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European Union

Syriza and Podemos: the way towards power for the People?

- IV Online magazine - 2015 - IV481 - February 2015 -

Publication date: Monday 23 February 2015

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Experience proves that left-wing movements can come to be in government, but nevertheless do not hold power. Democracy, in other words the exercise of power by the People and for the People, requires much more. The problem is currently being faced in Greece with SYRIZA, and will have to be faced in Spain with Podemos (if that party wins the general elections in late 2015), as it was faced in the past, in Venezuela with the election of Hugo Chávez as president in December 1998, in Bolivia with Evo Morales in 2005, in Ecuador with Rafael Correa in December 2006, or several decades earlier with Salvador Allende in Chile in 1970 [1].

In fact, the question is faced by any left-wing movement that forms a government in a capitalist society. When an electoral coalition or left-wing party arrives in government, it does not hold the real power: economic power (via the possession and control of financial and industrial groups, the major private media, large-scale commerce, etc.) remains in the hands of the capitalist class, the "richest 1%" (not even!, it is less than 1% of the population). Moreover, this capitalist class controls the State, the legal apparatus, the ministries of the Economy and Finance, the central bank, etc. In Greece and Spain, as in Ecuador, Bolivia, Venezuela or Chile [2], a government determined to carry out real structural changes has to enter into conflict with the holders of economic power in order to weaken and then do away with the control by the capitalist class of the major means of production, services and communication, and of the State apparatus.

Let us attempt a historical comparison. After 1789, when, by means of the Revolution, the Bourgeoisie took over political power in France, it already held the economic power. Before achieving political power, the French capitalists were the King of France's creditors and owners of the main levers of economic power (banking, commerce, manufacturing and some land). After coming to political power, they expelled the representatives of the former ruling classes (the nobility and clergy) from the State apparatus, and dominated them or merged with them. The State became a well-oiled machine serving the accumulation of capital and profits.

Unlike the capitalist class, the People is not able to take economic power if it does not accede to government. It is not possible for the People to repeat the progressive ascension towards power achieved by the Bourgeoisie in the context of Feudal Society or small-scale merchandise production. The People does not accumulate large-scale material wealth, and does not direct the industrial firms, banks, major commerce or other services. It is on the basis of political power (i.e. government) that the People can endeavour to transform the economic structure and begin the construction of a new type of State based on self-management. By holding the reins of government, the Left can access the institutional, political and financial levers required to initiate profound changes in favour of the majority of the population. The essential preconditions for the whole process are the self-organisation of the People, and self-activity in the public sphere and in the workplace.

In order to carry out real structural changes, it is of fundamental importance to set up an interactive relationship between the left-wing government and the People.

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The latter needs to increase its level of auto-organisation and construct grass-roots organisations of popular power

and control. This interactive, dialectic relationship can become conflictual if the government hesitates to put in place the measures demanded by the grass roots. The People's support for promised change and the pressure the People can exert are vital for convincing a left-wing to further pursue the process of structural change, involving the radical redistribution of wealth in favour of those who produce it. It is also vital for defending the government from creditors, from the holders of the previous regime, from the owners of the major means of production, and from foreign governments. Achieving structural changes involves ending capitalist ownership in key areas such as finance and energy by transferring them to the public sector (public services under citizen control) and also supporting or reinforcing other socially beneficial forms of ownership: small private properties (particularly for agriculture, small-scale industry, shops and services), cooperative ownership, and collective ownership based on free association [3].

In two of the three South American countries mentioned above (Venezuela in 2002-2003 [4] and Bolivia between 2006 and 2008 [5]), the government was in open conflict with the capitalist class [6], but the decisive structural changes to the economic system have not (yet) been carried out. The societies of these countries remain clearly capitalist [7]. There has been obvious real progress in favour of the People: adoption in all three countries of new constitutions resulting from profoundly democratic constitutive processes (election of a constitutive assembly by universal suffrage; drawing up of a new constitution adopted by the constitutive assembly after broad national debate; referendum to approve the new constitution); broad-based public re-control of natural resources [8]; increased taxation of the very rich (particularly in Ecuador) and major national and foreign private companies; significant improvements to public services and their objectives; reduction of social inequalities; strengthening of the rights of indigenous peoples; recovery of national dignity with respect to the great powers, in particular the United States.

We can only understand the politics of these countries if we take into account the great popular protests that have punctuated their history. In Ecuador, four right-wing presidents were forced to abandon power between 1997 and 2005 due to large-scale protests. In Bolivia, major battles against water privatisation took place in April 2000 and late 2004. Protests concerning the privatisation of natural gas in October 2003 led to the fall of President Gonzalo Sanchez de Lozada, who fled the country (to the United States). As early as 1989, Venezuela was swept by considerable popular struggles, which inaugurated the major combats against the International Monetary Fund that shook the planet during the 1990s and early 2000s. But there were even more spectacular events to come, with the huge popular protests of 12 April 2002, spontaneous demonstrations of the rejection of the putsch against Hugo Chavez. These protests led directly to Chavez returning to the Miraflores presidential palace the very next day.

The democratic political changes in these three countries are systematically left unmentioned in the press of the most industrialised countries. On the contrary, a denigration campaign is systematically orchestrated in order to present the three countries' heads of state as populist and authoritarian leaders.

The experiences of these three Andean countries in adopting new constitutions are highly pertinent. They should be a source of inspiration for the peoples and political movements of other countries. Just compare the situation with that of Europe, with the lack of democratic procedure concerning the adoption of the Constitutional Treaty in 2005 or the TSCG in 2014. That said, the new approaches being tested out in Venezuela, Bolivia and Ecuador are also subject to contradictions and significant limitations, which need to be analysed [9].

Major popular protests are a decisive factor for the existence and survival of left-wing governments. We could of course also speak of the great popular protests of 1936 in France, which led Léon Blum – who would otherwise have contented himself with “managing honestly” the system of the Bourgeoisie – to implement truly socialist measures, not to mention the protests in Spain during the same period, or those that shook much of Europe after the Second World War.

Back to Syriza and Podemos

If governments, currently directed by SYRIZA and in the future by Podemos, really want to break with the austerity and privatisation policies being implemented throughout Europe, they will immediately enter into conflict with powerful conservative forces at both national and European Union level. Simply by stating that their government wishes to apply measures desired by the population, who reject austerity on a massive scale, SYRIZA now and Podemos in the future, are encountering very stiff opposition from European bodies, the majority of European Union governments, and the directors and shareholders of the major private companies, not forgetting the IMF.

Even voluntarily limiting their programme for change, they are encountering strong opposition because the propertied classes and European bodies (which are intimately linked and mutually supportive) want to push further the most formidable attack, coordinated at European scale, against the economic and social rights of the People, not to mention the desire to limit severely the exercising of democratic rights [\[10\]](#).

It would be an illusion to think that it is possible to convince the European authorities and the heads of the (mainly financial and industrial) major companies to abandon the neo-liberal course that has been reinforced since 2010. We should underline that François Hollande and Matteo Renzi, who timidly propose slightly loosening the bridle of austerity, are at the same time seeking to apply the German model in their respective countries: further casualisation of collective negotiating rights and the advances achieved by employees [\[11\]](#). They are no allies to Syriza today or Podemos tomorrow.

Another element to be taken into consideration when we compare the situation of the left-wing government in Greece today (or others in the future) with that experience by Hugo Chavez (as from 2004), Evo Morales or Rafael Correa. Starting in 2004, the considerable increase in the price of the raw materials (oil, gas, ores ...) that their countries export, enabled them to greatly increase tax revenues, which were used to implement vast social programmes and major public investment projects. The governments of these three Andean countries applied a model that could be characterised as neo-Keynesian developmentalist [\[12\]](#): heavy public investment, increase in working-class consumption, raising of low salaries, nationalisations (in the case of Venezuela and Bolivia) accompanied by generous compensation for national owners and foreign parent companies.

The living conditions of the poorest people in these countries were considerably improved, as was their infrastructure, and the profits of local capitalists were not affected (in the financial sector, private profits even increased). It is easy to see that a left-wing government in a peripheral European Union country cannot have the same room to manoeuvre as the governments of the three Andean countries mentioned. The countries on the fringe of the European Union are crushed by an unbearable burden of debt. The European authorities intend to exert all the pressure they can, as was shown by the reaction of the European Central Bank with regard to Greece in early February 2015.

The inevitable conclusion is that there is no easy way to implement an economic and social programme that breaks with austerity and privatisation. Left-wing governments will have to disobey creditors, the European authorities and the IMF (who are largely mixed up together) in order to be faithful to their electoral promises.

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They have immense legitimacy and support both in their own countries and at international level, given the extent of the rejection of austerity and of European Union diktats. The refusal to pay a substantial part of the debt will be a key

element in the government strategy [13], as will the decision not to continue with privatisation and to fully re-establish the social rights affected by austerity policies. This combination is vital because, amongst the creditors, there is the intention of raising the voices of those who propose reducing the Greek debt burden in return for the continuation of the policies of reform (for which read counter-reform, privatisation, casualisation of work contracts and social rights ...).

It is difficult to see how a left-wing government can avoid socialising the banking sector (in other words expropriating private shareholders and transforming the banks into a public service controlled by the People), taking strict measures to control the movement of capital, imposing a crisis tax on the wealth of the richest 1 %, refusing loans from the Troika conditional upon the continuation of austerity and privatisation, and refusing to reimburse a debt that is largely illegitimate, illegal, and unbearable in terms of human rights, even odious. One of the numerous instruments available to a left-wing government to encourage participation and popular support while at the same time reinforcing its position vis-à-vis illegitimate creditors, is to audit the debt with active citizen participation in order to identify the part of the debt that they must refuse to pay and which must be repudiated. From that point, everything becomes possible at last.

Translated by Adam Clark-Gimmig

CADTM-Â»<http://cadtm.org/Syriza-and-Podemos-the-way-towards>]

[1] For the Chilean experience see (in French): Franck Gaudichaud, *Chile 1970-1973: Mille jours qui ébranlèrent le monde*, Presses universitaires de Rennes, 2013.

[2] Cuba underwent a different process than Venezuela, Ecuador, Bolivia or Chile, because the left came to government after an armed struggle that lasted several years, supported by an enormous popular uprising during its final phase (late 1958-start of 1959). See, amongst others, (in French): Fernando Martinez interviewed by Eric Toussaint, "From the 19th to the 20th century: putting the Cuban Revolution in its historical perspective", published 24 December 2014, <http://www.europe-solidaire.org/spip.php?article33911>

[3] In the three Andean countries mentioned, especially Ecuador and Bolivia, it is also fundamental to support the traditional forms of ownership of the indigenous peoples (which generally contain a high level of collective ownership).

[4] In Venezuela, the most aggressive battles waged by the right started after three years of the Chávez government, i.e. in early 2002. This took the form of major confrontations such as the April 2002 coup d'état, the lockout of December 2002-January 2003, and the occupation of Altamira Square in Caracas by rebel generals and leaders of the political opposition. The confrontations became much less intense after August 2004 due to the victory of the No vote in the referendum on whether to recall President Chávez. Since then, the right has been seeking opportunities to re-seize the initiative but its mobilisation capacity has been considerably reduced. Since 2013, a considerable sector of the capitalist class has been actively participating in the destabilisation of the government by creating shortages of numerous basic and essential products, such as medicines, and by developing a parallel currency market (on the black market the US dollar is exchanged at almost 10 times its official value)

[5] In Bolivia, the right really went on the attack in 2007 after 2008 after less than two years of the Morales government. It used violence on several occasions and chose a strategy of head-to-head battles in 2008. The victory of Evo Morales in the recall referendum of August 2008 with 67.43 % of the vote did not lead to a reduction in the violence of the right. On the contrary, this violence came to a crescendo for several weeks after it lost the referendum, notably because it considered that it could have majority support in several key provinces in the east of the country. The very strong reaction of the government and the popular protest at the massacre of supporters of Evo Morales in the province of Pando (together with international condemnation, in particular the USAN, which held an extraordinary meeting in September 2008 to express its support for the government of Evo Morales) eventually led to a (provisional) armistice. After boycotting it for a year, the right agreed to accept the organisation of a referendum on the new constitution. This resulted in another victory for Evo Morales in late January 2009: the new constitution was approved by 62 % of voters. In October 2014, Evo Morales was re-elected with 61% of the vote.

[6] In Ecuador there was no period of head-to-head confrontation between the government and the capitalist class as a whole, even if there were some serious tensions, particularly in 2008 in the country's principal port, Guayaquil.

[7] I analysed the processes at work in these countries in the study (in French): "Venezuela, Ecuador et Bolivia : la roue de l'histoire en marche" (Venezuela, Ecuador et Bolivia: the wheel of history turning), published 2 November 2009, <http://cadtm.org/Venezuela-Equateur-et-Bolivia-la>. The print version appeared in the magazine Inprecor in 2009. In English, see: <http://cadtm.org/Venezuela-Nationalization-workers> <http://cadtm.org/Venezuela-Nationalization-workers> <http://cadtm.org/Is-Bolivia-heading-for-Andean> <http://cadtm.org/Ecuador-at-the-crossroads> See also (in French): Eric Toussaint, Banque du Sud et nouvelle crise internationale (Bank of the South and new international crisis), Éditions Syllepse, Liège-Paris, 2008, 207 p. (available from www.cadtm.org), which contains an analysis of developments in Venezuela, Bolivia and Ecuador until early 2008. See also the collective work (in French) entitled "Le Volcan latino-américain. Gauches, mouvements sociaux et néolibéralisme en Amérique latine" (The Latin American Volcano. Left-wing and social movements and neo-liberalism in Latin America), published under the direction of Franck Gaudichaud by Textuel, Paris in December 2008, 448 p.

[8] Bolivia nationalised oil and gas production in 2006. Evo Morales sent in the army to control the oil fields, but the multinationals remain active. The State owns the natural resources, but it is the major multinationals that exploit the oil and gas.

[9] See the CADTM's position concerning the Ecuadorian government's relationship with the Confederation of Indigenous Nationalities of Ecuador (CONAIE) and other social movements (in French): <http://cadtm.org/Lettre-du-CADTM-Ayna-a-Rafael>, published 27 December 2014. Since that date, the Ecuadorian government went back on its decision and did not oblige CONAIE to leave its premises.

[10] See <http://cadtm.org/European-Union-social-and>, published 16 December 2014.

[11] See <http://cadtm.org/EU-follows-the-German-example>, published 7 January 2015.

[12] The term "developmentalist" is a translation of the Spanish "desarrollista", which characterises the policies carried out by a series of Latin American countries during the period 1940-1970. These policies consisted in the State providing major support for economic development (desarrollo economico) while guiding it at the same time. See the definition (in Spanish) of the Argentine economist, Claudio Katz: <http://katz.lahaine.org/?p=232>

[13] The governments of Venezuela, Bolivia and Ecuador were nevertheless able to continue reimbursing the debt while implementing anti-austerity policies because the burden of debt was bearable from a budgetary point of view. Ecuador, which unilaterally suspended the repayment of a part of its debt after carrying out an audit of it, succeeded in defeating its creditors even though financially speaking it could have continued to repay the whole debt. It was with a view to refusing to repay **illegitimate** debts, and saving tax revenues otherwise destined to repay those debts to use them for the benefit of the People, that the Ecuadorian government took the legitimate decision to refuse to continue paying a part of the debt. Venezuela, which applied a different policy, is now confronted with serious problems for refinancing its debt.