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When the governors no longer know how to govern

29 February 2008, by [David Dessers](#)



Belgians demonstrate their support for a unified state

The country is going through a political crisis. It is essentially a crisis at the top, a conflict between bourgeois factions on the type of state or state reform that they need to more effectively impose their neoliberal policies on the social majority.

For some, the bourgeoisie wishes to communalise the country still further, strengthening its division by dividing the working class. Divide and rule, in short. But things are not that simple. There is from all the evidence a real conflict inside the dominant class. There still exists inside it a unitarist, pro-Belgian faction, represented in part by the FEB [1], the Belgian employers' organisation) which, with the Royal Palace in the front line, prefers the old state apparatus of Belgium to a separatist adventure. And there is, above all in Flanders, an increasingly strong faction which desires the (partial?) dismantling of the Belgian state allowing it to discard a whole series of social compromises characteristic of the "old Belgium". When the Flemish parties present at the negotiating table [2] now propose to divide the labour market, it is obvious that their explicit intention is to dismantle the labour codes as well as social benefits, a task that seems to them easier to realise in the Flemish

socio-economic framework than in the Belgian framework.

Of course the Centre démocrate humaniste, the Mouvement réformateur [3] and the FEB all wish to carry out an aggressive right wing policy, but they prefer to use the state of Belgium as the most adequate instrument to this end. When the foreign minister, Karel De Gucht, says that foreign trade would be better managed anew at the federal level, it is because he believes that it is to the advantage of businesses in Flanders, Brussels and Wallonia, in terms of exports. By this proposal, he only seeks to better defend the interests of "Belgian" capital.

"Bizarrely", in the current climate of outbidding, no bourgeois Flemish nationalist favours the splitting of the Belgian army. In fact they are rather in agreement with the pro-Belgian faction that this army should be inserted as strongly as possible at supranational levels, inside imperialist alliances as NATO or the common European defence. To involve the army in supranational alliances constitutes indeed the best guarantee for the weak bourgeoisie of the different regions of Belgium that it will be capable of defending its own interests on the international arena, including on the military level.

A trap

In other words if we allow the bourgeoisie and its political allies to resolve the national question in Belgium, in their fashion any discussion on the reform of the state will essentially constitute a discussion on the aptest way of defending the class interests of this bourgeoisie in order to wage a offensive against the working class. However, there is no unanimity inside this dominant class on these questions today. On the contrary, the bourgeois forces are deeply divided and the current political crisis is nothing other than the illustration of this division.

It is necessary to take account of the situation opened by the legislative elections: For the first time in a long time, the electoral defeat of social democracy allowed the bourgeoisie to form a homogeneous right wing government at the federal level... but it has still not succeeded in doing so!

By their nature, this debate and these conflicts between various sectors of the bourgeoisie constitute a trap for the left. The threat from the right and the nationalist far right have led some on the Flemish left to take a position in this debate. They take up a pro-Belgian position in a defensive fashion, support the Francophone parties which defend the unity of the country faced with Flemish nationalists or go so far as to praise

the “Belgian model” as a symbol of diversity and solidarity... However, opposition to the most extreme bourgeois nationalist faction should not imply alignment with the rival unitarist faction.

The Francophone parties which defend the unity of the country today at the negotiating table do not deserve in any way the support of the left because they are, exactly like the Flemish nationalists, in search of the most adequate level to carry out a right wing policy. The Belgian state was and remains still a bourgeois state and quite anti-democratic (the monarchy!), which has in no way been designed to serve the needs of the social majority. As to “federalism bourgeois style” it has been introduced without the people having any voice in the affair, from above, by the dominant class on the basis of its interests alone and according to its conditions alone. The left should not praise and defend this system.

Those who wish to defend the Belgian state with “internationalist” arguments against Flemish nationalists could just as well defend the European Union with the same arguments. To be clear: on the theoretical level, we are absolutely in favour of a Europeanisation and even of a globalisation of mechanisms of solidarity, which obviously necessitates corresponding levels of competence. But to plead for a Europeanisation of competences in the current context comes down quite simply to delegating competences to a level which is still less democratic and still more neoliberal than the Belgian, Walloon or Flemish levels. Genuine internationalists defend the idea of a united and solidarity-based Europe of the peoples, but not the European Union as it is.

Rather than choosing its camp in the treacherous debate inside the rival bourgeois factions, the left should on the contrary develop an independent and autonomous position on the type of state which the social majority of this country really needs and on the manner in which the cohabitation of the different peoples and cultural minorities should be organised.

Unresolved national question

The debate which has led to the current crisis is indeed a trap for the left. The LCR has always recognised the existence in Belgium of two peoples, two societies at unequal levels of development and combined inside the same state. Moreover, the Belgian state was historically a Francophone state, in the service of the interests of an essentially Francophone bourgeoisie. The history of the Flemish in this state has then been a history of oppression and struggle against this oppression.

The fundamental injustices, oppression and discrimination against the Flemish people have been mainly eliminated. But, since the Flemish nationalist movement has been led by the middle class and the socialist movement largely stayed out of the struggle, it is focused on demand and proposals which are legal, formal and administrative, on formal linguistic equality and so on. The material economic basis of the domination of the Francophone bourgeoisie has never been questioned. Flemish demands have thus never been linked to socialist demands.

There have all the same been times when some sectors in the worker’s movement of this country have taken the national question seriously and have formulated responses on the basis of their own class viewpoint. The demand for “Federalism and anti-capitalist structural reforms” in the 1950s and 1960s constituted the backbone of a strategy to dismantle the capitalism of Belgian holdings and its oppressor state. This programme found a fairly broad echo inside the workers’ movement but was never realised. Instead of anti-capitalist structural reforms the state has been restructured for neoliberal reforms.

Since this restructuring has been directed against it, the people have obviously never been associated democratically in the realisation of federalism. Which explains the enormous gulf today between the gravity of the crisis experienced in the highest political circles and the calm

and passivity which reigns in the population.

Plague or cholera?

The debate which the bourgeois parties are conducting for the moment in the framework of the governmental negotiations has nothing to do with the right of peoples to self-determination. This debate is carried out from the viewpoint of the interests of the bourgeoisie also and those who, on the left, choose to participate will be condemned irrevocably to sinking into a swamp. The debate taking place in the governmental negotiations does not concern the democratic way of resolving the national question in Belgium, it concerns above all questions of big bucks, neoliberal strategy, xenophobic obsessions and racist arguments. The basic questions are hidden in favour of futile discussions on the licence plates of Flemish and Walloon cars. We reject taking part in this debate, we are neither for the Belgian bourgeoisie, nor for the right wing Flemish nationalists. It is necessary to reject the choice between plague and cholera, between pro-Belgian neoliberalism and its regionalist variant.

The trade unions have a heavy responsibility today for their current attitude is limited to the sole defence of what exists, which is constantly put under pressure. Such an attitude will end inevitably in new defeats. We cannot then be content with its strategy limited solely to the defence of national social security for example. Social security should of course be defended tooth and nail because it has been built by the Flemish and Francophone workers and it should remain their common property. But without offensive mobilisation and without entering onto the political terrain, the unions cannot defend it effectively.

A division of Belgium brought about by the bourgeoisie would constitute a serious defeat for the social majority. But a reform of the state as such would not, necessarily. . That depends on its content, what will or should be done with it and above all on who is the driving force. The national

question will remain then without real solution as long as it is not resolved democratically by the social majority. The crucial issue is then the politicisation of the workers' movement around these questions with the goal of developing an autonomous position in relation to all factions of the bourgeoisie. And above all to prepare the response to a future government which, whatever the future institutional framework, will devote itself to dismantling the social conquests.

The political crisis currently forms the subject of a debate inside the Belgian section; this article presents one of the viewpoints under discussion.

Footnotes

[1] (Fédération des entreprises de Belgique [Federation of Enterprises of Belgium])

[2] (Vlaamse Liberalen en

Democraten (VLD, formerly PVV), Christen-Democratisch en Vlaams (CD&V, until recently called the Christelijke Volkspartij, CVP) and Nieuw-Vlaamse Alliantie (N-VA, which emerged from the dislocation of the far right Flemish nationalist Volksunie, in 2001)

[3] (the first, formerly the Parti social chrétien (PSC) is a Francophone Christian Democrat party while the second is a Francophone liberal party formed from a coalition of several parties)

A dictator defeated

29 February 2008, by [Farooq Sulehria](#)

Unlike the bloody Benazir tragedy staged on its gates on December 27, it was a thousands-strong crowd, cheering and chanting. Waving Pakistan Peoples Party (PPP) flags, chanting Jeay Bhutto (long live Bhutto) youth would embrace and congratulate even those carrying PML (N) flags. For years, led by former prime minister Nawaz Sharif, PML (N) was Benazir's PPP main rival. The PPP and PML (N) went to polls even on February 18, as Pakistani electorate used its right to vote for 9th time since 1970, as rivals. They all were happy as pro-Musharraf candidate, Shaikh Rashid, had been defeated in this constituency. This very constituency, NA 55, had become focus of media attention across Pakistan since it was here Benazir was murdered. Also because it was here Musharraf regime's spokesperson Shaikh Rashid, former Information Minister, was contesting elections. He had been winning, five times in total, from this constituency since 1988. He used to be a leader of PML (N) but he changed sides in 2002 and joined pro-Musharraf PML (Q), commonly mocked as Musharraf League. Being Information Minister, Rashid used to defend regime's unpopular actions thus becoming most hated face on TV screens after Musharraf's own (now-a-days-fast-wrinkling) face.

Fearing his defeat in NA 55, Rashid was also contesting from NA 56,

another constituency in Rawalpindi. It happened to meet Rashid three days before elections. Defeat was written on his face.

For the fear of bomb blasts, I travel by taxi instead of public buss. Though taxi is no guarantee yet it helps get a sense of security even if it is false. Every time I would take a taxi before elections, I would question the driver: 'who gonna win Rawalpindi'. Every time, literally every time, the answer was same: 'whoever but no chance for this b@*!@^d Rashid'.

Long before TV channels had announced, Rawalpindi residents on the evening of February 18, had found out that Rashid had lost in both constituencies. In first-past-the-post system, like Britain, Rashid was not even runners up. It was PML (N) candidates, winning both constituencies while PPP-men were runners up.

Rashid was not the only victim of voters' wrath. Another 22 ministers, including president of pro-Musharraf PML (Q), Shujaat Hussein had lost. Like Rashid, Shujaat also lost from two constituencies. By next morning, it was clear that PML (Q) had lost.

An accompanying pleasant surprise was the crushing defeat of fundamentalists. In 2002 elections, fundamentalists had emerged as third largest force bagging 66 National

Assembly seats while forming their government in Frontier province (NWFP). They had clean swept NWFP in 2002. This time they were swept aside themselves. Only three seats in National Assembly.

In NWFP, it was secular nationalist Peoples National Party (ANP) that had emerged as largest party while Bhutto's PPP as second largest. The ANP claims the legacy of Ghaffar Khan, known as Frontier Gandhi. Traditionally, NWFP has been a stronghold of ANP that used to be proud of anti-imperialism, secularism and Pashtun-nationalism. Until 1980s, pro-Moscow Communist Party of Pakistan (legally banned in Pakistan since 1951) used to work inside ANP's predecessor (NAP or National Peoples Party). The ANP in 1990s, joined hands with right-wing PML (N) to build a coalition government. The ANP ministers proved no different when it came to corruption and financial scandals. By now, it had also given up any pretext of anti imperialism and had reconciled itself with End-of-History mantra. In the wake of S11, ANP instead of opposing US invasion of Afghanistan, lent it full support. The fundamentalists vehemently opposed it. The NWFP, country's third largest province, is inhabited by Pashtun (largest ethnic group in Afghanistan). Hence, tribal population in NWFP saw it as an attack on Pashtuns. Fundamentalists cashed on both

religious and nationalist sentiments. They portrayed it as a battle between Islam and 'Christian West'. The ANP, already discredited owing to the corruption of its ministers, by now had also built itself an image of the US pawn. Hence, it was decimated in 2002 elections. It did not win even as a single mandate for National Assembly. This time, it has ten mandates in National Assembly, emerging as fifth largest party in National Assembly.

The largest in National Assembly, bagging 87 seats out of 272, is Bhutto's PPP that emerged strongest in Sindh, Bhuttos' home province. However, it was the only party that showed strong presence in all four provinces. Not so distant runners up was PML (N), bagging 67 National Assembly seats but emerging as

largest party in Punjab, country's biggest province. In Balochistan, PML (Q) got maximum seats but failed to muster simple majority. Most likely, PPP will be able to build a coalition government here.

The left in Pakistan, never a strong force in electoral politics, was further marginalized. Last time, member of a Trotskyist group, entrust in PPP, had a member elected to National Assembly as PPP candidate. He badly lost this time. The constituents of AJT, an alliance of all major left formations including Trotskyist Labour Party, had joined APDM. The APDM, an alliance of 25 parties including extreme right to extreme left, had announced a boycott of elections on the plea that elections would help Musharraf regime survive. Prior to the murder of Benazir, their campaign was picking up but the situation, it seems,

radically changed after the tragic assassination. It generated a sympathy wave for PPP that also translated into high turn out despite threats of suicide bombings.

At the time of filing this report, negotiations are going between movers and shakers. The US, also shocked at election results, is pushing PPP to build a coalition government with pro-Musharraf forces while helping Musharraf stay in power. The PPP, has not taken a clear stand on impeaching Musharraf while Nawaz Sharif and media are demanding his resignation. Given the mood in Pakistan, any party going with Musharraf will be finding it hard to find a place in future political scenario here in Pakistan. Meantime, rumours are making headlines that Musharraf is resigning.

Zero fervour for elections

29 February 2008, by [Farooq Tariq](#)

The reasons are simple: General Musharraf wanted it that way. Before announcing the date for the general elections, he imposed martial law. He arrested over 10,000 political activists and lawyers, removed all the top judges, amended the constitution and got himself elected as "civilian" president. He wanted five more years in power.

General Musharraf's allies made all the arrangement to "win" the elections before announcing the date. They wanted a snap election where the opposition would have no time to mobilizing its base. It was to be a general election held without an independent judiciary, with a dependent Election Commission, and with repression still alive. This was the ideal circumstance for a "win."

Pressured by American and British imperialism, Musharraf was forced to implement a power-sharing deal with the Benazir Bhutto and the Pakistan Peoples Party (PPP). However, supporters of military rule, having enjoyed all the power during Musharraf's first eight years,

opposed the deal, dragged their heels and set up hurdles.

Following Musharraf's imposition of emergency law, the lawyers' movement rightly demanded that political parties boycott the fraudulent election. The majority agreed, including former prime minister Nawaz Sharif and his Muslim League (PMLN). But the PPP kept its bargain and Benazir Bhutto began her vigorous campaign. It was her unfortunate assassination on 27 December 2007 that shocked the whole world. Had the PPP leadership then demanded Musharraf's immediate resignation, he would be gone by now.

Following Benazir's assassination the PPP leadership wanted to cash in on sympathy votes and demanded that the 8 January election not be postponed. Nonetheless the Election Commission proposed the general elections until 18 February 2008, providing Musharraf supporters with a breathing space.

The mass reaction after Benazir

Bhutto's death opened the lid on the economic crisis: There was shortage of everything, from wheat flour to electricity. Musharraf's claim that he provided eight years of uninterrupted economic boom was shattered within few days. The long queues in front of public Utility Stores across Pakistan revealed the desperate situation the masses were living in.

The lawyers' movement did not retreat. It has continued to demand the release and reinstatement of the country's top judges. They are still actively supported by civil society organizations and the students. Despite the reality that the lawyers' demand is one of the most popular issues of the day, both the PPP and PMLN decided to participate in the February general election.

The combination of Benazir Bhutto's assassination, the economic crisis and the boycott appeal of both the lawyers movement and the All Parties Democratic Movement has minimized election fervor. If the 18 February election does take place, the PPP will get a massive sympathy vote from

those going to the polls. But not much will change because the PPP leadership has already made it clear that it is willing to work with Musharraf.

The PPP has nothing to offer to the people of Pakistan. It believes in privatization and it is happy to go along with the imperialist policies for the region. In fact this is not a new turn for the PPP; it has gone along with these policies for long time. The same is true for Nawaz Sharaf's PMLN. In fact all those participating in the elections share one common goal with Musharraf: a continuation of the present economic "reforms."

All those on the Left who expected an election where there would be a mobilization of masses and, consequently, a chance to work among them must be very disappointed. This is not an ordinary general election. This is a very calculated plot on the part of the Musharraf dictatorship to continue for the next five years with the collaboration of those who will be "elected." This is not an election that can mobilize the masses to build a movement that could overthrow the

dictatorship after the elections. But there is a growing movement against the military dictatorship.

The Pakistan Peoples Party is paying the price of its participation in the election, at least among the most active strata of society. The PPP lawyers once had the support of over 80 percent of Bar Association of Pakistan. However, recent Bar Association election results reveal an opposite trend.

The Lahore Bar Association elections show that the PPP-nominated president got less than 400 votes. The Awami Jamhoori Tehreek, (the Left alliance) candidate received 1075 and lost by less than 100 votes. The brother of "Marxist" PPP former Member of Parliament (the Ted Grant group) was also badly defeated for Qasur Bar Association president. The Labour Party Pakistan Punjab chairperson received the highest number of votes for the executive board. The elections were won by supporters of Hamid Khan group.

At the Multan High Court Bar Association meeting on 4 February, the Bar's president attempted to

defend the PPP decision to participate in the fraudulent February election, agitating lawyers forced him to stop speaking. Earlier, in another incident at Lahore University of Management, the PPP and PMLN representatives had to face angry students and civil society activists who were shouting for a total boycott.

So far the election campaign is limited to newspaper and television advertisements, billboards, stickers, banners and posters. There are no local public meetings. Unlike in the past, the candidates' temporary offices look deserted. The PPP is counting on sympathy votes and it believes that it does not need a mass public campaign, as was the case in the past. At the same time both the PPP and PMLN are already complaining about Musharraf's supporters plan to rig the vote.

The lethargy toward this election is a phenomenon that deserves serious examination. How many would go to the polls was unclear, but it is clear from all indicators that it will be the most hollow election in the history of Pakistan.

A country without an economy?

29 February 2008, by [Adam Novak](#)

Many in the international peace movement blame the western powers for the violent break-up of former Yugoslavia. But Kosovo's independence reveals another dimension of the west's criminal responsibility in the destruction and re-colonisation of Eastern Europe since 1989. The newly independent state of Kosovo has no economy to speak of, and its poor and undereducated population are dependent on remittances from family abroad, smuggling, and foreign aid.

Newly-independent Kosovo is Europe's poorest country. Its per capita GDP is (\$1,300), which is about the same as Ghana or Burkina Faso, and only one tenth of the level in the poorest countries in the European Union, Bulgaria and Romania. Kosovo's

subsistence economy remained virtually unchanged throughout the eight years of UN rule, and the standard of living of its two million people is still lower than before the Serbian government imposed central control of the province in 1989.

How is such crushing poverty possible in the heart of Europe?

Kosovo was always the poorest part of former Yugoslavia, with a GDP of about 10% of that of Slovenia, the richest part of the federation. But Tito's Yugoslav system ensured investments in infrastructure and industry, mass education, and the creation of autonomous institutions, all for the first time in Kosovo's modern history. In the late 1980s, Serbian nationalist leader Slobodan

Milosevic allowed Kosovo's small Serbian minority to seize these resources and political power, provoking a massive movement of non-violent resistance among the Albanian-speaking majority. Albanians were expelled from industrial and civil service jobs, and most families survived on a mixture of small-scale agriculture and remittances from family members working abroad - mostly in Germany, Switzerland and the USA.

The NATO war against Serbia in 1999 destroyed most of the industry and infrastructure, either through bombing, or by looting as the Albanian population took their revenge on the Yugoslav regime which had humiliated them. A United Nations administration was rapidly put in place, and ran

Kosovo as a protectorate of the western powers until the declaration of independence in mid-February this year.

This UN administration completely failed to develop economic activities that would lift the population out of poverty. So much western food "aid" was dumped into Kosovo that most of the local farmers went bankrupt, and were forced to kill their livestock or abandon their fields. A free trade regime was imposed, and the Yugoslav Dinar replaced as legal currency by the German Mark, (Kosovo therefore became a de facto part of the Eurozone on 1 January 2002). As a result, Kosovo joined the other EU protectorate, Bosnia, as a marginal but easy-to-penetrate market for west European companies, while local companies found themselves unable to compete, and separated from their former markets in the rest of former Yugoslavia.

One of the paradoxes of Kosovo's de facto separation from Serbia in 1999 is that - since free trade always benefits the strongest at the expense of the weakest - Serbian companies have been able to capture a large part of the Kosovo market, even providing the basic foodstuffs which Kosovo used to export to Serbia. Serbia is now Kosovo's largest trading partner, while Kosovo has failed to penetrate either Serbia or any of the other ex-Yugoslav markets. Kosovo has a disastrous balance of payments; in 2007, Kosovo imported 1.5 billion euros worth of goods, but exported only about 150 million euros worth.

While it did little to help the small farmers and workshops that dominate the Kosovo economy, the UN administration expended considerable effort on the introduction of a textbook-style neoliberal legal system, ensuring that Kosovo's natural resources (coal, lead, zinc, nickel, farmland) and the handful of remaining industrial and food-processing companies can be easily acquired by western investors, that civil infrastructure can only be built by public-private partnerships, and that private investors will be able to take over the most profitable part of public services like health and education.

The electricity sector illustrates the economic dilemma facing Kosovo. The territory has persistent power cuts and 'brown-outs.' The electric company produces 800 megawatts of electricity each day, about 80 percent of what is needed. It can't afford to buy more from neighbouring countries, because, during the years of conflict and UN administration, almost everybody stopped paying, and many homes and business are connected to the power grid illegally. Western advisors have proposed privatising the electricity supplier, so that private companies will be responsible for enforcing payment - and for cutting off poor people's heat and light. Foreign companies are expected to build a modern coal-fired power station in exchange to unlimited access to the estimated 15 billion tons of brown coal lying in the earth beneath Kosovo. The EU will help create a regional energy market to swap surpluses (Kosovo could import from Balkan countries with hydroelectric power at high season, and export back to them when water levels are lower).

It would be better for Kosovo to build up a state utility, ensuring that non-renewable resources are used in the national interest, (The ground is also thought to contain 20 billion tons of lead and zinc and 15 billion tons of nickel). Only a public utility could ensure that the painful move towards enforcement of energy bill collection is socially responsible. In private hands, the energy company may provoke a massive non-payment campaign, as followed utility privatisations in South Africa and Bolivia. Investors are therefore trying to get the government to guarantee payment for minimum supply to local households, and to allow the privatised utility to double production, but sell all of the extra capacity abroad, effectively ignoring the needs of the people who the coal belongs to.

Having destroyed all forms of Yugoslav state or social ownership, the UN has created a Kosovo state administration that lives from import duties, a sales tax, and subsidies from the European Union. Independence will allow a merger between the UN and national administrations, but with former UN employees (ie most educated Kosovars who can speak

English) used to much higher wages than in the national administration, their integration is likely to increase the corruption of the civil service, as they try desperately to maintain their western lifestyle.

Regional warlords, bosses of the UCK militia which confronted the Serbs during the NATO war, are responsible for the implementation of state functions in most of the territory outside the capital, Prishtina. They also control the most lucrative export industries, which are all illegal. Kosovo is part of the main transit route for drugs entering the European Union, and is a major element in the trafficking of women into the European sex industry - some studies suggest that 30% of trafficked women worldwide are controlled by Balkan gangs. Kosovo (and the neighbouring post-Yugoslav state of Montenegro) are also the main centres of smuggling of tax-free cigarettes into the EU. As many Kosovars observe cynically, all these areas of activity depend on cooperation between Kosovar and Serbian gangs, and show that, at the top, there is a willingness to forget the war and work together.

The central government will try to weaken the warlords by incorporating some militias into a Kosovo army, which has already been promised to the US and NATO for any missions abroad. This mercenary role (which harks back to the Albanian role within the Ottoman empire) offers the west, particularly the USA, a motivated and dependable force of pro-western Moslems, for potential use in Afghanistan, Iraq, or in a future move against Iran.

Meanwhile, the population continues to get by as best it can, in an economy dominated by small-scale trading, subsistence agriculture, smuggling and crime. The largest employer is the public sector, the private sector consists mainly of shops and most businesses employ only two or three people at minimum wage. Remittances from emigrant workers make up about 40% of GDP. One third of Kosovo's two million residents are under the age of 14, and the birth rate is the highest in Europe. This means that landholdings are getting smaller and smaller, and since the terrain is too

hilly for mechanisation, productivity is too low to compete with imported - Serbian and EU food products.

The Serbian minority in Kosovo (about 10% of the total population) is the worst off, because it has lost its former privileges, and lacks contacts to Kosovo's new bosses. Many young Serbs have already emigrated to Serbia proper, and the remaining population would probably do the same, if they could find a buyer for their farmland.

In economic terms, the NATO-Serbia war and UN protectorate over Kosovo has meant a decade of stagnation. In 1989, the GDP per capita in richest part of Yugoslavia, Slovenia, was 10 times higher than in Kosovo. Today Slovenia is part of the EU, with a GDP per capita 16 times higher than Kosovo, and five times higher than Serbia.

Few voices have been raised against this outrageous failure of the west. And yet, Kosovo has a small, but well educated and westernised middle class, based in the civil administration set up by the UN mission, and the army of private contractors and "Non-Governmental Organisations" which the west used to reorganize the society and provide a social base for its continued presence. Profoundly opportunistic, these middle class layers would prefer to work for the foreign donors, who pay better and are less violent, but, as independence approached, many have attached themselves to one or the other of the

warlord factions. Unlike the rest of former Yugoslavia, very few of these NGO activists have tried to organize or represent the disadvantaged majority in society, let alone resist the twin predators of neoliberalism and mafia.

This westernized middle class has had a central role in articulating and transmitting the dominant ideology in today's Kosovo, a mixture of neo-liberal obsession with private enterprise, coupled with a xenophobic and clannish ultra-nationalism that justifies aggression against Kosovo's national minorities, and legitimizes the various illegal traffics. By expelling Albanians from the civil service and socially-owned enterprises, Serbia's "communist" regime definitively severed Albanian attachment to the social benefits of the Yugoslav system, and accelerated a return to pre-WWII self-reliance and clan-based solidarity.

Kosovo nationalism also includes a massive sense of entitlement, with most people believing that the European Union should provide massive and indefinite financial support to Kosovo, to make up for its failure to protect Kosovars in the past.

While the EU can be expected to bankroll the Kosovo state in the foreseeable future, this will be conditional on the economy remaining open to western investment in land, industry and services, and on a partial reduction in smuggling and criminal activities. The EU will also subsidise

infrastructure projects (there is still no decent road link between landlocked Kosovo and the Albanian port of Durrës), but it will be difficult for Kosovo firms to win more than a minor share of these contracts. Outside mining and electricity production, the only other potential investments are likely to be in the footwear and textile sectors - Turkish and Greek companies are already investing in neighbouring Albania, and the Kosovo government can be expected to set its minimum wage so low as to attract some of this business. East European governments are already engaged in a 'race to the bottom,' with successive rounds of cuts to tax and business regulations to attract investors. Though it is hard to see how Kosovo can compete with neighbouring Macedonia, which offers a 10% flat tax and VAT rate, with generous tax holidays, excellent road and rail links to Europe, and lower levels of corruption and extortion.

While the EU will insist that Kosovo opens its economy to western investment, it will continue to prevent legal migration of Kosovars into the EU labour market, creating an explosive social situation for the government of the newly-independent country.

In any case, the economic benefits of integration into the European space will be less than those provided to Kosovo during the Yugoslav period, before the International Monetary Fund (IMF) took charge of Belgrade's economic policy in the mid 80s...

A movement based on retrograde, monarchist, and ultra-Christian values

29 February 2008, by [Ataulfo Riera](#)

On Sunday November 18, a highly publicised demonstration "For the unity of the country" took place in Brussels. An "apolitical citizens" mobilisation representing the "silent majority" of Belgians? Or rather, in spite of the diversity of the causes attracting people to the march, an attempt by the far right to rebuild a

Belgian nationalism, monarchist and retrograde?

November 18 was in reality constituted by the narrow conjuncture of two initiatives: a "National March for Unity" starting from the Gare du Nord and a "Festival of Unity" at the Parc du Cinquantenaire in the

afternoon. The origin of the demonstration lay in a petition launched in August by Marie-Claire Houard, a Liege civil servant whose initiative has since been much publicised in the print and audio-visual media. Her appeal and her public declarations seek to "safeguard Belgium", supposedly under threat

from a division undertaken at the desire of a minority political caste and only representing itself – thus denying that a majority of the Flemish electorate has certainly voted for the parties which have made a profound reform of the Belgian state their electoral centrepiece. The march basically constitutes a revival of the myth of the “Belgian people” through the negation of the binational character of the country and the historic struggle of the Walloon and Flemish peoples.

The petition that she has lunched has now gathered more than 140,000 signatures. Rarely has such an initiative benefited from such an intensive campaign of promotion: distribution through letter boxes and through 4,000 bookshops courtesy of the Sud-Press group, posters on 2,900 advertising sites graciously conceded at reduced price by the company JC Decaux and so on. But despite this campaign of several months and the incessant over-dramatisation of the current crisis in the Francophone media (the most popular daily newspaper “La Dernière Heure”, headlined on November 17 on its front page, for example: “Whoever wants to save Belgium mobilises!”), the demonstration on November 18 only attracted 35,000 people. By way of comparison, the White March of 1996 during the Dutroux affair attracted a hundred times more people. The last big trade union demonstration in October 2005 had more than 100,000 participants. And in 2006, after the murder of a young adolescent and media coverage at least equal to that for the unity march,

80,000 people marched in Brussels.

The linguistic composition of this demonstration demolishes moreover the argument of the organisers that it would represent the expression of the “silent majority” of Belgians, whether Flemish or Francophone. At best 20% of the demonstrators – and without doubt less – were Dutch speakers whereas the latter represent 60% of the Belgian population.

The far right pulling the strings?

If it is already debatable enough that some individuals proclaim themselves spokesperson of a “silent majority”, the claim that the march was apolitical is a pure and simple falsification. First, because a public demonstration in favour of the unity of a country made up of two peoples is already a very political choice and also it takes place in a framework of explicit support for the monarchy – the words and the music of the Brabançonne (the Belgian national anthem) were omnipresent at the demonstration, as were the cries of “Long live the King!”

Secondly, because a series of organisers of the activities on November 18 are on the contrary members or close to right or far right political formations, like Vincent Godefroid, close to the CDF [1] and in particular Alain Mahiat, who has appeared several times in the media as one of the key spokespersons for

the march. Alain Mahiat is a leader of the “Unie” party, a small far right formation, pro-Belgian unity and Christian fundamentalist, originating from the BUB (Belgique-Unie-BelgiÃ«), a party which was led by Alain Escada, an activist in the Fraternité Saint-Pie X, a movement in the tradition of Charles Maurras, a far right ideologue, anti-Semite and French monarchist.

Certainly, the motivations of the people who put Belgian flags in their windows or who participated in the demonstration on the 18th are diverse and they cannot at all be put in the same bag. : For some it is about expressing their rejection of “communal political quarrels” which have paralysed the country, for others the fear of a break-up of Belgium leading to worse living conditions, a sentiment strengthened, as we have said, by the fact that the Francophone media dramatise the current crisis in presenting it as the prelude to the rapid disappearance of the country. But for a good number of these people and the organised currents which surf on their sentiments, the motivation is the promotion of a Belgian unity based on retrograde, monarchist, and ultra-Christian values.

Footnotes

[1] Chrétiens démocrates fédéraux (CDF - Federal Christian Democrats) created in 2002 from a right wing split from the Centre démocrate humaniste (CDH - Humanist Democratic Centre).

Towards a new anti-capitalist party

29 February 2008, by [François Duval](#)

There are three main reasons:

- * the extremely aggressive attacks of French government and bosses against workers’ rights;
- * the failure of the traditional left;
- * the new rank occupied by the radical Left as a whole and, more specifically,

by Olivier Besancenot and the LCR.

The electoral victory of Sarkozy can be mainly explained by his ability to convince people from working class and lower middle class that he really cares about their problems and his ability to convince people with a far right background that it was more

efficient for them to vote for him rather than for the Front National. That’s why during the presidential campaign his central slogan was “work more, earn more”. It was a false claim but many people only heard “earn more”!

The most astonishing thing was his

success when he endorsed many of the themes that were usually those of the Front National, especially about immigration and "law and order". About a million of Jean-Marie Le Pen's former voters shifted towards a vote in favour of Sarkozy. In return, repression against illegal immigrants has worsened and a lot of new drastic security laws have been passed. Promises addressed to racists and chauvinists have been kept. But promises addressed to popular layers of society have been broken while there have been a lot of very hard attacks: no increase of wages while prices are increasing every month, fiscal gifts for the rich and corporatations, as well as new measures against social legislation.

Sarkozy's problem was to change his electoral victory into a social victory. He found that it was not so easy. In November 2007, a new "reform" - or more precisely, a counter reform... - of the retirement pension system of railways workers, tube and buses drivers caused the most important strike of railways workers ever. Of course, the main items of the reforms have been implemented. But, in May 2007, nobody would have forecast such a struggle. Actually the government seems to be stronger than it really is. Its politics can only cause more and more anger and many people are still willing to put up a fight. That is the first reason in favour of a new anti-capitalist party: people really need a party which stands up for their demands as faithfully as the right wing parties are true to bosses. That's the second point - the traditional left can't be that party.

The election of Nicolas Sarkozy was less a victory of the right wing parties than a defeat of Segolene Royal and the Socialist Party. Both the candidate and the SP (as well as its allies, CP and Greens) have been unable to convince people that their election would change something in their day-to-day life. After the election, the situation of the traditional Left became even worse: challenged by the measures passed by the government, they have been unable to be a genuine opposition. During the strikes in November 2007, they have been unable to be a leadership of the movement. The reason for that is

obvious: they criticised the form of the measures and reforms; but they agreed with their substance. This situation has two consequences: a deepening crisis of the SP and increasing need and space for a new independent representation of the working class and social movements.

For the LCR, the perspective of a new party is not completely new. The first debates about it started fifteen years ago, after the fall of the Berlin wall, the collapse of the Soviet Union, the end of Stalinism and the intensification of the neo-liberal offensive in the framework of capitalist and corporate globalisation. An additional step was overcome in 1995, with the increasing electoral results of the far left and its significant influence during the big strikes in November and December 1995.

What is now needed is a party able to help the convergence of resistance and struggle. It needs to be able to build a generalised movement to change the relationship of forces and force political power and bosses to step back. Our understanding is that this kind of party must be a useful tool for organising fight and preparing a radical and/or revolutionary change of society.

Will it be a "revolutionary party" according to the traditional meaning of this word? What we intend to build is a party for class struggle, an independent party of the working class, a party mainly focused on mobilization rather than elections, a party for radical and/or revolutionary changes in society and for new politics committed to satisfy social needs rather than private profits, an anti-capitalist party. Most probably many issues related to strategy will remain open. One issue has to be clarified at the beginning of the process: the kind of relationship this party will have with the neo-liberal so called Socialist Party and its allies. The political basis of this party has to be an agreement about a programme of social emergency measures and a clear break-up with all neo-liberal parties, even those which define themselves as left-wing, socialist or social-democrat parties. The Brazilian and Italian experiences show how important it is

to build on an open but clear basis.

That clarification was precisely the one that was lacking in 2007 during the debates with the Communist Party and various anti-liberal "collectives" in order to discover if a common candidate was possible for the presidential election. After the success of Olivier Besancenot, both in elections and in the aftermath of election, especially during the railway workers' strike, we had a major opportunity not only to strengthen the LCR but, also, to give a broader and more ambitious answer to the crisis of the Left. So, in June 2007, the National Leadership of the LCR decided to raise the issue of a new party. In August, during the LCR Summer School, Olivier Besancenot invited everyone who is interested to join what will be a "constituent process".

During the autumn, in many towns across the country, public meetings were organised to discuss this project. Meanwhile members of the LCR were debating it as the main point on the agenda of the congress. The first balance sheet of these meetings is good. Many people seemed to be interested and found that a new radical left party is a "good idea". Some problems have still to be addressed... and solved. Many people consider a new party favourably; but are they ready to be personally involved? Some others think that an honest party with genuine left ideas will be sufficient.

Our project is a little more than that: perhaps not a "Marxist revolutionary" party but, at least, a radical anti-capitalist one. Many people are interested at the moment but no other national political movement or party backs our project. So, we have been led to the idea that the beginning of the process will not be a debate or a negotiation with national political "partners" - which just don't exist - but a process "from below". Of course, we hope that people or political currents, especially among trade-unionists or activists of the social movements and individuals or tendencies from communist, socialist or anti-liberal background will be convinced by the first results achieved.

Another issue to be thought about is the kind of international relationship the new party will have.

However the main question is this - some people are ready to "build something" with the LCR's activists but they want to build something really different, something that will be their own party, not just a new, enlarged LCR. So, we have to create mutual confidence, to raise the political issues that have to be raised, to propose our politics and, at the same time, to allow people with different political backgrounds - or

without any political background - to get involved in the process and to control it.

By the way, one of the major consequences of a successful process will be the dissolution of the LCR, now a forty year-old revolutionary organisation... The LCR national congress has now adopted an appeal. In some towns or workplaces - and in some universities- local appeals have been written and committees for a new party have been created, with LCR and non-LCR members. There are also many common united slates for

the March councils elections. The next step will be a national assembly of these committees in June or September to check the progress of the process and decide the agenda, include the date of the congress for the foundation of the party.

Anyhow, everybody is conscious it's an ambitious but uncomfortable, difficult road!

But it's a very exciting experience...

This is the draft for an article to appear in the next issue of Socialist Resistance.

The Bolivarian Revolution at the crossroads between imperialism, constitutional reform and the socialist discourse

23 February 2008, by [Sergio García](#) , [Stalin Pérez Borges](#), [Vilma Vivas](#)



All of them, however, are increasingly concerned by the growing weight of the state bureaucracy, which is securing and increasing its power and its privileges. On his part, Chávez has announced new projects which have irritated the bourgeoisie, but at the same time he maintains links with sectors of it, while affirming that the Unified Socialist Party of Venezuela (PSUV) is not a Marxist party and that the working class is not the motor force of the revolution, thus weakening a left option. All this effervescence will be refracted in the mass organizations and in the PSUV, where our class-struggle current defends its positions while working with the grass-roots militants and clashing with those who want to confiscate its process of organization and its democratic character.

The Venezuelan economy continues to progress, with a growth rate of over 9 %, exchange reserves of more than 35 billion dollars, increasing tax revenues and the price of oil at its best levels, above 50 dollars a barrel.

Within this framework, a monetary reform - the strong bolivar - is in preparation for January 2008. But this good economic situation did not prevent that, as in the previous year, inflation is severely affecting the everyday life of the popular sectors. It is likely to reach nearly 15 per cent at the end of this year, without the real incomes of workers as a whole having evolved in proportion. And the worst is that the shortage of foodstuffs is tending to worsen. At the same time the social projects continue to be developed, but they still do not manage to solve the major social problems. In particular, the social security law has still not been implemented. We are seeing the establishment of the first so-called socialist enterprises and, with the Villanueva Mission, the projects of new towns which will be situated in the framework of the constitutional reform, through the plan of territorial reorganization.

The process of nationalization, although not exempt from problems and contradictions, has made it possible for the state to reinforce its control over strategic sectors such as electricity, the telephone network and

the key sectors of the oil industry, in particular the Orinoco Belt. In the sectors of electricity and telephones, new brains trusts and new plans of development are being set up by the state apparatus, instead of being based on democratic debate by the workers of these sectors, to allow them to exercise their control and develop their decision-making power. In the oil sector, even with the majority of shares held by the state, the different multinational companies continue to appropriate a part of our wealth, and the internal structures of PDVSA [1] reproduce the vices of the preceding administrations. Identical to those of the big oil companies, these structures are also less efficient on the level of production than they were before.

The country, which has recently experienced great political and social tensions, will probably remain in a similar situation during the coming months. Imperialism and the big bourgeoisie will exert pressure to try to avoid new measures and laws that affect their interests, while the Bolivarian masses will seek solutions to their serious social problems by confronting a rising state

bureaucracy.

Bourgeoisie and bureaucracy: "united not by love but by terror"

The development of a Bolivarian bureaucracy - which starting from its positions in the state apparatus is undermining the bases of the revolutionary process and maintaining increasingly close links with the Bolivarian neo-bourgeoisie which negotiates credits with the government - is a major fact, and one that it is impossible to circumvent. The bureaucracy of the state structures is probably the greatest danger which threatens the Bolivarian Revolution at this stage. It is a sector which acts as the transmission belt for interests that are foreign to the revolution, which demoralizes and weakens the mass sectors supporting the revolutionary process.

As Haiman El Troudi has well defined in its new book, [2] the counter-revolution has undergone a mutation. Its new clothes are those of a Chavism without socialism, which "means slowing down the structural transformations of society, masking the inequalities, preserving intact class privileges (...) The principal spokespersons of this counter-revolutionary tendency are mercenaries infiltrated into the process, who are weaving their obvious conspiracy with the threads of corruption, political control, negation of popular participation in public affairs. Their fundamental aspiration: to install a new oligarchic class and to seize power by means of treasonable plans against the Bolivarian Revolution."

This description, which corresponds to what very many compatriots feel and suffer, illustrates at the same time the necessary unity between these two sectors, which are equally dangerous and now allied with each other: the bourgeoisie needs the bureaucratic layers of the state in order to continue to do business and to gain ground so as to slow down measures that endanger its class interests; the bureaucracy needs the bourgeoisie in order to maintain its privileges and its areas of power, at the same time as it develops itself its own business affairs. We can see at present the

Banesco and Canarias banks, other bankers such as Víctor Gil, Irausquán, Cedeño, Rafael Sarrá and Petricca, developing the business deals of the century. With whom in the government are these usurers negotiating and concluding agreements? They need each other, they are complementary, and they all fear rank-and-file workers and popular mobilization. To paraphrase Jorge Luis Borges, [3] the bourgeoisie and the bureaucracy are not linked by love but by their terror faced with the prospect of an advance, in the revolution, of the movements at the base and of anti-capitalist measures. It is no accident that it is from these two sides that are coming criticisms of sectors engaged in struggle, attempts to control the social organizations, orders for the dismissal and persecution of those who raise their voice inside the structures of the state and if, today in the PSUV, it is they who seek to impose clientelist methods in order to preserve their areas of power.

Faced with the attacks of imperialism and the increasing weight of the bureaucracy, millions of Venezuelans are wondering what Chávez thinks and what he is going to do. Is he conscious of the serious problems which exist in his entourage? Until when will the Bolivarian Right remain encrusted in the higher spheres of the government? It seems to us that he is conscious of everything, when he refers to people in his entourage by saying, for example last July 22, during the first meeting of the "January 23 urbanization battalions": "Like snakes that are coiled up, they are playing at Chavism without Chávez, at pushing Chávez aside; well, I will be isolated only by God who is our Lord and Master, or by you, the voice of the people". [4]

Towards the debate on the constitutional reform

When Chávez speaks about socialism and about finishing with capitalism, he attracts all the sympathy of the majority of the population. When he speaks against the working class and Marxism, he gives rise to doubts and divergences in sectors of the revolutionary process. When Chávez calls on people to organise from the

bottom up in the PSUV, he generates hopes. When he publicly supports Diosdado Cabello - the principal spokesperson of the Bolivarian Right - he disorients and weakens the most consistent sectors of the revolution. We have defended Chávez against every imperialist attack, and we will continue to do so insofar as he maintains his political independence in the face of the empire. But if we want to go forward, or if, as he says, we are at a moment of transition towards a supposedly socialist national model, that means that, to quote the words of Simón Rodríguez, [5] "a political revolution forcibly demands an economic revolution". This economic revolution should manifest itself in concrete measures, but such measures have still not been taken.

On August 14, Chávez submitted to the national assembly his project of constitutional reform. As had been announced, this project dealt with important questions such as popular power, the length of working hours, new executive powers and federal territories, the possibility of indefinite re-election to the presidency of the Republic and the various forms of property.

On the question of the legal length of working hours, a modification of article 90 of the federal Constitution of the Bolivarian Republic would represent a step forward, by stipulating that "in order to allow workers to have sufficient time for their all-round personal development, working time during the day will not exceed six hours daily and 36 hours weekly, and working time at night will not exceed six hours daily and 34 hours weekly". That opens up the need for the workers to organize and mobilize to guarantee its application. On popular power, the proposal made on article 136 of the constitution announces: "popular power is expressed by constituting communities, communes and municipal self-government, through communal councils, workers' councils, peasant councils, student councils and other entities indicated by the law". All this aspect deserves a wide-ranging debate. It is positive that this question is tackled in the reform, but it is necessary at the same time to

avoid, and to fight if necessary, any inclination towards control of the rights and sovereign functions of these councils as popular organizations.

It is proposed "to increase to seven years the presidential term and to allow immediate re-election to this position". The important thing should not be such a possibility, but changes making it possible to advance towards a more democratic regime, which instead of continuing to invent new tasks and responsibilities within the executive power, legitimates the power of the workers' and people's organizations, envisages that they should have majority representation in a new Parliament, extends the possibilities of recall by the voters, in an immediate way and for all functions, and defends at all levels of political and economic decision the right of the people to express themselves and to decide.

Lastly, with regard to the mode of property, the project of reform legitimates five types, including private ownership of companies.

The fact is that, within a framework which remains contradictory, broad sectors of the bourgeoisie are worried. For lawyer and representative of the bourgeoisie Asdr bal Aguiar, "the state reserves for itself planning of private economic activity. For them, the private entrepreneur is an appendix of the socialist model of production and operates as a licenseholder. That is accompanied by a big contradiction which is revealed by article 113 of the project of reform, on the role of work: the government penalizes the fact that private individuals do not subject themselves to the methods of production ". [6] Fedec maras [7] and other voices also contested the new law of stability in work. They fear that the state will restrict the possibility of laying off workers in private companies, as one of the principal newspapers of the upper bourgeoisie explains: "This legal instrument will introduce limitations on the right of employers to lay off their workers (...). Employers will have to request authorization from the public authority, represented by the factory inspector". [8]

The Minister of Popular Power for

Planning and Development, Jorge Giordani, assured us that "the figure of the private company can coexist perfectly within the framework of a socialist system, in so far as its finality does not enter in conflict with the wellbeing of the society to which this company belongs". [9]

Apart from the fact that such a choice is utopian - because the operations of private capital are never determined according to social wellbeing, but according to profits made on the basis of exploitation - it weakens a true socialist project. Without nationalization of the banks and replacement of private property of the means of production by social property, without the preponderance of the power of the people's organizations, it will be impossible to advance towards a socialist country.

This conception of a socialism that is open to private capital, far from being new or - as is claimed - "Venezuelan-style", has already been put into practice, with painful results. The most current example is that of China - although this country started from a situation where, following the revolution, the totality of the means of production was in the hands of the state. With a similar discourse about "Chinese-style socialism", the central government launched a process of market reforms and of opening up in three stages to private capital, with catastrophic consequences in terms of misery and super-exploitation. As two recognized Marxist economists explained, in connection with the entry of private capital in the 1980s, "although depending initially on the state sector, the urban collective enterprises were lucrative and many of them were in fact private companies painted red in order to obtain tax advantages for provisioning and credits (...) Each new stage of the process of reforms generated new tensions and contradictions, which were solved only through a widening of the power of the market, leading to an increased consolidation of the capitalist political economy. Thus, instead of using capitalism to build socialism as the reformists affirmed, what was inevitably going to happen, and what did actually happen, is that market socialism used socialism to build capitalism (...) This process of reform highlights the fact that once

you start to go down the slope of market reforms, you can only continue to slide ". [10]

Venezuela is starting from a different situation, it has evolved from a classical capitalism towards a perturbation and a destabilization of the market, each reform making the situation more tense. If we do not go further, if behind a socialist discourse we maintain the power of capital over the means of production and a private financial system, then in the long run, instead of breaking with the capitalist model we could come to maintain it, and even reinforce it. The risk is that instead of advancing towards something new, we repeat the worst faults of one of the most perverse models of false socialism of the 20th century.

Another argument that is advanced in order to justify coexistence with private enterprise is that it is necessary to break with dogmatism. As everyone knows, any truth that is pushed to outrageous limits starts to be no longer true. Not to have a dogmatic method is a good thing, but that does not imply rejecting the theoretical and political bases of Marxism, if they still correspond to the reality of the world and of Venezuela. Today, wherever it is to be found, private capital is synonymous with exploitation and individual profits. Lorenzo Mendoza (Polar Enterprises, Gustavo Cisneros (the Cisneros group), the families Capriles (Cadena Capriles) or Salom n (Sambil), the bosses of Empreven and the new leadership of Fedec maras (Manual Gonz lez, No l  lvarez and Ciro Garc a), with whom the government has come to an agreement or is seeking to do so, have nothing to do with any socialist project. We propose that the constitution establishes clearly that the way to be followed is that of the progressive elimination of capitalist power in the economy and in the mode of ownership of industry and of the financial system.

The debate on the constitutional reform is being conducted in a tense atmosphere, marked by the opposition of the big bourgeoisie and of imperialism. However the big bourgeoisie fears that, if it undertakes new actions, the people and the

workers mobilized in the streets may push Chávez to be more radical. The issues concerned are too important for the debate on the constitutional reform to remain confined to commissions of notables or within the chambers of the national assembly. It must be a debate of the whole people, with their organizations, a mass, constituent debate, in which the rank-and-file discuss the changes that need to be made to the Constitution so that it points to a socialist way and legitimates the decision-making power of the workers and the people.

The workers' and people's organizations, a priority for the revolution

A process of organization at the base is continuing to develop on a whole series of terrains. At the trade-union, peasant, popular, indigenous levels, within the committees for land, housing or water, in the alternative media, everywhere the participation of the masses is being maintained. It is this motor force of the revolution that it is necessary to consolidate and develop. And if some people want to eliminate autonomy and criticism, we need to avoid that by unifying the struggle against any authoritarian tendencies within the process.

Within the trade-union movement, this reality is expressed by the development of CCURA, [11] which remains our first priority of work. Today more than ever, within the framework of the agreements reached with other currents to defend the UNT and to advance in the process of internal elections, it is necessary to preserve its structure and its functioning. Within CCURA, beyond the fact that a big sector of it has registered with the PSUV and that another sector did not do that, [12] what must take precedence is unity and independence from the state and from parties, by allowing the free development of all political experiences within the framework of the revolution and the need for deepening the revolution.

There are a certain number of important struggles, in which the organizations at the base are in the front rank, and which deserve all our support. In the oil sector, CCURA is

clashing with the plans of the Ministry of Labour and of the Bolivarian Workers' Trade Union Force (FSBT), which wants to consolidate its power with the state bureaucracy and puts forward collective bargaining agreements without the participation of the workers, while treating their opinions with contempt. The same thing is happening with public employees, and they have a similar project for the transport sector. Other fights are being conducted by the fishermen and the community of the port of Guiria, who remain organized, by the Wayu' indigenous people who refuse the installation of a gas pipeline on their ancestral grounds, by the communities which are fighting for decent housing and by the peasants who are calling for their demands to be taken into account more quickly. Far from accepting the new theory according to which there is no need to fight for demands because we are going towards socialism, we are engaged in supporting and developing these struggles. The immediate needs of the workers and the people constitute a right, which must be all the more respected if we are going towards socialism.

Within the framework of this process of organization at the base, the communal councils continue to develop, but not without contradictions. The best example is undoubtedly provided by Carora, where 100 per cent of the communal budget is discussed and decided by the councils, on the basis of the needs that they have evaluated. This is the path which should be followed all over the country. The question of the formation of workers' councils is under debate in the workers' movement. Unfortunately, certain sectors of the state and the trade-union movement (FSBT) are aiming at a controlled and anti-trade union model. That does not prevent class-struggle militants from proposing their own model of workers' councils: democratic, unitary and acting in common with the democratic and legitimate trade-union organizations, towards workers' power in industry. The debate about the councils, whether they be communal, workers' or student, must be conducted and decided by the base. And so that they do not lose their capacity for initiative,

as well as their right to put forward needs and to impel the struggles of those who form the base of the revolution, it is necessary to act in such a way that they are protected from projects aiming to tie them to decisions of the state and the civil servants who deal with them.

PSUV - perspectives and challenges

The PSUV is at present holding its first assemblies at the base, in preparation for its first congress. We have seen, over recent months, the desperate attempts at sectors of the government to control the whole process. But at the same time, there is the strength and the aspirations of the base, which has begun to take over many assemblies of the socialist battalions. [13] There is no doubt that a serious confrontation is approaching. As the newspaper *Las Verdades de Miguel* wrote, "a railway collision will happen in the PSUV, between the Right and the Left of the process".

As revolutionaries, we do not place ourselves on the margin of this struggle, which will decide the political course that the country will follow for months and years to come. We take an active part in each assembly, by presenting our proposals, by listening to the base and by acting in unity with all honest sectors. By converging with those who want an anti-capitalist development and who defend a democratic type of party, without bureaucracy, top-down functioning or a military structure. The revolution needs a party of the base, equipped with a programme to finish with capitalism in Venezuela, a party that the workers, in unity with all the non-exploiting sectors of society, lead in order to be able to decide on their future.

The organizers of the CCURA current and the newspaper *Marea Clasista y Socialista* are engaged on the road of the deepening of the revolution, of confrontation with imperialism and the bourgeoisie, against all the bureaucratic sectors which are putting brakes on the revolution. We invite all socialists who are engaged in the struggle and all the members of the PSUV to prepare with us with the big struggles that are on the horizon.

"Educate yourselves, because we will need all our intelligence, get involved because we will need all our enthusiasm, organize yourselves, because we will need all our strength", said Gramsci. It is in the service of these needs and towards a socialist objective that there has been formed, around the newspaper *Marea Clasista y Socialista*, a space for participation, for an exchange of opinions and experiences as well as building together, open to all those who want to join it.

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Footnotes

[1] PDVSA is the national oil company, whose former management tried to block oil production in December 2002 (see on this subject Édouard Diago, "The Oil Curse", *International Viewpoint* nÂ° 353, September 2003).

[2] Haiman El Troudi, *Ser capitalista es un negocio* ("To be a capitalist it is not a good bargain").

[3] Jorge Luis Borges (1899-1986), Argentinean writer and poet, considered as one of the founders of the Latin-American school of magic realism (along with Gabriel

García Márquez).

[4] Broadcast "Aló Presidente" of July 22, 2007.

[5] Simón Rodríguez (1769-1854) was the teacher and guide of Simón Bolívar. His ideas in the field of education constitute, along with the ideas of Bolívar and Ezequiel Zamora, "the tree of the three ideological roots" of the Bolivarian Revolution.

[6] *El Universal*, July 16, 2007.

[7] Fedecámaras is the Venezuelan employers' organization.

[8] *El Universal*, July 30, 2007.

[9] www.aporrea.org, July 23, 2007.

[10] Martin Hart-Landsberg and David Burkett, *China and Socialism: Market Reforms and Class Struggle*, Monthly Review Press, New York 2005.

[11] The Class-struggle, Unitary, Revolutionary and Autonomous Current (CCURA), is in a majority at the base of the new trade-union confederation UNT (National Workers' Union), but not within its provisional leadership structures, established at the time of its formation. For this reason the FSBT (Bolivarian Workers' Trade Union Force), supported by the

Ministry of Labour and in general by the state bureaucracy, has until now tried by all means to prevent the holding of internal elections which, by choosing a representative leadership, would definitively establish the existence and the legitimacy of the new confederation. In July, the CCURA made an agreement with the four other currents existing in the UNT, in order to launch this electoral process. Representatives of the FSBT then declared that the UNT could no longer represent the interests of the revolution and that perhaps it was necessary to build another trade-union body. The confrontation within the UNT centres on the question of "autonomy" with respect to the government, in other words the independence of the trade unions from the state. A public polemic has also opposed, on this point, Chávez (who expressed an opinion in a rather virulent way against the autonomy of the UNT) to the principal spokespersons of the CCURA and the UNT.

[12] This is in particular the case of Orlando Chirino, national coordinator of the UNT and his political current, linked to the Argentinean organization *Izquierda Socialista*.

[13] The "socialist battalions" formed in the neighbourhoods and localities are the rank-and-file structures of the PSUV.

The international situation and the tasks of revolutionaries

21 February 2008, by François Sabado



Some elements of the international situation...

The international situation confirms an extension and a deepening of capitalist globalization. It is marked by

the continuation of the offensive of the ruling classes against the living conditions of hundreds of millions of human beings, of workers, by the systematization of the liberal counter-reforms, the increasingly larger place occupied by the "financialisation" of the world economy, by an ecological crisis which calls into question vital

equilibriums of the planet.

1a) This globalization is designing a new configuration of the world market, where competition is sharpening between US imperialism, still dominant but weakened, the European powers, and the emergence of new powers like China and India, whose shares of the world's GDP are

increasing regularly. If the United States and Europe are experiencing low growth rates, from 2 to 3 per cent, China and India are experiencing growth rates from 8 to 10 per cent, and other raw material producer countries (of oil in particular) such as Russia or Venezuela, between 6 and 8 per cent. These socio-economic changes prefigure new relationships of forces and new international tensions.

1b) This has consequences in the field of international politics, where the interests of a weakened North-American bourgeoisie and those of European powers which want to maintain their rank in this new world competition, make them converge in new systems of alliances, in particular with regard to China and Russia. That does not exclude, far from it, the aggressive search for new market shares for each bourgeoisie, but the bonds between the United States and the European Union are tending to be reinforced. The new relations between Sarkozy's France and Bush's United States are a good example of this inflection or change. Chirac was against the war in Iraq. Sarkozy is for. He is even in the front line in the confrontation with Iran. But more generally the envisaged return of France to NATO and the integration of the European military force within the Alliance shows clearly the type of reorganization that is underway.

1c) This accentuation of international competition, combined with an increasingly strong tendency to the constitution of a world market of the labour force, is leading governments and the employing class to create the political and socio-economic conditions for an increase in the rates of profit, the lengthening of working hours and the time of exploitation, the containment and even the further compression of the share of wages in the production of wealth.

1d) These policies have, in particular, a series of consequences in capitalist Europe, where the principal European bourgeoisies, to ensure their place in world competition, are frontally attacking the "European social model", attacking in fact, the systems of social security, the social rights of workers, public services. This policy is

concentrated in the new "European treaty" which takes up again the broad outline of the project of a European Constitution that was rejected in 2005 by the people of France and the Netherlands. It is reinforced by the integration into Europe of the Eastern European countries. An integration which is leading to the dismantling of a series of social gains and which consequently, exert a downward pressure on all the living and working conditions of the popular classes of these countries.

1e) The United States is on the eve of new elections (at the end of 2008), which can lead to inflections or modifications of American policy. Nevertheless over the recent long period, US imperialism has confirmed its policy of strategic politico-military redeployment. It is a question for it, in a situation where the American economy is increasingly dependent on world credit, on shares, debentures and Treasury bonds held by powers like China or Japan, of compensating for a certain weakening by an aggressive military policy, of occupation in Iraq and Afghanistan, of confrontation with Iran, and to a lesser degree with Russia and China. This policy also comprises a policy of "recolonisation" of certain countries, with the aim of maintaining and even extending control over natural resources or strategic raw materials like oil

And some contradictions...

The capitalist system largely dominates all the economic and social activity of the planet. The cost of this domination is constantly increasing, on both the social and ecological levels. It is permanently nourishes the internal and external contradictions of the system which is leading to class struggles social struggles in the broad sense, which express the refusal by the popular classes of the neo-liberal and capitalist order. There is a series of examples of these contradictions of the system:

2a) The crisis of the financial and banking system of the United States, of which the crisis of the "subprimes" (loans with variable interest rates which are ruining millions of Americans and making bankrupt a

series of banks and financial organizations engaged in lending) confirms the fragility of the current economic expansion. That proves the "ultra-sensitivity" of North-American capitalism to the financialisation of the world economy. This crisis of the international financial system reinforces the structural weaknesses of present-day capitalist development, in particular the weakness of productive investments, by "making more expensive" and hardening the rates and conditions of loans. This crisis of investment has its repercussions on the rates of productivity, and in the final analysis on the growth rates in two of the bastions of the world economy: the United States and Europe. The present financial crisis is now having direct effects on the slowdown in economic activity in the USA and on the risk of transformation of this crisis into an economic recession. All these factors weigh on the room for manoeuvre that the ruling classes and the governments in these countries have to manage economic and social relations and can lead to systemic crises.

2b) Over the last few years the ecological crisis has taken on new dimensions. The consequences of global warming are beginning and are likely to cause, in the long term, new catastrophes - ecological, social, and human. Despite all the political and media efforts of governments to make compatible the functioning of the capitalist system, the ever more frenetic search for profit and ecology, a new consciousness is emerging that "lives are worth more than capitalist profits" and than the cost of the functioning of the system is increasingly calling into question the vital equilibriums of the planet. Revolutionaries must take up this question, decisive for the years to come, in order to denounce the destructive effects of capitalism on ecological problems, and to stress the importance of an economy durably controlled and planned according to social needs and not capitalist profit.

2c) These contradictions are expressed in an acute way in the failure which US imperialism has encountered in Iraq. The term "New Vietnam" is usually adopted by the

American media to speak about the situation of the American army in the region. It is a true political stagnation and soldier whom knows The Bush administration is really bogged down there, from both a political and military point of view. All the propaganda about the objectives of stabilization or democratization of the region is in tatters. It is a traditional operation of aggression and re-colonisation of a country and a region. The rejection of the US occupation combined with the resistance of the Palestinian people against the Israeli policy of aggression and colonization constitutes one of the major factors of destabilization of the international imperialist system.

2d) the socio-economic consequences of capitalist globalization and its armed dimension cause new tensions and social, political and military confrontations. Under the pressure of the demands of the financial markets, and the pressure of imperialism, in particular American imperialism, and in a situation of absence, retreat or even structural crisis of the traditional workers' movement and of bourgeois nationalism, social reactions can take the form of organizations, currents, clans or ethnic or religious groups or whose orientation is globally reactionary. This is what is developing around the situations in Pakistan and in Afghanistan. It is also the case with the tendencies towards the breaking up of a series of states in Africa.

2e) The fact that the USA is bogged down in the Middle East has international consequences, and in particular in Latin America. It is not a question of underestimating the pressure which "the empire" always exerts on a continent that it continues to regard as its back-yard. But it is necessary to underline the weakening of its capacities of intervention on the continent. On the military level, it is difficult for it to intervene in Iraq, Afghanistan and to prepare interventions in Latin America. The "Colombia Plan" is there. So are the military bases in Paraguay. Aid to the "golpist" (putschist) or "liberal-authoritarian" Right is always present.

The Free Trade Area of the Americas (FTAA: in Spanish, ALCA) is a failure but bilateral treaties have been

concluded between the United States and a series of countries of South America. In short, the United States does not ignore South America, but it is undeniable that there is a new relationship of forces between American imperialism and a series of countries of the Latin-American continent and not the least important ones, in particular two groups of countries. The first group consists of Brazil, Argentina, Uruguay and Paraguay. Taking advantage of a phase economic development and of the ability of the governments in power - Lula in Brazil, Kirchner in Argentina, Tabaré Vázquez in Uruguay - to channel, to control, to integrate their mass movements or, more exactly, whole sections of the leaderships of these mass movements, in particular the leaderships of the Workers' Party (PT) and the United Workers' Confederation (CUT) in Brazil and of political and trade-union Peronism in Argentina (even if Lula is situated to the right of Kirchner), the ruling classes of these countries have conquered new margins of manoeuvre to negotiate and impose a series of economic objectives on American imperialism.

They are pursuing, on their own account and in their manner, neo-liberal policies, accompanying them with a dimension "social aid", and with their insertion in the world market, in particular by their agro-exporting policies and their specific relations with the international financial system. The second group of countries, which are today imposing a new experience of partial rupture with American imperialism, is led by Venezuela, followed by Bolivia and Ecuador, all of them supported by Cuba. These countries, each one with its specificity, are trying today to loosen the vice-like grip of the debt, to take back ownership and control over their natural resources, to ensure social programmes for food, health and education, to restore their national sovereignty against American and European (particularly Spanish) pressures.

3. Offensive and counter-offensive in Venezuela and in Bolivia

The victory of the "no" in the referendum of December 2, 2007

represents a turn in the political situation in Venezuela. Few people expected the victory of the "no". It is a defeat for Chávez, even though the Bolivarian process continues. And it is a defeat for the progressive forces in Venezuela and in Latin America. Let us make no mistake about it, it is not - as certain sectarian currents explain it - "a defeat for Chávez... but a victory for the popular forces"! The victory of the "no" directly serves the forces of the Right, "golpist" or moderate. It enables them to recover, to reorganize and prepare the coming battles under better conditions. The victory of the "no" weakens Chávez in his relationship with American imperialism and even with the governments in power in Argentina and Brazil. The pressure to "moderate" Chávez, to lead him to a policy of dangerous compromises will be stronger... That is why, without any reservations or hesitations, we came out for the "yes" in the referendum, over and above the appreciation we might have had of such and such an article of the Constitution.

But we have to go over the reasons which led to the victory of the "no". Globally, we share the explanations which the comrades of "Marea clasista y socialista give" [1] How could Chávez lose more than 3 million voters - which is not nothing - compared to the last electoral consultation? There was certainly the outburst of the media against the government, the campaigns of lies, the calumnies, in short all the weapons of the Venezuelan Right, but the Chavez leadership bears its own responsibility. This failure comes from deeper causes than the simple episode of the Constitution. It is necessary today to have a great debate on the reasons for the "no", a debate which will help to define a policy for the coming weeks and months. We had pointed out that the modalities and certain articles of the Constitution would reinforce the "Bonapartist aspect" of the Chávez regime and that a new constitution would not lead to socialism without tackling the problems of redistribution of wealth and property... But in fact more substantial phenomena explain a certain distance of part of the Bolivarian people from their president. First of all, problems related to the

vital needs of the population: food, purchasing power, jobs, working conditions... The problems of supply of basic foodstuffs weighed considerably in the balance.

More generally, if the problems of food, health and education have seen considerable progress, their financing being ensured by the oil revenues - which is all to the credit of the Bolivarian regime -, the economic and social structures of the country did not experience fundamental change. The inequalities remain. Financial revenues have increased by more than 40 per cent. The structures of property have not been modified. Improving the standard of living of the great majority of the population - workers the informal sector, peasants, civil servants - is the first task in order to deepen the process. And if that involves incursions by the state into economic life, into companies, into the circuits of supply and trade, into control of the banking system in the service of the workers, into property and land redistribution, there should be no hesitation, even if it implies a confrontation with the bourgeoisie and sectors of the state apparatus, even pro-governmental sectors.

The second fundamental reason for the distance taken by part of the people, is the reality - noted by a number of observers - of a process of bureaucratization of a governmental sector which uses power for its own ends instead of serving the government. So, here and there, phenomena of corruption were denounced. In the same way, we saw developing a policy of confrontation with social movements and trade unions, in particular on the part of the Ministry of Labour. All that alienated from the government a series of sectors, which have not however broken with the Bolivarian revolution. Today, it is necessary renew contact with these sectors, to remobilise them in order to deepen the process. So the second task is to deepen the mobilization and the democratization of the Bolivarian process.

More power to the people, more power to the organisms of the revolution, the popular assemblies in the neighbourhoods, the rank and-file trade-union representatives elected in

the workplaces, the communes. It is necessary to broaden the process of co-management of enterprises, to ensure a unitary and democratic congress of the trade-union movement, of the UNT. The social and democratic content of the revolution is all the more important in that, although the process will always be confronted with a "putschist sector", it will also be attacked by more political manoeuvres. It will be necessary for it to not only answer "the whip of the counter-revolution which makes the revolution advance" - a famous sentence of Trotsky's that Chávez regularly quotes - but also with "advances" and "dishonest proposals" which will aim at devitalizing the revolutionary process, at marginalizing in order to finally destroy it... The situation is thus likely to become complicated.

Chávez is at a crossroads: either he yields to the pressures to moderate the process... and he will lose the support of important sectors of his social and political base, or he advances, joins again with the most combative sectors, satisfies the fundamental popular demands and the Bolivarian revolutionary process will deepen. And that will have repercussions in the whole of Latin America.

The crisis is also accelerating in Bolivia, where the vote adopting the new constitution defended by Evo Morales and the large majority of the population, workers, peasants, Indians, is not recognized by the Right and by the "rich white classes" concentrated in Santa Cruz and the provinces of the West, where four regions have just proclaimed their autonomy. The revolutionaries are with the MAS of Evo Morales for the application of this constitution and the satisfaction of the vital needs of the poorest populations in Bolivia.

But the key country is Venezuela. If there was a defeat of the Bolivarian process, that would have immediate repercussions in Bolivia and Ecuador, not to mention Cuba. A global deterioration of the relationship of forces would favour in Cuba the partisans of a "Chinese way" - a combination of the maintenance in power of the Cuban Communist Party

and the development of capitalism. But we are still far from that, the decisive stage is the relaunching of the Bolivarian process combined with the deepening of the Bolivian and Ecuadorian experiences.

4. And Europe...

The European situation is at the centre of the acceleration of neo-liberal policies. One of the key objectives of the ruling classes on an international scale and in Europe - at the moment when the pressures of the world market are pushing more and more towards the unification of the labour market, towards dragging wages downwards, towards the gradual dismantling of systems of social security, towards liquidating public services - is to finish with the "European social model". The steamroller of neo-liberal policies advances regularly. But it also regularly provokes social resistance. The working class, and beyond that the majority of the population in Europe, is east deeply attached to a series of social rights. In France the ideologues of the Sarkozy government have openly declared it: it is necessary to destroy the programme of the National Council of the Resistance (CNR) of 1945 and all the social conquests which have been obtained since. Sarkozy declares that "he wants to reform more than Margaret Thatcher"... he has scored a series of points, in particular by applying his counter-reform of pensions and of the special pension systems (for railway workers, employees in the electricity and gas industries...) but he has not yet beaten the workers' movement did not beat yet. The feeling of workers, in particular after the rail strikes, is not one of defeat. There has not been a major defeat of the workers' movement in Europe like the one suffered by British miners in the 1980s, important struggles and major confrontations are still ahead of us... but three remarks are necessary

- The struggles are defensive. They do not manage to block, far less to reverse the course of the counter-reforms. They appear in the form of explosions or partial struggles. They can destabilize the regimes in place... but that does not stop the process of counter-reform.

- These struggles are unequal in Europe, depending on the country. The level of class struggle remains rather high in France - people speak about "the French exception" in Europe - and also in Italy, where at the end of 1990s and the beginning of the 2000 decade, there was a combination of one-day general strikes by the trade-union movement and a strong global justice and anti-war movement. Recently, there was an important strike of rail workers in Germany, even though it is a strike which did not receive solidarity from other trade unions and a large part of the trade-union left. In Spain and in Portugal the level of class struggle remains very low. In the countries of Northern Europe, in spite of quite strong attacks, the situation is under control of the governments and the leaderships of the trade-union movement; the level of struggle is rather low.

- In the countries, where there is a certain level of struggle, it is necessary to underline a contradictory situation: there is a real unevenness between the level of struggle and the level of consciousness. There can be partial struggles or explosions but there is no organic growth of a wave of class struggles - of the global level of struggle, an increase in trade-union membership, workers' parties, or class struggle or revolutionary political currents - as there was at the end of the 1960 and in the 1970s in Europe, particularly in Southern Europe. As a result, the struggles have difficulty in finding a political expression in class struggle terms.

5. Two choices on the left!

In the current international conjuncture, the left, the workers' movement, the social movements are confronted with two main orientations in the face of capitalist globalisation: an orientation of adaptation to liberal capitalism and a line - ours - of resistance, struggle, anti-capitalist combat. We have, in France, a formula to speak about this situation: "There are two lefts", we say. Of course, there are in reality several varieties of "left", but we are really confronted with two fundamental choices: to accept or to refuse this capitalist globalization!

5.a) The great majority of the traditional leaderships of the workers' movement - social democracy, ex- or post-Stalinism, Greens - or in certain developing countries bourgeois nationalism, have chosen the road of adaptation. This is the result of a whole process of integration into the institutions of state and the capitalist system. But this process of integration, in the current period of capitalist globalisation, is leading to qualitative changes, to structural changes of all these political formations. The demands of capitalist globalization are such that the room for manoeuvre to build social compromises between ruling classes and reformist movements has been considerably reduced. The big economic groups, the financial markets, the higher echelons of the state are summoning the reformist leaderships to accept the framework dictated by the search for maximum profits, by an increased financialisation of the world economy.

As a result, social democracy is being transformed into social-liberalism. From a social democracy which, faced with the class struggle, exchanged its support for the capitalist order against social improvements, we have moved to socialist parties which became "reformist parties without reforms" and have now got to the point of being "parties of liberal counter-reforms". In Europe, the European Union provides the framework of collaboration between Christian democracy and social democracy, in order to deploy the counter-reforms on pensions and retirement and the liquidation of the systems of social security and the public services. That does not exclude a skilful combination of programmes of assistance to the poorest layers - a system of minimum incomes, the programme of the "Family Grant" in Brazil... - and counter-reforms which attack the hard core of working-class rights and social conquests.

But it is on the political level that these choices are most manifest: the evolution of European social democracy towards "a third way" between the Right and the Left, in the call - now in Italy and France - to transform the historical socialist parties into democratic parties on the American model... This is also what we

saw in Brazil, where the Workers' Party (PT) followed in only about fifteen years the evolution over almost a century of historical social democracy: from a class party, the PT was transformed into a social-liberal party. Once again, this evolution does not exclude policies of social assistance, which provide a social base for these parties among certain sectors of the population. This is the case of Lula, in Brazil, who remains popular with his programme of the "Family Grant".

This social-liberal evolution represents a general tendency. In a series of country the process is not completed. The ruling classes need, moreover, in a political system of alternating governments, "to be able to choose between the Right and the Left". So these social-liberal formations are not bourgeois parties like the others. There remain differences between the Right and the Left, especially in the way they are perceived by popular sectors, but overall social democracy and its allies are everywhere going through this process of integration into capitalist globalization and of a movement "towards the right".

5.b) At the other pole of the left, there are the forces which refuse capitalist globalization, which resist and defend an anti-capitalist orientation. Then of course, there are forces which refuse ultra-liberalism, which reject its excessive or outrageous aspects, hoping for a capitalism with a human face. There is also, in Latin America, the return to "neo-developmental" projects - bourgeois nationalist projects which hope to loosen the grip of imperialist domination. But in general what is missing with these forces is the ability and the will to really break with the whole neo-liberal logic - a logic which is inextricable from that of the capitalist system - and especially the determination to take on the ruling classes in order to respond to popular aspirations. This generally leads political formations - such as the PT or Peronism, each in its own way - which in opposition can claim to be anti-liberal, to adapt to liberal capitalism once they come to power. And it is there that there lies, so far, the major difference between on the one hand Lula, Kirchner and Tabaré Vázquez and, on the other

Chávez, Morales, and Corrêa: The first have adopted the neo-liberal logic, accompanying it by "social programmes" for the poorest layers. They are loyal partners of the financial markets. The group of the last three, contrary to the first group, have not hesitated to clash with the ruling classes and American imperialism in order to apply their programme of reforms, even if these reforms remain partial.

But to break in a consistent way with liberalism, it is necessary to break with capitalism.

6. For new anti-capitalist parties...

This is the programme of the parties and the political formations which we want to build. An anti-capitalist action or transitional programme which defends immediate demands (wages, jobs, services, distribution of land, control over natural resources...), democratic demands (problems of popular and national sovereignty in countries dominated by imperialism) and transitional demands, which lead to the need for another kind of distribution of wealth and to putting in question the capitalist ownership of the economy.

The implementation of these programmes requires governments at the service of the working class, basing themselves on the mobilization and the self-activity of the popular classes.

This battle - and it is a central battle today - implies the rejection of any participation in or support for social-liberal governments which conduct the business of the state and the capitalist economy. You paid dearly for it in Brazil with the participation of Socialist Democracy [2] in the Lula government, but you should know that your painful experience was useful to us and that we learned all the lessons from the Brazilian experience in order to reject in France, in Italy, in Portugal, in Spain any support for or participation in social-liberal governments.

So the question of participation or not in this type of government had again become a cardinal question of the strategy of power in Europe and in the principal countries of Latin America.

These are the references which constitute the basis of the anti-capitalist parties which are being built - like the Bloco de Esquerda (Left Bloc) in Portugal, which you have known for several years - or which will be built in the coming months and years in Europe, more precisely to France and Italy, each with its specificity. In a certain fashion, they are the equivalents of your PSOL.

In France, you know that the LCR obtained good results in the last presidential election, with nearly 1.5 million votes. But the LCR has above all a spokesperson, Olivier Besancenot, who is a young postal worker, and who regularly takes the side of workers who are involved in a struggle or a strike, particularly in the most recent rail strike. That has brought him, for several months now, great popularity. The political space occupied by Olivier, the wave of sympathy which he arouses, largely exceeds even that of the LCR.

That comes after a series from events over the last twelve years, where there took place social resistance, political experience against the liberal counter-reforms, of the debates on the type of political alternative, which have created the conditions for building a new party.

This party will be an anti-capitalist party, feminist, ecologist and internationalist party. It will situate its combat in the revolutionary traditions of the workers' movement. At the centre of the project, there are key political references: the class struggle, unity of action of the workers and their organizations, independence with respect to the central institutions of the capitalist state, socialist democracy. So, although this new party has anti-capitalist programmatic and strategic delimitations in a perspective of the conquest of power by the workers, it will leave open a whole series of questions about the type of revolution of the 21st century, its forms and its content.

But anchored in the class struggle, it will subordinate its electoral and institutional positions to the development of social mobilizations and the self-activity of the mass movement. The objective of this new

party is to bring together militants and currents coming from various origins - Communists, Socialists, trade unionists, libertarians, revolutionaries - on the basis of a programme which is the "common understanding of events and tasks" and not on the basis of general ideological or historical references. Nor is our objective to bring together only revolutionaries, it is to try to build a new political representation of workers and youth, even if it is only partial and only represents a first step in an overall reorganization of the workers' movement. So, while we will maintain the links of the LCR with the Fourth International, this new party will not be a "Trotskyist" party. It will try to amalgamate, as we said above, the best of all the revolutionary traditions.

In Italy, starting from different histories and experiences, a whole sector of Communist Refoundation has just broken with this party in order to launch the construction of a new anti-capitalist party. After a whole political period where the leadership of Communist Refoundation had applied a policy of rejection of neo-liberalism and of engaging in and driving forward the global justice movement - an orientation that we supported -, this party today supports and takes part in the government of Prodi (former president of the very liberal European Union).

By taking part in the Prodi government, Communist Refoundation has supported all the programmes of neo-liberal austerity, a reform of pensions, and especially the sending of Italian troops alongside US troops in Afghanistan. Under these conditions, the comrades of the Fourth International, but also of other currents, left trade unionists, organizers of the social centres and the anti-war movement, decided to engage a process of constitution of a new anti-capitalist party... So it is on the basis of a fight against the Right and the Italian employers, but also in breaking with the social-liberalism which has taken over Communist Refoundation in Italy of Italy, that we are taking part in the construction of a new party, represented today by the Sinistra Critica (Critical Left.) movement.

To conclude: we began the discussion on new anti-capitalist parties at the beginning of the 1990s, taking into account the end of a whole historical period - the short century which started with the war of 1914-1918 and ended in the collapse of the USSR in 1991 - and the beginning of a new historical period marked by capitalist globalization, the social-liberal evolution of the workers' movement, the final decline of Stalinism, and by new waves of social resistances.

Today, on the basis of social resistance and political experiences, in particular of social-liberal governments in power, the contours of new anti-capitalist formations are starting to be confirmed.

The PSOL, the Bloco de Esquerda, Sinistra Critica, the new anti-capitalist party in France, that is the horizon for the coming months and years. It is a major challenge for revolutionaries.

We will need a lot of audacity and tactical flexibility to build broad anti-capitalist parties, based on the combativeness of workers and youth, on the political lessons drawn from recent experiences where various orientations - going from social-liberalism to anti-capitalism - have been confronted. But it is also necessary to know the limits within which we will build these parties. Because there is great unevenness between the political space that we occupy and the politico-organisational reality of our forces. Whether it is in France (between the popularity of Olivier Besancenot and the reality of the LCR) or in Brazil (between the popularity of HeloÁsa Helena and the reality of the PSOL), there are real differences between the popularity of our spokespersons and our organizations.

Of course HeloÁsa and Olivier base themselves on real phenomena - of combativeness and consciousness - in society, but if they occupy such a political space it is as much, if not more, the result of the "movement towards the right" of the traditional Left (PS or PT) which leaves broad

spaces on the left, than the expression of a movement of organic growth of a rise in the class struggle. They occupy a space left vacant by the "movement to the right" of the reformist apparatuses.

Furthermore, this space is not automatically occupied by anti-capitalist forces. Thus in Germany, it is a left reformist party - Die Linke - the product of the fusion of the ex-Stalinists of the PDS and a left wing of social democracy with Oscar Lafontaine, which occupies this space and which plans to take part in a social-liberal governmental coalition with the SPD and the Greens. Because we are not confronted with a high level of struggle, an increase trade-union membership, an increase in the membership of the left parties of left or the emergence of trade-union or political "class struggle" currents.

We want to build anti-capitalist parties, but hundreds of sympathisers and militants are only coming towards us because we are the left that fights, that does not let anything go, that is really on the left. They are not coming towards us on positions that are anti-capitalist, and even less revolutionary. It is a new situation and it is necessary, of course, to take this phenomenon as something positive. But in a context where the level of activity of the masses is not at its highest, the electoral pressures, the pressure from the media, and in certain situations, the institutional pressures can be very strong. That must encourage us to stress what must be the centre of gravity of the parties that we want to build, that is the class struggle and their anti-capitalist and revolutionary character: by involvement in the ongoing struggles of the workers, by links with the social movements, by striking a balance between our electoral work and the decisive place of our social intervention, by the control of our elected representatives, by the political education of our members.

Once again, it is an enormous challenge for revolutionaries but it is the best way of answering the new

historical period than we are living in...

Footnotes

[1] Marea Clasista y Socialista is a regroupment of militants of the revolutionary left, including trade-union leaders of the UNT and militants who, having begun building the Revolution and Socialism Party, decided to join the Unified Socialist Party launched on the initiative of Chávez. For their point of view, see "Lack of organization of honest and consistent sectors which underlie revolutionary process", by Marea Clasista y Socialista, International Viewpoint 395, December 2007.

[2] Socialist Democracy (DS), a tendency forming part of the Workers' Party in Brazil, regrouping the militants who identified with the Fourth International, took the decision to support the participation of one of its leaders, Miguel Rosseto, in the Lula government in the capacity of minister in charge of land reform. The policy followed by the Lula government quickly led to tensions within the left of the PT and in particular in the DS, one of whose leaders, Senator HeloÁsa Helena, was expelled from the PT by the leadership for having opposed the counter-reforms of this government. HeloÁsa Helena, along with the members of Parliament expelled from the PT and important sectors of the PT left (including a minority of the DS) then decided to build a new party, Socialism and Freedom Party. The "Enlace" current regroups within the PSOL, among others, the militants of the Fourth International who have broken with the DS, which remains pro-governmental. For the debate between the leadership of the Fourth International and the DS, see International Viewpoint 389, May 2007.

LCR calls for new anticapitalist party

9 February 2008, by [François Duval](#)



After three months of rank and file debates and local conferences (in different towns and federations), the 313 delegates to the 17th LCR Congress met at La-Plaine-Saint-Denis for four days, from Thursday 24 to Sunday 27 January, in the presence of many guests.

The opening session of this 17th congress was devoted to presenting the LCR's evaluation of its activities and those of its national leadership since the previous congress (January 2006). This was an opportunity to focus on LCR's interventions in social mobilisations (struggle against CPE, defence of pension schemes, struggle against layoffs and for salaries, support for undocumented immigrants, anti-discrimination struggles, etc.) internationalist solidarity campaigns (Venezuela, Palestine), theoretical work by different sectors (women's secretariat, ecology commission in particular). And naturally, to look back on the presidential election campaign - and the parliamentary elections - and the many debates around the attempts to field "unitary candidates".

Following this, the congress discussion on political theses was an opportunity for a large number of delegates to speak up about the main lines of the political situation: the reasons behind Sarkozy's victory, the political meaning of Sarkozysm, the institutional Left's political failure, trade union leaderships' policies, a balance-sheet of last November's strikes over special pension schemes and the state of resistance. But

naturally, the political project of building a "new anticapitalist party" lay at the heart of this discussion. Within the LCR, there is a very broad agreement on the structural reasons behind the attempt to build a new political representation for the world of work, bringing together all those who have not given up on the struggle against the capitalist system. However, important divergences remain: on definitions, on the indispensable political boundaries, the means to achieve it, whether or not there are other political currents as potential project partners, how quickly to act on it, etc. The three draft theses put forth by the three current platforms (see the tribunes published in Rouge in December and January) reflect these divergences. The theses presented by platform A won 83.01% of delegate votes, platform B, 14.10% and platform C, 2.88%.

A third portion of the congress dealt with what one could call "practical tasks": drafting an address from the LCR national congress for a new anticapitalist party (read here). This address was approved by 81.2% of the delegates (14.8% against; 4% abstaining). The discussion also included initiatives to be undertaken as of now to go forward, as well as the ins and outs of the constituent process, which could conclude with the founding of a new party by late 2008 or early 2009. This would entail a congress beforehand to dissolve the LCR. Motions made include such aspects as setting up local committees, holding departmental and regional meetings, aiming for a national meeting in June for a progress report on the process. Alongside these proposals, LCR will

organise three broadly open conferences on intervention in the world of work (public and private), youth, social housing estates and neighbourhoods.

The congress also adopted a few changes updating LCR statutes, a motion on our work towards social housing estates and poor neighbourhoods. As well as a series of motions reflecting LCR's commitments in the fields of ecology, defence of LGBT rights, against repression in Kanaky, against the layoffs decreed by the Mittal group on the Grandrange site and a message of solidarity with the Palestinian people's struggle. A motion, jointly presented by the LCR and JCR leaderships, was also adopted (63.23% for), 22.58 against; 8.39% abstaining and 5.80% not voting). It concretises the common commitment of all the young activists - whether they are active within JCR or the "youth" sections of LCR - in the political battle to win others over to the new party and build it as well as formulating proposals about the ways an autonomous youth section could take action within the new party.

The congress concluded by electing the new National Leadership. Each platform is represented on the leadership in proportion to congress votes (80 members for platform A, 14 for platform B and 3 for platform C) and parity is the rule (48 women, 49 men). The leadership met immediately to elect the organisation executive (political bureau) whose membership has been significantly renewed, and to set the date for its first meeting: 15 and 16 March.

Translation: Maria Gatti

Understanding the Belgian crisis

9 February 2008, by [Daniel Tanuro](#)

Indeed, it is necessary to understand : that we cannot simply say that this crisis concerns those at the top, that those at the bottom have “other problems” and so on.. There is obviously an element of truth in this affirmation, but the crisis poses bizarre questions to which it is impossible to avoid without fading from the political field To respond is first to understand the underlying factors.



In a good materialist logic, we should start from economic developments.. From this viewpoint, things are simple enough: the Flemish employers have an ambitious project of development so that Flanders remains one of the most prosperous regions in Europe. Its great asset is the port of Antwerp, the third biggest in the world (the second after New York if we do not take into account the oil tonnages passing through Rotterdam). But Antwerp is landlocked at thirty kilometres from the mouth of the Scheldt. It can only keep its place through a vast investment programmes in the port area itself, in the arc between Antwerp and Zeebrugge as well as in the whole of the periphery, towards Lille, Holland, Germany. The maintenance of the economic dynamism of the Flemish enterprises and the attractiveness of the area for the multinationals depends on this. On the social level, that assumes a sharpening everywhere of neoliberal policies: reform of social security, flexibility of labour, mobility and training of the workforce, immigration, asylum, incomes policy, not to mention the repercussions on land development, the environment and so on.

There is no longer a Belgian capitalism

This is the key point : this project is that of the “new” Flemish employers. The rise in power of this faction of the dominant class began after the Second World War. Its relative weight has

sharply increased since the dismemberment of the Société Générale (the holding founded by William of Orange even before the country became independent), which dominated the economy of the country and had a determinant weight on the parties as well as on the state up to the highest level (the monarchy). The inequality of development between the North and the South of the country has constituted a characteristic trait of the “Belgian provinces” since the 13th century. with its industrial investment in Flanders and Wallonia, the Générale in a way counterbalanced it for some decades in the 20th century. But it did so in a very specific manner. After the war, instead of relying on the industrial jewels to occupy some niches in the international arena, the Générale confined itself increasingly to financially exploiting them. Belgium has then neither the equivalent of Philips in Holland, nor Volvo in Sweden.

Subjected to this rentier capitalism, and in the absence of an adequate investment policy, the enterprises of the group were hit head on by the reversal of the long expansionary wave in the 1970s. In the south of the country, already hit by the coal crisis, their restructuring only left a field of ruins. In Flanders, it cleared the field for the expansion of a regional capitalism based on its dynamic small and medium businesses, on its banks (Kredietbank) and on investment by multinationals. The coup de grace was delivered by the Italian businessman Carlo De Benedetti. who described the Société Générale as the incarnation of a “capitalism in a nightcap”. It was not only comical but also very true. Although repelled with the help of Suez “ called to the rescue by the Belgian state “ the takeover bid launched by the boss of Olivetti was going to sound the knell of the “old lady”. Since then, there is no longer a “Belgian capitalism”.. We cannot understand the current crisis without taking account of this reality.

The institutional superstructure is no longer in synch with the reality of capital. Closely linked historically to the Société Générale, the monarchy has no real base among the new Flemish employing class The reform of

the state in the 1980a and 1990s was accompanied by a certain number of aberrations in the division of competences, in such a way that the federated entities, like the central state, are sometimes handicapped in the implementation of coherent policies. The situation of the region of Brussels, the capital, is particularly untenable: insufficiency of resources, division into 19 communes, cramped territory. Finally and above all, the maintenance of the national social security system, created in 1944, implies that a certain number of levers cannot be fully at the service of the Flemish employers’ project, in its specificity.

The nationalists of the North of the country denounce the “financial transfers” from wealthy Flanders to poor Wallonia (in fact the solidarity of the more numerous and better paid employees of Flanders with the more numerous social security claimants in Wallonia). This agitation is only the deformed political translation of the fact that the Flemish employers want to “reform” social security in line with their specific neoliberal project, and to be able to rely more on the available workforce...in Wallonia. For inequality of development appears anew in full daylight: whereas the old Walloon industrial belt remains hit by massive unemployment, the Flemish economy fears labour shortages. . Such shortages have consequences for “end of career development”, “asylum management” or “activating jobseekers”.

The Francophone parties grumble. But why, precisely? Is it well need of specifying that the blockage of negotiations has nothing to do with a left-right confrontation? is it not enough to glance at the policy of the federated Walloon, Brussels and Francophone entities to note that the Francophone parties are as converted to neoliberalism as their Flemish equivalents? If they oppose Flemish requests for a split from social security, or regionalisation of contractually negotiations, it is because they fear the deflationary effects and the political destabilisation which could result in Wallonia from a new and brutal degradation of social protection, in other words because neoliberal policies have created a

south of the country which differs in its rhythms and modalities from what happens in the North. In the healthcare sector, for example, a split on the basis of tax contributions of the regions would create a differential of around 25% in available means in the north and south of the country.

The tortuous roads of politics

This whole background is expressed in the governmental crisis. But politics, as we know, never simply speaks the language of economics. The two spheres are linked by specific mediations, and it is here that things get complicated. In the Belgian case, the transfer takes place through the national question, that is via the Flemish question. This leads to an outbidding of superficial and impressionist interpretations. To claim that the Flemish question can be reduced to a cultural frustration, for example, is to completely bypass the essence of things. The national question, here as elsewhere, is only the envelope of the social question. Forcing the comparison a little, we could say that Flanders has been to Belgium what Ireland was to the United Kingdom: a reserve of cheap labour and a source of cheap agricultural products allowing the compression of workers' wages. Same underdevelopment, same famine, same emigration. Same contempt for the language and the people. Who, outside of some English people, would dare to treat Irish nationalists as "culturally frustrated"?

The economic situation is reversed, one can say. Certainly: it is Wallonia which is poor and held in contempt today. The national rights of the Flemish are no longer oppressed - the nationalist leader Vic Anceaux himself admitted it nearly thirty years ago. . But we should take into account historic gravity. It has had a considerable effect on the left. For the left is still paying for the big historical error of Belgian social democracy, which refused to embrace the legitimate cause of the Flemish people. The German August Bebel had pressed the Belgian Workers Party (POB, ancestor of the PS) to profit

from the fact that the Flemish workers did not speak the language of their exploiters. In vain: the party of Vandervelde refused to take this internationalist path. Already infected by class collaboration, it increasingly preferred to comfortably insert itself in the undemocratic, monarchic and Francophone institutional system. A system set up by the great powers to play the role of buffer between post-revolutionary France and the North of Europe, without the two peoples living on this territory "Flemish and Walloon" being consulted on the forms of their cohabitation.

In the absence of a left alternative, the Flemish movement was hegemonised and recuperated by the right, via the lower clergy who played a key role here. Their rabid virulence and typically petty bourgeois revanchism reflected the humiliations and contempt endured. And this is not the only consequence of the historic error of the POB: among the working class, the failure to take up Flemish democratic demands left the field free to the Catholic hierarchy. Indeed, after the encyclical *Rerum Novarum*, the latter set up a Christian trade union, whose explicit goal was to form a counterweight to the socialist trade union. Since then, Christian trades unionism has dominated the working class in Flanders, whereas socialist trades unionism remains more powerful in Wallonia. The confessional cleavage has hardly any meaning today inside the labour movement. . But the organisational line of divide remains, superimposed on the linguistic line of divide.

Flemish nationalism in a time of neoliberalism

If the end of Belgian capitalism is the key to grasping the objective bases of the crisis, the comprehension of the subjective aspects necessitates grasping the evolution of Flemish nationalism in the dual context of the economic triumph of Flanders and the ideological triumph of neoliberalism. Here also, it is necessary to avoid

superficial interpretations.

That this nationalism is no longer the envelope of exploitation and oppression is obvious. But it is completely erroneous to see in the unanimity of the Flemish parties around autonomist demands the demonstration of an atavistic "fascistisation" of the North of the country under the aegis of the *Vlaams Belang*. Let it be understood: The *Vlaams Belang* (25% of the votes in Flanders) is a far right party, the nucleus of its historic leadership is fascist and a fraction of the employers supports this party. The danger that it represents cannot be underestimated. But the Flemish employers lead the dance, and they have not chosen to play the far right card, which would imply a confrontation with the powerful Christian workers' movement. Why would it do so? All the "democratic" parties carry out their activities in the framework that it has laid down. Flemish social democracy, completely thrown by the slippage of its popular electorate to the *Vlaams Belang*, has no other perspective than to go along with the neoliberal project for Flanders. As to the Greens, they have warm anti-nationalist souls, but present no social alternative.

In truth, it is the hegemonisation of the Flemish political class by neoliberalism, not by fascism, which expresses itself in the Flemish front. Hence the nationalist outbidding between parties. With the shift of the economic centre of gravity to the North of the country, Flemish nationalism has become the ideological form of the neoliberal project in the specific context of Flanders. It is this specific alchemy which explains how the split of the last bilingual electoral arrondissement, Bruxelles-Halle-Vilvoorde (BHV), has become a fetishist question of political life. "We are the rich ones now and we will lay down our law to you": that is the symbolic meaning of the vote of the only Flemish parliamentarians on the split of BHV, in the internal commission of the Chamber. The outraged Francophones talk of a "slap in the face". Arrogance, indeed, has changed sides... Note nonetheless that the Flemish have for their part a certain logic: why maintain this unitary arrondissement when the

whole country is split on a linguistic basis, including the Province of Brabant which the Francophone parties refused to make a bilingual area in 1962? That said, this vote is not the expression of a separatist threat. Outside of a minority fringe, the Flemish employers do not desire the break up of Belgium but the autonomy of Flanders in the framework of a state which poses no hindrance to its project.

You can see it: the Belgian crisis is situated at the intersection between a series of historic factors, on the one hand, and the neoliberal politics of the supremacy of the market, on the other. The ideological by products that accompany this are unsurprising : the arrogance of money, the glorification of social inequality, the banalisation of xenophobia, the rupture of social solidarities. Given the role of the European Union (EU) in the implementation of this policy, is truly too funny for some Francophones to denounce the Flemish in the name of the "European model of coexistence in difference" of which Belgium, they say, would be the illustration. What model? "European integration renders the Belgian state fragile" : although "Le Monde Diplomatique" had posed this diagnosis nearly 20 years ago (July 1988), nobody seems to want to understand that what has happened here is not a wart on the nose of the EU but a specific product of its policy. An increasingly difficult product to manage, moreover, for neoliberal governance can only deepen the gap between the rich regions and the poor regions, all the more so when they are inhabited by different peoples. It is here, in fact, that Belgium is an illustration and a "model": the

formation of parliaments and of regional and community governments charged with applying neoliberal policies has certainly allowed fifteen years of relative "community peace". But at the price of an incapacity of the greater part of the political personnel of the dominant class to understand that what happens on "the other side", not to speak of raising itself to the level of the management of the state overall.

No way out without a break with market mechanisms

Fundamentally, the solution to the Belgian sickness involves a social and economic policy which can reduce the inequality of development between the north and south of the country. . such a policy involves a redistribution of wealth and a revival of public investment, thus a challenge to the logic of the market . This was understood by the left wing of the General Federation of Labour of Belgium (Fédération générale du travail de Belgique (FGTB)) which at the end of the 1950s linked the demand for federalism to that of anti-capitalist reform of the structures (nationalisation of energy and credit, notably). Adopted by the 1954 and 1956 congresses of the socialist trade union, this programme played a decisive role in the workers' mobilisation which led to the "strike of the century" in the winter of 1960-1961. After the strike, it fell little by little into the memory hole because the Walloon FGTB fell into a regionalist framework whose fruits

can be seen today.. Then came the years 1977-1993 in the course of which the working class, in spite of a heated resistance, suffered a very heavy defeat, largely due to the policy of concertation and division of its trade union apparatuses..

And now? Pushed onto the defensive, the weakened workers' movement is confronted with a new challenge.: to save the social security system. This battle can only be won by an internationalist struggle of the workers, Walloon and Flemish, FGTB and CSC (Confédération des syndicats chrétiens - Confederation of Christian Trades Unions), and by adapting to the ultra-defensive context of today the algebraic formula of 1954-1956: there is no worthwhile federalism, no democracy, as long as Wallonia, Flanders and Brussels constitute this "paradise for capitalists" that Marx had already denounced. The big problem : to go in this direction, the trade union movement must dare to intervene on the political level, oppose the neoliberal yoke of the EU and that of the Belgian state also.. It must dare, above all, to oppose an internationalist line to the regionalist line of social democracy. That goes totally against its continued slide over the last twenty years towards a "trades unionism which accommodates change ". However, there is no other practical road in the interests of those who, to live, are forced to sell their labour power. If this battle should be lost, the conditions of life and struggle in Belgium could well change radically, and for a very long time.

** We reproduce here an article first published in the Belgian weekly "Journal du Mardi".*

Current difficulties of the feminist movement and the areas of united intervention

8 February 2008, by [Ligue Communiste Révolutionnaire](#)

"Objective"

difficulties of the

situation

Since 2002 in particular, the feminist movement has had to confront some

large obstacles: it has faced not only attacks faced by all workers but a real ideological offensive which had been going on since the 1980s in North America centred around the theme of respecting the "differences between the sexes" and the idea that you would have to re-balance the power relations between men and women, in order to correct the "excesses" of feminism. Psychologists in the media go on about the dangers which threaten a society which fails to differentiate between male and female behaviour, and an imagined seizure of power by women and mothers in particular. They all defend paternal authority. All methods are acceptable to legitimate this discourse of "difference".

Another sizeable facet of this ideological offensive: religion. The Catholic hierarchy has always emphasised the difference between male and female roles and the motherly vocation of women. Catholicism is not alone in holding this vision of the world, it is shared between all religious fundamentalisms.

The return of the religious to the fore will not lead to a greater liberation of women. On the international scene, these movements always fight against the right of women to control their own bodies. In the United States, where the anti-abortion movements are very strong, they have succeeded in challenging the right to abortion in several states.

Another anti-feminist offensive, led by intellectuals who call themselves feminists (Elizabeth Badinter, Marcela Iacub etc.): the fight of feminist organisations against violence against women is denounced by these latter as "victimist" (locking women into the logic of victimhood). For Badinter and others, there are on the one hand democratic countries where, men and women being equal, such violence is only ever a simple individual pathology or a banal conflict within couples; and on the other hand, there are patriarchal countries (all the non-Western countries) where systematic anti-woman violence exists. Unfortunately reality is more complex and violence of this sort also exists in the West and in all social classes.

-The political situation in France: contradictory messages

If the right which came into power on the 6th of May last year is incontestably the most reactionary we have known for decades, it is nevertheless following a well-developed pattern: the right finds it impossible to defend an explicitly sexist model. On the contrary, it talks a lot about the importance of equality between the sexes. It proclaims its desire to achieve parity in the government and has named women as important ministers (Michèle Alliot Marie for the Interior, Christine Lagarde for the Economy, Roselyne Bachelot for Health, Rachida Dati for Justice). These nominations are accompanied as well by posts in government for women from "visible minorities" (the term is questionable): Rachida Dati, Rama Yade, Fadela Amara... Despite the absence of a Ministry for the Rights of Woman, let alone a "minister responsible for equality at work and parity", the equality of the sexes is frequently presented as one of the government's priorities. This misleading integration of a feminist theme like equality at work recalls an old tactic of the Right: Giscard d'Estaing also named Françoise Giroud as Secretary for State for the Conditions of Women. More recently, Villepin's government voted in March 2006 for a law against violence against women which granted several feminist demands but which is largely without substance (no perspective on prevention, no means of implementation, etc.). In the coming months, the government may try the same trick on feminist organisations as has been tried with the unions, green groups, social inclusion campaigns, etc.

The government is committed, following a conference on equality at work, to put an end to discrimination against women in the workplace by 2009. A year of more of the same sorts of targets as fixed under the Chirac

presidency. All the anti-social measures, the attack on the reduction in working hours, the attack on employment contracts, the incessant advance of precarity and the increase in the required number of years of contributions to a pension fund are hitting women especially hard.

All these offensives are designed to sow a certain confusion in the ranks of a section of feminists. A confusion which we, through our activity, have attempted to dissipate, through our publications - cf. the issue of "Cahiers de Critique Communiste" on "Women, gender, feminism (femmes, genre, féminisme)" - and through participating in debates within different organisations or networks such as the CNDF, ATTAC, etc.

Unity Work:

Our continuing preoccupation is to construct as broad a network as possible in order to impose a balance of forces favourable to women's rights and radical, feminist change in society, in all sectors and all social groups. That is why the LCR intervenes in different unity structures and feminist organisations: the Collective for Women's Rights (CNDF), the Co-ordination of Associations for the Right to Abortion and Contraception (CADAC) the Global Women's March (MMF), Family Planning (MFPF), the ATTAC gender commission and more local organisations, particularly in the provinces. In the unity structures, we note a disengagement of organisations, parties and unions. For us it is fundamental to have structures which develop these questions.

CADAC has intervened on the charging of fees for contraception, on the medicinal use of contraceptives and more generally against the serious threats to the health system. The discussion on the unachieved right to do as one wishes with one's body (February 2007 colloquium) will be published in January 2008. CADAC is involved in supporting mobilisations in support of the right to abortion in Portugal, and in Poland, and is acting currently against challenges to abortion rights in Spain.

ATTAC's gender and globalisation is working on elaborations on different subjects (prostitution, the wage gap, pensions, etc.), enabling it to carry a feminist intervention into these spheres.

On the Global Women's March (MMF), we note that without initiative and mobilisation at a European or global level, the organisation is having difficulty acting as a co-ordinator. It is present in various unity initiatives but this presence amounts to only one or two people. Since 2005 the only real campaign it has run has been the one on prostitution during the Football World Cup, with debate on that topic being shut down with the end of the football competition. The real problem is to maintain European and international networks outside big campaigns, but this is the same problem as is faced by for example the European Social Forum

Thus we have an intervention in numerous structures and we have participated in several initiatives but alone, a small number of militants are working on this intervention, without sufficient communications between it and the wider organisation. More and more it is becoming difficult in certain towns (including Paris) to find or construct united groups to perform this intervention, or which are sufficiently open to non-organised or younger individuals who want to militate around feminist issues. During the last two years the campaigns have focused around violence against women and the law, precarity and young children.

Campaign against violence against women:

Following a Spanish governmental vote on a law, the CNDF has had a long debate on this theme, which led to the publication in October 2006 of a law written by the CNDF and today taken up by parliamentarians. The law is centred on prevention and education against all violence against women and on support for victims and making contact with them. Since then there have been different initiatives to

have this law passed: the demonstrations of the 25th of November, a debate in the Senate which opened with different interveners and a demonstration on the 24th of March 2007.

A petition is being circulated today demanding that the law be put on the parliamentary agenda, which was written by the PCF-Greens group. The aim of this law is to give coherence to the diverse legislation related to violence against women which exists and to effect certain improvements. Discussion around this law is still going on within feminist organisations.

The LCR took part from the start and participated in the writing of this law and also in its diffusion. It should be noted that there are traps to avoid around the question of violence, linked to the stigmatisation of poor areas [quartiers populaires], estates [cités - could also mean blocks of flats] and suburbs [banlieues] which the Right perpetrates: for the Right, violence against women only exists in these areas; furthermore, one must not fall into authoritarian, "security"-centred logic which the government developed, unchallenged by the celebrity organisers of the protests around the death of Marie Trintignant and the release of B. Canata from prison, protests which had no demands other than for a harsher sentence.

Campaigns on job insecurity and young children

In 2007 in two campaigns, the CNDF's job-security commission produced a very useful leaflet on this theme, and the public service commission produced one on young children. In parallel with the conferences organised around equality at work by Sarkozy, a demonstration had been organised and debate on this theme will continue following a colloquium on the 16th of February.

On the question of young children, the demands and perspectives of the CNDF, summed up in an excellent

small pamphlet, are regularly used by different unity initiatives for the defence of public services. Elsewhere the LCR is taking up these proposals in its programme for the municipal elections, its militants having elaborated on them.

One can imagine the impact that all this work would have if it was taken up and reflected in all of our work!

Organisation of "internal" feminist work and its difficulties

Centralisation and co-ordination of feminist interventions

It is difficult for the secretariat to capitalise on the success of the CNF (National Commission for Formation) and to centralise and co-ordinate feminist intervention at the national level, in different cities and regions. There are also specific difficulties which might face local interventions (generation gap, difficulty with or absence of focuses for united intervention, etc.).

There is great difficulty in using the internet announce/discuss list, with no exchanges of experience or debates going on, and a total absence of responses to messages sent out.

Educationals and summer school

An important effort has been made in the area of education, in the context of renewing the course and recruitment of teachers.

Certain successes seem to be more broadly diffused within the organisation. But the education, especially at an elementary level, remains a priority during the coming period, especially as regards new activists. But equally the themes of the

more advanced courses must be renewed.

Elementary Education

Pursuing the reorganisation of elementary education, transmission of educational activity between generations, diffusion of educational kits in regions, systematic education

- Education of "leaders": two-module intervention in TÃ´tes courses

- Summer school: a stream of "women" themed classes takes place every year trying to articulate the fundamentals of the oppression of women and debates around various themes. One of the recurrent difficulties is the women's rights

section which should be integrated into all debates.

Operation of the secretariat and generational renewal

We have had successes in terms of new generations of militants but these are challenged today by a resignation. The women's secretariat today is not operating effectively enough to fulfil all the tasks of centralisation and speeding up of work.

Therefore we have had to stop the organisation of the Parisian regional commission (debates on various themes), which it will be necessary to

take up again. It is thus necessary to find the means to engage in a new phase of recruiting a new generation of militants, all the more because that seems to correspond to the demands of a number of younger militants.

The national leadership

It is difficult to carry the themes of the feminist intervention into the national leadership (DN) and to organise the women-only session of the DN, to find it an objective (it must not become a place for discussion of feminist work which would therefore be ignored more in the plenary sessions). It has been suspended for a year, and will perhaps find a use today in particular on the question of the municipal elections.

LCR debates stimulate broad interest

8 February 2008, by [Franois Duval](#)

From France a very large number of political, labour and voluntary sector organisations and figures answered LCR's invitation, either by actually attending or sending greetings: the following labour organisations: CGT, CFDT, L'Union syndicale Solidaires, Confdration nationale du travail (CNT), CGT National Unemployed Workers' Collective, A. Mosconi (Corsican Workers' Union), as well as the Human Rights League, the Collective for the defence of public services, Aides (AIDS coalition, the French Communist Party (PCF), les Alternatifs, the Revolutionary Left (Gauche rvolutionnaire), Lutte Ouvrire (Workers' Struggle), L'Alternative libertaire (Libertarian

Alternative) the *tincelle* fraction of LO, the Greens, MARS- Republican left, For the Social Republic (PRS), the Coordination of united antiliberal collectives, A manca nazuinale (Corsica) Maron (Movement for a Reunion Island alternative to the neoliberal order) and the magazine *Regards*.

Among international guests, we also note the presence of Left Bloc (Portugal), Espacio alternativo (Spanish State, OKDE-Spartakos (Greek section of the 4th International), Synapismos (Greece), NAR (New leftist current in Greece), Solidarities (Switzerland), Movement for Socialism and Anticapitalist Left (Switzerland), RSB

and ISL from Germany, the Socialist Workers Party and Socialist Party from Britain, LCR-SAP (Belgium), the Cuban Communist Party, RCG (Lebanese section of the 4th International, the Lebanese Communist Party and the Popular Front for the Liberation of Palestine.

Finally, during the last session of the congress, Italian MP Salvatore CannavÃ² provided an overview of the Italian political crisis, the failure of the centre-left and presented the process *Sinistra critica* (Critical Left) is now undertaking. He concluded by emphasising convergences with the LCR's project for a new anticapitalist party.

Address for a new anticapitalist party

8 February 2008, by [Ligue Communiste Rvolutionnaire](#)

On 6 May 2007, the governmental left's defeat opened up the way for the most reactionary right, incarnated by

Sarkozy, the bosses' and billionaires friend. The social war they are waging means daily violence and repression.

It is part and parcel of capitalist globalisation, striving to pit the workers of the entire world against

one another, the better to exploit them all. The masters of the world have embarked upon a mad race for profit threatening our very survival, pillaging and destroying the planet. This system produces crises on a regular basis and peoples always foot the bill. Imperialist wars accompany social and environmental ones.

The governmental left's policy is impotent because it subscribes to the logic of profit, competition and challenges to public services. To carry out his rapid-fire offensive against the majority of the population, Sarkozy has state power, the bosses have Medef (French employers' association). And what effective means can we call upon to take the people's expectations onto the political field? What means do we have to build mobilisations that ensure wealth is shared differently?

It is urgent to take back the offensive. In recent years, discontent, revolt and a new commitment to resist have come forth. Hope lies in the broad mobilisations, struggles of wage earners, young people in educational institutions and poor neighbourhoods, struggles of those "without"... But too often these wind up in blind alleys, when trade unionism co-operating with management takes over from class struggle and social change trade unionism.

There is a desperate need for an instrument promoting convergence among struggles that is able to put the powers that be on the retreat and change the balance of power. Imagining that another world is possible is also essential to raise hopes. There are many among us who want such an instrument: a party meeting the needs of contemporary

mobilisations. A party to prepare a radical, revolutionary change in society, in other words, the end of capitalism, private property of the means of production, the pillage of our planet and destruction of nature.

We want a society able to meet social needs, rid of all forms of exploitation and oppression based on class, gender, age or origin. A society in which democracy does not stop at the ballot-box and everyone can a part in decision-making.

The LCR national congress issues a call to everyone: individuals, activist groups, political currents, wanting to join together in an activist, national and democratic organised political framework, a party building international links with forces defending such a perspective.

We speak to women and men of all origins, with or without papers who think their lives are worth more than profits: to youth who answer "resistance!" in the face of attempts to leave them a precarious future: to activists in community groups and trade unionists who take action every day in their neighbourhoods or on the job; to socialist, anti-neoliberal and communist activists, to all national and local political organisations or currents, who think it is time to unite, beyond former divisions, and above all those who have not found a party appealing enough to get involved...

We aim for a party that builds upon the experience of yesterday's and today's struggles: labour, global justice, internationalist, ecologist, feminist and antiracist. A party struggling against exploitation, against all forms of oppression and discrimination and for individual and collective human emancipation.

Building an internationalist party that refuses policies that pillage the global South and the militaristic logic of France, the European Union and the United States. An independent party, which counter to the Socialist Party for example, refuses to co-manage this system. A party breaking with capitalism and ruling-class institutions. A democratic party whose project allows people to lead their own mobilisations to be in a position to take charge of society and the economy. This means building a party to invent 21st Century socialism.

Through this address, we want to undertake a constituent process without delay, culminating in the founding of a new anticapitalist party.

In workplaces, on the job and at school, in our neighbourhoods, on all local, regional and national levels, now is the time to join forces to organise action committees to take part in building this collective instrument. These committees will then federate on all levels, town by town, in each department, in each sector and throughout France. They will be called upon to conduct their own political activities and interventions as well as discussions and initiatives aiming to build an effective collective dynamics.

From the time we first take stock of our progress, local forums and national meetings will contribute to a democratic mode of functioning, respecting diversity of opinions and life paths, opening up preparatory work for the founding congress of the new party.

This party will belong to everyone committed to it. It is up to everyone who wants a party of our own to decide and build it together!

The upward trend in the rate of exploitation

5 February 2008, by [Michel Husson](#)

An irrefutable statistical note

The data drawn up by the official bodies show an overall movement affecting the advanced countries as a whole, the European Union and

France. Despite the polemics that it arouses (see box 1), it is an established fact, both for the IMF and the European Commission. A recent document of the Bank for International Settlements (Ellis Smith

2007) confirms that the global upward trend in the profit share is a phenomenon of a structural order which cannot be reduced to conjunctural fluctuations. In all cases, the chronology is similar: the wages

share is virtually stable until the crisis of the mid-1970s which makes it sharply increase. The reversal of tendency takes place in the first half of the 1980s: the wages share starts to fall, then tends to stabilise at a level which is historically very low.

The French case is no exception, as shown by the following table 1. According to the most recent series from the Insee, [the French National Institute for Statistics and Economic Studies] the wages share in value added of enterprises was 65.8% in 2006 against 74.2% in 1982, or a fall of 8.4 points. According to the European Commission, the wages share in the economy as a whole went from 66.5% in 1982 to 57.2% in 2006, or a fall of 9.3 points. This fallback is analogous to what can be observed for the European Union as a whole (8.6 points). On the other hand the fall seems less significant so far as the G7 is concerned, this difference essentially originating from the United States. Finally the same tendency is found in developing countries like China, Mexico or Thailand (table 1).



The case of the United States

The main exceptions to this tendency are the United States and the United Kingdom, where the wages share remains more or less constant in the long term. This observation seems counter-intuitive to the representation of these two countries the champions of neoliberal policies. Thus the increase of the average wage in the United Kingdom is higher than in Europe or than in France. But it is the example of the United States that allows us to draw a clearer picture of things. The maintenance of the wages share in this country constitutes a veritable paradox, to the extent that the purchasing power of the majority of the population has not increased, or in any case has increased much less than the productivity of labour. In these conditions, the wages share should fall more quickly than the fallback of 3.5 points observed between 1980 and 2005.

The mystery has been cleared up by

two economists, Ian Dew-Becker and Robert Gordon, who asked "where did the productivity growth go?". Their response is simple: productivity gains have been to a major extent scooped up by a thin layer of beneficiaries of very high wages, so high that they should be considered as an income from surplus value, even if they formally conserve the character of a wage. We leave aside here income from capital, like the famous stock options. This phenomenon could be considered as marginal but it in fact attains considerable proportions. Thus the share of national income going to the 1% of highest wage earners went from 4.4% to 8% between 1980 and 2005, or a capture of 3.6% of GDP which rises to 5.3% if we consider the 5 % of highest wage earners. If we discount these very high wages, we derive an evolution comparable to those of the European Union (diagram 2).



The reversal is to a great extent a mystery to neoliberals. In an interview in the Financial Times (Guha 2007), Alan Greenspan, former president of the Fed (the US Central Bank) also observes this strange characteristic of contemporary capitalism: "the share of worker compensation in national income in the US and some other developed countries is unusually low by historic standards". In the long term, "real compensation tends to parallel real productivity".. That is what can be observed "for generations, but not now". The real wage "has veered off course", for reasons which are not clear to Greenspan, who says he did and still does expect a normalisation of the breakdown between wages and profits while worrying that "if wages for the average US worker do not start to rise more quickly political support for free markets may be undermined".

An abundant literature seeks however account for this downward tendency of the wages share. Numerous explanations are mobilised; energy prices, interest rates, intensification of capital. But these explanations do not stand up.:

- the increase in energy prices has not hit all countries in the same way and the oil counter-shock of 1986 did not reverse the trend;
- the beginning of the tendency towards lowering of the wages share coincided with the explosion of interest rates which have effectively weighed on wage earners, but this factor does not account for the long term evolution, and this effect should cease when interest rates began to fall ;
- the lowering of the wages share cannot either be explained by a more intensive recourse to capital in relation to labour because the rate of investment has not increased and a growing fraction of profits goes to financial incomes.



These explanations have the common fault of seeking a cause of a strictly economic order to an eminently social phenomenon. The general trend of the wages share is explained much more simply by the relationship of forces between social classes. It was relatively balanced during the « Golden Age » from the end of the Second World War to the crisis of the mid-1970s which brutally challenged this equilibrium.

Initially, the crisis led to an increase of the wages share because the increase in wages continued, whereas the productivity of labour fell sharply. The classic policies of deflation no longer worked, so the ruling classes decided to change their tack, abandoning Keynesian policies and adopting a resolutely neoliberal orientation. All levers have been used, notably the impact of raised interest rates and globalisation, but the essential tool has been the increased unemployment that the crisis brought about. The capitalist leaders have relied on this phenomenon to profoundly and sharply modify the rules of wage formation. Instead of a wage norm where wages increased with productivity. in such a way that the wage share remained basically constant, a new regime emerged where wages increased at a lesser rhythm than increase in productivity, which were themselves slowing up in

relation to the years of growth. In these conditions, the benefits of productivity increases no longer fall to wage earners whose purchasing power is blocked, but to profits ; and the fall in the wages share began. A simple econometric globalisation allows us to support this interpretation (see annexes 1 and 2). It shows that the rise in the unemployment rate plays an essential rôle and that the dominant theory of the equilibrium unemployment rate only implicitly models this link between unemployment and the breakdown of incomes.

Unemployment and financialisation

The lowering of the wages share has led to a spectacular reestablishment of the average rate of profit from the mid-1980s onwards. But at the same time, the rate of accumulation began to fluctuate at a lower level than that of the pre-crisis period (diagram 3). In other words, the pressure on wages has not been used to invest more. The famous Schmidt theorem (‘the profits of today are the investment of tomorrow and the jobs of the day after tomorrow’) has not worked.

Non-invested profits have mainly been distributed in the form of financial profits. The gap between the rate of profit reaped by enterprises and the share of these profits going to investment is then a good indicator of the rate of financialisation. We can then verify that the rise in unemployment and financialisation go hand in hand (diagram 4). There again, the reason is simple : finance has succeeded in capturing the major part of productivity gains to the detriment of wages whose share falls.



The correlation observed between unemployment and financialisation cannot however legitimate the ‘financialist’ reading of contemporary capitalism. Certainly, the relations between industrial capital and financial capital have been profoundly

modified and affect the conditions of exploitation. But it is necessary to articulate correctly the analysis of the phenomena: one cannot separate an autonomous tendency to financialisation and the normal functioning of a ‘good’ industrial capitalism. That would amount to artificially disassociating the role of finance and that of the class struggle in the sharing out of value added. From the moment when the rate of profit increases thanks to the fallback in wages without reproducing the opportunities for profitable accumulation, finance starts to play a functional rôle in reproduction in procuring alternative openings to wage-based demand.

This viewpoint that we have long defended (Husson 1997, 2006) is strengthened when globalisation is taken into account. From this viewpoint the main function of finance is to abolish, as much as it can, the delimitation of areas of valorisation: it contributes in this sense to the constitution of a global market. The great strength of financial capital is indeed to ignore geographical or sectoral frontiers because it equips itself with the means to pass very rapidly from one economic zone to another from one sector to another : the movements of capital can henceforth be deployed on a considerably enlarged scale. The function of finance is here to stiffen the laws of competition by fluidifying the displacements of capital. To paraphrase what Marx said about labour, one could argue that globalised finance is the process of concrete abstraction which subjects each individual capital to a law of value whose field of application has enlarged incessantly. The main characteristic of contemporary capitalism does not reside then in opposition between a financial capital and an industrial capital, but in the hyper-competition between capitals to which financialisation leads.

Annex 1

Econometrics of distribution

The modeling employed here postulates that the degree of indexation of wages to productivity depends on the rate of unemployment.

The increase in wages thus depends on that of productivity but this link is loosened when the unemployment rate increases. As the wages share depends itself on relative evolution and productivity, this modulation allows indirect measurement of the influence on the wages share of the relationship of forces on the labour market. The estimate obtained in the European Union as a whole is of good quality and allows us to account for the downward trend of the growth of real wages.

The model is written : $sal = (a + b.tcho).prod + c$

with :

wa rate of growth of real wages

prod rate of growth of productivity

tcho rate of unemployment

The estimate for the whole of the European Union for the period 1961-2006 leads to the following estimate :

$$sal = (1.156 - 0.159 tcho).prod + 1.371$$

(12.0) (6.8) (4.4)



Annex 2

Equilibrium unemployment and distribution

The dominant economics uses the negative link between unemployment and real wages to determine an ‘equilibrium unemployment rate’, known as Nairu (Non Accelerating Inflation Rate of Unemployment). It is the rate of unemployment below which inflation accelerates. It is obtained by combining the wages and prices equations with a standard macro-econometric model.

The wages equation assumes that the growth of the nominal wage (w) depends on three elements :

- an indexation, here unitary, to price increases (p) ;
- an autonomous growth (a) of purchasing power ;
- a sensitivity of the rate of

unemployment (U) which plays negatively on wages growth.

This wages equation is then written :

$$(1) w = p + a - bU$$

The prices equation describes the formation of prices, obtained by applying a marginal rate to the unitary wage cost (the wage per unit produced). Its evolution depends on three factors:

- the growth of the nominal wage (w) ;
- the growth of productivity (?);
- the evolution (and not the level) of the marginal rate (m).

The price equation is then written :

$$(2) p = w - ? + m$$

These two equations constitute the "wage-price loop" celebrated by neoliberal theorists. The famous Nairu

(U*) is deduced from this exercise and is calculated in the following manner :

$$(3) U^* = (m + a - ?)/b$$

The reasoning is the following : if the unemployment rate falls too much (below the Nairu), the real wage tends to increase more quickly than productivity and enterprises are "obliged" to increase their prices to reestablish the marginal rate. They will do so until the increase in inflation has succeeded in lowering the increase in employment, in other words to bring about an increase in unemployment, which brings the rate of unemployment to the level of the Nairu. The latter represents then very much an "equilibrium rate" in the sense that it is vain to aspire to go below the restoring force that it represents.

But this reasoning implicitly supposes that the marginal rate is constant, if not an increase in wages does not lead automatically to an increase in prices and will be reflected by a lowering in the marginal rate. In other words the theory of equilibrium unemployment is also a theory of the equilibrium marginal rate. The Nairu also represents the "unemployment rate" not increasing the wages share, that below which the distribution of income could be challenged by increased wages. One could just as well speak of a theory of "equilibrium rate of exploitation", which is higher inasmuch as the unemployment rate and productivity gains are higher, on condition that the latter do not fully impact on wages.

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