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International situation

"The result of a long and general crisis is often to clarify the map of the world"

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We are confronted with a certain loss of substance, programmatic, political, strategic, all kinds of basic elements that are fundamental for developing a political education that the acceleration of the historical process is making complicated today for revolutionaries... There are more questions than answers.

1. The crisis is already more than four years old and it is going to last. It is general, global. It is economic, financial, social and ecological, but its specificity is its junction with a sea change in the world.

2. The first point is to take the measure of this change. It is not a conjunctural change or displacement, with a return to normal, after the crisis. To measure the extent of the change, we can take as a reference the moments when the centre of gravity of the worldwide economy changed, as in 1760-1780 between the Netherlands and England or after the interwar period between England and the USA. Except that here, it is not only a continental change but a world change, in an economic, social, political and cultural sense... It is a change whereby the West - Europe and the USA - which has dominated the world since the discovery of America, is losing hegemony to the advantage of new emergent powers or of old powers which are rediscovering their strength after four or five centuries.

3. In these new world relations, Europe is declining and the USA is losing its economic, but not yet its politico-military, hegemony. Much depends on developments in the crisis in the USA. But the share of the G7 countries in world GDP, which was 56 per cent at the beginning of the 1980s, is today only approximately 40 per cent (figure for 2010). Forecasts indicate that the curves between the ex G7 and the BRIC will even intersect within a few decades and in terms of average income per capita that can happen in 2030-2040. The indications of growth over the last 10 or 15 years are around 8 to 12 per cent for China and India compared with one to two per cent for Europe and two to three per cent for the USA, and in terms of world reserves profound changes are also indicated.

4. These relations are likely to be confirmed by the deepening of the crisis in the USA and in Europe. In the USA, debt can no longer compensate for the fall in wages. Underconsumption and overproduction are feeding off each other. The tendencies towards overproduction in a series of sectors are being confirmed, and not only in real estate, but in the whole of the manufacturing sector. Unemployment is staying at the same level or increasing. Obama's capital spending programmes have not got the machine going again. Contrary to some declarations, here or there, there has been no Keynesian turn. There has not been a Keynesian turn because there has not been a relationship of forces with a workers' movement strong enough to impose social compromises on the capitalists. But especially because we should not forget that what got the USA and Europe moving again after the crisis of 1929 - 35 was the war and not Keynesian recipes... So, despite all the speeches about raising the moral standards of capitalism, it is financialisation that continues to dominate, as the capitalists respond to the fall in the industrial rate of profit. As a result, the process of deindustrialization continues. The US economy is holding up, today, thanks to the strength of the dollar, to the role of the FED which continues to inject liquidities and to the fact that the American dollar remains the reference for the purchase of treasury bills and bonds for sovereign funds, Chinese Japanese and those of the Gulf states. Lastly, the USA maintains politico-military hegemony but is in retreat compared to the beginning of the 2000 decade - failure in Iraq, in Afghanistan, less ability to intervene faced with the Arab revolutions. Its objective is now to prepare to reinforce its presence as a peaceful power!!!

5. But it is in Europe that the crisis can take on forms of a crisis of collapse. At bottom the problem is their positions of weaknesses in world competition. Germany remains one of the main exporting countries - 47 per cent of GDP, Japan 17 per cent, China 15 per cent of GDP, but it is also affected by the contraction of the world market. Also, in response to world competition, the European ruling classes want to liquidate what remains of the "European social model". There is still too much of the social left. It must be dismantled, that is the explanation of the speculative offensive on

the European markets. "The markets", but they are material realities, bankers, managers of pension funds, managers of multinationals require an increase in the rate of surplus value, by reducing wages, liquidating social security, and increasing working time. What explains the brutality of the austerity policies is the need to adapt to the world market in labour power drawn by the social relations of the emergent powers, which implies a fall in purchasing power of 10 to 15 per cent over the next few years. But moreover, and this is what gives an acute, explosive character to the crisis, and which can lead to collapse, there is the type of political construction which Europe has experienced, with the economic divergences or trajectories of divergence between various poles of the EU: Germany and the German circle - the Netherlands, Austria, Northern Europe, and the periphery of Southern Europe, the PIGS along with Ireland, with France in the middle. Franco-German relations express the economic, political and institutional reality of Europe, but without a state, a leadership, a development plan or resistance to the crisis. The present situation once more demonstrates the historical incapacity of the European bourgeoisies to unify Europe. Dislocation is possible, but they are already thinking of the old idea of Balladur, of a Europe made up of concentric circles: Germany and the richest countries; the South and certain countries of Eastern or South-eastern Europe. The problem is France and Italy, because if Italy goes, Europe goes. They want to tie them into Germany, which requires extremely brutal austerity plans, but this situation announces a deepening of the crisis, with growth around one per cent. That will last, but with risks of social explosions or pre-revolutionary situations as in Greece. All the more so as on the political level, the anti-democratic of the EU is combined with the development of authoritarian tendencies organically linked to the intervention of the financial markets. The heads of government imposed by the EU in Italy and Greece are thus an indication, but the strengthening of the forces of the Right and the far Right express this march towards authoritarian solutions. We can no longer exclude alliances between parties of the parliamentary Right, or sectors of them, and the far Right. More than ever, the market is not democracy, on the contrary.

Here, I am already touching on a problem of orientation concerning policy with respect to the UE. In this context, it is necessary to combine a policy of breaking with the EU, of disobedience with regard to the treaties, and not of reform of the EU. The problem is to know what we counterpose to this crisis of Europe: de-globalization, national or European protectionism, the exit from the Euro or a break and a constituent process with a new internationalist social policy, democratic, in the service of the workers: we have to take up again a perspective of the Socialist United States of Europe...

But this general positioning does not settle the problem, for example in Greece: the explosion of Greece and the brutality of the attacks by the EU are resulting in some people analyzing this country of the periphery as a new colony and from there, the absence of European solidarity with the Greeks combined with the nationalist historical traditions of the Greek Left lead today to the fact that the Greek Left, Syriza and Antarsya are demanding an exit from the Euro as part of an anticapitalist programme.

6. In this integrated world economy, can China save the world economy? Is there a decoupling between the development of China and the world economy?

The forecasts of development of China's GDP will intersect between 2020 and 2030 that of the USA. That is considerable. China is already the second world power, before Japan, the first manufacturing power along with the USA: 19.8 for China and 19.4 for the USA. For GDP per capita, it is necessary to differentiate between the various zones of China. The coastal regions, which are already on a level of GDP per capita comparable with Brazil, have between \$5,000 and \$10,000 GDP per capita, Beijing and Shanghai, \$10,000. All that adds up to 600 million people... the centre of the country has less than \$5,000 GDP per capita. But China is an imperialist power in formation, on the military level, on the level of the export of capital, as regards unequal exchange with the countries of Africa and Latin America, in particular the purchase of millions of hectares of arable land. But this strength of China is not sufficient to relaunch the world economy, or the US economy, through mass production and consumption around such and such a manufacturing sector. The Chinese economy remains very unbalanced, between a rate of consumption in relation to GDP that is very low, 35 per cent of GDP, whereas in the USA it is 70 per cent, in India 60 per cent, the world average being 60 per cent; and a rate of investment of 45 per cent, whereas the USA has 15 per

cent and the world average is 22 per cent.

China therefore remains very dependent on the world market and on exports. Its priority is to build up its domestic market, which necessitates higher wages and a minimum of social security... So we see beginning in China a process of struggles over wages and in defence of better living conditions.

On the question of decoupling, we also have to be careful, considering the interdependence of national economies in the context of globalization, but there too, up to now the crisis in the West can slow down rates of growth or make them drop by between one and three per cent, but that does not call into question the underlying tendency of development.

Two remarks in conclusion:

*The Chinese economy cannot replace Europe and the USA yet. It remains too unbalanced.

* But the underlying tendency of growth is still around 10 per cent per annum, which is increasing the difference in the level of development with the other continents.

7. In this crisis, the map of the world is being redrawn; competition is raging. We cannot explain the European crisis without taking into account these big changes in the world. They want to align the European job market on the world market. New world relations are emerging. We have spoken about relations between China and the USA, but Latin America is marked today by the power of Brazil, and secondarily Argentina. Utilising again the concept of sub-imperialism expresses this rising strength of Brazil. The country is today the pivot of the Latin-American economy, with its great multinationals, Petrobras, Gerdau, with its big hydro-electric projects, its financial power... In the overlapping but conflictual relationship between the USA and Brazil, Brazil has notched up a series of points. In the relationship between the three major roads or types of regime: the reactionary Right in Colombia and Mexico, the nationalist anti-imperialist road in Venezuela, Ecuador, Bolivia and the other America of Lula and Kirchner, it is the latter which largely dominates. You could not say that seven or eight years ago.

8. In this context what is the situation of the workers' movement, of the Left? At this stage, after more than four years of crisis, there has not been a response on the level of the capitalist attacks.

So the crisis provokes reactions, resistance, struggles, strikes, even pre-revolutionary situations as in Greece. There are new movements like the indignant ones, but there is a serious imbalance between the explosiveness of the situation and the political, organic expression of these movements: there is no reinforcement of the trade unions, the reformist parties, the radical Left, the revolutionary Left, or left currents within organizations or even the emergence of new organizations. There are new forms of organization, but they are for the moment too unstable. Furthermore, since capitalist crises began, there has never been, at the same time, such a major crisis of the capitalist system and such a weak workers' movement faced with this type of crisis, except for the periods when the workers' movement was physically liquidated by Fascism or military dictatorships.

Several factors are weighing on the situation of the workers' movement:

a) The liberal counter-reforms, since the end of the 1970s, on a world scale have led to a process of reorganization of the labour force, to its individualization, its precarisation, the loss of collective rights, the weakening of trade-union organization. Deindustrialization liquidated dozens of bastions where the working class was concentrated. Not to mention the so-called "informal" economy. Blue- and white-collar workers form more than 60 per cent of the active

population but it is not the same social structure as before. In China and in other countries of Asia, industrialization is leading to an unprecedented expansion of the proletariat, but we are only at the beginning of the organization of independent workers' movements, and there too, at this stage, there is no synchronization of trade unions or associations or parties in Europe, the USA and Asia. There are setbacks in the West and only fragile beginnings in the East.

b) The balance sheet of the last century, in particular that of Stalinism in the short twentieth century, where for millions of people there was the identification of Stalinism with Communism, a twentieth century which finished with neoliberal capitalist globalisation. That weighs on the problems of the formation of a revolutionary socialist consciousness.

c) Then there is the evolution of the social democratic parties and organizations, which are undergoing a social-liberal mutation. They maintain historical links with social democracy. They are forces of alternance, so they must be distinguished from parties of the Right, according there too to national specificities, but they are completely integrated into managing the crisis. There are no differences between Holland, Papandreou, Zapatero, Socrates, and the leaders of the European Right. The processes of primaries and the resemblances with the American Democratic Party go in the same direction. These are parties that are less and less working-class and more and more bourgeois. As for the post-Stalinist parties, they are reduced to either following the social democratic parties or resisting by trying to have a policy, called "anti-liberal" but consisting of managing the capitalist economy and institutions. But as the Socialist parties move so far to the right, they leave a space for these formations, which can play a role as long as they are not obliged to go directly into government: witness the results of the United Left in Spain, and tomorrow the results of the KKE and Syriza in Greece or the Portuguese Communist Party or the Left Front in France.

d) This combination of weakening of the workers' movement in the face of more than three decades of neoliberal attacks with the policies of the leaderships of the Left gives the bourgeoisie internationally room for manoeuvre to "manage the crisis" by increasing the positions of the financial markets and deepening the attacks against the popular classes, and even, in the BRICs, improving the material situation of millions of people. We cannot understand, for example, the development of Brazilian power without taking into account the qualitative mutation of the PT under Lula into a social-liberal party. And reciprocally, the fact that PT holds the reins power in Brazil cannot be explained without taking into account the emergence of Brazilian power... There is always, for capital, a way out of the crisis if there are no working-class solutions. The problem is that the social, ecological and human costs are more and more terrible.

e) It is also within this framework that I would like to come back to the revolutionary processes in the Arab world. First of all, they are revolutions in the sense that "the masses erupt onto the social and political scene", democratic and social revolutions. But there too, there is an imbalance between the revolutionary process and its "democratic and social" political expression. The thrust of the masses is there, and it will continue, but there is the combination of the destruction caused by decades of dictatorship, the defeats of Arab nationalism and of nationalist or socialistic left forces, the effects of neoliberal reforms, the accumulation of forces by the Islamist movements. All that is leading, at this stage, to the electoral victories of the Islamists, with the benevolence or the support of the imperialist powers, and the active intervention of Gulf states such as Qatar. The Islamist movements are also going through processes of differentiation between supporters of the Turkish AKP model and the Salafists; there is a whole range of reactionary currents. But the democratic thrust is there. It will continue to operate in the Arab world. It is giving rise to new independent trade-union organizations, as in Egypt, or to a strengthening of forces on the left. But that weighs much less in the balance of the relationship of forces than do the Islamist movements.

f) But are not these "imbalances" or "desynchronizations" between social resistance and the weakness of radical left forces an integral part of the new period that we are living through? If we pose the problems in terms of major changes in the world in a new historical period, after several centuries of domination by Europe and the USA, if there are structural changes in capital on a world scale, if there is a new place for nation-states in the globalisation, a

structural crisis of parliamentary democracy, a tendency towards the integration of the trade unions - Trotsky already evoked this tendency in 1940 - if there is a march towards authoritarian regimes... can all that not have consequences on the reality of the workers' movement, on the place of parties? Are we not at the end of a historical cycle for the European workers' movement such as it was configured at the end of the nineteenth century and throughout the twentieth century? Are globalisation and the crisis of the nation-state not undermining the basis of parties and trade unions such as they were formed over decades? We are still, and more than ever, living in the time of capital, the time of capital which leads to the class struggle, with its resistance, its organizations, but most probably what will emerge will be new organizations which will have, of course, links with the old but will be fundamentally new and will especially be made up of new generations.

g) And, there is also a historical responsibility for revolutionaries, and more particularly for Trotskyists. We have maintained a line of resistance, a united front against the crisis and austerity, references to the revolutionary programme. But we are pulled this way and that between going back to the traditional revolutionary Left, the far Left of the 1960s or the maintenance of movements originating in the 1930s and the pressure of left reformist organizations and currents. We had already discussed the historical need to emerge from a situation where we regarded ourselves as "the left opposition to Stalinism". Stalinism collapsed, but we should be careful, there are still post-Stalinist parties, even though they are considerably weakened. But we are not succeeding in getting away from conceptions that are marked by this situation of left opposition. We have difficulty in taking account of the full dimension of a wholesale reorganization of the working-class and social movement. We have difficulty in redefining a project that is independent and at the same time enables us to act politically. We have difficulty in formulating an independent project for the long term. That also brings us back to rethinking a programme for the twenty-first century: the Fourth International has started to reflect on the need to think about a new ecosocialist programme. We are at the beginning of that process, but we can see the repercussions of such an approach on the abandonment of nuclear power, for example. What are the implications of reformulating a transitional programme? To take up again the discussion on the question of democracy, on the relationship between direct democracy and representative democracy, on democracy in the factories and in the neighbourhoods and on the strategic axes of a conquest of power by the workers; in short the broad outlines of a project of emancipation, with at its centre the self-activity of the workers? The programmatic cohesion that we had in the previous century, or perhaps that we thought we had in the previous century, and which was the strength of the Trotskyists, each current in its own way, cannot answer the challenges of the twenty-first century. We are confronted with a certain loss of substance, programmatic, political, strategic, all kinds of basic elements that are fundamental for developing a political education that the acceleration of the historical process is making complicated today for revolutionaries... There are more questions than answers.