orientation there is no doubt, will be maintained: to apply all

possible measures to release resources which ensure the payment of public and private debt to creditors.

The "actually existing" rescue of the Spanish banking sector will require new adjustment measures to achieve this chimerical goal of reducing the deficit to 3% by 2013. We are on the eve of a significant increase in VAT (a tax that especially affect those on the lowest incomes), which will surely increase the taxation of some basic goods and services from a super-reduced type (4%) to a small rate (8%), or from the latter to the standard rate (18%). Another expected change will be the elimination of the tariff reduction on the purchase of housing, which - although it would encourage rented housing - could simultaneously stiffen the economic situation for those asphyxiated families faced with mortgage payments. Further reductions in wages and public sector employment will be sought - and very probably redundancies - as well as new attempts to increase the retirement age.

The consequences of the rescue of the Spanish banking sector - with or without direct recapitalization - will be bitter for workers and especially for the lowest income families. The debt owed by the Spanish financial institutions to foreign banks, much of it linked to the real estate business, will be paid at the expense of further closing operating theatres, laying off teachers and cutting rights.

But these measures do not even guarantee that credit will again flow to the Spanish economy, inasmuch as they don't solve the problem of the failed

loans of promoters and builders, the real estate assets accumulated by the banks or the overvaluation of such assets. Adjustment measures in a "balance sheet recession" like the current one - where all the actors try to reduce their debt simultaneously - only deepen the crisis and progressively increase the default of banking assets. The sharp decline of Spanish household savings since 2010 savings - linked to lower incomes, wage cuts and the depletion of public benefits - is an example of this trend.

Also, the rescue of the Spanish banking sector does not eliminate medium-term risks of contagion of other countries. As shown by the Greek economist Yanis Varoufakis [1], to the extent that the financing of the EFSF and the ESM is based on the principle that all debts incurred by these institutions must be separable and attributable to a single country, its continued use necessarily increases the debt ratio on the GDP of the rest of countries not rescued by placing them in positions of increasing fragility.

Faced with this socialization of banking losses (charged to the Spanish and European citizens), it is necessary to put forward an alternative involving reversing the austerity measures and the employment counter-reforms, by demanding a moratorium on the payment of the debt to identify and cancel that part of it which is illegitimate, and expropriate private banks that do not hold to a strict regulation aimed at socially oriented credit - in favourable financial conditions - for socially useful activities.

SPANISH STATE

All of them must go!

MIGUEL ROMERO ·

Meanwhile, the inside pages told us that the new budget cuts made by the Madrid Autonomous Community — in order to meet the objective of reducing the deficit to a maximum of 1.5 %, — involved the reduction of nine million Euros of expenditure on oncological care at the Ramón y Cajal hospital. These new cuts replace those already planned, which already amounted to 5.8 million. This "negative cost" of 3.2 million Euros shows the irresponsibility with which the public administration wields the axe to basic social services. It is not very clear how this reduction will be realised, but there is no doubt that it will represent a serious deterioration in patient care. The IMF has already warned of the systemic risk: people "live longer than expected".

The avalanche of press releases and statement concerning this "rescue" from its self-styled protagonists, whether at the national or international level, is indecent, intended to conceal a confidence trick. The sole certainty is that, given the material incapacity to intervene in the Spanish economy as a whole, attention is being paid "only" to the motor, that is the financial sector, at the price of a gigantic increase in financial debt. This is not only because the Spanish state is the loan guarantor, but also because the managers of the failing banks do not hide their intentions concerning the public capital that they are receiving: "It is capital and we should talk of repaying it, but using it to create value for shareholders", as the new president of the "nationalised" Bankia, José Ignacio Goirigolzarri, puts it. [1]

The banking sector and economic policy as a whole will be supervised by the IMF, in the name of the

Troika, as is unambiguously affirmed in the Eurogroup resolution of June 9: "The Eurogroup reiterates its confidence that Spain will honour its commitments under the Excessive Deficit Procedure, and with regard to structural reforms, with a view to correcting any macroeconomic imbalances as identified within the framework of the European semester. Progress in these areas will be closely and regularly reviewed in parallel with the financial assistance." Such is the situation that the prime minister, had "settled" before flying to watch the football match in Gdansk.

So, through the following days and weeks, the banks benefiting from these gifts will be brought artificially out of bankruptcy, without this obliging them to fulfil the social functions of a public bank. As to whether this reduces the risk premium, we will see in what way and for how long. But what we can be sure of is that we will continue to be victims of the "Friday reforms" like the increase of VAT as well as "reforms of the reforms" concerning pensions, employment legislation, public services and so on, already embodied in the clauses of the Eurogroup resolution kept secret to allow the Rajoy government to save face and gain time.

Beyond the Spanish situation, the events of recent weeks witness to a final crisis of the Euro zone, as we have known it until now. For the moment the projects of the European Union at two are several "speeds" are still not clear, among other things because their promoters, in the first place Germany and Holland, have no idea what the situation will be, for Spain and Italy in particular, in a few months time. But the political stage in which we are already is determined by the "peripheral" countries, including Spain, and the dilemmas of accepting them or rejecting them for a "hard core of the

Euro". That will be the main argument to justify new turns of the "reform" screw.

That will undoubtedly be a menacing scenario for the left and in any case it will be difficult to build resistance and alternatives. But these difficulties are aggravated by the non-existence of a reference point for the political opposition, whose absence weighs heavily on the expectations of the indignant, even if every day their ranks grow larger.

According to the polls, after six months of right wing government, the PSOE continues to be blamed for its incompetence. Its general secretary, Alfredo Pérez Rubalcaba, inspires less confidence than Rajoy (85% with "little or no confidence", against 78%), has higher disapproval rating than the prime minister (69% against 63%) and has seen his voting intentions fall by 2.8% in relation to the disastrous results of November 20, even if the PP has fallen by 7.5%. His problem is not only the lack of credibility inherited from Zapatero. It is also the policies, as absurd as they are timid, that he has advanced in recent months to confront the political conflicts, in particular those linked to the capitalist crisis. - the refusal, up to the last minute, to accept the establishment of a commission of parliamentary enquiry on Bankia and the consensus offered to the government on European policy.

In these conditions, Izquierda Unida (IU, United Left) should be called on to assume this role as reference point and challenge the political-electoral majority of the PSOE on the left. But to be able to

do it, IU should follow a line opposed to that which it has applied in Andalusia, not tolerating the contemptuous attitude shown towards the social movements by its leader in Madrid, Ángel Pérez, every time he is in front of a microphone, and the attempt to justify the policy of the Madrid Community on privatisation of the public waterway Canal Isabel II. Worst of all, these policies have been developed with very little internal opposition, with a few exceptions who unfortunately do not have significant influence inside IU.

During the Argentine crisis of late 2001 the slogan "¡Que se vayan todos!" (All of them must go!) became popular. The subsequent development of events has shown the great difficulty of realising this slogan. The "cry", the moral, sentimental and political rejection of what exists is the essential source of any alternative to capitalism. But it does not suffice to build it.

To be conscious of that, it is a good start for the tasks that the social and political left has before it to be able to cry here also: "All of them must go!" We know already that shouting is not enough. But to define clearly the objective of the global rejection of the established political system will help us to become conscious that we can expect nothing from the different variants of the management of the dictatorship of the markets and to strengthen our will to construct an alternative to break with it. After the fraud of the "rescue", we have at least 100,000 million reasons to take this road.

USA:

Occupy & the Fight Against Foreclosures in Detroit

DIANNE FEELEY ·

Jerome Jackson has been a paraplegic since age 14. He is facing eviction by the combined actions of Wayne County's Community Living Services (CLS), PNC Bank and Fannie Mae. Eight years ago CLS told him that renting was too expensive and he should purchase a home, promising to help with the down payment and provide 85% of the monthly mortgage. With that understanding, he signed a mortgage for a \$900 monthly payment — even though his SSI income is about \$600 a month. Mr. Jackson's house in Inkster, a suburb of Detroit, is wheelchair accessible, with wider doors and a ramp.

At the beginning of the economic crisis, CLS ceased paying their share of the monthly mortgage and without that support, Jackson's mortgage quickly went into default. Wayne County and its agency, CLS, has refused to honor their commitment to Mr. Jackson. PNC Bank, which sold the mortgage to Fannie Mae at a sheriff's auction, and Fannie Mae have refused to stop the eviction and modify the mortgage to reflect the collapse in housing prices.

Twice the coalition of forces has mobilized picketers at Inkster's 22nd District Court to "Keep Jerome in his home." Aware of the demonstrators outside, judges at both hearings agreed to stay the eviction order to allow for negotiation of a settlement. The second hearing occurred on June 7, the day a Detroit Free Press story, with a photo of Jerome in front of his home, detailed the case. That same morning the Wayne County Commission gave near unanimous support to Commissioner Martha Scott's resolution urging all parties to suspend eviction proceedings while the county reviewed its commitment to Mr. Jackson.

Jerome Jackson has fought against his eviction and CLS's attempt to place him in a group home. Along with his sister and her family he has joined the anti-eviction defense coalition, and has spearheaded leafleting his community and reached out to other organizations, such as Warriors on Wheels. He knows his case is just the first of many who were promised financial help only to have that withdrawn.

Jennifer Britt has been facing the threat of foreclosure since the beginning of the economic crisis as well. She lives in Detroit's Rosedale Park with her son, daughter, mother and uncle. When her husband died in 2006, she used \$26,000 from his life insurance policy to avoid default. Then her bank, Flagstar, raised the monthly mortgage payment from \$1,050 to \$1,550. After she lost her job two years later, the bank raised the payment to \$1,950. She was able to meet her payment by dipping into her savings until 2010. After she had paid Flagstar more than \$40,000, the bank foreclosed on her in 2010 and sold the mortgage to Fannie Mae. Employed once again, Jennifer could make reasonable mortgage payments, but neither Fannie Mae or Flagstar are willing to work with her. Eviction is imminent.

This year Flagstar was assessed \$133 million in fines by the federal government for fraudulent loan practices stretching back over a decade. It has yet to pay taxpayers back for the \$267 million bailout it took in 2009.

Although it advertises itself as a "community" bank and a Michigan company, Flagstar is actually owned by MatlinPatterson Global Advisors, a New York equity firm that Forbes magazine recently described as a leading "Vulture Investors" known for "picking the bones of crumbling companies."

In previous cases, banks that carried the original mortgage have been pressured through public protest to buy it back from Fanny Mae and negotiate with the homeowner. Following a rally on Jennifer Britt's front lawn last Saturday, attended by a number of her neighbors, the Detroit Eviction Defense coalition organized a picket of about a 100 at a suburban Flagstar bank. The coalition is also prepared to prevent a dumpster from being set up

in front of her home – a sign that indicates the sheriff would physically evict within 24 hours.

Detroit is 40% vacant, with more than 80,000 homes that have been foreclosed, abandoned or burnt down. Neighborhoods certainly don't need more empty homes!

For more on the work of Occupy Detroit visit the website <http://www.occupy-detroit.us/>

<http://www.solidarity-us.org/site/n...>

GREECE

June 17: A temporary and unstable solution for the Greek political system

N. TAMVAKLIS ·

The fear of a Greek exit from the euro-zone was the theme sounded over and over again, and with increasing intensity, by Greek and European political leaders, by the bankers, and by the bourgeois media as the election day of June 17 approached—in order to terrorize the population and stop the electoral drift to the left. On June 17 SYRIZA benefited primarily from a continued decline of other left parties and of PASOK. But it failed to decisively win over those sections of the working and middle classes which remained trapped by the dominant bourgeois ideology.

The results of June 17 confirm the fact that the Greek political system is balancing on a tightrope. The fear of what would happen if the country left the euro-zone was the only effective argument—leading the majority of the middle class to again rally around ND, the main traditional right party. At the same time an important part of this social layer, having been hit hard by the economic crisis, voted again the new far right party "Independent Greeks," while the neo-Nazi "Golden Dawn" kept its support intact. This demonstrates the emergence of a neo-Nazi movement within the petty bourgeois strata of Greek society for the first time. Even the most skeptical left "analysts" have to admit the reality of this development.

The international scene

In the interval between the two successive electoral campaigns, the possibility of a left government coming to power in a small European country caused tremendous economic and political turbu-

lence on an international level: Stock markets declined; the euro fell against the dollar; a wave of panic swept through the ruling classes, and hysteria through the international bourgeois media. The prospect of a left government in Greece and of a challenge to the terms of the memorandum were directly connected to Greece's exit from the euro-zone by the bankers and the "lenders"—an exit which, as they themselves acknowledge, might have uncontrollable effects on the global economic balance. The potential domino effect of successive failures in other countries (Spain, Portugal, etc.) is a possibility that strikes panic among political leaders throughout the world, including Obama, Putin and the Chinese leadership. So if the results of the Greek election of May 6th demonstrated the frightening instability of the global capitalist economy despite desperate attempts by governments to extract themselves from the cycle of crisis, then the results of June 17 brought a huge sigh of relief despite the widely admitted fact that the situation remains extremely fluid and the "victory" of the main right party is only temporary.

The political leaders of Europe, having secured for themselves the ability to maintain their luxurious life-style, nevertheless have a major public relations problem in the context of how hopeless the situation is of so many Greek people who already lack basic necessities or are drowning in bank debts and taxes. However, the continuous crude interventions of foreign leaders and bankers in order to terrorize the Greek people revealed how vulnerable and unstable the institutions of bourgeois democracy become whenever the real interests of the ruling classes are at stake. And we leave aside how completely powerless institutions such as the European Commission and the European Parliament proved

to be—confronted with the decisions of bankers and industrialists of the strongest European country, who do not hesitate to drain resources and gain profits from the weaker economies during the crisis.

In this way the ruling classes of Europe, with Germany playing first fiddle, do not just want to wall off the rest of Europe from the Greek economic crisis—which seems to be very difficult in itself despite the debt "haircuts" and the successive memorandum contracts. What they fear most of all is a development of popular movements of resistance to their policy at a pan-European level, which would upset their strategic plan for resolving the economic crisis by totally destroying all previous gains of the working class.

Taken together this reflects the absolute commitment of European political leaders to a policy of brutal attacks on workers' incomes and their living standards. This policy is imposed by the desperate need of capital to achieve a massive increase in the rate of exploitation, which will allow profits to recover at the level of the "real" economy. This need is unambiguously expressed in the unrelenting austerity imposed by the memoranda and also in the financial policy of a "hard" euro.

The development of the resistance movement

In fact, the elections took place under the increasing pressure of popular indignation and a fear on the part of the ruling class that a continuous expansion of the popular resistance movement could begin to take the shape of self-organization. The upsurge broke out last year as "the movement of the public squares" and continued with the creation of hundreds of popular assemblies and initiatives of social solidarity, even with the creation and evolution of the "coordination of the rank and file unions." The massive and militant presence of this coordination in the major strike mobilizations was a serious challenge to the bureaucratic leaderships of the two "official" trade unions confederations, GSEE (private sector) and ADEDY (public services).

The movement of popular assemblies, however, remained largely dispersed and has not, to this moment, managed to create anything at the level of central coordination. The movement failed to establish a consistent and intense presence throughout this period. It culminated in the major strikes during the middle of October last year and in the largely spontaneous October 28th parades—which eventually led to the fall of the Papandreou government and the creation of the "black front" government composed by the three "parties of memorandum": PASOK, New Democracy and LAOS. It also culminated in the massive demonstration on February 12 that launched the decomposition of the same three parties and initiated the pre-election period. The imposition of a new package of austerity measures planned for June seemed impossible without a new parliamentary authorization.

With the election on May 6 the ruling class hoped to achieve at least a temporary respite from popular anger and gain an opportunity to form a coalition government put together by the remaining two or three "memorandum parties," a government which could impose the new measures and continue the work of demolishing any temporary gains by workers. But the results of the May elections prevented, at least temporarily, the actual implementation of this plan. The results of June 17, on the other hand, offer them a new opportunity to go ahead, but under less favorable conditions. The narrow majority of the two "memorandum" parties (ND and PASOK) and the involvement of the supposedly left DIMAR ("Democratic Left") mean that the new government will have a highly unstable character.

The political forces

SYRIZA, faced with a fierce attack against it by all of the bourgeois forces, desperately tried to articulate a political program of neo-Keynesianism: government intervention in support of the welfare state and a redistribution of income through the adjustment of fiscal policy. The room for maneuver in order to pursue such a policy under the conditions of the present economic crisis, however, is

nonexistent. Tsipras tried again to raise the prospect of "reforms" (i.e. the same ideas that have been repeated so often in pre-election promises during previous decades by socialists and social democrats) in his speeches, and presented his own version of this program before the election of June 17: the "restructuring of production," the modernization of the state structures and of the tax system. This is a proposal for a modernization of the bourgeois system in the middle of its present crisis and for working within the dominant mechanisms of that system, i.e. the EU and the financial policy of the "hard euro". This is completely impossible.

SYRIZA not only fails to reject these mechanisms, it even hopes to reform them at a European level in the interests of all European workers. SYRIZA claims that all this can be carried through by a team of capable and enlightened political leaders of the Left—economists and experts ready to transform the state mechanisms. They will audit the "onerous" debt identify what "fair" share of it will be paid! They will denounce the loan contracts "in the area of politics and will renegotiate the loan contracts according to the law"! This is a project that, as we have seen many times before, leads either to the integration of ambitious individual leaders into the dominant bourgeois political system or else their forced expulsion from it.

The difference in the present case is that the pace of economic developments is much faster and the social processes much stronger and more contradictory. The utopian character of such a program is perceived by large layers of the working classes, who either reluctantly support SYRIZA or remain trapped by the dominant bourgeois ideology.

The popular movement, the development of mass initiative and self-organization, the development of social solidarity—i.e. the items which are essential for the policy of a worker's government—cannot be found anywhere either in Tsipras's programmatic speeches or in his post-election statements.

To transform SYRIZA into a force that is, one hand, based upon the social movement and, on the other,

actually promoting the development of the movement, including popular assemblies and workers' committees in the workplaces, would require a policy that includes the pursuit of real power by the workers, not only governmental power. That means the immediate cessation of payment of the debt, the nationalization of the banking system and large enterprises under workers' control, along with a break from the mechanisms of the capitalist EU and the euro. Such an orientation surpasses by far the logic and political limits of a purely reformist formation such as the SYN (Synaspismos) party, which is the dominant force in SYRIZA.

On the contrary we heard many promises that largely remind us of the usual pre-election rhetoric presented by bourgeois politicians. Cultivating mass expectations for welfare benefits and illusions about a painless parliamentary exit from the crisis essentially disarms and deactivates the mass movement. Even worse, as routinely emphasized by the leadership of the Communist Party, the frustration due to a failure of a future left government to realize its pre-election promises can have dramatic and irreversible effects on mass consciousness. The current electoral rise of the far right would then be the prelude to a massive shift to these parties.

The audacity of the "Golden Dawn" (GD) gangs in the streets of Patras and Athens a few days before June 17 offered a foretaste of what it would mean to have a nightmarish totalitarian future and a regime of absolute terror. Today fascist terrorism turns against defenseless immigrants, but tomorrow it will be used against the workers' movement, trade unionists, left organizations and their rank and in order to crush any trace of collective social resistance. The gangs of GD have already been accepted by a significant proportion of the middle class which has been impoverished or threatened with destitution. The bullying and the supposedly anti-systemic rhetoric of the fascists charms an important part of youth who are looking for a dynamic direct outlet from the decaying bourgeois system. They cannot understand that GD is the poisoned fruit of that decadent bourgeois system, the irra-

tional logic of capitalism pushed to its most extreme. Boundless individualism, the dissolution of all forms of collective social solidarity, hatred of foreigners, and a grudge against anyone who opposes them, lead to the invocation and active emergence of the darkest prejudices surviving in today's society.

The CP leadership entered a period of sectarian frenzy following the election on May 6. It constantly describes the terrible suffering that will inevitably occur from a rise of SYRIZA to government power and, at best, washes its hands like Pontius Pilate. According to CP general secretary Pappariga, the responsibility for any further development belongs exclusively to the people who have not yet acquired the necessary maturity for social change. The CP bureaucracy is unable to accept its responsibilities, faced with the seriousness of the situation, let alone recognize any genuine expression of popular spontaneous self-organization and self-motivation. It cannot understand that the rapid developments directly affect the consciousness of the popular masses and also require immediate positive political proposals. The CP leadership simply repeats alleged Marxist prophecies about the "immaturity of the people," to emphasize how the depth of the crisis of capitalism determines the outcome, although with a considerable delay, and constantly denounces SYRIZA for tomorrow's betrayals. It is almost certain that the election results of June 17 will plunge the Communist Party into an internal crisis which may have some positive results for the working class movement.

The development of a radical left force that will be able to intervene decisively and effectively in politics, which has a perspective of doing more than just pushing a future leftist government to be steadfast, but rather works to keep alive the energy of protest and focus on the organization of the mass movement is an issue of life and death for the pop-

ular resistance. That is why ANTARSYA participated independently in the elections of June 17. What ANTARSYA needs to do through the electoral process is develop its structures and consolidate its ties with the masses. The election result of May 6 showed that is possible for ANTARSYA to appeal to broad sections of the population. The election results of June 17, however, demonstrate that its consolidation of mass support is still in its infancy. ANTARSYA failed to keep the allegiance of those who voted for it on May 6 based on its program. On June 17 these voters turned en masse to the "realistic" perspective of a SYRIZA Government.

ANTARSYA had been excluded from the formal bourgeois scene—of politics and media debate—which would have allowed an appeal to wider layers of workers. At the same time the neo-Nazis were permitted to participate. But hundreds of ANTARSYA fighters are constantly present in the daily class struggle on all fronts. Without doubt they are the most honest and militant elements of the left and of the Greek labor movement, a layer that has been working for years against the dominant ideology of neoliberalism, also to resist the reformist misery of the SYN party and the CP's sectarianism. They actively participate in the rank and file unions, in popular assemblies and movements of social solidarity.

The very existence of ANTARSYA as a coalition of fighters from different political traditions and with different historical references gives a vivid example of how it is actually possible to create a broad front of workers' resistance. ANTARSYA currently is the only political force that not only can avert, through its development, a future dramatic decline of the labor movement. But also and most importantly, it is currently the only force that can equip the workers movement with a political strategy that will lead to victory.

GREECE

Whither Greece?

JOSEP MARÍA ANTENTAS ·

The new government of Andoni Samaras, which has just suffered the resignation of the Finance Minister, officially for health reasons, will be a weak government formed by parties which are discredited and lacking in legitimacy. Although perhaps the troika will make some concessions to give a little oxygen, the new executive will be mandated inescapably to follow unpopular policies that will lead to new and important mobilizations.

Except for political and social stability, all scenarios are possible. Most likely, the socio-political situation will continue to grow tenser. Austerity will be accompanied by repression and authoritarian behaviour from the State, in a context of increasing social polarization and a predictable rise of the neo-Nazi Golden Dawn and complicity with it in sectors of the state apparatus.

After more than two years of intense austerity policies, significant swathes of the population are living on the edge and the traditional mechanisms of family solidarity between generations are overwhelmed. The social deterioration is palpable, but Greek society does not feel defeated and demoralized. This is the key variable. There is fatigue, but also consciousness that the bulldozer of the memorandum is in some ways a giant with feet of clay, an opponent at the same time powerful and fragile.

For the social movements the countdown to defeat Samaras has begun. Social mobilization is not only

the central element for blocking the advance of a new package of adjustment measures, but also the main strategic issue that will ensure that a possible future Syriza government can actually break with the troika and the interests of the local oligarchy. A "popular government with people in the street" has become the formula that best sums up the objectives of the forces opposed to the memorandum.

The formation led by Alexis Tsipras has been in a privileged position to spearhead opposition to the adjustment policies and present themselves as the only real alternative. This does not mean the road is without obstacles to assuming power in a future election. The leadership of Syriza would do well to remember that the key to its success so far has been appearing as a formation with an impeccable record of opposition to the memorandum. Any ambiguity in this area, any attempt to appear as a "responsible" opposition of "order" willing to compromise with the establishment would result in self-destruction and decomposition from below.

Like Chile in the 1970s, Greece is currently an experimental laboratory for finance capital in its plans to redesign society. We don't have to look at the Hellenic country as if it were an isolated case. On the contrary, as the weakest link in the chain, the outcome of the Greek tragedy will mark the fate of the rest of the European periphery. A fate that is not written in advance and is being played out every day in the streets and the squares of a society subjected to the ferocious onslaught of the financial Minotaur.

EUROPE:

What emergency programme for the crisis?

DAMIEN MILLET ·

The people are less and less willing to accept the injustice of these reforms and the serious social regression they incur. Relatively, it is the workers, the unemployed and the lowest income households who are called upon by the States to ensure the continued fattening of the creditors. Amongst these it is, as usual, women who bear the brunt of precarious, part-time and underpaid employment [1] as imposed on them by the present social and patriarchal system. The struggle for a different social logic is inseparable from the struggle for the absolute respect of women's rights.

Let's look at what this implies.

Reducing the public deficit is not in itself an objective. In certain circumstances, it may be used to stimulate economic activity and ease the conditions of the victims of the crisis. Once economic activity has picked up, public deficits must be reduced, not by reducing social expenditure, but by increasing tax revenues from the estates and incomes of the highest net value sector, cracking down on tax evasion, imposing higher taxes on capital gains and financial transactions. Deficit reduction also means non-payment of the part of the public debt found to be illegitimate, the compressing of military budgets and other spending that is socially unnecessary and dangerous for the lives of people and the environment. On the other hand it is fundamentally necessary to increase budgets for socially useful ventures and to relieve the effects of the economic depression.

Spending in favour of renewable energies, infrastructures for improved public transport, schools or public health facilities must be increased. Boosting

the economy by stimulating public or private demand stimulates tax revenues. Furthermore, the crisis must offer an opportunity to break with the capitalist logic and create a radical change in society. This new logic, which still remains largely unexplored, must cast away productivism and different forms of oppression such as racism and patriarchy in favour of ecological considerations and the promotion of collective commons.

For this it is necessary to build a vast anti-crisis movement, at local level as well as on a European scale, combining creative energies and a balance of power favourable to radical solutions centred on social and climatic justice.

1. Stop unfair austerity plans which aggravate the crisis

Putting an end to antisocial austerity measures is an absolute priority. By public street demonstrations, strikes, refusal of unfair and unpopular taxes, governments must be forced to disobey the European authorities and repeal austerity plans.

2. Cancel the illegitimate public debt

Carrying out a public debt audit under citizens' control, coupled in certain cases with unilateral and sovereign suspension of repayment of public debt, would enable repudiation of the illegitimate part and greatly reduce the remainder.

There must be no question of accepting public debt renegotiations decided by creditors, primarily because of the severe conditions that go with them. The March 2012 Greek public debt plan was accompanied by the application of another dose of measures that trample on the economic and social rights of the people and the sovereignty of the Greek government [2]. According to a Troika study, despite a debt reduction accepted by the private creditors, Greek public debt will rise to 164% of

GNP in 2013 ! [3]

] This operation must be denounced in its present state in favour of an alternative. Unilateral debt repudiation by a debtor country is a very strong sovereign act.

Why must the indebted State radically reduce its public debt by cancelling what is deemed to be an illegitimate debt? First, for reasons linked to social justice, but also for economic reasons that everyone can understand and fight to achieve. To successfully emerge from the current crisis, we cannot simply create an economic stimulus package based on public demand and that of households. For if we were simply to be satisfied with such a stimulus package, combined with fiscal reform based on redistribution, the additional fiscal revenues would be to a large extent siphoned off by the repayment of the public debt. The higher contributions imposed on the richest households and major corporations would be greatly offset by the income they earn from government bonds, their being the main bond holders and beneficiaries of these bonds (which explains why they refuse to consider cancelling this debt). It is therefore necessary to cancel a very large proportion of the public debt. The scale of this cancellation will depend on the level of awareness among the victims of this debt system (the citizen debt audit could play a crucial role to this end), the way the economic and political crisis develops, and especially the real power relations that emerge in the street, in the public space, and in the workplace through present and future mobilizations. For certain countries such as Greece, Portugal, Ireland, Spain, and Hungary, cancelling the debt is an extremely hot topic. For Italy, France, and Belgium, it is starting to be one, and it will soon be a core issue in political debates throughout the rest of Europe.

For the countries already being blackmailed by speculators, the IMF, and other institutions such as the European Commission, it would be appropriate to call for a unilateral moratorium on the repayment of public debt. This proposal is gaining in popularity in the countries most seriously affected

by the crisis. Such a unilateral moratorium must be combined with a citizens' audit of public borrowing, which will provide the public with the tangible proof and arguments needed to repudiate the part of the debt identified as illegitimate. As the CADTM has demonstrated in several publications, international law and domestic law provide a legal basis for engaging in such sovereign action unilaterally. [4]

The audit will also enable the various responsibilities to be determined in the indebtedness process, and to demand that those responsible both nationally and internationally be brought to justice. Whatever the case may be, it is legitimate for the private institutions and wealthy individuals who own these government bonds to bear the burden of the cancellation of this illegitimate sovereign debt, because they are to a large extent responsible for today's crisis, from which they have also profited. The fact that they must bear this burden is simply a fair and fitting step toward greater social justice. To that effect, it is also important to establish a list of owners of such government bonds in order to indemnify citizens holding bonds but having only low or medium incomes.

If the audit shows up offences linked to illegitimate debt, the perpetrators must be sentenced to pay reparations, and depending on the seriousness of their acts, these sentences should include prison sentences. Authorities who have taken out illegal loans must answer to the court.

As for the debt not found to be illegitimate by the audit, it would be appropriate to force creditors to act positively by reducing total debt stock and interest rates, as well as prolonging the payback period. Here again, it would be useful to adopt an 'affirmative action' policy in favour of those who own small quantities of government bonds and who should be paid back at the normal rate. In addition, an upper limit should be set on the proportion of the State budget allocated to pay off the debt according to a country's economic health, the capacity of a government to pay back, and essential, irreducible social expenditures. Measures should be

aligned on what was done for Germany after World War II: the 1953 London Debt Agreement, which consisted in reducing the German debt by 62%, stipulated that the relationship between debt servicing and export revenues should not exceed 5% [5]. Such a ratio could be defined as follows: the amount of money allocated to paying back the debt must not exceed 5% of State revenues. In order to avoid a repeat of the crisis that began in 2007-2008, a legal framework must be adopted, which would ban the socialization of private debt, make it mandatory to organize a permanent audit of public debt policy with citizen participation, consider offences linked to illegitimate debt as being imprescriptible, nullify illegitimate debt, and adopt a golden rule according to which public expenditures that enable fundamental human rights to be guaranteed cannot be compromised and take priority over expenditures related to repayment of the debt. There is no lack of alternative routes.

3. For a fair redistribution of wealth

Direct taxes on the income of the wealthiest individuals and largest corporations have continued to drop since 1980. Hundreds of billions of euros in tax breaks have been handed out to the wealthiest, who have used them to speculate and accumulate yet more wealth.

In-depth fiscal reform aiming for social justice (reducing both the revenues and the patrimony of the wealthiest in order to increase those of the majority of the population) must be harmonized at European level in order to prevent fiscal dumping [6]. The goal is to increase public revenue, particularly via a progressive tax on the income of the wealthiest individuals (the marginal income tax rate can easily be increased to 90% [7]), as well as the tax on wealth as of a certain level, and corporate tax. This increase in revenue must go hand in hand with a rapid drop in the price of basic goods and services such as basic foodstuffs, water, electricity, heating, public transport, and educational equipment, particularly via a significant and targeted reduction of VAT on these vital goods and services. A fiscal policy should also be adopted in

favour of environmental protection by creating a dissuasive tax for industries that pollute.

Several countries can combine their efforts to adopt a tax on financial transactions, particularly on foreign exchange markets, in order to increase government revenues, limit speculation, and promote exchange rate stability.

4. Wage war on tax havens

Tax evasion through tax havens is the cause of lost resources that could be used for development in northern as well as southern countries. The different G20 summits have refused, despite their declarations of intention, to face this problem. One simple measure would be to prohibit all persons or companies within a country's territory, to execute transactions with or through tax havens, punishable by a fine equal to the size of the transaction. Beyond that, these financial black holes favour illicit activities, corruption and white collar criminality. The industrial powers, which have accepted them for years, have all the necessary means to act.

Organized tax evasion deprives the community of considerable means and destroys jobs. Important public resources should be allotted to financial services so they may efficiently, and as a priority, track down and prosecute the fraud organized by big business and high net worth families. The results should be made public and the guilty heavily penalized.

5. Rein in the financial markets

Global-scale speculation represents several times the riches produced on our planet. Sophisticated packages make such speculation completely uncontrollable. The complexity of the system destructures the real economy, and discretion and opacity are the rule. This being the case, to tax faulting creditors they must first be identified. The dictatorship of the markets must be put to an end. Speculation on public debt bonds, currency exchange and staple commodities [8] must be prohibited along with short selling [9] and Credit Default Swaps. Over the counter second markets, which are real black holes

escaping all regulation and surveillance, must be closed.

The credit rating agencies must also be strictly reformed and controlled, and prohibited from rating sovereign debt. Far from being an objective and scientific monitoring method they are structurally involved in neo-liberal globalization and have, on several occasions, been at the root of social disasters. The downgrading of a country's rating may raise the interest rates it must pay to successfully borrow on the financial markets - resulting in a deterioration of the economic situation of the country. The "follow my leader" behaviour of the speculators multiplies these difficulties, which will weigh still heavier on the population. The embedded submission of the rating agencies to the financial establishment makes them a major international actor. Their share of responsibility in the evolution of the crisis is not sufficiently highlighted by the media. The economic stability of the European countries has been put into their hands, without safety nets, without serious control by the authorities. For this reason their potential for damage must be removed.

To prevent other politically destabilizing manoeuvres a strict control of capital movements must be restored.

6. Transfer the banks and insurance companies to a public sector under citizens' control

Through their own errors many banks are in a position of insolvency rather than simply having cash-flow problems. The central banks' policy of granting them unlimited credit without imposing a change in the rules aggravates the problem.

We must get back to fundamentals. Banks, by reason of their size and the potentially devastating effects their bad management can have on the economy, should be public services. Banking is too serious a business to be handled by private interests. Banks use public money guaranteed by the State and provide a basic fundamental service to society. For this reason they should become a public service.

States should reclaim their power of intervention and control of economic and financial activity. They also need instruments to make investments and to finance public spending that would require only a minimum of resources from the money markets. To achieve this it is necessary to expropriate the banks, without compensation, creating a public sector under citizens' control.

In some cases, expropriation of private banks could be costly if the State is put under the obligation of taking on the debts and toxic financial products they still hold. These costs must be recovered by the dispossession of the estates of the major shareholders. The banks have often been pushed towards insolvency by major shareholders who are private companies and who have holdings and make generous profits in other economic sectors. Their overall assets must be tapped to avoid, as much as possible, the nationalization of losses. The Irish example is emblematic ; the way Allied Irish Banks was nationalized at the cost of the Irish taxpayer is unacceptable.

We support an option that implies the elimination of the capitalist banking sector, as much in the savings and loans branches as in the merchant and investment branches. In this way there would remain just two kinds of banks: public banks with a public service status and moderate-sized cooperative banks.

Although its state of health is less publicized, the insurance sector is also at the heart of the current crisis. The big insurance companies have cut capers as risky as those of the private banks with whom they have many close ties. A large part of their assets are made up of treasury bonds and derivative instruments. Chasing a maximum of immediate profits, they have put the premiums paid by their prudential, private retirement scheme and life insurance holders dangerously at risk. The expropriation of these contracts would avoid their collapse and protect the savers and policy holders. This expropriation of insurance companies must go hand in hand with a consolidation of general pension schemes.

7. Socializing companies that have been privatized since 1980

A characteristic feature of the last thirty years has been the privatization of companies and public services. From banks to manufacturing industries, from the post office and telecommunication companies to energy and transport, governments sold off the economy wholesale, thus depriving themselves of the capacity to regulate. Those public goods, produced as they are by collective labour, must become public property again. New public companies will have to be created and public services will have to be adapted to the needs of the population, for instance, to meet the issue of climate change through the creation of a public service to insulate homes.

8. Radically reducing working hours so as to guarantee full employment and adopting an income policy to achieve social justice

Sharing wealth on a different basis is the best possible answer to the current crisis. The share in produced wealth available to workers has sharply decreased over the past decades, while creditors and shareholders have increased their profits and used the accumulated money to speculate. Increased wages not only lead to decent standards of living but also boost the financing of social security and retirement benefits.

With shorter working hours - without wage reduction but with more jobs - we can improve the workers' quality of life and provide employment to those who need it. Radical reduction of working hours also creates an opportunity to change the pace at which we live, to enrich our social relationships, and to relinquish a consumerist approach. More leisure time means an opportunity for all to actively participate in political life, to strengthen solidarity, to engage in volunteer work, and get involved in cultural activities.

The level of minimum wage, average wage and social benefits also has to be significantly raised. On the other hand a strict ceiling should be placed on CEOs' incomes, whether the company be private or

public. Bonuses, stock options, executive retirement packages and other unwarranted benefits should also be forbidden. We must decide on a maximum income. We recommend a maximum discrepancy in income of 1 to 4 (as Plato recommended some 2,400 years ago) with all sources of income being taxed together.

9. Public borrowing that promotes improved standards of living, common goods and a break with the logic of environmental destruction

A State must be able to borrow so as to improve living standards, for instance through community work and investments in renewable sources of energy. Some of the financing can be supported by the current budget thanks to clear political choices, but loans can facilitate a more inclusive approach, for instance moving from a form of mobility that caters for individual cars to wide-scale development of public transport, shutting down nuclear plants and replacing them with renewable sources of energy, creating or reopening railway lines all over the country, starting with cities and suburbs, or building and renovating low energy and well equipped social housing and public buildings.

We must urgently define a transparent public borrowing policy. Our proposal is as follows: 1. the aim of the loan must be to improve standards of living and break with the current logic of environmental destruction; 2. the loan must be part of a redistributive policy that reduces inequalities. This is why we suggest that financial institutions, private corporations and rich households be legally compelled to buy government bonds at 0% interest rate and without any indexing for an amount that is proportional to what they own while other citizens can buy bonds on a voluntary basis and with a positive return higher than the rate of inflation. If annual inflation rises to 3%, the interest rate actually paid by the government for the corresponding year would be 6%. Such a measure of positive discrimination (comparable to those used to fight racial oppression in the US, the caste system in India, or gender

inequalities) will contribute to greater tax fairness and a more equitable distribution of wealth.

10. Debating the Euro

The current debate on whether countries such as Greece ought to exit the euro zone is definitely necessary. Clearly the euro is a straightjacket for Greece, Portugal and Spain. If the issue figures less prominently in the present programme it is because social movements and left-wing parties are still divided by contradictory arguments. Our main concern is to bring people together on the vital issue of the debt and for the moment leave aside what divides us.

11. A different European Union built on solidarity

Several provisions in the treaties governing the EU, the euro zone and the ECB have to be repealed. For instance, we must cancel articles 63 and 125 of the Lisbon treaty which prohibit any restriction of movements of capital and any assistance to member States in a precarious position. We must also get out of the Stability and Growth Pact. The European Stability Mechanism has to be cancelled too. Moreover we have to replace the current treaties with new ones in the context of a genuinely democratic constituent process so as to draft a pact of solidarity among peoples that is mindful of both employment and the environment.

We have to completely overhaul the monetary policy as well as the status and functioning of the ECB. The political authorities' inability to bring it around to creating money is a heavy drawback. When it set the ECB above governments and thus above peoples the EU made a disastrous choice; it chose to subordinate human life to financial concerns instead of the reverse.

With several social movements denouncing rigid and inadequate statutes, the ECB had to change its established role at the height of the financial crisis. Unfortunately it agreed on doing this for the wrong reasons, not to ensure that the interests of people would be taken into account but to cover for credi-

tors. This is proof enough that we need a new deal: the ECB and national central banks must be allowed to directly finance member States striving towards social and environmental goals that meet the fundamental needs of people.

Nowadays economic activities as diverse as the construction of a hospital or a purely speculative venture are financed along similar lines. The government should apply different rates: low rates for socially fair and environmentally sustainable investments, very high or indeed prohibitive rates for speculative operations, which in fact ought to be prohibited in some areas.

A Europe built on solidarity and cooperation should allow us to break with the ultimately debasing competitive model. Neo-liberal logic has brought us to the current crisis and exposed its failure. It has forced social indicators down: less social protection, less employment, less public services. The handful of people who have benefited from the crisis have done so by denying the rights of the majority. The culprits are in the winning seats, the victims have to pay! This logic, which underlies all founding EU documents, must be broken. Another Europe, based on cooperation among member States and solidarity among peoples must become our top priority. To achieve this, tax and fiscal policies must be coordinated and not uniformized, so as to yield an 'upward' trend (European economies are too diverse to be merged into one single mould). European-scale global policies including massive public investments to create public employment in key areas such as support services, renewable energy, fighting climate change or basic social sectors must be implemented. A different policy will require a process coordinated by the people, in order to draft a Constitution and thus build another Europe.

This other democratic Europe must strive to enforce such non-negotiable principles as tax and social justice, improved standards of living, disarmament and radical reduction of military expenditure, sustainable choices in sources of energy without the use of nuclear power, a ban on genetically modified

plants. It must also put an end to its policy of besieged fortress towards immigration applicants and become a partner in fair trade with peoples of the South. The first step in this direction must be to unconditionally cancel Third World debt.

Cancelling the debt is a common denominator in all the struggles we must urgently fight in both the North and the South.

Translated by Judith Harris, Mike Krolikowski, Charles La Via and Christine Pagnoulle

FEATURES

In-depth analysis from International Viewpoint's Features section



| OBITUARY

A personal tribute to Dave Packer

PHIL HEARSE · 26 July 2012

Dave maintained his pugnacious political defiance in the face of the severe political difficulties in the 1980s and 1990s that inflicted defeat after defeat on the international workers movement that enforced relative political marginalisation on the supporters of the Fourth International in Britain, a marginalisation from which they always sought to escape by being part of the wider movement.

Dave joined the International Marxist Group (IMG) with a group that split from the Militant in the early 1970s. In the mid-late 1970s he was the Manchester organiser of the International Marxist Group, at a time when that organisation was at its height, propelled by the Socialist Unity election campaigns, its role in anti-racist and anti-fascist campaigns – and also by its unique political profile as a champion of the liberation movements of the oppressed. Many of the features of today's far left, in particular the commitment to anti-racism as a priority, were pioneered by the IMG in that period.

I first talked at length to Dave in 1980 when he was working on the newspaper *Socialist Challenge*, a role that lasted only a short time because writing to strict deadlines wasn't exactly Dave's forte. I sided with him in a dispute over an article he wrote in April 1980 about the election of Robert Mugabe's Zanu-PF in Zimbabwe in the post-liberation elections. Dave stressed the reactionary role of bourgeois and petty bourgeois nationalism in a way that some comrades considered 'sectarian'. We became best political buddies; but what we didn't foresee was that the movement – in Britain and internationally – was entering a zone of severe turbulence. The IMG was descending into intense faction fighting which eventually destroyed it.

The IMG (now renamed the Socialist League –SL) could not cope with massive external pressures, including the offensive launched throughout the Fourth International by the 'Castroist' American Socialist Workers Party, whose supporters had a strong faction in the SL. By the mid 1980s the organisation was hopelessly split into three groupings – the pro-US SWP faction, a leadership apparatus grouping making significant political concessions to the Labour left in general and Ken Livingstone in particular, and our third faction that was defending, as we saw it then, revolutionary Marxism in Britain and internationally against liquidationist tendencies. Dave played a central role in elaborating our critique of the other tendencies and on the steering committee of our faction that included among others Jane Kelly, Stephanie Grant, Davy Jones, Bob Pennington, Terry Conway, Dave Sheppard, Grant Keir and myself. Dave wrote in this period on many questions including the united front, Labourism, workers control and many international questions.

I am absolutely sure that we were politically correct on the main points. Faced with what we regarded as an undemocratic and hopelessly factionalised regime, we split from the organisation in 1985. One hundred and ten people joined the new organisation. In the next two years we were strengthened by the fusion with the Socialist Group among whom Alan Thornett and John Lister were leading figures. This resulted in the 1987 fusion conference establishing the International Socialist Group as a new organisation with around 180 members. Dave played a key role in bringing this fusion about. This fusion didn't just grow the organisation but enabled a qualitative political development, with the addition of comrades with a different background solidly rooted in working class intervention. Dave and

Jane developed a strong personal and political friendship with Alan Thornett in particular.

Dave's political work was complicated by intervention in the political debates of the Fourth International. We strongly felt that some of the strategic elaboration by some majority FI leaders was leading in a dangerous direction – and we thought that the decision of the significant Spanish state section to merge with a Maoist organisation and to leave the Fourth International to enable this was a disaster. We also suspected that the orientation of the FI comrades in the Brazilian section (who were part of the mass Workers Party [PT]) was dangerously ambiguous and could lead at a future time, if the PT entered the government, to disaster. This was unfortunately only too prescient.

At this time we entered into a more or less informal alliance in the International with a tendency in the French Ligue Communiste led by Gérard Filoche (known by the party name 'Matti') and also, at greater political distance, with Socialist Action in the United States. These alliances were brokered in large part by Dave; I was more sceptical about whether we were really on the same political wavelength as these French and American comrades.

One thing that certainly united us with the Filoche tendency was our feeling that revolutionary Marxists should prioritise an orientation towards 'the traditional organisations of the working class' and that this was underestimated in the International. This was reflected in Britain in the ISG's participation in the Labour Briefing projects; for a time Graham Bash and other leading Briefing comrades worked closely with the ISG. Once again Dave was closely involved.

After the split with the SL, our priority to the 'traditional organisation of the working class' was in part the result of the influence that the late Peter Gowan had on us. Dave and myself had a series of political discussions with Peter which made a big impression. He also helped Dave in particular to develop an analysis of the European Union that stressed the completely undemocratic nature of its decision

making and the domination of the more developed, mainly north European, states over the 'periphery'.

A lot of people on the left didn't see the relevance of this kind of analysis, but twenty years later its political validity is only too clear.

Whatever the balance sheet of our role in the international debates, Dave relished his participation in international meetings and long discussions with comrades from the International who came to Britain, whatever their take on the political debates. Jane and Dave's house in Crofton Road was often the scene of convivial gatherings of British comrades with international guests; there was no doubt that the political culture of the organisation benefitted enormously from these contacts, with for example Alan Thornett moving from being quite sceptical about the Fourth International at the time of the fusion, to becoming a strong supporter and enthusiast for the International. The British comrades often felt they were misunderstood internationally, being cast as 'sectarian' for defending exactly the same positions that FI leader Ernest Mandel had defended but a few years before.

In 1990 Dave's participation in the movement was knocked temporarily sideways when Jane suffered a severe accident and he became her carer. As her condition improved somewhat he was able to gradually raise his level of activism, but he remained Jane's carer. It was a phenomenal effort on his part to deal with this, as well as his own disability and periodic bouts of illness, and remain politically engaged in a leading position.

During the 1980s, if we weren't at a political meeting together Dave and I spoke on the phone nearly every day; naturally I got to know him extremely well. He had a wide-ranging Marxist culture and his especial enthusiasm was ancient history. He was incredibly knowledgeable about the Roman Empire and had a deep fascination with feudal Japan (later translating itself into his collection of medieval Japanese prints and Samurai swords). Encouraged by Jane's profession as an art historian he was very knowledgeable about the history of art

and contemporary art. He was, in effect, a self-taught intellectual.

Dave was also, to the extent that his health allowed, a bon vivant. He loved to cook, to drink the limited amount of red wine that Jane allowed, and to intersperse meals with friends and comrades with his infectious laughter. The venality of the imperialist bourgeoisie and the cowardice of the labour bureaucracy never ceased to amaze and outrage him. On numerous occasions you would meet him at the ISG centre in Finsbury Park grasping a copy of the Financial Times and declaring in outraged tones, "Have you seen this?!" Dave's lack of personal mobility was partially compensated for by the fact that he was a demon driver, rushing himself and Jane at high speed to political and social events.

The ISG (former name of Socialist Resistance) was formed during the start of a series historic defeats of the working class in Britain and internationally. Dave was, like many of us, reluctant to accept that the defeats of the 1980s and the collapse of the Soviet Union (as well as the defeat of the revolutions in Nicaragua, El Salvador and Guatemala) had ushered in a period of relative isolation for the left in which it would struggle to make its voice heard.

But the anti-World Trade Organisation demonstrations in Seattle at the end of 1999 sounded a different note and dramatised the gradually consolidating rebellion against neoliberalism. Something new was in the air.

This found its echo in 2000 with the foundation of the Socialist Alliance, leading into eventually the huge anti-war movement and the foundation of Respect. Dave championed this new spirit of left unity (enabled by a sharp turn by the SWP) and was active in the Socialist Alliance both locally and nationally. This also involved developing friendly relations with the leadership of the Scottish Socialist Party. Dave was again absolutely central, together with Alan Thornett, in developing the organisation's political response to these developments.

The new millennium has recast the left organisationally and politically on an international scale. The world (and the left) is unrecognisable from the one we encountered in the mid-1980s and Dave was enthusiastic as ever to help develop a revolutionary Marxist response to it. He was one of the comrades at the forefront of trying to engage with the environmental crisis and (under the influence of John Bellamy Foster's writings in particular) develop an ecosocialist response. He helped lead the turn towards redefining the political programme and profile of the organisation as 'ecosocialist'.

The financial crash of 2008 propelled Dave into a new analytical effort, together with Raphie de Santos, to come to grips with the crisis and especially to develop the political themes and demands that could guide Marxists in the fightback. These remain some of the best analyses that have emerged from the organised left. He was naturally inspired by the emergence of new left wing forces and followed the events in Greece and France with particular interest.

Dave played an outstanding role in the last two decades as an educator, especially of younger comrades new to the movement. He was always keen to engage comrades from around the country in discussion and debate, to collaborate politically with them, without any of the stand-offish self-importance that characterises some leaders of left wing organisations. These qualities ensured his standing within the organisation; a lot of Marxist leaders are respected but not much loved. Dave on the other hand was always admired and held in deep affection by the vast majority of the ISG/Socialist Resistance – and by many on the wider left as well.

People make their own history, but not in the circumstances of their own choosing. Dave would certainly not have chosen many of the circumstances, politically and personally, within which he had to conduct his political struggle. The generation of the 1960s thought that the movement had been through 'the long march in the desert' in the 1950s and '60s, and that from now on it would be onwards and upwards towards ever greater successes.

We underestimated the immense resources of world capitalism and its ability to come back from crisis and throw the workers movement and the left into headlong retreat.

Defeats in the 1980s and 1990s sapped the will, the energy and even the belief of many in the militant

left internationally. Dave never stopped believing and never stopped fighting. It is the achievements of comrades like Dave that enable others to go on, to take the revolutionary socialist programme to the new generation of rebels emerging from the debacle of neoliberal capitalism.

OBITUARY

Dave Packer: a tribute

ALAN THORNETT · 26 July 2012

I knew Dave for 27 years and worked closely with him for the whole of that time - first on the leadership bodies of the International Socialist Group (ISG) and then of Socialist Resistance (SR).

Dave was first and foremost a strategic thinker. He was a big picture person who came into his own when there were difficult political or theoretical issues to be tackled.

He had a particularly thorough grounding in Marxist theory, something which is not only of immense value but is very difficult to replace. If Dave was present at a meeting you knew that the political level of the discussion would be lifted.

He is therefore an immense loss both to SR and the Fourth International today, as well as to the wider Marxist and workers movement.

My personal relationship with Dave was not always easy. We often clashed over detail but invariably agreed on the strategic essence of the issue and the direction of march. There were exceptions to this but not very many. It was a shared strategic approach which formed the basis of a very strong political relationship.

As is clear from the remarkable tributes which have been made on the SR e-list and website, and at this commemoration today, that to talk about Dave's life is to talk about the history of a section of the Trotskyist movement in Britain, and indeed at the international level. Dave represented the ISG on the international bodies of the Fourth International until his health problems made the traveling too difficult.

My first contact with Dave was at the end of 1985 when I was a member of the Socialist Group. We had been expelled from the WRP in 1974 and, in

the early 1980s, had gone through a failed regroupment with the ICL - which is today's AWL.

My phone rang one day and it was Dave. He explained that he was speaking on behalf of the International Group which had recently split from the Socialist league - which was formerly the IMG. He said that the International Group wanted to open up discussions with the Socialist Group with a view to possible regroupment.

He argued that the two groups had already converged politically. We were both working in the Labour Party. We had a common assessment of the impact of the miners' strike - which had just been defeated after a whole year of remarkable struggle. We had also taken the same view on the Malvinas war, a few years earlier, opposing the British task force and supporting Argentinian national rights.

One thing, he said, however, which might be a problem was that the International Group was a part of the Fourth International and that they that it took this affiliation extremely seriously. The implication was that this was effectively non-negotiable and that if it was a problem for us we would have to get over it.

It proved far less of an obstacle than he anticipated, though he was quite right to take a firm stand on it.

As many here will know that the regroupment, or fusion of the two organisations, took place in 1987 to form the International Socialist Group (ISG). It was a remarkably successful regroupment and remains fully in tact today, despite the inevitable turnover of membership over the years. Dave clearly did a very good job!

Since that time Dave played a major role in shaping the politics of the ISG and later of Socialist Resistance.

He was at the center of our debates when we were working in the Labour Party as a part of Labour Briefing. He had strong views on how to intervene most effectively and at the same time maintain a Marxist profile and build a revolutionary organisation.

He was at the centre of the debates around the fall of the Berlin wall and the collapse of the USSR in 1989 and the implications of this for Marxism and the Trotskyist movement.

He was heavily involved in shaping our response to the wars in the Balkans in the early 1990s, in particular the stance we took in defense of Bosnia, our involvement in the Workers Aid convoys to Bosnia, and our stance on the various national questions in the region.

When the rise of Blairism and new Labour brought our intervention in the Labour Party to an end, Dave was involved in the debates around what this meant for the left on the need to build new broad parties to the left of Labour in response. He had strong views on the kind of parties which needed to be built – not just in Britain but in Europe and beyond. This is an issue which remains fully with us today, in fact even more so.

Dave was active in both the debates and the practical steps the formation of the Socialist Alliances. He not only played a role in the formation of the London Socialist Alliance (in 2000) but was also involved in discussions with the SWP in advance of their decision to join it.

Throughout the period of the Socialist Alliance nationally, and then in Respect, he was in the forefront of the debates around how such organisations could be most effectively built (in particular the issue of internal democracy) and how revolutionary socialists should conduct themselves inside them. His theme was the united front, what it meant, and how it should be applied to modern conditions.

He was also at the centre of the most important political development that the ISG and SR has made in recent years – which was our turn towards eco-

logy and the ecological crisis and the redefinition of ourselves as an eco-socialist organisation. It is an orientation which is now fundamental to everything we do. Dave was not just an advocate of this development but an enthusiast of it, and he never ceased to be so.

In fact Dave was involved in debates and discussions right up to his tragic and untimely death.

He had followed the economic crisis in great detail since it broke in 2008 and had written extensively on it. He had followed how this had translated into a profound crisis of the EU and of the Eurozone and its implications for the workers movement across Europe and beyond. He had become involved in the anti-cuts coalition CoR, to the extent which his health allowed, and worked as a part of a group of SR comrades leading that work.

As Jane mentioned, he was totally animated by the emergence of the Arab spring and what this meant for the prospects for revolution and for the revolutionary process itself. He had strong views on each of the revolutions as they broke out from Tunisia to the on-going insurgency in Syria. He knew how much the world was changing and wanted to understand it at every stage.

Finally, as Jane has also mentioned, he felt passionately about the resistance to austerity being mounted by the Greek working class and the spectacular rise of Syriza in the elections on June 17th. He was involved in the discussions and debates around this in the period immediately before his death.

Although I did not hear him put it in exactly this way I am sure he regarded this as the sign of the kind of struggles to come and a vindication of the perspectives he had been fighting for a very long time.

He saw broad radical parties of the left as a key factor in mounting a fight back and presenting an alternative to austerity.

He saw in the Arab Spring the practical demonstration of revolution on the streets. Of mass revolu-

tionary movements overturning powerful military dictatorships, in major countries, which had existed for decades, and what this meant for a the socialist transformation itself.

He saw this, and in the politics of ecosocialism in particular, as the key to the development of a Marxism for the 21st century. A Marxism which

would draw on the traditions and lessons of the past but which would at the same time fully integrate what is new in charting a way forward.

We thank Dave for the contribution he has made during his life and for the example he has left for the way forward today.