

# Notes on the international situation - Taking the measure of the crisis (3)

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## 1. The crisis now

The international situation remains marked by a comprehensive, multidimensional crisis -economic, social, food-related, and ecological - that is shaking the capitalist world. Despite the discourse on the “end of recession” or “exit from crisis”, the reality of the world economy remains determined by major contradictions that lead to “depression” in the crisis, mass unemployment, a considerable increase in poverty (more than 1 billion people live under the poverty threshold) and an ever growing risk of ecological disaster.

### **1.1. An “exit from crisis”?**

From the analytical point of view, the immediate short-term developments of the lasting crisis experienced by globalized capitalism include a number of uncertainties. Certainly, the speed of the global economic crisis has slowed down. After one widespread recession (with negative growth rates of -3 to -4 % in the United States and Europe and -1% to -1.5% globally) the IMF forecasts for 2010 indicate a “slight recovery.” with a predicted growth rate of 3%. These guidelines reflect above all a developing recovery in Asia (+ 7 %, even if it is with a series of contradictions) which contrasts with the “soft” growth in the United States, around 1.5 %, and the very low growth of the euro zone, at 0.3 %.

In the US as in Europe, these “small recoveries” represent in fact a slowdown of the crisis. This is

above all the result of a massive intervention by states which refloated the international banking system (and thus allowed the resumption of the expansion of the speculative bubble) and the effects of what are called “social stabilizers”, i.e. all the public devices of assistance and social security, especially in Western Europe. It also relates to the provision of aid for the purchase of this or that product, such as cars.

This massive and partially coordinated intervention by states explains why and how the crisis has been thus far contained. This is the big difference between the current crisis and that of the 1930s.

## **1.2. The crisis continues**

But once the effects of these global public financial support mechanisms over the last 12 months are dissipated, the economy will be again faced with a series of short term and structural problems.

At the conjunctural level, states and governments are faced with the explosion of public debt, the banks not always knowing the extent of the “toxic products” in their accounts and facing problems with their equity. Thus, more toxic assets remain than those which have been depreciated. The combination of a new speculative spiral and the discovery of new toxic assets may cause a new stock market crash that will reverberate across the whole of the economic sphere. Finally, unemployment and job insecurity, with all of their destructive social consequences, will increase and weigh on the relationship of social forces.

At the structural level, the situation remains paradoxical: it is characterised by an ideological crisis of the neoliberal system and by the continuation of the broad outlines of capitalist policies and the reproduction of the same contradictions. The depth of the crisis has led the dominant classes to deploy a new offensive against the living and working conditions of millions of workers.

## **1.3 The contradictions of the neo-liberal mode of accumulation deepen**

At the end of the 1970s a new mode of capitalist accumulation was put in place to restore a rate of profit which had fallen in the 1960s and 70s. On the basis of a series of workers’ defeats, the share of wage earners in value added was compressed, the conditions of and rate of exploitation increased, privatisation of public services was generalised, the deregulation of social relations was imposed, public budgets were reduced and structural adjustment plans applied in developing countries. All of this fitted into the globalisation of the market and the constitution of a global market in labour power tendentially unified where workers were placed in competition with each other.

Profits revived but, as shown by all the statistics, not productive investment. These profits moved towards more profitable products, namely financial products. It was this movement that also caused the deindustrialisation of whole sectors and regions in North America and Europe and/or their relocation, especially to Asia, above all China, which became the “workshop of the world”. So a generalised process of “financialization” of the world economy set in, which expanded the already existing “fictitious capital”. These mechanisms at the same time enabled the establishment at the heart of the world economy, in the United States and Europe, of a whole series of public and private debt arrangements.

So the policy of public and private debt for a time compensated for these distortions, until the explosion of the crisis. Household indebtedness maintained the level of consumption, despite the fall in wages. The debt of the advanced capitalist countries and in the first place that of the United States allowed them to live on credit, despite the contraction of their industrial base. Debt deferred generalised crisis, at least until 2007-08.

These are the arrangements that have collapsed, with a massive devaluation of assets or productive

sectors - bankruptcy and restructuring of banks, redundancies, and closure of businesses. The entire development of the crisis and its mechanisms confirm once more that it is not only a financial or banking crisis. This is a global crisis of the capitalist system resulting from the crisis of all the mechanisms put in place to restore the rate of profit at the end of the 1970s and the beginning of the 1980s.

#### **1.4. A new offensive by capital: “just as before, or almost and perhaps worse.”**

In times of crisis, the capital-labour conflict exacerbates. The dominant classes must contain the crisis while safeguarding the positions of capital and particularly financial capital. The system can no longer operate as before but the defence of capitalist interests pushes the governments to continue and deepen the same policies.

Admittedly, initiatives have been taken through the G20 declarations to “control” tax havens, “frame” the operation of the banking system, and “increase” the IMF funds used to rescue some countries from economic bankruptcy. The crisis has even caused a crisis of legitimacy of the system which has led here and there to statements or gestures on the need to “moralise” capitalism. But there is an abyss between speech and action. The banks have profited from the crisis and public aid to inflate their profits to the detriment of the production of credit, which was the purpose of the public aid. Moreover, investors are buying up assets of the same kind (financial products, raw materials, currencies linked to raw materials), encouraging a new speculative spiral.

In fact, in this situation of crisis, the capitalist classes are looking for a new offensive against social and democratic rights to increase the rate of exploitation of labour and protect profits. The orientations of the governments of the developed capitalist countries confirm the choice of making workers and peoples pay for the crisis:

- The debt explosion will be paid for by a tax increase and a reduction of public deficits. In both cases the victims will be the popular classes.
- The restructuring of the big companies have resulted in millions of unemployed and an increase in job insecurity, strengthening all systems of flexibility. Women are particularly vulnerable to the consequences of the crisis. According to the ILO, 22 million women worldwide will lose their jobs in 2009. They are the first to be affected by the massive redundancies in the sectors of services, health or clothing. Dropping out from school, loss of employment, impoverishment, women are the first victims of the world recession. The crisis is used to reduce costs, increase gains in productivity, redefine work processes, and reshape markets. Of 206 listed European companies, 126 announced 146 redundancy plans between January 2007 and March 2009. Forecasts for the OECD countries envisage around 25 million unemployed for 2009 and 2010.
- The pressure on wages remains very strong. “Recovery plans” are above all reflected in aid to banks and investment, that is to companies, but not by wage increases. In addition, in some sectors or countries, there is a concerted policy to lower them, as in the civil service of the Baltic countries, Romania or Iceland.
- Privatisations are confirmed, except in certain cases - exceptions - such as the social security system in Argentina or the Japanese postal service.

More than one year after the beginning of the crisis, these guidelines settle the debate on the hypotheses of a revival of the economy by Keynesian policies, i.e. policies of recovery of demand by increases in wages, the development of public services and social protection. The control of the British banks is far from the process of nationalization after 1945. There has been state intervention

- a “neo-liberal statism” - to safeguard capitalist interests in the face of the crisis but no global neo-Keynesian policy which, under the current conditions and relationship of forces between the classes, is not the option of the dominant classes.

The objective of restoring profit rates after the crisis, in the relationship of social and political forces of 2009, pushes the captains of industry and the financial summits to increase the pressure on workers, to subject all production and the organisation of the economy to the search for ever more profits. To search always for more profitability for capital can only lead to a squeeze on wages, the explosion of job insecurity, the dismantling of public services, the commodification and financialization of the economy. This logic is inconsistent with the satisfaction of social needs. It is this contradiction which underpins our anti-capitalism. The rejection of this logic requires a struggle for a redistribution of wealth to the benefit of the popular classes but also a challenge to capitalist ownership and the replacement of the logic of profit by that of social needs.

### **1.5. The capitalist response to the ecological crisis**

It is also within this framework that it is necessary to tackle the ecological crisis. It is, in particular, the combination of the economic crisis and the ecological crisis which gives the current crisis a dimension of “crisis of civilization”. Problems related to climate change also show a particular acuteness in the ecological crisis. All scientists’ findings converge on the ecological urgency of reducing greenhouse effects by 50% to 80% by 2050 so as not to exceed the “danger” threshold fixed at a temperature rise of 1.5 degrees for the century. The “3 x 20 %” of the European Union up to 2020: -20% carbon, 20% energy efficiency and +20% renewable energies are below the requirements laid down by the Intergovernmental Panel on Climate Change (IPCC).

- Beyond this projects of “green capitalism” have a dual dimension: firstly, to have the ecological invoice - or the public deficits built up under the cover of “green taxes” – paid for by the popular classes by a system of taxes that bypasses the responsibilities of big companies while establishing new markets, in particular markets in rights to pollute. More substantially, the solution to the ecological crisis cannot be found within a capitalist framework. The profit motive can only lead to competition of each capital against the other. Any coordinated medium-and long-term action is faced comes up against the logic of the market. Energy efficiency does not require only a decrease in the consumption of energy, the reconversion of a series of industries, the substitution of fossil fuels by renewable fuels but a reorganization of the productive apparatus, a reorganization that can be done only by coordination and planning, thus in a system of public and social ownership and not in the context of private ownership of the main sectors of the economy.

- The conjunction of the ecological and economic crises will aggravate the food crisis which strikes the planet and, in particular, Africa. Today 3 billion of people are not getting enough to eat; 2 billion suffer from malnutrition and 1 billion from hunger. The destruction of food cultivation by agro-exports, speculation on raw materials, the purchase of hundreds of thousands of hectares in Africa and Latin America by states like China, Saudi Arabia, and South Korea make it increasingly more difficult to gain access to food production and aggravate the conditions of life for millions of peasants and human beings of whom 75 percent are peasants and agricultural workers prevented from working. Far from resolving these vital problems, overcoming the current imbalances and reducing inequalities, the food crisis deepens.

To analyze this crisis as durable is not to fall into catastrophism. It should always be remembered that there are no situations without a way out for capitalism so long as there are no social and political forces sufficiently powerful to change the system. Capitalism can continue to function but with an economic, social, ecological, cost which is increasingly unbearable. To understand this crisis as a “crisis of civilization” is taking into account the situation of a dying historic system.

## **2. A new world organization?**

This crisis is part a worldwide collapse. It has confirmed and specified the new relationship of forces between classes and states around the world. At the international scale, initiatives to reorganize the “world of crisis” have multiplied.

### **2.1. The decline of US hegemony: reality and limits?**

The major initiative is the redeployment of US power after the victory of Obama. It is even one of the reasons and functions of the election of Obama: to regain control in world policy, even if this is not without contradictions, related mainly to the economic crisis (health, industrial restructuring). Suddenly, the “inevitable decline” of US hegemony is put in context. The crisis has weakened the US position. In fact, this position was already weakened before the crisis, as a result of the reduction of the US industrial base and its indebtedness. But the US continues to maintain a dominant position in world relations:

a) on a political-military level, they retain a total hegemony, despite getting bogged down with Western troops in Afghanistan and Iraq. More than ever, NATO under US management constitutes the strong arm of Western powers to dominate the world. In Latin America after having suffered a setback in its constitution of the Free Trade Area of the Americas (FTAA) the US administration has retaken the initiative, with the Trinidad Summit (a policy of opening to revive US markets on the continent) but also with the coup in Honduras and the redeployment of military bases in Colombia, which bear witness to its desire for political-military hegemony on the American continent.

b) on the economic front, the size of the US market allows it to continue to occupy a significant share of world GDP (around 25%) even though it has fallen regularly for several years.

c) on the financial and monetary level, the dollar is still the dominant international currency. It has weakened and is becoming increasingly challenged by other currencies aiming to have an international status and gold as a “refuge value”, but it remains the international currency of reference. The United States administration is before a contradiction: either it maintains the dollar at a high level, which requires in particular that the Chinese continue to hold Treasury bonds in dollars while US exports are penalized, or it organises a competitive devaluation of the dollar to make US industry more competitive and the dollar and dollar assets fall. But it should be noted that despite the weakening of the economic position of the United States in the world, the dollar is holding its own.

### **2.2. The role of China and the main emerging countries**

The United States retains a dominant position but what should be also noted is the rise in power of the economies of Brazil, Russia, India and China (the “BRIC”), and in particular the latter. China’s share in world GDP continues to grow. Growth rates range from 6% when the rest of the world is in recession, more than 10% when the world economy experiences phases of expansion. China has not replaced the United States. The theses of “decoupling” between a China in continued expansion and imperialist centres in crisis have not held. China has suffered the consequences of the crisis but it has not collapsed. The role now held by the Chinese economy in the world will depend on its capacity to constitute an internal market, build a social security system, and stimulate demand with an increase in wages. If these conditions are not fulfilled, the Chinese dynamic will be slowed. Bureaucratic mechanisms, rampant corruption, overexploitation of migrant workers, all weigh negatively on internal demand. At the global level, the United States and China (like the other US partners) are linked in a relationship of cooperation and competition, but at this stage cooperation takes precedence.

It is also within this multi-polar framework that we must address relations with Brazil which has become a new imperialist power. Already in the 1960s, the notion of "sub-imperialism" was evoked for Brazil, an imperialism but a secondary power subordinated to US imperialism. Second in relation to the strength of US imperialism certainly but not subordinate. The economic, financial, social, territorial, energetic and military power of Brazil makes it an associated partner but also a competitor and rival of US imperialism, particularly in Latin America. In this competition/association, the USA will compensate for their weak points in the global competition through the use of their political military hegemony.

### **2.3. Afghanistan, Iraq, Palestine: centres of military tension in the world**

The stakes in these countries remain strategic ones of the first order for the US administration. It is here that US military leadership in the world is at stake. A loss in these sectors and the whole global relationship of forces collapses. This is why, beyond inter-imperialist contradictions in the Iraq war, all the Western powers have finally aligned themselves with US imperialism. The latest initiative in this direction is the reinstatement of the France in the NATO command. As a supplement to the G20, the Strasbourg summit of April 2009 illustrated this evolution. At the same time, the United States seek to neutralize Russia and China, by abandoning the Eastern Europe missile deployment projects.

Politics in this region is quite illustrative of the new US policy since the election of Obama. On the one hand, "open" initiatives, speeches, and postures. Here and there, reference is made to the contribution of Arab civilization to the world, "dialogue" with Iran is said to be on the agenda, pressure is put on the Israeli government to slow down Zionist settlements in Palestinian territory. But in fact, the threats to Iran multiply, the withdrawal of US troops from Iraq drags on eternally, the imperialist war effort redoubles in Afghanistan, and the Netanyahu government in Israel is left to do as it wishes.

The reasons for the imperialist intervention are multiple: to control natural resources (oil in the first place), a geo-strategic presence in a region on the fringes of Russia, India and China. But the purpose of the conflict in this region is to preserve the ability of US imperialism to reaffirm its military hegemony. Also, the demands for withdrawal of troops from Iraq and Afghanistan are elementary to respecting the rights of peoples and to strategically weaken the imperialist powers. It is also in the sense that we defend more than ever, in particular after the events in Gaza, the rights of the Palestinian people. the immediate cessation of the settlements policy, Israel's withdrawal from the territories occupied in 1967, the right of return of the Palestinians and a perspective that combines the "dismantling of the Zionist State and a political solution in which all the peoples of Palestine (Palestinian and Israeli Jewish) can live together in total equality of rights" (motion of the International Committee, February 2009). From this point of view we participate in the BDS ("boycott, disinvestment, sanctions") international solidarity campaign and in solidarity with the Palestinian people. Finally, the rejection of the imperialist threats against Iran must not lead to support for the regime of Ahmadinejad, but on the contrary to active solidarity with the millions of Iranians mobilizations for democracy and against the dictatorship of the regime. Here too, as in every conflict, our compass remains the defence of the interests and struggles of the oppressed and defence of their social and democratic rights.

### **2.4. A new phase of confrontations in Latin America**

This continent remains that of the most advanced social resistance to neoliberal policies and imperialist attacks. Recurrently, the continent is wracked by explosions and social struggles as has just been illustrated by the crisis in Honduras where, despite the repression of the army, the country has for the first time in 50 years seen a wide popular movement of opposition to the putschists develop. The struggles are multi-faceted. Whether it is workers' strikes in Venezuela, Argentina, or

Bolivia, anti-imperialist mass movements in Ecuador, or Venezuela, or indigenous movements in the Andean countries or Central America, the social and political resistance is there. The new dynamic of the indigenous question should be particularly stressed. These are hundreds, thousands of Indians who have entered into action to defend their lands, their natural resources, their way of life from the multinationals and the predator states. At the same time, with an emphasis on a certain balance between human beings and nature, they may constitute a reference point of struggle in defence of the "common good" and "better living." But faced with these events the dominant classes do not remain inert: they confront the social movements in Mexico, Honduras, Colombia, Peru, Bolivia, of Venezuela, either by co-option as exemplified in Brazil with the PT and also Argentina (even if it is in a more conflictual way) with Peronism, Uruguay with the Frente Amplio, the Chilean left of Bachelet, or the left in El Salvador.

This leads to three types of government and situation:

- The Governments of the right and ultra right in Mexico, Honduras, Colombia, Peru and right conveying the brutal opposition of sectors of the bourgeoisie in Bolivia, Venezuela, or Ecuador where they have not abandoned the prospect of overthrowing Chavez and Evo Morales. These sectors are today on the offensive supported by the military and political summits of US imperialism. The coup in Honduras and especially the installation of new US bases in Colombia are proof of it.
- The second type of Government, with all its shades, is exemplified by Brazil, Argentina, Nicaragua, Uruguay, Paraguay, and Chile. These are social liberal governments respecting the general criteria of neoliberal policies and a relationship of cooperation with the big US neighbour even if it is in a conflictual manner as with Lula's Brazil. In this bloc we find Brazil which, strengthened by its size, its natural resources and the power of its economy, dominates. It must also be noted that, whereas in general social liberal experiences around the world end badly for social liberal parties who see their social and political base reduced, this has not quite been the case for Brazil under Lula, where the "Bolsa familia" policy gave the PT government a real popularity.
- The third type of Government, supported by Cuba, is exemplified by Venezuela, Bolivia, and Ecuador. We must indeed differentiate the dynamic of forces and events in each of the countries. These Governments have followed policies breaking partially with US imperialism, with a redistribution of income in favour of social programs and the poorest social strata, and support for social movements. We are at their side against US imperialism. We learn from the debates emerging from experiences around the concept of 21<sup>st</sup> century socialism to defend our proposals. But we should emphasise the specificities of each experience. If Chavez and Morales rely on mass movements with a stronger pressure of the social movements in Bolivia and more "Bonapartist" relations in Venezuela, recent events have shown an opposition between the indigenous movement of the CONAIE in Ecuador and the Correa government. The relationship between these Governments and the mass movement constitute a major test for the future of these experiences. But in the background there remains a crucial issue, the degree of rupture with capitalism, its logic of profitability, its relationship to finance, its system of ownership as well as the crisis which strikes at the foundations of the economy in these countries. From this point of view, these governments have not, to date, taken the opportunity of the crisis to advance substantially towards a break with capitalism and its "extractive productivist model."

## **2.5. Europe in deep crisis**

In the face of US resilience and the rise of BRIC Europe has seen a deterioration of its positions in the world. The crisis has hit the economies of the old continent hard. Specific factors have made it even worse. The type of construction policy of the European Union combined with differing dynamics in its major economies - British finance, French trade deficits and German industrial

exports – have led it to respond in a partial, fragmented way without real coordinated policies. The European treaties which have for years emphasised “free and undistorted competition” have favoured financialization processes to the detriment of industrial policies. Europe has undergone processes of de-industrialisation, especially in France. Unemployment is rocketing. At the same time the deficits and debt of the European countries has increased dangerously.

To the East, the economies of some countries strongly dependent on the international banking system have only been salvaged by international aid drip-fed by the IMF. The policies implemented – in Hungary, the Baltic countries and Romania, which stretch to the organisation of wage cuts for public servants – illustrate amply the depth of the crisis in these countries but also in their environment.

That is why the internal contradictions in Europe will sharpen. There may be protectionist temptations here and there, but this is not the fundamental choice of the European capitalist classes. They have chosen globalisation, but in this process, they have no common insertion as “European capitalism”. On the contrary it is the interlinked interests between this national economy and that multinational that determine the basic guidelines. Global competition can thus magnify inter-European competition.

Finally, in this lasting situation of crisis, the economic offensive combines with a political offensive by the right. The recent European elections confirm this trend, with the exception of Greece and Sweden. Fascist or semi-fascist forces tend also to increase their pressure on national political situations.

It is in this same movement that authoritarian solutions focused in particular on anti-immigrant policies gain strength. Globalization and the growth of trade, the impoverishment of the South by the powers of the North, ecological or food-related disasters cause massive transfers of population countries particularly from poor countries to rich ones. The crisis worsens all the phenomena of exploitation and oppression of immigrants. Racist movements make them scapegoats. This must lead the labour movement to respond by advancing a policy of defence of the rights of immigrants. More generally, policies of criminalization of struggles and social movements or repressive systems are being put in place in the name of the “fight against terrorism” with files, listening systems and lists, without the slightest respect for democratic rights.

All these tensions, beyond even the cycles of social struggle, may lead to the explosion of political or institutional crises.

The project of a ‘European constitution’, adopted by the Lisbon Treaty aims within this framework to allow the European Union apparatus to play partially a strengthened absolutist role (stronger presidency, single international representation and so on), imposing centrally and without democratic control (even of a formal kind), a European policy on an international scale. Member states retain their institutions within this framework of formal democracy, more and more emptied of meaning faced with European decisions “framing” national policy on the basis of compromise between the major European imperialist powers. It is an unequal European Union (the ‘big countries’ and the “small”, with the latter subjected) where the population is deprived of any parliamentary intervention, even formal, which is in the process of construction, as reflected still in the outcome of the second Irish referendum. Finally, faced with the plans of the European Union, the anti-capitalist left must defend an internationalist orientation based on defence of social and democratic rights, for a Europe in the service of the workers and peoples.



### **3. The evolution of the left and the workers' movement in Europe**

The 1929 crisis is often used as a reference to assess the extent of the current crisis. At the social and political level, the 1930s may also constitute a point of comparison with the present period. The social and political clashes are less brutal. Social shock absorbers mitigate the confrontations. Some have characterized the situation by the formula "the 1930s in slow motion". The differences between these historical periods are clear. But a race has nevertheless started between employees, social movements, the workers' movement and the populist, authoritarian, xenophobic right. There is a polarisation to the left and the right. There is no mechanical relationship between economic crisis and class struggle.

This crisis has emerged in a situation where the social and political relationship of forces has been worsening for more than a decade. Wage earners have experienced processes of restructuring which have individualized labour power and have weakened structurally the collective organization of workers. The traditional workers' movement has experienced an indisputable decline. The crisis will accentuate these processes of restructuring, while leading to new ones. Nevertheless, the points of support, in organisations and institutions, have been preserved for resistance to the crisis. In this first phase of the crisis, anxiety is widespread, the fear of losing one's job weighs on the mass combativity of workers, but they are not demoralized or beaten. New generations are emerging through the first strike movements. Resistance to the crisis has arisen even if only partial and unequal according to specific situations and relations of forces in different countries. But the social and political effects of the early stages of the crisis cannot reverse the underlying trends in the situation. Defeats have been seen in some companies with hundreds or thousands of redundancies. In general, despite real social resistance in many cases, capitalist reorganization plans have been applied. And new and very harsh attacks are coming.

This situation is even more difficult inasmuch as the leaderships of the traditional workers' movement have a major responsibility for the demobilization or disorientation of entire sectors of wage earners. It is difficult for workers to see how to force back their employers and their government. The choice of the traditional trade union movement and social democratic apparatuses has been to go along with the policies of the dominant classes and the states in response to the crisis. There was a discussion about the volume and the dimensions of the recovery plans on this or that measure of reorganization of the banking system, but overall, European social democracy is implicated in the plans of the European Union. The PES manifesto is a good example. There has not even been, for example, a battle for a Keynesian reformist alternative. The crisis accelerates the institutionalization of the workers' bureaucracies - socially privileged layers in the workers' movement - in the capitalist system.

This aggravates the crisis of social democracy. The social liberal evolution of socialist parties had already undermined a substantial portion of their social base and popular politics. But the decline is getting worse. At the last European elections social democracy experienced a net loss. The last parliamentary elections in Germany and Portugal confirmed this trend. The SPD lost nearly 4.5 million voters between 2005 and 2009. The Portuguese Socialists lost 9.5% of their vote at the last parliamentary elections. We cannot exclude this or that "turn to the left" to contain these losses, but the main trend is rather further adaptation by the big apparatuses of the trade union movement and social democracy to the imperatives of capitalist crisis management. Thus, after the grand coalition in Germany of the SPD with the CDU - CSU, in France the Socialist Party is preparing to build a coalition with the centre right. This movement is part of a broader process where increasingly voices are raised inside social democracy to transcend the "old socialist parties" and break with the remaining history of the workers' movement in these parties. This is the dynamic of the Italian left with the evolution of whole sectors of the former PCI towards building a US Democrat type of party.

In this process, the Green parties and environmentalists play an active role. Benefiting from people's legitimate concerns about the ecological crisis, their political role is growing, in particular in France and Germany. Their orientation generally fits into the perspective of a grand coalition of the traditional left, the centre and environmentalists.

This situation opens a space to the left of democracy in crisis. This is the meaning of the breakthrough of Bloco de Esquerda in Portugal and Die Linke in Germany at the last elections, and the weight of formations like the Red Green Alliance in Denmark, the Irish left through the movement for a 'no' to the Lisbon Treaty or the NPA in France.

The phenomenon is global but the radical left situation is specific in each country, particularly in the light of history, the relationship of forces and the type of electoral system. Substantial political differences also exist between parties which have opted for a break with the capitalist system, which defend clear independence from social democracy and those whose project involves the management of neoliberal capitalism and its institutions. A clear demarcation on refusal to participate in regional or national governments of a social liberal nature relates also to the vital need for a perspective independent of the old apparatuses of the traditional left so as to reorganize and rebuild the social movement. In all countries where the radical left has participated in a government with social democracy or the centre-left, it has been isolated by the social liberal left. The strength of attraction of the bourgeois institutions has been stronger than all the proclamations against neoliberalism. This is the meaning of the discussion with the leadership of Die Linke in Germany.

The development of die Linke is a step forward for the German left, but the orientation taken by its leadership - both at the programmatic level (back to the "social state" and the "welfare state") and concerning parliamentary and governmental alliances with the SPD - constitutes a major danger in the reorganization of the German workers' movement. The construction of an anti-capitalist alternative left in Die Linke but also across the German social and political left remains one of the key issues in Europe.

Finally, the reality of this radical left in Europe more than ever requires a commitment to organising the anti-capitalist left, notably through the organization of conferences, debates and common campaigns.

#### **4. An anti-capitalist programme**

The depth of the crisis gives a new urgency to anti-capitalist responses. "It isn't the workers and the peoples who should pay for the crisis, but the capitalists!" This is the cry that has arisen at all the protests against the effects of the capitalist crisis. What content can we give to this popular desire? First an emergency social and ecological plan for the rejection of redundancies and suppression of jobs, a ban on dismissals through the maintenance of work contracts and income assured by the company, the employers' professional branches or the state in the event of partial or total unemployment, reduction of working hours without reduction of wages, increases in wages and purchasing power, as well as retirement benefits and pensions, a defence and a renewal of public services, a defence of the rights of women - rejection of all discrimination, a fight against violence against women, for the right to abortion for professional equality, a major policy of public works focused on ecological priorities (energy saving, renewable energies, the fight against pollution, public transport, social housing, job creation in socially useful environmental activities).

The satisfaction of these claims requires a different distribution of wealth. If hundreds of billions could be released in a night, then the financial industrial and banking profits and the big fortunes can certainly be taxed to finance employment, wages, public services and social security. Tax havens

that the United States and Europe have allowed to thrive in some states or principalities should be liquidated. Simple measures preventing fiscal dumping and homogenising high rates of taxation on corporate profits must be implemented.

But the crisis poses another question: who controls, who decides, who owns? This is the question of public and social appropriation. There is a need to establish a general law: free public services from the rules of competition. establish a public monopoly on strategic public services. To the private ownership of the key sectors of the economy we oppose public and social ownership of these sectors. Radical solutions must reorganise the banking system. The banking and financial sector must be unified and nationalized under popular control.

Finally the combination of the economic and ecological crisis leads to an imperative: change the logic, substitute social needs for profit and productivism. This requires the conversion of entire sectors of the economy to meet socio-ecological equilibria, like the cars, weapons or nuclear power sectors. The “common good” will be the objective of a balanced, eco-socialist, giving a centrality to democratic planning.

Some of these objectives appear unachievable in the current social relationship of forces. But the crisis puts radical solutions on the agenda that require a confrontation with the dominant classes. This struggle requires exceptional social and political mobilizations. The debates on the relations between partial struggles, movements as a whole and the general strike are back on the agenda. In this context, revolutionaries must combine integration in the real mass movement, unity in action, proposals for struggle and overall socialist responses. The fight for partial reforms and projects of transformation of society pose the question of power. Social democratic leaders often criticize the radical left because it does not take responsibility and govern. To disprove this accusation, the anti-capitalists must prove that they are working to create the conditions for a broad mass self-organised movement to emerge on the political scene and impose a popular government which applies a social, democratic and anti-capitalist programme. This perspective of a government breaking with capitalism requires not succumbing to participation in social liberal governments with the socialist parties or the centre-left.

Finally, all these battles must turn around from a socialist, eco-socialist perspective presenting the broad outlines of an alternative project of society, a new mode of production and consumption, a new conception of democracy, a socialist democracy.

**François Sabado**

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**P.S.**

\* François Sabado is a member of the Executive Bureau of the Fourth International and an activist in the New Anticapitalist Party (NPA) in France. He was a long-time member of the National Leadership of the Revolutionary Communist League (LCR).

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## **Footnotes**

[1] See: [Fourth International: Taking the measure of the crisis](#)

[2] See: [Report on the international situation: The crisis overdetermines all of world politics - Taking the measure of the crisis \(2\)](#)