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Fourth International

Report on the international situation

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We reproduce here the written version of the report which François Sabado presented to the International Committee in February 2006 to introduce the debate on the international situation.

The international situation is characterised by a major contradiction between the deepening of neoliberal counter-reforms and popular resistance to neoliberalism. There is popular rejection, there is a very deep crisis of political and ideological legitimacy but the steamroller of neoliberalism continues to advance. That leads to a great electoral instability, above all in the dominated countries.

I. Some characteristics of the neoliberal counter-reforms.

a) We are witnessing, in a certain sense, the installation of a new mode of accumulation of capitalism. There is a generalisation on the world scale of the main tendencies of capitalist globalisation:

- ▶ financialisation of the economy but a new growth of industry and services in certain countries (emergent countries or specialisation for some key countries, new technologies in the US and equipment goods in Germany).
- ▶ continuation of privatisation
- ▶ deregulation
- ▶ tendencies towards the unification of the labour market on a world scale.

These main tendencies develop on the basis of an integration in the world market of new sectors like the countries of Eastern Europe, Russia and China.

They have led to rates of growth in the world economy which average 4-5% with rates of 8-10% in the developing countries or in China.

b) World growth is drawn by three locomotives : the USA, China and India. 5% for the USA and 10% for China, without forgetting India with more than 7%.

Nonetheless the dynamic of US growth remains unhealthy. It rests on a basis of huge deficits : a trade deficit of 6% of GDP, a budget deficit of more than 4.5%. Americans buy more than they produce and spend more than they own, in particular because of a brutal policy of tax cuts for the rich and an explosion of arms spending.

This policy risks being aggravated with the rise in prices of raw materials.

External indebtedness is financed mainly by China and Japan, notably through the purchase of US treasury bonds. Internal indebtedness - resulting from a high level of household consumption - is paid for by a systematic policy of credit, in particular in the area of property. There is now a huge property bubble in the USA which accounts for more than 50% of jobs created in the recent period.

Things are holding together, and the entire chain of the world economy and capital has an interest in the system continuing to hold. It should be said that anti-crisis mechanisms have been used to contain crises leading to potential collapse - since the crises of 1994, 1997 and 2001 in Argentina, there has not been anything similar - but for how long will that hold?

c) This new phase of the world economy also involves a reorganisation. There is a rise in power of the "emergent countries", China but above all India and Brazil, even if Brazil has had mediocre growth rates in the recent period. The discussions of the WTO and the role played by India and Brazil, who have negotiated new positions for their economy, in particular the agro-export sector, are an indication of this. The positions taken by Brazil and Argentina on the question of the FTAA (Free Trade Area of the Americas) and involvement in Mercosur are a second indication. Socio-economic and political capacities - the ability to manage mass movements - to create the conditions for a temporary stabilisation form a third element.

d) In this phase of growth of the world economy, Europe is "dragging its feet", with rates of 1% to 2% and a certain weakening in the face of world competition. The current phase of globalisation also has a specific dimension in the USA/China/Europe competition. The contradiction between the growing integration of "old Europe" in globalisation and its weak growth rates, like its unfavourable position at the level of monetary policy - a euro which is too strong faced with a weak dollar - lead to a hardening of all bourgeois economic policies, notably in France and in Germany.

The European "social models" are, in the eyes of the neoliberals who want to smash them, an obstacle in the competition between the great powers. Targets of these policies: the deregulation of social relations, the smashing of the labour code in France, the liquidation of the rights of the jobless in Germany and so on. In any case, in a country like France, the right is now attempting to liquidate the fixed duration contract of employment (the "CDI") - which was the typical work contract - in favour of work contracts allowing employers to dismiss workers without explanation from one day to another. That exists in other countries but in France it amounts to a major turning point. This aggravation of competition can even lead some European countries or the European Union to attempts protectionist policies.

e) Finally, far from disappearing, the role of states is also still decisive. More precisely they are regrouping, focusing on the defence of the interests of the dominant classes, abandoning a series of social domains. States are concentrated on the policy of economic liberalisation, but also form an instrument in the economic war and in competition. We witness the authoritarian hardening of states, against the social movements and the revolts or explosions linked to the increasing precariousness of the living conditions of millions of people, and in immigration policies. We witness above all the hardening of states in the policy of armament and political-military domination of key territories, as shown by the US in Iraq and in central Asia. Capitalist globalisation is accompanied by armed globalisation. The state has a strategic place in these developments. .

II. Contradictions and popular resistance

a) There will be a specific discussion on this subject, but one of the major expressions of these contradictions is concentrated in the US war against Iraq. The resistance of the Iraqi people, its will for independence and self-determination has until today counteracted the plans of US imperialism. This latter cannot withdraw without losing face.

The risk of becoming bogged down, indeed of a new Vietnam, is now regularly raised in the US press. It should also be noted that the difficulties in Iraq weaken the US in other sectors, like Latin America, where despite the maintenance of their political and military plans - notably plan Colombia - the US appears as a power whose strength can be contested.

b) In Europe, the brutality of the capitalist attacks and the headlong rush of the dominant classes into neoliberalism provoke situations of social and political crisis.

On the social plane, there can be resistance (although in recent months, the curve of social struggles has tailed off, the situation remains explosive, the mobilisation against the "first job contract" beginning in France is a new proof of it), there can also be movements of opinion like the "no" in the referendums in France and in Holland. The sentiment of a "no" to capitalist Europe is globally a majority sentiment: in France it is a majority which is markedly left in character, but in other countries it also includes sectors and parties of the right and indeed far right.

Capitalist brutality provokes crises of political representation on the right, opening spaces for the far right and the fascist or nationalist movements, but it also creates contradictions on the left. We will see them in the discussion on Europe. There are the apparatuses of social democracy which remain on the terrain of neoliberalism, but a whole series of sectors reacting against social liberal adaptation which is increasingly neoliberal. That has been the case in France with Laurent Fabius, the socialist left, but also with the Linkspartei in Germany, where Oskar Lafontaine accompanied by the ex CP has refused to follow Schröder to the end. Which is a step forward for the German workers' movement and which should be accompanied. We have discussed this question with the comrades of the RSB, [1] with whom we have a divergence on this terrain : even if these steps forwards are partial, even if there are steps backwards as in the French PS where the socialist left and Fabius again rejoined the leadership at the last congress, it is necessary to take these advances into account.

This also created a debate in the Communist parties, which in general adapt to social liberalism. The shift of Italy's Party of Communist Refoundation towards the centre-left is the last example, after the choices of Spain's United Left and those of the ex-Communists of East Germany. The French Communists are for the moment at a crossroads, torn between links to the left "No" movement which has an anti-neoliberal dynamic and on the other hand the demands of a strategy of alliances with the PS to maintain their parliamentary and municipal positions.

c) It is in Latin America that this contradiction between neoliberalism and popular resistance is at its most explosive. There is a marked shift to the left in Latin America, with the recent defeats of the right and the coming to power of social liberals in countries like Uruguay or Chile, and the probable defeats of the right in Mexico, Costa Rica, or Nicaragua. But also with the victory of Morales in Bolivia. Soon Colombia will be the only big country to remain as the direct relay of Washington.

In this context, there is a first polarisation between imperialism and the reactionary or putschist right who have a strategy of confrontation. The intervention of the right is often the factor which radicalises the process.

The US intervenes regularly on this line since Miami. There is Plan Colombia. There are the interventions of paramilitaries here and there. We should not forget the quotation that Chavez takes from Trotsky: "The revolution often advances often under the lash of the counter-revolution".

There is a second polarisation between on the one hand the social liberals (Lula, Kirshner, Tabare Vazquez, Bachelet, Palacios, Duarte and tomorrow Lopez Obrador in Mexico and Ortega in Nicaragua) and on the other, Cuba, Chavez, Morales... and a question mark over Ollanta Umalla in Peru.

This second polarisation is more muffled. First for reasons of state and because of the popular aspiration to a project of Latin American integration. Faced with US imperialism, all look to another America. They have rejected the FTAA, but Brazil and Argentina put the accent on Mercosur, having previously integrated Venezuela into it, while Chavez and Castro stress above all the Bolivarian Alternative for Latin America (ALBA).

But it is necessary to take the full measure of the Kirshner and Lula project. Strengthened by the new positions of their countries, they can play on Mercosur, rest on their capacities to master the mass movement, the fact that they have succeeded in imposing a certain stabilisation. They have a real autonomy in the context of globalisation, even if on the medium term there is no place for a new Peronist or Cardenist project as in the 1930s in Mexico or the 1950s in Argentina.

There are two key issues :

- ▶ the first concerns Chavez. Can Lula and Kirshner draw him to the right and lead him to new agreements with imperialism?
- ▶ the other concerns Morales. Who will win him over? Chavez or Lula and Kirshner?

These are the two central issues for in all the mechanism in place - option of confrontation or option of negotiation in a social liberal framework - there are two flies in the ointment : Chavez and Morales...

We will discuss Venezuela. But Bolivia is the other country in ferment, where the situation is explosive. There is a mass movement there which retains the initiative: the co-ordinations of the landless have from the earliest days mobilised for a negotiation with Morales and there is pressure from a whole series of other associations. If Venezuela is dominated by Chavez, Bolivia is still for the moment dominated by the explosive character of the social movement. Evo Morales will not be Lula, firstly because the social pressure is much stronger. Then, in his declarations and initiatives (in relation to the army top brass, in cutting his salary by 57 %) he shows a certain direction. There are certainly other forces : that of Santa Cruz, that in his own camp of the vice-president who is favourable to an Andean capitalism, but the situation remains open, very open. And we should concentrate our attention on these two countries.

III. Our tasks

a) To discuss of our solidarity tasks with the people of Iraq against the war and with Venezuela. To develop solidarity collectives, to talk about the Venezuelan experience, familiarise youth with the Bolivarian process. We should discuss solidarity brigades.

To combine the social and the democratic question: the social question in defending the social emergency programmes in defence of elementary demands but emerging into public and social appropriation, sovereignty over natural resources considered as common goods, enlarging the notion of the common good, to pose the problem of ownership in new terms.

To support in Latin America, but also in the movement for global justice, the perspective advanced by Chavez of the "Socialism of the 21st century". There are, of course, many generalities in this formula, but we must enter fully into this debate, as we have done with the leaflet in Caracas. Because in putting the accent on socialism, there is the question of the rupture with capitalism.

c) Finally, the new coordinates of the social situation and of international politics confirm the possibility and the necessity of building of new "broad anti-capitalist parties". Not as a uniform continental tactic, but taking account of the specificities of each situation. Because we face a difficulty, namely the lack of synchrony between struggles, the levels of combativeness and the levels of consciousness. There is no mechanical link between the two. We still have many difficulties on the level of a perspective of anti-capitalist transformation and it is this which gives more margins

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of manoeuvre to the radical reformist forces. But only before the tests of government because afterwards the problems are posed in other terms.

That involves putting at the centre a genuinely anti-capitalist programme and a perspective of a workers' government against any form of participation in coalition governments.

In Europe, that implies a discussion with the Italian PRC or certain sectors of the Linkspartei who seek an agreement with the SPD in Berlin.

In Latin America, while integrating the experiences of even partial anti-imperialist rupture, while supporting, for example, the Bolivarian alternative, it is necessary to develop an anti-capitalist alternative to social liberalism. It is on this terrain that we situate our support for the PSOL, as for the organisations, currents or individuals which seek to deepen from inside the Bolivarian process and also the Mexican left which is in the other campaign of the Zapatistas.

It is on this terrain that we propose a European meeting of the anti-capitalist left in May and also the relaunch of our activities in Latin America in particular.

[1] The Revolutionary Socialist League (RSB) is one of the sectors of the German section of the Fourth International. Its viewpoint on this subject was published in the September 2005 edition of IV. The July 2005 edition contains the viewpoint adopted by the other sector of the German section, the International Socialist Left.