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The Economic Crisis and its Effects

30 December 2008, by **Andy Kilmister**

1. Introduction



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There are three important starting points for understanding the current economic crisis [1]. Firstly, what is happening at the moment represents the break-up of the interlocking set of arrangements by which the world economy has been governed since the mid-1980s. These arrangements represented a temporary solution' for capital to the crises which emerged a decade earlier. Secondly, the crises of the 1970s and the attempts to resolve them of the 1980s arose from a central contradiction within capitalism between the creation of profits in the sphere of production and the

realisation of those profits in the sphere of circulation and exchange. Thirdly, the historically weak situation of British capital, at least that section of British capital territorially located in Britain, has left Britain especially vulnerable to the crisis. The crisis itself has a number of dimensions but three in particular are crucial. The first is the build-up of debt, both corporate and household debt, but especially household debt. Linked with this is the likelihood of a return to international monetary instability and of the refusal of the rest of the world to fund US (and UK) trade deficits. The third factor is the effect of the ecological crisis on the world economy, which brings

with it the prospect of an end to two decades of low commodity prices. However, these should be seen as medium-term developments, determining the underlying tensions within which more immediate changes take place. A Marxist analysis of the crisis needs to be based on an analysis which can both grasp these underlying structural factors, see how these play themselves out in surface phenomena and also understand the competing strategies of capital as it attempts to manage the crisis. {{ 2. The Recent Financial Turmoil}} The key development of the second half of 2008 has been a dramatic worsening of the first of the dimensions mentioned above; the financial crisis based on the

accumulation of debt. The main cause of this has been growing recognition that the quantity of bad debt in the system was much larger than was previously thought. This in turn led to confusion amongst the US ruling class about the way to respond to the rising number of loan defaults. Unwillingly forced to nationalise the mortgage companies Fannie Mae and Freddie Mac (largely as a result of pressure from Chinese and Japanese investors in these companies) they then switched abruptly to allowing a leading investment bank, Lehman Brothers, to fold. This threw the banking system into a deeper crisis in three ways. First, the rising tide of bad debt threatened the solvency of the banks. Second, the apparent change in Federal Reserve policy from the earlier rescue of Bear Sterns created a panic in the inter-bank lending market. Uncertain of which banks would survive banks ceased to lend to anyone at all in this market causing the system as a whole to seize up. Thirdly, stock market investors also panicked sending bank shares into freefall. Since bank regulation is based on the idea that loans can only be a certain multiple of bank capital and since the decline in shares reduced capital significantly, this looked likely to lead to a massive decline in bank lending, which would have further threatened the stability of the system. While these problems were first apparent in the US and UK, where housing booms and bank deregulation had been especially strong, it quickly became clear that banks from many countries, particularly Continental Europe, had also made loans in these markets so that the banking crisis affected the major industrialised countries as a

whole. The result of this has been an abrupt change in policy towards bailing-out the banks. The form of this has varied across countries. The US response, led by Treasury Secretary Henry Paulson, who is rooted in Wall Street, has been particularly shameless (the original proposal by Paulson was simply that the US government, funded by taxpayers, would buy up the worthless debt from the banks – a straightforward subsidy with no control over future bank behaviour whatsoever). The UK government plan, which has effectively been adopted by the EU, provides some potential leverage for political debate in that it involves buying shares in the banks. This allows for discussion about the nature of state control over the banking system and about who should pay for the crisis. But it is clear that the initial aim of the government was to have the minimum amount of state involvement in the financial sector and to provide funds which would then be used to restore the banks to profitability in the hope of a quick sale of the governments' stake. The model was the Scandinavian restructuring of the banks following the financial crisis there in the early 1990s. {{{ 3. Who Pays for the Crisis?}}}

The starting point for Marxists in understanding these developments must be in terms of the devalorisation of capital. The immediate effect of the recognition of the bad debt in the housing market is that a large amount of capital which was valued at a certain amount, on the basis that the housing loans would be repaid in full, is no longer worth what was originally envisaged. This capital falls into two categories. Firstly, there is the capital directly tied up

in providing housing linked to sub-prime mortgages, both the loan capital used to provide the mortgages and capital employed in construction and housing development. Secondly, there is the capital in other industries which has been invested in the expectation of demand originating from a booming housing market; in particular that which depends on high levels of demand resulting from homeowners borrowing against the equity in their houses – something now unlikely to happen in the foreseeable future. Any devalorisation of capital of this kind raises the question of who will pay for the loss – capital or labour. The financial sector has been quite brazen about trying to shift the cost of the crisis onto labour – even to the extent of formulating plans to use taxpayers' money to maintain bonus payments. The mechanisms for ensuring this shift include the following:

- * Direct subsidies for the banks funded by the taxpayer
- * Rebuilding of the profit base by refusing to pass on interest rate cuts to borrowers. This may well be made easier by mergers like the Lloyds-HBOS merger, which will reduce competition and increase the dependence of households on a small number of large institutions
- * An attack on the job security, wages and conditions of bank staff in order to cut costs. Again, state-sponsored mergers may help this process by providing the means to close branches.
- * Reduction of the interest rate paid out to savers and depositors To the extent that the state has attempted to act as something other than an agent of capital and to enforce terms on the banks, the banks have responded by threatening to bring the system down if they don't get

their way. This has led to some conflict between the government and the banks, particularly with regard to the enforcement of cuts in interest rates. However, the cuts which have been achieved here have come at the expense of even larger cuts in rates paid to savers which have serious implications for both current and future pensioners. In addition, the bail-out as a whole has resulted in a considerable ideological cost both in terms of the reputation of the financial sector within society as a whole (which is probably now at an all time low) and in terms of the increased legitimacy of regulation and even state ownership. {{{ 4.

Stabilising the Financial Sector}}} While it is difficult to predict events with any certainty, it appears most likely at present that the injections of funds made so far have restored a measure of stability to the banking system. While the housing boom in the US and a number of European countries was a significant speculative bubble, it did not represent sufficient lending in itself to bring down the financial systems of the industrialised world (The Economist of September 27 2008 reports a June Federal Deposit Insurance Corporation estimate of about \$500 billion worth of seriously delinquent residential mortgages in the US out of a total of \$10.6 trillion). It should also be remembered that even if mortgages are not repaid in full the houses on which they were secured are not entirely worthless.

In assessing the cost of this stabilisation we should be cautious about the headline figures such as the \$700 billion attached to the US bail-out. The bail outs comprise three different kinds of spending. First, there is direct financial assistance to the banks. This is a real cost. Second, there are loan guarantees. These will

only become a real cost if the loans that are made from now on result in defaults. Basically they are confidence building measures and it is not expected that they will require much if any actual spending. Thirdly, there is direct government lending to get the money markets flowing again. Again this will only be a real cost if the interest rates at which the lending takes place are unrealistically low or if the loans made result in default.

The real cost of the UK bank bail-out at present appears to be around Â£37 billion; i.e. the actual financial assistance being given to the banks. Even this will not necessarily be a long-term cost if the stake taken in the banks can be resold at a higher price at a later date. Nonetheless, it is a significant amount of money and will lead to a record government budget deficit this year. The sums involved in other European countries appear rather similar - for example the Financial Times of 5 November reports that Italy is planning to allocate Â£24 billion to recapitalise its banks.

Here it is also important to recognise that the immediate impact of this government spending is only a small part of the projected increases in budget deficits in the medium term. More important is the loss of tax revenue and the extra expenditure resulting from the slowdown in growth arising from the crisis. Analysing Alistair Darling's pre-budget statement in the Financial Times, Martin Wolf points out that tax receipts are now expected to fall by 3 percentage points of GDP in 2009-10 and observes that these changes are overwhelmingly due to revisions in the fiscal capacity and level of GDP; a permanent reduction in taxes on financial sector profits and housing transactions; and, more strikingly, a lasting loss of GDP. In 2010, the economy is now expected to be some 5.5 percent smaller than forecast in the budget' [[M Wolf How Britain flirts with disaster' (Financial Times November 28 2008, p.11)]]]. This raises serious questions about the ability of governments such as the British government to fund their

increased deficits by issuing bonds without either a sharp fall in bond prices which will raise interest rates and worsen the crisis or an increase in public borrowing from abroad which will further weaken the value of the pound.

What is more even important though than the immediate possibility of financial meltdown and the impact of the rescue of the banks on government spending is the longer-term impact of the financial crisis both on the financial sector and on the economic situation more generally.

The banking crisis has also raised the issue of the kind of financial system which will emerge if and when the initial stabilisation has been achieved. It is very difficult for New Labour to avoid this debate now because by taking stakes in the banks they have inescapably raised the issue of how these stakes will be used to enforce control over the financiers. However, while this would seem to be a golden opportunity for social democracy to reassert ideas about regulation of the system the ideological hegemony of neo-liberalism over the last two decades has left it unable to articulate any very convincing vision of an alternative. The main ideas about regulating banks currently being discussed include strengthening the capital requirements for making loans (basically a stronger version of what already exists), regulating bank bonuses and banning certain kinds of market transaction (such as short-selling' where traders sell shares they do not actually own in the expectation that they can buy them up more cheaply before completing the transaction). None of these will lead to any significant differences between the financial system which emerges from the current turmoil and what we have seen in recent years. However, if social democracy is unable to put forward a convincing alternative to neo-liberal financial deregulation that provides an opportunity for socialists to enter the debate. A space is opening up both for defence of public ownership and for arguments

based on need rather than profit in a way which has not been the case for many years. {{ 5. Recession and the Financial Crisis}} The most important current development in the wake of the banking crisis is the transmission of that crisis to the rest of the economy and its interaction with the more general economic crisis now emerging. The most obvious issue here is the onset of recession. The central reason for the recession is the dependence of consumer demand in particular but also business investment on high levels of debt over the last two decades. Now that lending is contracting this debt-fuelled expansion is no longer possible and a sharp economic slowdown looks inevitable. The fall in house prices is also worsening the slowdown in consumer spending as households can no longer borrow against rising equity values. There are two fundamental reasons for the reliance on debt. Consumption has come to depend on debt because of the contradiction between driving wages down to generate profits in production and needing to ensure demand in order to sell the goods produced and realise these profits. The most obvious manifestation of this is growing income inequality and it is no accident that the build-up of debt has been worst in countries with the greatest disparity in incomes, notably the UK and USA. Linked to this is the way in which production in general, but especially investment, has come to rely on debt as a result of the weakness of profitability in the productive sector. As Robert Wade puts it 'the rate of profit of non-financial corporations fell steeply between 1950-73 and 2000-06 - in the US, by roughly a quarter. In response firms invested' increasingly in

financial speculation' [[R Wade Financial regime change? (New Left Review Second Series no.53 September/October 2008 p.11). There is a lively debate amongst Marxist economists about the extent to which the crisis can be seen as the result of falling profitability, which in large measure centres on different ways of measuring the profit rate. However, even those who see profits as being to some extent maintained (and who point to the fact that the share of profits in national income has risen) accept that the link between profits and productive investment has weakened significantly in recent years - presumably because of a change in expectations of future profits.]]. Consequently, without debt being available to fund expansion recession appears inevitable.

The response of governments to the recession has been firstly to increase their own borrowing and secondly to encourage central banks to cut interest rates. But both of these create their own problems. Government borrowing is limited by the cost of the bank bail-outs. High levels of borrowing can also push up interest rates or reduce currency values as discussed above. Both of these effects lower household real incomes and decrease spending frustrating the original purpose of the borrowing. The strategy adopted by the British government in response to this is to make tax cuts explicitly temporary. But this risks making them ineffective since households will simply save any extra income in anticipation of future tax rises.

Cutting interest rates is also difficult. Central banks only directly control short-term interest rates and private banks have simply refused to cut long-term rates in response to central bank policies. Cuts in interest rates also have the effect of lowering both the actual returns of current pensioners living off savings and the prospective returns of future pensioners both of which may lower consumption.

More fundamentally, the room for government policy to boost the economy is limited so long as spending depends on debt because of low wages and inequality and so long as new debt is not forthcoming.

Consequently, the slowdown is likely to be protracted and severe.

6. The Internationalisation of the Crisis

The growth of debt over the last two decades in countries like the USA and UK has been dependent on international flows of capital which in turn have resulted from a significant degree of exchange rate stability compared to the turbulence of the early 1980s. Conversely, a move towards a different pattern of accumulation will inevitably put great strain on global monetary arrangements.

So far the crisis has mainly manifested itself in domestic monetary developments in the largest economies, although countries like Iceland, Ukraine, Hungary and the Baltic States have been driven to seek IMF or EU help. But this is now changing and the crisis is being internationalised in three ways.

The first of these is the effect of current developments on so-called **emerging market economies**'. Nobel Prize winning economist Paul Krugman gives the example of Russia where while the Russian government was accumulating an impressive \$560bn hoard of foreign exchange, Russian corporations and banks were running up an almost equally impressive \$460bn foreign debt...This truly is the mother of all currency crises and it represents a fresh disaster for the world's financial system' [2]. The initial aim of New Labour in rescuing the banks was very much within this framework, as discussed above.

However, this does not mean that the resolution of the crisis will remain within the bounds of neo-liberalism. A neo-liberal outcome in which the banks are restructured and re-privatised while accumulation is restarted on a free-market basis remains one possible outcome but by no means the only one. Already, in the UK the government has been driven to be more interventionist with regard to

management of the banks than it had originally intended and to adopt fiscal policy measures which were also not planned even a few months ago. So, far such measures - pressuring interest rate reductions and raising income tax to 45 percent for higher earners - do not represent a significant break with past policies. But they do indicate a space for debate around political alternatives which is opening up. The way in which this space will be occupied will depend partly on how the crisis develops but also on the ability of socialists to articulate alternative responses to what is happening to that proposed by capital.

More generally, the way in which the crisis has thrown into question the way in which the world economy has functioned since the mid-1980s indicates that even if neo-liberalism is able temporarily to resolve the situation on its terms the way in which it will do this will differ significantly from what has been seen in recent years. It will also involve turbulent and difficult adjustments which in turn will open up further opportunities for socialists to present alternatives.

9. What should socialists demand?

In raising demands in response to the crisis it is important that socialists emphasise the nature of the crisis as a

general crisis of capitalism, which has its roots in the contradictions of productive capital as much as in the financial sector and which is caused by global factors, not the economic policies followed by a particular national capital. In this context the following demands seem especially important:

* Nationalisation of the banks coupled with popular control over the allocation of credit and use of savings.

* A massive programme of public works to combat the recession with particular emphasis on ecological production and a shift in the economy towards green' technologies. Investment in alternative forms of transport and energy. * Taxation of the income and wealth of the rich and limits on higher earnings to remove the reliance on debt to maintain consumption. *

Opening of the books of both the financial institutions and industrial companies to public scrutiny in order to prevent any use of the crisis as an excuse to force through cost-cutting and redundancies

* Indexation of wages, pensions and benefits to protect workers against rises in food and energy prices. * An extensive programme of publicly-owned and financed house building to avoid

another housing bubble. A moratorium on any re-possession for mortgage arrears. * A government guarantee for pensions. Future pensions to be paid for from taxation of the rich and not to be reliant on returns from shares and bonds. Current pensioners to be compensated for loss of income resulting from interest rate reductions. * Control over international financial speculation both through controls on capital movements and through taxation. {{{ 10. Conclusion}}} The current crisis represents the most significant set of economic events internationally since the decade spanning the mid-1970s and the mid-1980s. The economic order created following that turbulent decade is now breaking down. What replaces it will depend not just on objective' circumstances but on the ability of the left to put forward its own vision of an economy based on need rather than profit as a replacement for the finance-driven accumulation of the last twenty years.

This is the opening chapter of a forthcoming book on the crisis being published by Socialist Resistance next month.

The energy climate plan of Barack Obama

30 December 2008, by **Daniel Tanuro**



Natural gas produced in the Sleipner field is high in CO2. The operator of the Sleipner field, Statoil, geologically sequesters the CO2 because the cost is less than the

Norwegian carbon emission tax.

Image: Statoil

Since it slammed the door of the Kyoto Protocol, the Bush administration has refused any timetable for obligatory reduction in greenhouse gas emissions. As an alternative it argues

in favour of voluntary commitments by companies and a policy of support for technological innovation. The least that can be said is that this orientation has not produced the effects that were anticipated: between 1993 and 2005, the CO2 emissions of the US energy sector increased by more than 15 per cent. Obama is adopting a radically

different approach, promising a law whose objective would be to reduce emissions by 80 per cent in 2050, compared to 1990. To do this, his programme envisages in particular a system of exchange of emission rights ("cap-and-trade") with a fixed ceiling, an annual rate of obligatory reduction, accelerated implementation of "clean" technologies, massive investment in research and development and a series of measures in favour of energy efficiency.

The objective: to restore the leadership of the USA

It should be noted that Obama's starting point is not the rescue of the climate but the safeguarding of the world leadership of the United States, in particular in the strategic domain of energy. "Barack Obama's Plan to Make America a Global Energy Leader": that is the title of the energy-climate chapter in the programme of the new president [3]. Obama reproaches Bush for having increased the dependency of the United States on oil, and therefore on the producer countries and their hostile regimes, and to have committed the US army massively in Iraq rather than in Afghanistan. According to him, Bush's policy has led the USA into a dead end where it is weakened in relation to the European Union and to China, while losing absolute control over its backyard in Latin America. Obama thus incarnates the project of a total geostrategic reorientation aimed at restoring the hegemony of the empire in a context of sharpened competition between imperialist powers and new rising capitalist powers. His energy-climate programme must be analyzed within this framework.

This link between climate and geostrategy appears clearly in the way in which Obama positions himself with regard to the big emergent countries. Let us remember that the refusal of an obligatory fixing of emission quotas was not the only reason for Bush's opposition to the Kyoto Protocol. A second reason was that the Protocol

does not impose any limitation of emissions on the club of five - China, India, Brazil, Mexico and South Africa. On this point, the senator from Illinois is in strategic agreement with his predecessor, but dissociates himself from him on the tactics to follow: according to him, by refusing any domestic fixing of quotas, Bush played the game of India and China, not to mention that the EU benefited from the US withdrawal to install itself in a position of leadership on the question of the climate (and to take the lead in the market for renewable energies). In this respect, it is significant that Obama does not plan to follow the example of Australia, which ratified Kyoto in Bali, in December 2007: his project is not to get back into line but to take the reins of the negotiation of a new post-Kyoto climate agreement, so that this agreement corresponds to the interests of American capitalism.

To take the reins, but how? Considering the discredit of the USA on the climate question, which was obvious during the Bali Conference, the turn must be radical and spectacular. This is a condition of success. Time is short: events will unfold in quick succession until the Copenhagen conference in December 2009. It is thus essential that Washington starts by unilaterally adopting its own plan to fight against global warming, and this plan has to be constraining and ambitious. This is the price to pay in order to approach the two following stages: 1) to take back leadership from Europe; and 2) to form a front with the EU in order to impose on the emergent countries a deal that will be favourable to the multinationals of the North. The EU will balk but it can only fall into line with this perspective: it also wants to impose constraints on the big emergent countries, but it cannot do it without Washington.

Reduction of emissions: the 80 per cent mountain turns out to be a

molehill

Let us now look at the contents of the plan itself. According to the fourth report of the IPCC, the developed countries, taken overall, must reduce their emissions by between 80 and 95 per cent between now and 2050 (compared to 1990) [4]. This Herculean effort is necessary in order not to too much exceed a rise of 2°C compared to the pre-industrial period, while respecting the principle of "common but differentiated responsibilities" between countries of the North and South. At first sight, Obama's objective is - just - in conformity with this recommendation of the scientists. Except that, since an average American consumes annually about twice as much fossil fuels as a European - for a standard of living that is scarcely higher - the other countries of the North would have to agree to make an effort of reduction proportionally greater than that of the United States, so that the developed world as a whole achieves the minimum goal laid down by the IPCC [5]. So we can look forward to some lively inter-capitalist disputes. They will give invaluable indications as to the relationships of forces.

Another remark, much more important, relates to the intermediate stages. According to the IPCC, it is out of the question that the rich countries wait until 2030 or 2040 to start to decrease their emissions: they must start immediately and reach a first stage of between 25 and 40 per cent reduction in 2020, compared to 1990. However, the energy-climate programme of Obama is far from satisfying this condition: between now and 2020, its aim is only to bring US emissions back to their level of 1990. To put things in perspective, let us remember that the United States, if they had ratified the Kyoto "Peanuts" Protocol, should have brought their emissions down to 5 per cent below the level of 1990... between 2008 and 2012. Obama is not taking much of a risk here: even if he were to occupy the White House for two terms, most of the hard work would be for his successors, after 2020. Tomorrow, the beer will be free...

To guide the transition towards 2050, the new president has opted for a system of exchange of emission rights, following the example of the one that has functioned in Europe since 2005. His programme goes even further than the “energy-climate package” of the European Commission for 2012-2020: it envisages the auctioning of all rights. Part of the revenues from this sale would be used to finance the development and the deployment of clean energies, to invest in energy efficiency and to face the costs of the transition. These costs include in particular assistance to those on low incomes who are confronted with the increase in the price of energy (various mechanisms are envisaged, such as the reinforcement of the system of premiums for insulation of houses and the creation of special funds so that the poorest can pay their electricity and energy bills).

In the context of the economic recession, it is doubtful whether Obama will keep this promise of auctioning all rights. The European experience is instructive in this respect. Let us remember that the Commission, in 2005, started by distributing rights free and distributing too many of them, which allowed the electricity companies, among others, to pocket enormous superprofits (even making the consumers pay on their electricity bills the market price of the rights that they had received for nothing!). Within the framework of the “energy-climate package”, Brussels, last January, proposed a full-scale auction in the electricity production sector and the maintenance of free (or partially free) distribution of rights in the sectors most exposed to international competition (without specifying which). Since then, the stock exchanges have had their troubles and a series of member states, shouting that it is a crime against competitiveness, are threatening to torpedo the energy-climate package. What will the EU do when the time comes to decide, between now and December? It will probably maintain its course for a 20 per cent reduction in emissions in 2020. Its credibility is at stake here, especially now that its leadership on the climate question is threatened by the USA. But we can bet that it will give some ground on

the sale of rights... and that US employers will put Obama under very strong pressure to do the same [6]. In that case, there will be a shortage of money to implement the plan. We will come back to this in the conclusion. (Since this article was written, the EU indeed decided to change its “climate package”, cancelling the auction of rights for industry and for utilities burning coal in the new member states)

The twists and turns of ‘cap-and-trade’

To appreciate the effort of reduction of the emissions promised by Obama, we cannot be satisfied with quoting the objectives for the horizon of 2020 and 2050: we have to know to what extent these objectives will be reached by structural measures on the territory of the United States. In order to understand this point, it is necessary to recall that the Kyoto Protocol (1997) makes it possible to replace reductions in emissions in the North by “clean” investments in the South, on the one hand, and on the other hand to replace reductions in emissions by plantations of trees - in other words by absorption of atmospheric carbon. These two mechanisms are very much open to criticism. Instituted by the Kyoto Protocol and pompously baptized “Clean Development Mechanism” (CDM), the first was studied in detail by researchers at Stanford University, who showed that more than 50 per cent of the carbon credits exchanged within the framework of the CDM do not correspond to any real reduction in emissions! As for the second mechanism, it is disputed, in particular for its imprecision (the quantity of carbon absorbed by trees varies according to many parameters, and global warming is likely to transform carbon sinks into sources) as well as for its non-structural character (when the trees are cut down and the wood is burned, the carbon returns to the atmosphere).

The CDM and carbon sinks are pseudo-solutions. However, the more governments and the business world

are obliged to admit reality and the danger of global warming, the more they orient towards these pseudo-solutions, and the more they exert pressure to be able to resort to them without obstacles. Barack Obama does not say what proportion of the American effort of reduction would be replaced by compensatory purchases of credits. His programme contents itself with affirming that “US emitters who are subject to obligations within the framework of the exchange of rights will be authorized to compensate for some of their emissions by investing in low-carbon energy projects in the developing world”. Concerning carbon sinks, he evokes the development of incentives rewarding forest owners, farmers and ranch owners who plant trees, restore meadows or adopt cultivation methods making it possible to capture atmospheric carbon dioxide. No detailed estimate is provided.

Dingell-Boucher: no “domestic” reduction before 2029!

We can however approach the possible ways of concretizing these principles by examining a project presented very recently to the US Congress by John Dingell and Rick Boucher [House Committee on Energy and Commerce, 202-225-2927, “Executive Summary of the discussion draft” ,

<http://energycommerce.house.gov>. See also the memorandum to the members of the Committee (October 7, 2008)]. Dingell and Boucher, two Democratic friends of Barack Obama, are respectively president of the committee on energy and trade of the House of Representatives, and chair of the sub-committee on energy and air quality. Many observers consider that their draft is very likely to be used as a basis for the future law on the rescue of the climate. However, what does this document say? That companies will be able to fulfil part of their commitments by buying carbon credits generated by domestic or international projects, and that their quota of credits will increase as the

ceiling of authorized emissions decreases: from 5 per cent of obligation to reduce during the first five years, the quota will gradually go up to 35 per cent in 2024 and beyond. Now there is an ingenious system: the more the climatic constraints increase, the more they open up to companies the possibility of withdrawing from the obligation to reduce emissions. You only had to think of it. Because that is really what is involved: if you relate the progression of the quotas of carbon credits to the envisaged progression of total reductions in emissions in the Dingell-Boucher proposal, (6 per cent in 2020, 44 per cent in 2030 and 80 per cent in 2050, compared to 2005), what do we see? That a company which took maximum advantage of the possibility of buying credits could defer until... 2029 the obligation to bring its own emissions below their level of 2005 [7]. It is obvious that many companies will choose this solution, for the simple reason that the carbon credits coming from the CDM or the forest sinks are much less expensive than the investments necessary to decrease emissions of CO₂. And then, between now and 2029, a lot of water will run under the bridges of the Potomac. If Obama is indeed inspired by the project of his colleagues, US employers will not exactly have a pistol put to their heads.

Long live “clean”...coal?

Let us now look at the “clean” technologies that Barack Obama proposes to deploy. The new president has four priorities: “clean coal”, biofuels, nuclear power and the “clean car”. This enumeration should be enough to vaccinate against Obamamania all those who have a minimum of social and ecological consciousness. This is unfortunately not the case: following the example of social democracy, the European Green parties are dancing around throwing rose petals on the triumphal road which leads Obama to the White House. So we will make some comments, concentrating on clean coal and biofuels. Basically, “clean coal” does not exist, neither for the

miners, nor for the populations living around the mines, nor for the environment in general. The expression refers to the technique known as capture and sequestration of carbon (CSC). It consists of extracting CO₂ from smoke as it leaves large industrial facilities which emit a lot (power stations, cement factories, iron and steel mills) and putting it in an intermediate state between the solid state and the gas state (“supercritical state”) before injecting it at great depth into impermeable geological layers. This mode of storage of CO₂ is already practised on a large scale in the North Sea, by the Norwegian company Statoil [8], but it is an exception. CSC still seems far from being operational.

We can discuss the system itself. It goes without saying that CSC does not constitute a structural answer to climate change: even though it is enormous, geological storage capacity is inevitably finite, and the risks of escape of CO₂ cannot be excluded. However, in our opinion, we could possibly have recourse to CSC (as, moreover, to other non-structural measures) within the framework of a plan of transition towards an economy without fossil fuels. Provided that it gives indispensable guarantees in terms of sealing the geological reservoirs and of ecological impact, CSC could help to counter the threat of a new wave of construction of nuclear plants, while making it possible to plan the reconversion with maintenance of social rights of the millions of workers whose existence depends on the extraction of coal.

This is a discussion, and the opinion defended here is disputed by other environmentalists. But this not what we are discussing with Barack Obama. What the president-elect is in fact envisaging is not a transition but a new coal era. “Coal is our most abundant energy source and it is a decisive component of the economic development of India, China and other growing economies”, he writes in his programme. The next part of the document is explicit: “Obama thinks that the imperative fight against climate change demands that we avoid a new wave of construction of conventional coal-fired power stations in the USA and that we work in an

aggressive way to transfer low-carbon coal technologies to the whole world”. So it really is question of new mines and new coal-fired power stations (which would operate for a minimum of 30 years), in the United States and in the whole world!

We come back here to the remark made at the beginning of this article. Obama’s objective is first and foremost not climatic but geostrategic: he wants to reduce dependence on imported oil and to make the United States the world energy leader, in order to restore the hegemony of the empire. Concerning coal, the calculation is clever. Firstly, the proven reserves of coal correspond to three hundred years of consumption at the current rhythm. Most of these reserves are located in the United States and coal is a major export product of the US economy (with probably a 45 per cent increase in 2008) [9]. Secondly, India, China and South Africa also have very important deposits that they are afraid of not being able to continue to use freely - for the simple reason that coal, for the same energy efficiency, produces twice as much CO₂ as natural gas. By selling them CSC technology, the USA could solve this problem and gain allies in the climate negotiations. Thirdly, “clean coal” would open up to US capital a vast field of foreign investment. Apart from the fact that these exports of capital would contribute to increased imperialist control, they would in addition make it possible to generate the precious cheap carbon credits which US companies will need in order to continue to pollute until 2029 and beyond.

Long live ecological...biofuels?

Mutatis-mutandis, Obama’s calculation on coal is in continuity with the creation by George W. Bush of the Asia Pacific Alliance for the Climate, involving in particular the USA, Australia, India and China. A similar continuity appears in the field of biofuels. As a senator of Illinois - the third-ranking American state in

the production of ethanol from maize - Obama has very strongly committed himself to support for this harmful industrial production, which has experienced a boom thanks to the incentives liberally offered by the administration. When George W. Bush announced his decision to increase from 5 to 36 billion gallons the quantity of ethanol that would be obligatorily added to gasoline in 2022, the planet resounded with protests in the name of the fight against hunger, the stability of the price of food products and ecology. There has been nothing like that with Obama. The new president, however, promises to go even further than his predecessor: his programme envisages increasing the ethanol quota in gasoline to 60 billion gallons in 2030 - almost double [10]. "Maize ethanol is the biggest success as regards commercially-available alternative fuel", he says. And he goes on, not without a certain demagoguery: "We should fight the efforts of the big oil companies and agribusiness that are aimed at undermining this nascent industry".

Faced with the "real concerns" raised by the conversion of fallow land into maize energy crops (with the use of pesticides, the pumping of water resources, an increase in food prices), Obama is committing himself to developing second generation biofuels, in other words the production of ethanol from cellulose - and not from sugar. The technology necessary for this production is almost ready and giant machines have been developed to "harvest" the young rapid-growth trees which would provide the raw material. Hallelujah? No. Second generation biofuels do not as such make it possible to eliminate the conflict between the agriculture-based food and energy industries. To do that, it would be necessary to prohibit arable land being allocated to the plantation of rapid-growth trees, and to maintain this prohibition even if cellulose-based ethanol is ten times more profitable than food crops. Supposing that the market would allow such obstacles to the search for

profit, it remains the case that the conversion of fallow and poor-quality land into industrial woods for cellulose-based production of ethanol will have a very heavy ecological impact, in particular in terms of biodiversity (monocultures with use of pesticides).

Who will pay?

Through his campaign and his energy-climate plan, Barack Obama held out the prospect that the fight for the world leadership and the energy independence of the United States will create jobs. According to him, the investment over ten years of 150 billion dollars of public funds in the development and deployment of clean energies and in the improvement of energy efficiency (objective: + 50 per cent in 2030) would make it possible to create 5 million jobs. Jobs for American workers who are "the best in the world". Jobs which "will not go to other countries". Jobs in the building in America of American clean cars running on American gasoline and ethanol, whose sale will be boosted by tax credits to American taxpayers. Protectionist, popular, even populist accents are very much present in this discourse. Thus, Obama has promised to tax the excessive profits that the oil companies are pocketing by benefiting from windfall profits, and to distribute the revenues collected so that every family receives 1000 dollars to pay its energy bills...

There is a small problem: this programme was conceived before the stock exchange maelstrom. Where will the 150 billion dollars come from for subsidies to clean energy, knowing that 700 billion dollars were absorbed in the rescue of Wall Street and that tax revenues are decreasing with the recession? Where will the money come from to increase the premiums for the insulation of the houses of those on low incomes? Obama wants 10 per cent of the electricity consumed in the United States in 2012 to come from

renewable sources... which are more expensive, and the extra cost will be passed on to customers' bills. Who will put money into the special fund intended to limit the increase in electricity bills for those who are the most disadvantaged, if the employers refuse the auctioning of emission rights? And how will American workers react if the ambitious objectives concerning biofuels lead to spiralling prices for basic food products? Does the Obama team hope to circumvent these difficulties by increasing even more the enormous American budget deficit? Wouldn't this be creating a new dependence on hostile regimes?

It is too early to answer each of these questions in detail. But the European precedent enables us to draw an important lesson: capitalist energy and climate policy, with its premiums and its incentives, its market in rights and credits, its feed-in tariffs, its green certificates and its taxes, is at the centre of the overall offensive against the working class and the poor. The more capitalist governments are convinced that they have to do something to save the climate, the more their climate policy will increase social inequality. The more united they are, the more they will try to impose unjust solutions on the poor countries, and on the poor in the poor countries. That is the danger that is appearing today.

Obama's victory marks a real turn in the energy and climate policy of the United States. We can only be delighted by the defeat of McCain who - although his proposals were not so far from those of his rival - had chosen as his running mate a thinly veiled climate negationist: Sarah Palin. But the American workers and the peoples of the world will not take long to notice that this turn will be carried out at their expense. In order to oppose it, it will not be enough to say "no": it will be necessary to propose another climate and energy policy, anti-capitalist and internationalist. An ecosocialist policy.

A reply to Alex Callinicos on Respect

24 December 2008, by **Alan Thornett**



Former SWP leader John Rees: Callinicos' article marks the end of Rees' "united front" strategy for the SWP.

Photo: JK the Unwise for Wikimedia

It sets out to take a controversial look at the development of radical parties of the left across Europe and beyond over the past eight or nine years but its back drop is the removal of John Rees and the developing debate inside the SWP which has emerged as a result.

The issue of broad parties and the radical left is a very important subject, of course – and Callinicos is right to stress that the objective conditions remain strong for such parties despite the setbacks which have undoubtedly occurred. He argues that: “Any revolutionary worth his or her salt should throw themselves enthusiastically into building these formations”. Indeed they should. But this approach is hardly reflected in the current practice of the SWP under the new majority, since the Left List is now firmly on the SWP’s back burner if not on its way out.

Callinicos, in dealing with the situation in Britain (a big section of the article deals with the emergence of the New Anti-capitalist Party (NPA) in France), fully defends the line and actions of the SWP during and after the split in Respect despite the removal of John Rees. The criticisms of John Rees seem to be confined to a few specific mistakes not the overall strategic line he developed. Alex Callinicos even repeats the myth that following the split in Respect both sides in the dispute (Respect and the Left List) “suffered electoral eclipse” in the London Assembly elections in June. Whilst this was clearly true of

the Left List a glance at the Respect results show that it held its own very well.

The other myth he repeats is that the split in Respect in November 2007 was a left/right division – with George Galloway and others following the Brazilian PT and the Italian PRC to the right with the SWP defending a left-wing line.

This is no closer to reality. The issue involved was not left wing versus right wing politics but party democracy and the role and functioning of the SWP within the structures of Respect. It was the refusal of the SWP to loosen its grip on those structures and to respond positively to a proposal from George Galloway for more plurality at the top which triggered the crisis. The Galloway proposal, which involved the appointment of someone with equal authority to John Rees, was presented by the leadership of the SWP as a declaration of war on their organisation. Callinicos, himself describes the letter as an “attack on the SWP”. It was this which triggered the dispute.

What emerged after the split as Respect Renewal was not a rightist section of the old version of Respect but a section of the old Respect which defended the democracy of the organisation. Within that there was and clearly still are a range of political positions, debates, and approaches to building Respect. In fact some of the debates prevalent in the old Respect continue in the new one.

An important factor underpinning the SWP’s approach to all this was its refusal to treat Respect as a political party but to insist on seeing it (famously) as a “~united front of a special kind”. This approach was developed by John Rees and is strongly defended by Alex Callinicos. It placed Respect as just one united front amongst four or five the SWP

was involved in – this one being the electoral version. Callinicos attacks electoralism, but the SWP approach has always had electoralism in its DNA, since it only really catered for electoral situations. It meant that Respect could not develop as an all-round political party because it only came into its own when there was an election about. Most other campaigns were conducted by the SWP itself through its own structures and under its own direction.

It is not true, however – as Alex Callinicos alleges – that either myself, or [Socialist Resistance](#), ever advocated that the SWP should dissolve itself into Respect. In fact we have argued the opposite – that it is essential that revolutionary socialists maintain an organised presence in an organisation like Respect. Such parties are by their nature multi-tendency, and this should be transparent and open and a natural part of the political life and development of such a party. Also because revolutionary socialists have a range of political ideas which go beyond those of a broad party and which need to be developed and defended in their own right. This is the situation in most of the broad parties across Europe which have emerged in recent years – in particular the successful ones.

It is true that myself, and others, have advocated the SSP model, and we still do. But we have always advocated this in general principal and not every detail of its functioning – some aspects of which could not be transported to the English situation. The size of the SWP relative to the other forces likely to be in such a party at this stage is completely different in England to Scotland and this has implications for the shape and functioning of a broad party. The issue was not that the SWP functioned as an organisation both inside and outside Respect. It was how it functioned

inside and outside Respect, and the relationship between the two.

It is also true that the issue of the size of the SWP in relation to other forces was not an easy issue, but it could have been overcome given the political will on the part of the SWP. It meant that the SWP had to self-limit its numerical weight in the decision-making processes of Respect and allow it room to breathe. It meant allowing SWP members to participate without mandate. It meant the SWP doing most of its agitational work through Respect. It meant prioritising the profile of Respect over that of the SWP at public events. The SWP was not prepared to do any of these things – why would it if Respect was simply a united front and not a political party.

Alex Callinicos argues that the SWP did not want to exercise the overwhelming control that it in fact did have in Respect. This is not true. The SWP, under the leadership of John Rees, presumably with the agreement of the CC, took a conscious decision to do exactly that a long time ago – in the latter days of the Socialist Alliance in fact. They decided that they were

not prepared to participate in such organisations unless they had a degree of control which, in their view, reflected their size and input into the project. It was posed in exactly those terms. It was a conscious choice. As a result if this they increased the size of the SWP delegation on the SA NC from 5 to 15 (if I remember rightly) with a caucus in advance of meetings. In reality it was a negative turning point in the positive move the SWP had made towards building broad parties in 2000 – 2001 period.

This approach was carried into Respect from the outset. Within a couple of years it resulted in a situation where there was little real point in anyone else participating on the elected bodies. You may as well just ask the SWP what they wanted to do and not bother going. It meant that the real decisions were not being made in the leadership bodies of Respect, but in the leadership structures of the SWP and transported into Respect ready made. It was this, or a refusal to cease to operate in this way, and not some fictitious development of a left/right polarisation over the summer of 2007 which resulted in the split in Respect.

With John Rees removed from this area of work the new majority is starting to dismantle some of the achievements of the ‘broad party’ period as they establish the new ‘build the (SWP) party’ line. A good indicator of the extent of this is the attitude Alex Callinicos now displays towards the Muslim component of Respect – something in which John Rees very much took the lead when Muslims were radicalizing against the war, even if he did blow it later on in Tower hamlets. It was this which led Respect to make the most important breakthrough into a migrant community ever made by a left wing organisation in Britain. Callinicos in his article now retails the standard jibe typical of many of Respect’s left critics that it was not making a genuine development in these communities at all but was simply seeking to “win votes opportunistically through community leaders”. The SWP used to rebut these crass jibes when it was leading Respect by pointing out that such an approach would not even work. They often characterized them as Islamophobic. How things have changed.

The hidden face of the Kingdom

24 December 2008, by Amal Yahya



This government, known as the government “of alternation”, was chaired by the secretary general of the Socialist Union of the Popular Forces (USFP), the biggest recognized opposition party.

The current king continues to mask tyranny by measures without any political or economic cost: minor revision of the family code, creation of the so-called “Equity and Reconciliation Body” to turn the page on repression (aided by a team of Stalinist veterans converted to

liberalism and monarchy), dismissal of Driss Basri, minister of the Interior under Hassan II, permission for the press to exhume the dictatorial past and to discuss some taboos. In addition, the current king has made slight concessions to the Amazigh movement, in particular with the creation of the Royal Institute of Amazigh Culture (IRCAM) and the teaching of this language which was banned for centuries.

These measures, whose resonance was inflated by the local media and the voices of the pro-Moroccan regime imperialist forces, are the basis of its reputation among the similar

autocratic systems of the region.

There is, of course, a characteristic of the Moroccan system since official independence 52 years ago: it involves the existence of parties and trade unions and a more or less reduced margin of freedoms according to the situation. This characteristic is not a gift but the result of a relationship of forces: the monarchy for example, even if it monopolized power, could not prohibit the Istiqlal Party or the Moroccan Union of Labour (UMT - trade union) which were the two biggest organizations which had contributed to the national struggle.

There is no doubt that the heavy

heritage of the Hassan II regime as regards attacks on freedoms and repression of the opposition, and also at the level of impoverishment, illiteracy and backwardness, is the principal reason for the efforts by the new king to embellish the image of the regime and to absorb the growing popular discontent, while preserving its autocratic essence and continuing the implementation of neoliberal policies and the tasks entrusted to it by the imperialist forces.

Imperialist domination

The principal factor which determines the political situation in Morocco is imperialist domination which is consolidated through to the co-operation of the monarchy and part of the dominant classes. This domination is reinforced by the mechanism of the debt and free trade (the so-called partnership with the European Union rests mainly on the historical interests of European imperialism in the area, the free trade agreements with the United States also express imperial ambitions for a greater presence). The goal of this domination is to perpetuate and promote the interests of the multinationals and the creditor countries through plundering - by taking possession of part of the economy (privatization) - and the exhaustion of natural resources.

The economic presence of the old colonial power - France - continues and is reinforced, as shown by its share in foreign direct investment, whose annual average over the period 2001-2006 was 1.16 billion euros, or approximately 60% of total foreign investment in Morocco. Spain comes second with 15% over the same period.

The problem of the state foreign debt continues: while it fell from 21.3 billion dollars in 1992 to 12.4 billion in 2005, over the same period Morocco paid 36 billion dollars in debt servicing.

This fall in foreign debt is accompanied by an important rise in domestic debt. At the end of 2007, the national debt was 386.4 billion

dirhams (approximately 50 billion dollars), including 122.3 billion dirhams for state foreign debt and 264.1 billion dirhams for internal debt. Debt servicing constituted 43% of the total state budget in 2007.

As for the free trade agreements, they lead only to catastrophes. The best example lies in the trade deficit with the European Union, which went from 12 billion dirhams in 2000 to 27.7 billion in 2006.

The mechanism of the debt is not only used to draw profit, but makes it possible to control the economic policy of the country by a systematic submission of development and public investment to the priority of payment and an adaptation to the division of international production: to specialize in the export of basic products to the detriment of production for the domestic market and to practise a total commercial opening which turns the country into a simple raw material and agricultural exporter as well as a privileged place for subcontracting. Shortly after its appointment, with the elections of September 2007, the current government received a new World Bank report which will serve as its roadmap.

After more than a quarter century of World Bank and IMF policies, the roads to development remain blocked: weak economic growth (a rate of 3% per annum), dependence on external financing (loans and direct foreign investment), and the country remains deeply affected by climatic conditions [the growth rate dropped in 2007 to 2% because of the lack of rain], without forgetting the failure of the gamble made on exports because of growing difficulties on the foreign markets due to the cancellation of entry privileges and to the reinforcement of competition from Southeast Asia, China and Eastern Europe.

With regard to the domestic market, it has atrophied because of the reduction in state expenditure and impoverishment (the Moroccan market is the equivalent of that of a European city of 1.5 million people whereas the population of the country is more than 34 million) in spite of the great part played by funds from

Moroccans residing abroad (a source of subsistence for most of the population and the biggest currency import).

Moreover, we can expect that the current policy of opening will lead to the destruction of most of the economic fabric (two thirds of the industrial companies export less than 10% of their production). That will do nothing but exacerbate the problem of unemployment and the explosion of the social situation in general. Free trade and privatization will result in reinforcing the financial crisis of the State which will attempt to resolve it by reaching into the pockets of the citizens.

In the light of these deep changes resulting from the economic policy imposed by the imperialist institutions, the interests of sections of the local bourgeoisie have been affected. Big capital, to adapt, has tried to re-orientate its activities and to concentrate them while seeking partnerships with world capital.

In the absence of real economic development, the weight of the drugs economy increases. Thus, the production of Kif has become the principal source of income for broad layers of working people in the area of the Rif and represents a response to a social problem in this sensitive region for the system (repressed in 1958 and 1984). This drug economy has become a source of financing for other branches of the economy, as well as both the government (which makes use of it to finance slush funds) and gangsters, who use Morocco as an international base to promote other types of drugs (the airport at Casablanca).

At the level of foreign politics, after the abrupt change of the world situation following the collapse of the Soviet Union and its system, the role of the monarchy in the subordination of the area to imperialism (the fight against Communism and so on) has changed.

The monarchy committed itself to the new imperialist project for the area (the fight against terrorism, the project of the Greater Middle East). It thus sent 2,000 Moroccan troops

within the framework of the war in Iraq in 1991, and supported the policies of the imperialists in several areas (Bosnia, Haiti, Ivory Coast, Congo and so on).

The role of the Moroccan regime in the service of the “war on terror” increased, mainly due to the significant role of Moroccans in the Al-Qaida’s global networks, in particular in Europe. This is accompanied by the reinforcement of the imperialist military presence in the area (by regional military exercises with NATO and a military base close to Tan-Tan) and the attribution by European imperialism to the monarchy of a new role of frontier guard in relation to the waves by immigration of the victims of neoliberal policies in Africa.

The question of the Sahara

Mohammed VI inherited a conflict which goes back a quarter of a century and which was used to control the internal situation, in particular by uniting around the regime the parties originating from the national movement. This conflict constitutes a significant burden for the economy and has created an unstable regional political situation. It constitutes an embarrassment for the “new era” at the level of human rights because of the policy of assassinations and crimes against the people of the Sahara who support the Polisario Front.

After the death of Hassan II, the regime sought a solution involving Polisario (or parts of the latter) without calling into question what is referred to as “territorial integrity”, and faced the emergence of a movement of protest proclaiming independence within the Sahara. This movement still remains weak in terms of expansion and popular base, being made up mainly of young people, and has been reduced by repression and the policy of privileges. The preceding generation does not take part in it (it is still feeling the effects of the terrible atrocities of the Hassan II years). This oppositional movement emerged following the revolt of Laayoune in 1999 on the basis of social demands and constituted a

political outlet for the Polisario Front after the cease-fire.

For its part, the Polisario Front is experiencing a situation of weakness after 15 years of an end to war and following the collapse of the Eastern bloc (an important loss of political and financial support). The tough living conditions of its popular base in the camps contribute to this weakening. All this is located in a context of social transformation represented by the passage of the Sahrawi people to a situation of relative stability, which explains the temptation to accept the offers of the regime and to end their support for Saharan independence.

The situation of hundreds of thousands of Sahrawi refugees in the desert, under very difficult conditions, and the birth of a new generation which is cultivated and open to the external world, also represent factors of pressure on the Polisario Front to find a solution. The latter has experienced an ideological adaptation after the fall of the Eastern bloc (the fundamental principles of the Constitution rest on recourse to private and liberal initiative, and there is an absence of any anti-imperialist, anti-Zionist and anti-reactionary basis).

The Moroccan regime continues to exploit the region economically (in particular the exploitation of phosphate in collaboration with Spanish imperialism which gained 35% of the phosphate of Bokraa at the tripartite Convention in Madrid 32 years ago; the exploitation of maritime wealth in co-operation with the European Union in particular). This exploitation will increase with the strong probability of the existence of oil. The Moroccan regime has created a new situation by the transfer of population to the Sahara for the referendum and the mass exodus caused by the high rate of unemployment in Morocco.

The Moroccan regime benefits, in its search to find a solution to the conflict in the Sahara, from the full support of French imperialism and the position of Spanish imperialism which has changed in its favour. The future of the conflict will depend on the attitude of US imperialism, which currently

invests more economic interests in the Algerian regime than in Morocco. In any case, imperialism has no interest in resolving the conflict in the Sahara in a way which could lead to the fall of the monarchy, a good servant of its historical interests and a guarantor of stability.

The offer of autonomy suggested by the Moroccan regime will clarify the objectives of imperialism. It should also clarify those of the leaders of Polisario, because any formula of autonomy within the framework of the royal autocracy does not answer the aspirations of the masses which support it but constitutes an occasion for it to accept the offers and privileges that monarchy is ready to grant an elite.

The new plans of US imperialism in the area could push the conflict in the Sahara to the foreground of questions of domestic policy, in particular after the breathlessness of the organization of the referendum, the Baker plan and the success of the Polisario Front in transferring the political battle inside the Sahara after 15 years of cease-fire. Imperialism can use this question to push the Moroccan regime to serve its goals still more: normalization of relations with Israel as well as services on various fronts.

The revolutionary communist position is based on defence of the right of the population of the Sahara to self-determination, defence of the liberation of all the peoples of the area and their unity, as precondition and essential framework for the construction of a socialist society.

Monarchical despotism

Since “independence”, the monarchy has controlled the country with an iron hand, monopolizing power, guaranteeing the interests of imperialism and using its position to reinforce the bourgeois class and to weave alliances with a part of the latter. The monarchy is the guarantor of the general interest of the bourgeoisie (it secures the conditions for the exploitation and repression of the workers) and governs in its place.

Like other autocratic regimes, it directs the country with two governments, the first, effective, with the king at its head, is made up of the people of the seraglio, whereas the second is a front government within the framework of a constitution and phoney institutions.

This regime was stabilized in the middle of the 1970s, after having emerged intact from risings of the end of the 1960s and the beginning of the 1970s, as well as after the eradication by repression of the radical left whereas a part of the bourgeois opposition had adopted a policy of unanimity on the Sahara.

The two decades until the death of Hassan II were characterized by an absolute power masked by "elected" institutions, corruption and enrichment by plundering.

The coming to power of Mohammed VI constitutes continuity with the Hassan II era on all levels: monopoly of power and reinforcement of the economic role of monarchy. The only innovations are at a symbolic level (the return of Abraham Serfaty, the lifting of Sheik Yassin's house arrest, the dismissal of Driss Basri and so on).

In essence, the monarchy continued to use two governments, royal commissions, the royal funds and the powers, as well as the constitution of 1996 which created a system with two chambers without precedent in the world, intended to control the structure of the institutions. The falsification of elections continued as well as the imposition of a political map by the limitation of the electoral strength of the Justice and Development party.

The so-called "new era" started in fact during the latter years of the reign of Hassan II, with the aim of ensuring a transition from the Mohammed VI regime and of intensifying the neoliberal attack which had been led by the "left" (the parties with influence on the trade union and popular movement).

The new king inherited an unstable situation. He tried to calm the situation without calling into question socio-economic choices and the

reduction of freedoms. He tackled problems with a strong symbolic impact which were inexpensive to deal with, like the attempt to turn the page on the crimes of liquidation of the opposition through the so-called "equity and reconciliation body" and the effort to resolve the conflict on the personal status code. He has also tried to absorb most of the Amazigh elite by the creation of the Royal Institute for Amazigh culture and, more generally, to attract the elites, in particular those of left origin, towards his institutions (human rights, audio-visual and so on).

The liberal opposition

The end of the 1980s represented a turning point in the relations between the bourgeois opposition and monarchy. After having accepted the conditions of "democratic" participation which introduced these parties within the institutions camouflaging absolute power, within the framework of the regrouping around the monarchy (national union around the Sahara), the opposition demanded the widening of the space granted to it. These demands came within an international context marked by the wave of democratic demands which brought down many authoritative regimes and by the pressures exerted by the imperialist forces.

This political landscape (so-called motion of censure, strike of December 1990, motions to modify the Constitution, constitution of the so-called "democratic bloc" and so on) ran up against the will of the king to keep all his powers and ended in the total submission of the "government of transition".

All the plans of monarchy were accepted. In addition to the inability to modify by one iota its absolute nature, this is due to the class nature of the so-called democratic forces. These forces expressed the interests of the bourgeoisie aspiring to progress, i.e. within a more structured and more stable legal framework, with respect for the law and Constitution and with the guarantee of a minimum of political freedoms. But this is a

middle-class which fears democracy and the mass movements more than it fears the reactionary force. This is what explains its tendency to make concessions, compromises and to defend the Makhzen [the governing elite around the king].

The neoliberal offensive has harmed the interests of a section of the propertied classes (that depending on the domestic market and state investment), however they try to adapt instead of resisting. Their parties fear the Salafist current and a social explosion, which encourages them to provide all their services to the monarchy without conditions. That has led to the erosion of the traditional parties of the palace (the so-called "parties of the administration"). The liberal opposition constructs a new national union around the regime against what it regards as a danger to the country: the Salafist upsurge which made the "Justice and Benevolence" party the strongest from the organisational point of view.

The conflict in the liberal camp concerning the evaluation of the political situation and tactics gave birth to a minority represented by the United Socialist Party which clings to the demand for a constitutional reform, joined by other non-partisan voices which have emerged - in the press in particular - and form the current liberal opposition.

The Salafist threat

The rise of the Salafist movement of all tendencies (Justice and Benevolence, Justice and Development party and Salafiya Jihadiya) represents the result of the socio-economic crisis combined with the historical failure of the left.

The major component of the Salafist movement crystallized at the end of the 1960s and the other at the end of the 1970s and expanded at the beginning of the 1990s, when it eliminated the left from the universities by violence.

The collapse of Eastern Europe reduced still further the forces of left, which made it possible for the Salafists to be reinforced, the regional

situation helping: Iran, Afghanistan, the situation in Palestine, Al-Qaida, Hezbollah. These forces also profited from massive politicization after the second Gulf war, which coincided with an additional decline of the left.

The social base of the Salafist movement is among the educated popular classes, in particular dissatisfied young people, the commercial lower middle class and the informal sectors. This movement is also built by using social assistance.

The current activity of largest of the Salafist forces, "Justice and Benevolence", is limited to propaganda, the accumulation of forces and the rejection of the political game of the regime. On the other hand, the "Justice and Development" party has joined the democratic pseudo-institutions, while steadily following the imperialist political line in the country, being characterized by its call for an Islamic moral order. This party represents the spare wheel of the governmental game of the regime. It is a tool which can be used against any real left project.

The widening of the social base of the Salafists constitutes an obstacle for the work of revolutionaries among the working masses, in particular young people. The revolutionary socialist project will not advance without a political battle with the Salafists.

The Amazigh movement

After the media and organisational expansion (national and local associations) of the movement in the early 1990s and its emergence in the universities, which enabled it to extend its base among the elites and among educated youth, the regime succeeded in attracting most of its leadership to the Royal Institute for Amazigh culture and corrupting most of these elements by "initiatives of development". This movement was quickly dominated by its right wing, which gathered around the palace, presented as the defender of the Amazighs in relation to the political parties, all considered as Arabist.

A trade union movement under the supervision of the bourgeoisie

The principal characteristic of the trade union movement in Morocco is the political absence of independence, seven decades after its birth. The bourgeois national movement succeeded in structuring the trade union movement at the expense of the Moroccan Stalinists, who had played a key part in the construction of this trade union movement under the occupation. The installation of Ben Seddik as head of the UMP trade union since its foundation was a symbol of the political relation of supervision exerted historically by the bourgeois national movement over the workers.

The bourgeois opposition has succeeded in controlling part of the trade union movement by founding the Democratic Confederation of Labour (CDT) at the end of the 1970s. The CDT was rebuilt then, after repression in 1979 and 1981, by sweeping the Moroccan Union of Labour out of its historic sites (mines, rail and so on).

The liberal opposition used the trade unions on the one hand to slow down the combativeness of the workers in the service of social peace and, on the other hand, to make pressure on the regime according to its political needs. The bourgeois parties use the trade unions for their political needs, when the latter change the trade-union tactics change. The political domination of the bourgeoisie over the trade union movement is based on the absence of an independent trade-union press and on the diffusion of the ideology of the democratic ally (by inviting it to vote for it at elections) and not only on bureaucratic control.

The Moroccan Union of Labour (UMT) continues to be integrated more and more into the regime. It is made up of a corrupted bureaucracy; its leaders are obscenely rich and ignore any national struggle.

After the total submission of the Socialist Union of Popular Forces

(USFP), the most dynamic part of the trade union movement entered a new phase, leading to the split of the Party of National Congress, Ittihad, which remained faithful to the political vision of the old USFP (to persuade the workers of the need for making sacrifices today to gain tomorrow: to guarantee the social peace which protects the stability of labour). This tendency to class collaboration is subject to the fluctuations of the trade-union bureaucracy which needs to ensure social peace at the same time as preserving the basis of the trade union.

The trade union movement is going through a difficult period, following the bourgeois attack combined with the pressure of unemployment and an internal crisis (organisational retreat, splits, sectoral work, co-operation of the leaderships with the State and the employers). Working class resistance is at the last lines of defence in particular in the private sector where strikes and sit-ins are limited to defending the right to work against collective redundancies and closures of factory and defence of the right to form a union.

The trade union movement has accumulated many defeats through the collusion of the bureaucracy in pushing through the projects of the employers and their State: the labour code, Social Security cover, retirement, voluntary redundancy, the Charter of education. The other face of this degradation is illustrated in bureaucratic arbitrariness.

The elements of a new rebirth of the trade union movement appeared at the time of the strike in road transport in March and April 2007, when the draft highway code was at the origin of the explosion of a working class militant force in a sector super-exploiting workers. The rebirth also appeared in the vast movement of enrolment of agricultural workers in the Souss, in the south of Morocco, and in the democratic movement of struggle within the CDT in the local communities. But all these elements suffer nevertheless from the catastrophic situation of the trade unions in general and the weakness of the forces of the combative trade-union left.

New popular protests

The strict application of the policy of impoverishment and austerity in welfare expenditure since the beginning of the 1980s has led to social explosions (June 1981, January 1984, December 1990) where energies in struggle were dissipated because of the absence of political prospects. The regime controlled the explosive situation by bringing the trade unions to heel and repression of the embryos of organization and struggle. It succeeded in intensifying its attacks in all fields (by privatising all that had been public). The popular masses began to protest against the results of neoliberal policies: the mobilization of the population of Yacoub el Mansour in Rabat against the Redal company and the inhabitants of Tétouan against the Amandis company are examples. Villagers also started to protest against poor social conditions (basic infrastructures) and to resist abuses : plundering of collective lands, imposition of tariffs for hospitalization, plundering of money from rural communes (Has Bilal, Imlchil, Itzer, Tata, Ifni, Boumalen Dades, Oulmès, Tamassint, Lakhwarka, Douar Beggara in the area of Larache and so on).

These popular uprisings represented a qualitative change in the rural areas which were since the end of the colonial era passive zones (except for the emergence of the Army of Liberation which did not survive for a long time). The regime succeeded in choking the demand for land reform and distributed the lands of the former colonists to reinforce its alliances. It also strengthened police repression in the rural areas compared to the majority of the cities (going as far as harassing the bourgeois opposition there).

These demonstrations were born from a context of abandonment of their role by the trade unions, the retreat of human rights associations, abstention from the traditional left and the weakness of the radical left.

The popular protest against the effects of the privatization of water and electricity represented an opportunity

for the construction of a mass movement against capitalist globalization, but that failed because of the organisational crisis of Attac-Morocco since its constitution.

The popular response to the high cost of living, and the success of some coordinations of organisations protesting against it, shows the possibilities of advancing in the construction of a popular activist movement.

The movement of young people

The response of students to the application of the neoliberal Education Charter was limited because it was fragmented, taking place in the absence of a minimum of organization, considering that the student union continues to exist in name only, a quarter century after its last congress and campaigns to uproot it.

The liberal left contributed to the implementation of the reform including on the administration boards of the universities. The radical left remains weak and suffers from the absence of program, part of its student current is unstructured and completely disorganized and it contributes to the persistence of the crisis of the student movement by its sectarianism and the excessive use of violence against other currents, in particular against revolutionary Marxists.

The most serious rivals are the Salafists, who are armed with a program of society capable of indoctrinating dissatisfied students, in a general regional political context characterized by the decline of the left.

The movement of unemployed graduates and the fight against

unemployment

The movement of young unemployed graduates is in total isolation (even if the trade unions, associations, reformist parties and the radical left reaffirm their support in principle). The left, dominant within it, continues to be a barrier to its struggles. This movement is in unprecedented crisis.

The accentuation of the degradation of social condition gives a great importance to the struggle of the movement of the unemployed because the fight against unemployment directly challenges the state and poses the need for global alternatives. The National Association of Unemployed Graduates of Morocco (ANDCM) reinforces the trade union and popular movement while giving life to the traditions of struggle and the creation of other organizations; its influence is increasing in its popular and working class environment, including in the most remote areas of the country, without forgetting its role in the structuring of a young rank and file which is seeing a first experience of struggle. The existence of a movement of the organized jobless without revolutionaries working at its centre constitutes a direct danger to the working class (interim, training courses, training for integration and so on)

The crisis of the subjective factor

The incipient Marxist left, from the end of the 1960s and the beginning of the 1970s, suffered from repression and political inadequacy. Repression largely limited its possibilities of working openly in the working class and popular milieus. The context of the radicalisation of youth gave opportunities which were lost because of the leftist nature of this radical left (substituting itself for the masses). It entered a lasting crisis. The collapse of the Eastern bloc stimulated a rightist deviation, which led a great part of it to give up the central character of the working class struggle and to turn to liberal positions. The attempt at regroupment in the 1990s led the majority to line up

behind the liberal left (United Socialist Party), but also to the constitution of the movement "the Democratic Way": this current is characterized by a verbal radicalism which in practice does not have any impact inside the popular organizations. It is obsessed by the institutions within the framework of the mass movements and has contempt for the use of the elections in its political struggle. Its political alliances (Rally of the Democratic Left) limit its actions within the trade unions. All this has marked its functioning by a truce with the bureaucracy and the disarmament of the rank and file of the trade unions. Sometimes it has become an instrument of the bureaucracy, as within the National Agriculture Union with regard to the privatization of the agricultural development company (SODEA) and the agricultural land management company (SOGETA). Some of its leaders behave as representatives of the bureaucracy in organizations such as the social

security and the Commission created by the regime to push through the World Bank reform of pension systems.

Conclusion

Imperialism continues gradually but firmly to apply neoliberal policies, with the support of all the political forces, which raises an unprecedented degree of hostility. These policies will be widened and deepened after the elections.

The situation can develop in the direction of a possible Salafist scenario, given the general climate of the region, Islamization of society and reinforcement of the Salafist forces. That could in particular occur if "Justice and Benevolence" decided to transcend its current work of propaganda and accumulation of forces to direct itself towards a political intervention with clear objectives. On the other hand the

"Justice and Development" party can only play the part of a pillar of the system and it is intensifying its activity against a progressive democratic alternative.

The current situation bears possibilities of spontaneous social explosions, in response to the deterioration of the living conditions of most Moroccans. These explosions will be the subject of repression, as was the case with Sefrou in September 2007 and Sidi Ifni currently. The current situation shows that the remainder of the radical left will have a limited role in the fights to come, the so-called "rally of the democratic left" will remain in the margin of the social struggles after its failure to act on the political terrain apart from agreements to run candidates at the elections.

This situation gives all the more responsibilities to revolutionary Marxists.

Capitalism, 'decreasing' and ecosocialism

20 December 2008, by **Daniel Tanuro**



Plenary Hall stage of 2008 UN Climate Conference

The only way to ward off the danger is by radically reducing greenhouse gas emissions, and therefore similarly reducing flows of energy and matter. Time is short. The enormity of the challenge, the vertiginous scale of the policies that need to be implemented, the urgency of their implementation and the coincidence with the most serious economic crisis since 1929 are suddenly giving a very concrete meaning to the ecosocialist perspective, a meaning which is both anti-capitalist and anti-productivist.

The left did not pay the necessary attention to the evaluation report made public in 2007 by the

Intergovernmental Panel on Climate Change (IPCC). Superficial impressions concerning the disappointing balance sheet of the United Nations conference in Bali (December 2007) diverted attention from the documents that had been prepared by the experts. However, the conclusions arising from these documents have major implications for any socio-political project - in particular for the world socialist project of satisfaction of democratically determined human needs.

The conclusions to be drawn from the report of the IPCC can be synthesized in the following way:

- * the industrialized countries must reduce their greenhouse gas emissions by between 80 and 95 per cent between now and 2050, including

an intermediate reduction of from 25 to 40 per cent in 2020 (compared to 1990);

- * the developing countries must "substantially deviate" (by between 15 and 30 per cent) from the "business as usual" scenario of reference from 2020 onwards (2050 for the countries of Africa);

- * world emissions must culminate in 2015 at the latest and then decrease regularly in order to be reduced by between 50 and 85 per cent in 2050 (compared to 2000);

- * the decrease in emissions must continue beyond 2050, until their total suppression between 2060 and the end of the century, depending on the region. "Negative emissions" (of atmospheric absorptions of CO₂) may even be necessary for the stabilization

of the climate.

A Herculean effort

The reports of the IPCC do not, strictly speaking, talk about “recommendations”. However, there is no doubt that, among the scenarios examined by the experts, the combination of measures summarized above is the one that it is advisable to adopt if we seriously want to fight against climate change. Indeed, it is the only one which makes it possible to fulfil at the same time two indispensable conditions, respectively relating to the maximum limitation of the socio-ecological impact of global warming and to North-South justice:

* 1) to maintain the rise in average temperature on the surface of the globe at between 2 and 2.4°C;

* 2) to act in accordance with the principle of “common but differentiated responsibilities”.

In 1996, the Council of Ministers of the European Union set itself the goal of not exceeding a rise of 2°C compared to the preindustrial period. The last report of the IPCC no longer speaks of a scenario that would make it possible to achieve this goal. However, it is a goal which remains more relevant than ever: thus, the table recapitulating the consequences of global warming, in the 2007 report, shows clearly that beyond a rise of 1.7°C compared to 1780 (+1.3°C compared to the present), the impact is likely to become very alarming, in particular in terms of shortage of water, agricultural production and human health [11]. But the acceleration of global warming is such that it is probably no longer possible not to exceed +2°C... It is thus imperative to adopt the most radical objectives of the IPCC for the reduction of emissions, such as they appear above, and even to consider them as the minimum that must be reached. Not to do so amounts to condemning hundreds of millions of poor people, mainly in the poor countries, whereas their responsibility for climate change is non-existent or extremely limited.

This brings us to the second condition:

the respect of the principle of “common but shared responsibilities”. Inscribed in the United Nations Framework Convention on Climate Change (UNFCCC, Rio1992), it refers to the fact that the developed countries are historically responsible for more than 70 per cent of the warming of the atmosphere, of which the countries of the South are the main victims [12]. So the North must not only carry the greatest part of the effort of reduction in emissions, but also help the South to adapt to the part of climate change that has become inevitable and transfer clean technologies to it, so that its development does not involve a further worsening of the climate. It is very important that these points were included in the Framework Convention. The countries of the South will defend them fiercely, because they condition their right to development and respond to a fundamental demand for justice in the management of the climate crisis.

Let us come back now to the conclusions arising from the 2007 report of the IPCC and dwell on their implications. The gas with the greatest greenhouse effect is carbon dioxide (CO₂) and the most important source of this gas is the combustion of fossil energies (coal, oil, natural gas) in order to produce electricity, heat or movement. Four elements must be taken into account here:

(i) energy is the condition for any work, therefore any economic activity;

(ii) the combustion of fossil fuels provides 80 per cent of power consumption on a world level;

iii) as shown, the rise in greenhouse gas emissions is ascribable primarily to the increasing emission of fossil CO₂ emissions by the energy sector [13];

(iv) energy infrastructures imply heavy investments, whose lifespan is from 30 to 40 years.

Under these conditions, it is not difficult to understand that the objectives of reduction to be realized in forty years to save the climate, and to do so while respecting North-South justice, represent a collective effort

without precedent in the history of human society. An effort all the more Herculean in that it must be carried out on a world scale, in a context dominated by enormous inequalities of development.

Behind the declarations of intent, the disarray of governments

Is capitalism able to take up this challenge? We can answer in an empirical way by noting (1) that it has not done so up until now, and (2) that it is not preparing to do so. The first point does not require long demonstrations: forty years went by between the first warnings of scientists and the signature of the Kyoto Protocol, which is ridiculously insufficient. The second point is somewhat obscured today by an escalation of ambitious political declarations which seem to testify - finally! - to an awakening on the part of the governments. But when we look more closely, we can see that there's many a slip 'twixt cup and lip.

Gordon Brown and Barack Obama have recently come out in favour of a reduction of emissions by 80 per cent in 2050, but that does not commit them to much. Indeed, if 2050 is terribly close on the climate clock, it is very distant on the political clock. Consequently, if it is not associated with a concrete plan, the most radical objective can in practice have only a decorative function.

During the presidential campaign, the new president of the USA beefed up his programme, going suddenly from 60 per cent to 80 per cent of reduction in emissions between now and 2050. That enabled him to differentiate himself from his Republican rival, more clearly marking the rupture with George W Bush. We can only be pleased about that but, in reality, Washington will have a more modest objective: to reduce by 2020 US emissions to their level of 1990. A considerable effort, certainly (minus

approximately 20 per cent compared to the current level)... but completely insufficient: the United States, according to Kyoto, should have, by 2012, been 5 per cent below the level of 1990; as for the fourth report of the IPCC, it should incite the USA to reach at least 40 per cent of reduction in emissions between now and 2020 [14].

Gordon Brown will follow in Obama's footsteps: 80 per cent reduction in 2050. According to the British press, the occupant of 10, Downing Street quite simply does not have any idea of how the United Kingdom could concretize this commitment. Let us not make a target of him: nobody, among the liberal economists, knows how to proceed. Working Group III of the IPCC compiled the "bottom up" studies dealing with the economic potential for reduction of emissions by sector [15]. Coming from a background of academic science, the authors proceeded according to neo-liberal ideology, which claims that there is unemployment because labour is too expensive and too much fossil CO₂ in the atmosphere because it is too cheap. So they estimated the quantity of greenhouse gases which they could prevent from being rejected at a cost lower than 100 dollars a ton. In conclusion, that does not lead to ecological effectiveness: at the price of 100 dollars a ton of CO₂ equivalent, we would scarcely manage, in 2030, to stabilize the total quantity of carbon sent into the atmosphere at the level of 2000. That is not how the world economy will manage to reduce its emissions by 50 to 85 per cent in 2050... Is it necessary to double or triple the price of carbon? [16].

To discuss with the "decreasers"

The increase in fossil fuels will no more save the climate than wage moderation, for thirty years, has restored full employment. A purely formal analogy? No, the basic reason is the same: the incapacity of capitalism to decrease the production of goods other than by periodic crises involving social misery and waste of wealth. Crises whose only advantage - if we can say that - is to temporarily

decrease the pressure on the environment. To save the climate requires a radical reduction of fossil carbon emissions. To abolish unemployment implies a radical reduction of working time, without increase in the rate of work or loss of wages, and with proportionate hiring of additional workers. In both cases, it is the capitalist logic of accumulation which is challenged.

This point of view invites the left to somewhat change its attitude to the current known as "decreasing". On the ideological level, we should thoroughly mistrust certain spokespersons of this trend, who, following the example of Serge Latouche, amalgamate growth and development, then development and capitalism, ultimately relying on a "pedagogy of catastrophes". On the scientific level, we can only express scepticism towards the "fourth principle of thermodynamics" imagined by Nicholas Georgescu-Roegen, for whom the increase of entropy (measurement of disorder) is a fundamental characteristic of life, and even of matter. On the level of the perception of social realities, finally, we have to distinguish ourselves from those who consider workers only as candidates for overconsumption, accessories to the destruction of the planet, and not as exploited producers, whose collective action is a lever for change.

Nevertheless, the "decreasers" are right on an important point, which Marxists balk at accepting: in the developed capitalist countries, the priority measure to protect the climate is not to deploy new green technologies, but to radically decrease the consumption of energy, and this reduction implies a decrease in the exchanges of matter between humanity and nature. As for the countries of the South, their development must be of another type than that of the countries of the North, otherwise they will increasingly take responsibility for the destruction of the climate. So it is not enough to say: "growth or decreasing, that is not the question". GDP is certainly inappropriate for guiding social and ecological policies, because it only takes into account the quantity of value. Its decrease no more leads to

ecological sustainability than its growth would be synonymous with social progress. But understanding this should not mask the need for reducing energy consumption. However, this reduction is not possible solely by removing waste: it is also necessary to decrease the non-renewable removal of resources, therefore to produce less.

It is not enough to replace fossil fuels by renewable energies

The climate challenge illustrates well where the problem lies. The present technical potential of renewable energies (solar in its various forms and geothermics) is equivalent to 7 to 10 times the world consumption of energy. There is no doubt that this potential is likely to increase considerably with progress in science and technique. So in the abstract, we can imagine an energy mutation that would allow us to quickly leave behind us the era of oil, coal and gas. Paradoxically, this reasoning is the foundation of both the hopes of the partisans of a green capitalism and the proposals of a certain radical left which simply reduces the fight for the climate to the expropriation of capital and the replacement of fossil energy sources by renewable energies. However, the question is more complex, because of the combination of very short time scales, extremely drastic reductions and the profound change that the passage to an energy system based exclusively on renewable energies implies.

Let us make it clear: we are employing here the concept of 'energy system' in the broad sense defined by Barry Commoner and developed by Jean-Paul Deléage [17]: the energy system of a mode of production is characterized by the sources, the converters, the degree of centralization and the efficiency on various levels. The solar source is diffuse and usable in various forms which are not all available in all regions and which require the use of specific converters (wind farms, wave

energy, thermal panels, converters of biomass, photovoltaic panels, etc). So the new energy system to be built will have at the same time to be managed centrally on the level of the networks (which is contrary to the frenetic liberalization of energy markets which is sweeping Europe and the USA) and be very decentralized on the level of the use of sources, consumption and maintenance. It is not excluded that this system, once set up and improved by technological advances, will prove itself to be very efficient and will open up new possibilities for development. But this futuristic vision does not enable us to solve the problems of the transition in a way that is favourable to both the exploited and the environment. On the contrary, the success of the transition from those points of view requires the deconstruction of certain elements of the system, which obviously raises, for the left, the crucial question of the reconversion of the workers who are employed there.

We can take the example of transport, which is characteristic and highlights the utility of the concept of energy system as a global concept, incorporating agriculture (from the point of view which occupies us here, indeed, agriculture is just an accumulation of converters of luminous energy into biochemical energy). The capitalist sector of transport consumes annually 1500 million litres of fuel. The production of ethanol and biodiesel hardly comes to 20 million litres. However, this limited figure is enough to cause serious ecological damage, a wave of appropriation of land in the countries of the South (combined with forced displacements of indigenous and peasant communities), not to mention that fact that it makes a significant contribution to the rise in the prices of food products, and thus to

malnutrition, diseases, etc. It is obvious that this massive production of biofuels from food crops must be denounced and fought vigorously. Shaken by the wave of contestation around this issue, the capitalists who are responsible for these projects announce that the problem will soon be solved by the production of second generation biofuels (manufactured from plant cellulose). But the concrete plans of an oil giant like BP show that this is not at all the case [18]. On the contrary, this new chain, which links biofuels and GM crops, is likely to have even more frightening consequences, in particular from the point of view of biodiversity and of the appropriation of ecosystems.

Ecosocialism

In the real capitalist world, the answer to climate change is declined according to the needs for valorisation of the many competitor capitals. However, in order to have a superprofit higher than that of his rivals, each entrepreneur will seek to replace living labour by more productive machines, from which will flow increasingly larger quantities of goods aiming to satisfy solvable demand. This logic of accumulation, productivist, is inseparable from capitalism. It is the fundamental reason why climate change represents the squaring of the circle for this mode of production. It is certainly obliged to answer it, but in its own way, which will inevitably imply even more violently attacking "the only two sources of all wealth: the land and the worker" (Marx). The workers, the peasants and the poor of the world are thus caught between the hammer and the anvil: global warming, of which they are and will always and increasingly be the main victims, and

capitalist climate policy which presents them with the bill for an energy transition that is oriented according to the requirements of profit.

In this context, the ecosocialist perspective suddenly takes on a very concrete meaning. To save the climate requires a radical reduction of greenhouse gas emissions, corresponding at the very least to the recommendations of the IPCC. This reduction in its turn implies a reduction in the overproduction and overconsumption of material goods in the rich countries (as well as the suppression pure and simple of useless or harmful sectors, those which waste energy: armament production, etc). Indispensable for rescuing the climate, this decrease can go hand in hand with a substantial improvement of the conditions of existence and quality of life of the working class, on three conditions, which are linked: 1) reconversion of workers and a generalized and large-scale reduction of working time (to half a day's work); 2) a redistribution of wealth (the rich will be less rich, the poor will be less poor); 3) contesting capitalist property relations, in particular in the energy sector. It is rather obvious that the realization of these conditions will encounter considerable difficulties, given the present relationship of forces. But attitudes can change quickly under the whiplashes of the crisis. We can see this with the debacle of the Stock Exchange, which overnight put on the agenda demands such as nationalization and expropriation. There exists a space to argue in favour of public plans combining the satisfaction of social needs and environmental protection. It is up to the partisans of ecosocialism to occupy this space with their proposals.

The 'Prague Spring' and the 'Prague Autumn'



Socialism yes, occupation no

Image: Wikimedia

The strike began in Prague and spread throughout Bohemia and Moravia, following the most dramatic year of post-war Czechoslovak history 1. A central part of the worldwide ferment of ideas and struggles which lasted through 1968 was the set of developments which took place in the Stalinist states of Central and Eastern Europe, notably in Poland, Yugoslavia and most of all in Czechoslovakia.

The Origins of the Prague Spring

The starting point of the so-called 'Prague Spring' was a reform movement in the Czechoslovak Communist Party. This first became publicly apparent with the removal of the traditional Stalinist bureaucrat Antonín Novotný as First Secretary of the party at the Central Committee plenum on January 5 1968 and his replacement by Alexander Dubček. Novotný carried on as President until March 21 when he was forced to resign and in early April a new government was appointed with Dubček as de facto leader. The new president was the elderly general Ludvík Svoboda and the prime minister was Oldřich Černík but the most significant reformers were figures like Otá Šik (in charge of economic matters), František Kriegel (responsible for the National Front in which the Communist Party co-operated with other political forces such as approved non-Communist political parties and the Central Council of trade

unions), Josef Smrkovský (chair of the National Assembly – the equivalent of the Czechoslovak parliament) and Zdeněk Mlynář (appointed to head a team of researchers investigating the future of the political system and the question of socialist democracy). The six months from early April to late August saw a tumultuous succession of political developments in Czechoslovakia in which the initial cautious reforms proposed by the party leadership became radicalised both by internal pressures within the party and associated bodies and more importantly by movements in the population as a whole. This process of radicalisation continued after the Warsaw Pact invasion on August 21, with widespread resistance to that invasion lasting until the middle of 1969. At that point a series of purges and expulsions within the party (including the replacement of Dubček as First Secretary by Gustáv Husák in April) coupled with suppression of popular political movements set the stage for an 'anormalisation' of Czechoslovak society which led two decades later to the collapse of the now totally discredited Stalinist regime and the re-establishment of capitalism in the country.

In this way the events of 1968 were pivotal not just for Czechoslovakia but for the whole question of the possibility of a political revolution in the Stalinist countries and of the replacement of the existing bureaucracy not by a rejuvenated capitalist class but by genuine socialist democracy. Together with the Hungarian revolution of 1956 and the Polish strikes of 1970, 1976 and 1981 which led to the formation of

Solidarność, they represent a key turning point for the region as a whole.

An important initial question in understanding the Prague Spring is that of why an inner-party reform movement emerged in Czechoslovakia rather than elsewhere in Eastern Europe at this point. Part of the explanation for this lies in the relatively strong Communist tradition in Czechoslovakia before the party came to power in 1948; during the period from 1945 to 1948 the Communist Party, under Gottwald, emerged as the dominant, but not the exclusive, political force in liberated Czechoslovakia' 2. This meant that the Soviet leadership was particularly frightened about the possibility of the Czechoslovak party developing a measure of independence and consequently the purges in that party in the early 1950s following the break with Tito's Yugoslavia were especially brutal. As Jiří Pelikán puts it 3 {The greatest purge in any Communist Party was that which took place in Czechoslovakia in 1949-54. I think it was precisely because Czechoslovakia had the most favourable conditions that it seemed likely to be the most independent in seeking its own path of development. This did not at all suit the Soviet leadership. They wanted to monopolize Eastern Europe, and to impose the Soviet model. For this reason they were obliged to strike hardest against the Czechoslovakian Communist Party.} As a result there was no process of open disagreement within the Czechoslovak party about the correct course of economic and political development

following Stalin's death, such as emerged in Hungary around Imre Nagy and in Poland around Władysław Gomułka, and no political ferment in Czechoslovakia in 1956 of the kind which emerged in both those other countries. This in turn meant that many of the contradictions of Stalinism persisted in a particularly pure form in Czechoslovakia only to become manifest a decade later in the mid 1960s. The following four issues were especially central.

Firstly, there were continuing demands for the exoneration of those convicted in the political trials of the 1950s. Even the limited rehabilitation seen in other Stalinist countries had not occurred in Czechoslovakia; the congresses in of writers and journalists in April and May 1963 were dominated by this theme and provided a forum for bitter denunciation of the Stalinist past and the slowness of changes in policy...little could be said openly about these matters, but resentment ran deep' 4. Secondly, there was ongoing discontent amongst Slovaks about their place within the Czechoslovak political system. A serious crisis emerged in 1964 within the Slovak Communist party, especially in Bratislava, which was temporarily resolved in 1966 but without removing the fundamental problems. Thirdly, serious economic difficulties had begun to become apparent. These resulted from the Stalinist concentration on heavy industry at the expense of other sectors, notably agriculture. Czechoslovak national income fell between 1962 and 1963, a very rare development for Eastern European countries under communism. This led to the adoption in 1965 and 1966 of a programme of economic reform but without clear commitments about how this programme would be

implemented. Fourthly, there was significant unrest amongst young people, students and intellectuals. This became apparent in a very stormy 4th congress of the Union of Writers in June 1967 at which there were numerous attacks on the system of censorship. Membership of the Czechoslovak Union of Youth dropped from a million and a half in 1963 to little over a million in 1966, only 7.2 percent of whom were party members. At the end of October 1967 discontent over lighting failures and heating breakdowns at the Strahov student dormitories in Prague spilled over into a spontaneous demonstration of 1,500 people which was broken up by tear gas and batons with a number of injuries to the students. All these issues fed into the resignation of Novotný and the formation of a new government. However, it should also be remembered that this new government was not the result of a full Party Congress which could have elected a new Central Committee committed to reforms. Many supporters of the old guard remained in important positions both within the party and the government. Neither did those who wished to follow a reforming agenda necessarily agree on the way forward. There were a number of varying perspectives with Dubček partly being chosen as party leader because he was seen as a compromise candidate able to balance the views of different groupings. {{From April to August}} In addition to forming a new government in April the Central Committee adopted an Action Programme. This was designed as an interim document which would provide a framework for party and government measures until the next Party Congress (the

14th, scheduled at this point for the following year – though in May Dubček brought the planned date forward to September 1968). It was an eclectic document, quite general in most of its provisions, and thus left a great deal to be concretely determined in future laws and measures'5. As Philip Windsor points out6

Apart from certain points of considerable implication, but which in themselves represented no more than the humanization of the regime, such as the rehabilitation of all persons afflicted by a violation of socialist legality' between 1949 and 1954...the main burden of the programme was a new emphasis on the rights of Slovakia and the sketch of a future definition of the roles of the Party and the government. That was all. As a result of this vagueness the direction of political change became strongly contested throughout the six months leading up to the invasion in August with reformers' and conservatives' each trying to strengthen their own positions in the run-up to the planned congress and with the party leadership largely attempting to mediate between these internal pressures as well as responding to Soviet demands. The key area of contestation was democratisation. The Action Programme sought to organise political decision-making through the National Front, in which the Communist Party would have the leading role while other parties and mass organisations subordinated themselves to its guidance. However, this was increasingly challenged in a number of ways. The existing parties (the Socialist and People's Parties in the Czech lands and the Party of Freedom and Party of Slovak Revival in Slovakia) began to claim the right to organise independently as equal partners in the Front. More

significantly, there were attempts to form a Social Democratic Party against the will of both the Front and the CP Praesidium. In addition, new organisations were formed without party approval. The most important of these were K231, an organisation of ex-political prisoners (which claimed 50,000 members by the end of May), 7 and KAN, the Club of the Non-Party Engagés, which was formed to provide a forum for citizens who were not members of any party to participate in the building of democratic socialism. Demands for democratisation also encompassed the party rank and file, who pressed especially for an early congress with elections to a new Central Committee. Closely linked with this pressure for democratisation was the demand for freedom of speech and an end to censorship. H Gordon Skilling describes the atmosphere 8: The public, unaccustomed to public debate, was electrified by the uninhibited presentation of issues until recently taboo or encrusted with propaganda. Almost no topic was sacrosanct. Every aspect of reform was discussed, especially rehabilitation and freedom of the press, and dissatisfaction with the progress so far achieved was often expressed. There was analysis of the political system, including bitter criticism of past practices, and diverse views were articulated on the question of opposition parties and on the role of elections. There was objective examination of historical events, hitherto distorted by ideological interpretations. Such demands were not limited to publications but were expressed in events like the May Day march in Prague. One of the most significant moments in the struggle for

democratisation and free expression was the publication of the so-called 'Two Thousand Words' at the end of June. This document was drafted by the writer LudvÁk VaculÁk, signed by over sixty people (including a mixture of prominent intellectuals and artists as well as workers and farmers) and published in the journal of the Writers' Union, LiterárnÁ listy, which at that point was producing 300,000 copies of each issue 9. Written in response to a perception of growing conservative pressures which threatened to derail the reform process, VaculÁk's text was notable for its stress on popular action as the only guarantee for safeguarding that process. It called for supporting the 'progressive wing' within the Communist Party but also emphasised that in the future, we shall have to display personal initiative and determination of our own 10'. VaculÁk argued that under quite superficially boring headlines, a very fierce struggle is going on in the press about democracy and who leads the country'. He stressed that 11 {We should demand the resignation of people who have misused their power, who have damaged public property, or who have acted in a dishonest or brutal way. We have to find ways and means to persuade them to resign, through public criticism, for instance through resolutions, demonstrations, demonstration work brigades, collections for retirement gifts for them, strikes and picketing their houses.} The Trotskyist historian and activist Pierre Broué described the 'Two Thousand Words' as a 'truly revolutionary' because of this stress on mass action 12. However, it was not followed up by an upsurge of activity of the kind argued for by VaculÁk. July and August saw the reforms thrown on the defensive as negotiations continued between the Czechoslovak and Soviet leaderships. There were important gains; most notably the rehabilitation law passed in June and the decision to prepare a constitutional law on the federation of

Czech and Slovak representative organs by the end of October; but the reform process was not able to develop into a full-scale political revolution against the bureaucracy before the Warsaw Pact invasion took place.

Here the lack of activity amongst workers becomes crucial and represents a key difference between what happened in Czechoslovakia in 1968 and the experience of Hungary in 1956 and Poland in the 1970s and 1980s. The economic policies of the Czechoslovak reformers, led by Å ik, were firmly in the mainstream of Eastern European reform economics of the 1960s and 1970s, stressing the need for market mechanisms and incentives as the basis for decentralising economic decision-making. This approach at best provided no clear basis for mobilising workers in support of the reforms and at worst threatened the gains which workers had made under the bureaucratic regime. Skilling reports ?erník's first major economic policy statement to the National Assembly as follows 13:

?erník devoted much attention to the problem of living standards, arguing that they were lower than they should be, and that whatever benefits the workers might have had under the old system, they had suffered, like all citizens, as consumers. He assured the assembly that the new economic policy would not cause a lowering of living standards but pointed out that an improvement would depend on higher productivity.

He goes on to point out that the focal point of reform was to establish a market system in which the chief role would be taken by the enterprise' 14. From June onwards workers councils began to be formed as part of the economic reform process but before the invasion these were seen very much as a top-down initiative and by September there were only nineteen such councils in existence 15. Working class activity in Czechoslovakia in 1968 took place after the invasion rather than before. {{{After the Invasion}}} The

invasion to some extent radicalised the political process in Czechoslovakia, but tragically in circumstances which made resistance extremely difficult. The initial focus was the decision by the radical wing of the reformers to convene the 14th party congress as an emergency congress (known as the Vysořany Congress after the industrial district where it was held) on the 22nd August, the day after the invasion. However, while the congress reaffirmed support for the reforms and opposition to the invasion and elected a new Central Committee along these lines, it failed to build on this to organise direct action. As Jiři Pelikan (a delegate to the congress) describes 16 {Although the convening of the Congress was to be a great success, there was still no clear decision on the resistance...At the Congress there as a long discussion as to whether to declare a general strike or only a one-hour strike. It is very interesting that many were afraid of declaring a general strike on the grounds that it was the workers' ultimate weapon and should not be lightly used. In the event the Congress decided to call for a one-hour general strike. It was observed throughout the country and was a full success, but of course it could not have the same effect as a proper general strike.} The attempt to base a unified party response to the invasion on the Vysořany Congress failed when the party leadership went to Moscow at the end of August and with the exception of Krieger, reached an agreement with the Russians which included a declaration that the congress was null and void. This then shifted the emphasis of the opposition to popular mobilisation outside official

party structures. Central to such mobilisations were the actions of both students and workers. Between 1 October and the end of 1968, 260 further workers councils were created, with the trade unions playing a leading role in initiating this development 17. In January 1969 a national meeting in Plzeř of councils and preparatory committees representing 890,000 employees (over a sixth of the workers in the country) took place and thereafter, the workers' movement sheltered the political left as the řKD-Vysořany plant had sheltered the secret August congress' 18.

The November student strike led to increased contact between student and worker activists. Skilling argues that 19

*The trade unions also became a powerful force for reform, especially the metal workers, 900,000 strong, who threw their weight behind the student strike and later concluded a formal alliance with the Union of Students*²⁰. This provided for cooperation in opposing "the policy of continual concessions to external pressure" and in pressing for freedom of expression, workers' councils, elections, and other progressive demands. Mass demonstrations in the streets on the anniversaries of October 28 and November 7 contributed to the spirit of resistance

The agreement with the metal workers on 19 December was followed by agreements in January 1969 between the students and construction workers, mineralogical, geological and gas workers and print workers and later by collaboration with power-station workers, designer and civil engineers, lumber workers and railway workers. Galia Golan reports that by and large these alliances held throughout 1968-9 though they were much criticized (and feared) by the conservatives in the regime. In concrete terms, they led to the formation of worker-student action committees which coordinated

efforts designed to salvage what was possible of the post-January policies'²¹. Petr Cerny describes Prague radicals who, for a brief moment, achieved what the western left had only dreamed of in 1968: a worker-student alliance' 22.

Yet, resistance to the invasion was eventually isolated and defeated. The mass of the population remained loyal to the party leadership under Dubřek and this leadership continued to compromise with the invaders rather than to support those workers and students prepared to take the reform process forward. Predictably, this led to the downfall of the leadership itself following a police provocation when the Aeroflot offices in Prague were attacked after a demonstration stimulated by the victory of the Czechoslovak ice-hockey team over the Soviet Union. Jiři Pelikan sums up the fatal mistakes of the group around Dubřek 23

We may conclude that there were three mistakes made in the course of this whole development. The first mistake was that the leadership did not mobilize against the possibility of an invasion before it took place, and make it clear to the Soviet Union that it would not just be a walkover. The second was that they waited in the Central Committee instead of going to the factories and organizing resistance. The third was that they signed the Moscow agreement.

Interpreting the Prague Spring

The events of 1968 in Czechoslovakia have provoked a range of divergent interpretations. Amongst orthodox observers a major area of debate concerns the extent to which the developments represented a reform process within the communist system or an interrupted revolution' which could have led to a systemic break, with for example Galia Golan endorsing the former view and H Gordon Skilling the latter. To a large extent this simply shows the inability of conventional political

science adequately to characterise the unstable nature of bureaucratic transitional societies. In such social formations, as Trotsky and others have recognised, the fundamental weakness of the position of the ruling caste means that quite limited reforms create a dynamic which can irresistibly throw the system as a whole into question, as happened most obviously under Gorbachev in the USSR in the 1980s. However, there are also important questions for the left to consider when analysing the Czechoslovak events. To what extent, given the central role of reformers within the party, many of whom had a relatively limited agenda, can these be seen as the early stages of a political revolution? How significant was the role of popular mobilisation, especially working class and student self-organisation? What kind of trajectory might the reform process have taken if the Warsaw Pact invasion had not happened? There have been three influential accounts from the left of the nature of the Prague Spring. The first, most widespread, view sees the reform process as laying the basis for a genuine reformed socialism with a human face' which would, if the invasion had not happened, have been able to combine social ownership and political democracy in a sustained way.

While this analysis accurately reflects the tremendous popular support for the democratisation which took place in 1968 it avoids a number of difficult issues. The implication is that the Czechoslovak bureaucracy could have been transformed into the guardians of socialist democracy in a smooth and conflict-free way, had external intervention not halted the process. It also glosses over the potential conflicts contained in the economic reform proposals and the intended moves towards market incentives. This approach suggests that working-class activity might play only a secondary

role in a movement from bureaucratic rule to socialism.

The second approach, associated in particular with the Monthly Review school in the USA, while condemning the invasion, sees the reforms in Czechoslovakia as having an inherent tendency towards capitalism within them - a tendency shared with similar reforms elsewhere in Central and Eastern Europe, particularly Yugoslavia, and in the USSR itself 24.

This account provides an important analysis of the contradictions of economic reform. But it completely ignores the issue of popular mobilisation and involvement in the reform process and the potential for such involvement to alter qualitatively the character of that process.

The third analysis sees the Czechoslovak reforms as a particular example of what it regards as a key conflict within actually existing socialism', that between the bureaucracy and the intelligentsia 25. The Prague Spring is seen as a movement originating in the intelligentsia which represented a challenge by that grouping to the foundations of bureaucratic rule. Adherents to this form of analysis differ markedly in their assessment of the extent to which the intelligentsia in Stalinist societies represented a progressive force. Writing from an anarchist viewpoint Petr Cerny argues that the reformers were essentially technocrats hostile to working-class self-activity and popular control. Jerome Karabel takes a more differentiated view, recognising the anti-egalitarian viewpoint of many of the reformers and their elitist statements but also claiming that especially in its vision of a more democratic version of socialism, the intelligentsia was a carrier of proposals for the expansion of human rights and a radical redistribution of political power away from the party-state and toward a revitalized citizenry' 26.

This approach provides an important analysis of the nature of reform communism both in Czechoslovakia and elsewhere in Central Europe. The analysis given of the contradictory role of intellectuals in this context enriches the classical Marxist account of bureaucratic transitional societies given by writers like Trotsky and Rakovsky in significant ways. However, the continual focus on the intelligentsia runs the risk of sidelining the activity of other social groups, especially workers. Workers tend to be viewed through the prism of the analyses and programmes provided by intellectuals rather than in their own right.

Revolutionary socialists will want to draw on the strong points of all of these analyses but to embed them in a different context. Accounts of popular enthusiasm for the reform process initiated by the party, of the tensions created by economic reform and of the struggles between intellectuals and bureaucrats all illuminate aspects of the events of 1968 in Czechoslovakia. But for us what is central is the way in which firstly the initial steps towards reform and secondly the invasion created the context for popular activity, working-class organisation and collaboration between students and workers. The conditions under which this activity and organisation took place made it ultimately impossible to create enduring structures which could take the struggle forward and led to defeat. But the courage and resolve of the Czechoslovak people remains a central part of the legacy of 1968.

Notes

1 For an account of the strike by a participant see P Tomalek Report from Prague: The Student Action' (New Left Review First Series no.53 January-February 1969) 2 H Gordon Skilling (1976) Czechoslovakia's Interrupted Revolution, Princeton University Press p.22 3 J Pelikan The Struggle for Socialism in Czechoslovakia' (New Left Review First Series no.71 January-February 1972 p.15). Pelikan was Director of Czechoslovak television from 1963 to

1968 and then went into exile in Italy where he joined the Italian Socialist Party and edited Listy, the journal of the Czechoslovak socialist opposition.

4 Skilling op cit pp48-9

5 Skilling op cit p.217

6 P Windsor and A Roberts (1969) Czechoslovakia 1968: Reform, Repression and Resistance, Chatto and Windus for The Institute for Strategic Studies, p.35

7 The 1948 law for the defence of the Republic was numbered as law number 231. Membership of K231 was open to all those who had been imprisoned under this law.

8 Skilling op cit p.236

9 For the text see L Vaculák Two thousand words to workers, farmers, scientists, artists and everyone' in A Oxley, A

Pravda and A Ritchie (ed) (1973) Czechoslovakia: The Party and the People, Allen Lane The Penguin Press pp.261-8 10 Vaculák op cit p.265 11 ibid 12 Cited by Skilling op cit p.279 13 Skilling op cit p.421 14 Ibid p.425 15 V Fišera (ed) (1978) Workers' Councils in Czechoslovakia: Documents and Essays 1968-69, Allison and Busby, p.12 16 Pelikan op cit p.29 17 Fišera op cit p.12 18 Ibid p.13 19 Skilling op cit p.817 20 For the text of this agreement see Fišera op cit pp.102-4 21 G Golan (1973) Reform Rule in Czechoslovakia: The Dubček Era 1968-1969, Cambridge University Press, p.278 22 P Cerny (n.d) Czechoslovakia 1968: What socialism? What human face?', Solidarity (London) Pamphlet no.55, p.12 23

Pelikan op cit pp.31-2 24 See P Sweezy Czechoslovakia, Capitalism and Socialism' in P Sweezy and C Bettelheim (1971) On the Transition to Socialism (2nd edition), Monthly Review Press

25 The key work is here is by the Hungarian sociologists György Konrad and Iván Szelényi; see G Konrad and I Szelényi (1979) The Intellectuals on the Road to Class Power, Harcourt Brace Jovanovich. Jerome Karabel applies a similar approach to Czechoslovakia in J Karabel 'The Revolt of the Intellectuals: The Origins of the Prague Spring and the Politics of Reform Communism' (University of California, Berkeley, Institute for Research on Labor and Employment Working Paper iirwps-020-90 available at <http://repositories.cdlib.org/iir/iirwps/iirwps-020-90>

26 Karabel op cit pp.81-2

Down with the government of murderers!

14 December 2008, by **OKDE-Spartakos**

Our answer will be to resist and to keep fighting to overthrow the policy of police oppression, austerity and racism



Riots in protests against the killing

Photo: Joanna

We salute the demonstrations against the government of murderers all over

Greece. In our opinion the reason for what happened is not the "extreme zeal", or the "loss of temper" or the "lack of training" of a police special guard but the whole policy of the New Democracy government.

It is a policy that not only reinforces police oppression and legitimizes the use of lethal weapons against demonstrators, but also privatizes the Ports and Olympic Airlines, attacks social security and the rights of students.

It is the policy of police beatings of students, of the kidnappings of immigrants from Pakistan, of illegal interceptions of phone communications and of racist attacks that lead to the death of refugees that came here looking for asylum and a better future.

It is the policy of special "antiterrorist" legislation, of full

compliance to the measures adopted by the EU against democratic liberties and against immigrants.

It is the policy of the new legal framework for the Universities, of legalizing Private Universities. It is the policy of lower wages and rising taxes. Amidst an economic crisis the government is trying on the one hand to offer billions of euros to the Banks and on the other to find scapegoats either in radical youth or in immigrants.

After the brutal murder the government has chosen the path of police repression. That is why police anti-riot squads attacked those who were demonstrating. The Socialist Party, PASOK, has offered his consent to this policy. The message is simple: the government will enforce its policy at any cost, a policy that will make the workers pay for the economic crisis,

by means of austerity, flexible work, privatizations, implementation of the EU policies.

The anger of the demonstrators is fuelled by the policies of the government, of the forces of capital, of the EU. That is why the protest must grow stronger. We must meet in the streets with the struggling workers, farmers and students. We will not pay for their crisis. Today anger is not enough. What is needed is collective and militant struggle in every workplace, every neighborhood, in order to transform them into places of resistance and overthrow the government and its policy.

Down with the New Democracy

government of murderers and its policy

Capital must pay for its crisis, not the workers and youth.

Let's escalate the struggle for our rights

The ministers that are responsible must resign

The police must be disarmed, police forces must keep away from demonstrations, and Police Special Forces must be disbanded.

Release all people arrested during the demonstrations.

Repeal "antiterrorist"? and

authoritarian laws

8/12/2008

The organizations of the Greek anticapitalist Left : ARAN (Left Recomposition), ARAS (Left Anticapitalist Group), EKKE (Revolutionary Communist Movement of Greece), EEK (Workers Revolutionary Party), OKDE, OKDE-Spartacus (4th International), SEK (Socialist Workers Party), NAR-N.K.A. (New Left Current-Youth Communist Liberation), K.O. Anasyntaxi (Communist Organization Regroupment), K.A. (Communist Renewal), EN.ANTI.A (United Anticapitalist Left), ME.R.A. (Front of Radical Left)

Solidarity with the social rebellion

12 December 2008, by Socialist Resistance



Alexandros Grigoropoulos

The following day a big demonstration with 10,000 people marched in the central streets of Athens towards the Central Police Station and ended up in clashes with the police for a second night.

On Monday morning, thousands of high school students organised walkouts and headed to local police stations all over Greece showing their outrage against the police brutality.

In the evening a huge crowd of more than 40000, gathered in front of the House of Parliament in Athens and resisted state and police suppression for a third night in a row. All around Greece in big cities and small towns, as small as Arta, Corfu and Ithaca, social unrest is mounting and tension with state authorities has brought the Government to a situation beyond control.

Contrary to the Government's and media claims, this murder is not an isolated event. The Greek government has created a police state in order to suppress the escalating social unrest that the aggressive neoliberal policies of the last two decades have created.

Series of events like workers accidents, inmates' hunger strikes, pogroms against immigrants and refugees, and tortures at the police detention centres, numerous economic scandals, all escalated to the unprecedented social tension of the last few days. Greek police has increasingly used violence against students, workers, youngsters, immigrants and social groups resisting the policies of austerity, unemployment, social insecurity, environmental catastrophes and the collapse of the public education system.

Furthermore the government's soft-handed treatment of previous events of deaths of activists, immigrants, and

civilians caused by the police, indicate the cynicism of the government, which facilitates the police with the "licence to kill".

We express our solidarity with the protesters in Greece and our full support to their just struggle.

In line with their demands, we call for:

Immediate release of all those arrested in the protests in Greece and the end of any measures against those arrested outside the Greek embassy in London.

On December 10th there were two demonstrations organised at the Greek embassy in London. One was organised by KKE (and supported by the British SWP); the other by a broader framework, including Syriza and anarchists (which was supported by the Socialist Party and Socialist Resistance). Supporters of Socialist Resistance gave out this statement at both demonstrations.

Solidarity vs. the infernal spiral of terrorism

12 December 2008, by **Pierre Rousset**



Peace March at the Gateway of India

Certainly, it was there that the toughest fighting took place over three days between the army and a handful of jihadis. But it was also there that the wealthy were affected. The economic capital of India was nonetheless struck in seven places including hospitals, a restaurant, a cinema duplex, a Jewish cultural centre, a popular market and the big railway terminal at Chatrapathi Shivaji (CTS). The media have said a lot less about this whereas there were no less than thirty deaths in the central station; but these were ordinary Indians who rarely make the news. [19] Anonymous people whose bodies were difficult to recognise.

The fact that the attack had been carried out in so many places by a unit of only ten members highlighted the failures in the security apparatus. A police headquarters was also fired on (eleven police officers were among the victims) and the head of the anti-terrorist section of the city was killed. Media “visibility”, the tourism industry, Jews and foreigners (US or British citizens) were not the sole targets, the sole objectives of the jihadis. This was also a blow against the normalisation of relations between Pakistan and India [20] aimed at creating through a bloodbath inter-communal hatreds which would be difficult to overcome.

Numerous commentators have evoked the trail of Al Qaeda, assuring that the action bears its signature (one wonders in what respect!). The Indian authorities say that the attackers were all Pakistanis, which the press try to link to Lashkar-e-Taiba (LeT) [21], a group which would have, in the event, acted from Karachi. It is still difficult to judge whether these accusations

are well founded. But whoever the authors were, the operation fits into a national and regional context which has already dangerously worsened. To evoke Al Qaeda is a way of evacuating political problems by brandishing the spectre of a mysterious terrorist organisation, without roots, striking anywhere, independently of local realities, and faced with which “anti-terrorism” would be the sole remedy. Enough to point the finger at Pakistan to allow the Indian authorities to be silent on the gravity of the situation in India itself. [22]

In India however, the spiral of inter-communal violence and terrorism took a new turn after the massacre in 2002 of around 2,000 Muslims by Hindu fundamentalist in Gujarat, in the west of the country. The authors, commanders and political supports for these pogroms have never been sentenced. Worse, the governor Narendra Modi, although heavily implicated, was re-elected to his post. The affair is all the more serious in that, despite the partition of 1947 which led to the creation of Pakistan, the Indian federation still includes a significant Muslim population of 150 million (or 14% of Indians). The sentiment of insecurity and injustice has favoured the emergence of groups of Mujahidin in several states and the appearance of an “indigenous” Islamist terrorism more or less linked to groups of Pakistani and Bangladeshi origin.

The virulence of the far right nationalists of the Indian People’s Party (BJP) -for whom only Hindus are truly Indian- and their desire to destroy the secular character of the state has increased inter-communal tensions, including against Christians. The most widespread terrorism in India is of Hindu fundamentalist origin. In this atmosphere, Islamist attacks have become more frequent and murderous. Thus, bombs placed in stations and trains had already left

186 dead in Bombay in July 2006 and last May 63 people were killed by explosions in Jaipur, the capital of Rajasthan; the wealthy and foreigners were spared, so less was heard of it.

The war in Afghanistan and the unresolved problem of Kashmir have also contributed a great deal to the degradation of the situation in Pakistan. They have allowed the development of fundamentalist movements leading to bloody conflicts between Muslim sects. This contributes to the decomposition of a state already rendered fragile by national or regional antagonisms (Baluchistan, tribal areas and so on) - nobody can now control the various factions of the secret services (ISI) or the army. They render uncertain any peace process with India. US military operations carried out in Pakistani territory have added much oil to the nationalist and “extremist” fire, destabilising the country still further.

Other military conflicts engulf South Asia and a veritable arc of crisis has formed from Afghanistan in the west, to the Burmese frontier via Sri Lanka to the south. Each conflict is rooted in a local reality, like the oppression of the Tamils in the Sri Lankan case. But all this contributes to creating an overall situation which is all the more explosive in that the great powers (like the US, Russia and China) are intervening, with central Asia, given its geopolitical position, oil and “energy corridors”, notably in the line of fire.

The violence of social relations in many regions of South Asia also offers a substratum favourable to terrorism inasmuch as human life is devalued. Landed proprietors have peasant leaders killed; members of “higher” castes order the liquidation of dalits (“untouchables”) or adivasis (members of indigenous tribes); councils of elders condemn women to death for refusing imposed marriages and so on.

The murder of innocents is customary, banalised. The murderers are rarely worried.

The Indian and Pakistani left has condemned the attack in Bombay. It calls for solidarity and demands that all terrorism – including the Hindu fundamentalist variety in India and the Islamist variety in Pakistan – is repressed. But some Indian organisations, under the shock of the event, are also demanding a strengthening of the security services, police and army. [23] That is the thin end of a deadly wedge. The state is not a stranger to terrorism, far from it.

All the terrorist movements evoked here have been supported at one time (like the most radical Pakistani or Afghan Islamist currents against the Soviet occupation which were sponsored by the US) or are today supported by the established economic and political powers, national or foreign. The Indian BJP protected Hindu fundamentalist terrorism, it has led the federal government and still governs various states; its networks penetrate the state security apparatus. It is enough

to recall the state of emergency imposed in 1975-1977 to see what the Congress Party is capable of.

Also state terrorism is itself one of the main components of terrorism – and this is true in the West: see for example the case of France with its massive recourse to torture in the repression by the army of colonial liberation struggles, the sinking of the Greenpeace ship, the Rainbow Warrior by the secret services, the probable complicity in the Rwandan genocide by the Tutsis and so on.

In the name of anti-terrorism, states are making constant inroads into civil liberties. A sort of permanent state of emergency is tending progressively to empty the state of law of its content. The social movements are threatened with criminalisation. The development of the situation in the United States since September 11, 2001 [24] – but also in Europe – or the existence for years of a legal and humanitarian scandal like the prison of Guantanamo, leaves no doubt on the gravity of these drifts.

Moreover, capitalist globalisation puts workers in competition with each

other and revives particularisms, favouring communalist responses, xenophobia, racism and “casteism”, religious fundamentalisms from which terrorism emerges.

All the governments of South Asia (and nearly all the governments of the world) are imposing neoliberal policies which undermine solidarity. Indeed, it is precisely by strengthening solidarity that we can oppose terrorism. It is not enough to appeal to noble sentiments or to “

”. Tolerance is certainly preferable to intolerance, but it really is a minimum programme! To block the infernal spiral of inter-communal violence and of terrorism, it is necessary to defend and reconstitute active solidarity. To value what there is in common between ordinary people, workers, beyond administrative, religious and cultural frontiers. That necessarily involves the defence of their social and democratic rights against the proprietors, the governors and imperial domination. Such inter-communal and internationalist solidarities can only be built in struggle.

Indigenous Peoples Rising in Bolivia and Ecuador

6 December 2008, by **James D. Cockcroft**

Introduction



James D. Cockcroft

Image: IIRE

They champion ecologically sustainable development; community-based autonomies; and solidarity with other peoples locally, regionally, and internationally – what they describe as “unity in diversity.” Their values are often different than those of the United States or Europe. One

indigenous leader has stated: “We give what money we have not to banks to collect interest but to others – and their gratitude is the interest we receive.”

Fifty-five million indigenous persons, or 400 indigenous peoples, inhabit Indo-Afro-Latin America. Most reside in Mexico, Guatemala, Ecuador, Peru, and Bolivia. They reject the Europe-imposed term “Indians.” They call themselves “the native peoples” (“los pueblos originarios” in Spanish). They constitute 67 percent of Bolivia’s population. In Ecuador they are 40 percent, mainly in the cold highland

Sierra and sweltering Amazonian tropics. They often ally with Afro-Ecuadorians along the Pacific coast, who account for 10 percent of the populace.

Spokespersons for the native peoples realize that the differences between their cosmic visions and those of Europe and the United States are part of an ongoing set of class and ideological conflicts that must be resolved if world peace and ecological balance are to be achieved. They

recognize too that they must overcome divisions in their own ranks

and that their struggles necessitate solidarity with other oppressed peoples around the globe. They link up internationally, as in the case of the worldwide 87-nation "Via Campesina" so important in the World Social Forums of this century. Sensitive to the world ecological crisis, the native peoples' movements conducted the 2008 First Interregional Summit of the Amazon, the region known as "the lungs of the planet."

In Bolivia and Ecuador, the native peoples and their supporters are re-founding the State, "democratizing democracy," and introducing juridical pluralism. They are playing a prominent role in popular campaigns against neo-liberal capitalist globalization and US-European interventionism. Recognized and honored in UN and ILO declarations on indigenous rights, they emphasize human and planetary rights, including the rights of Nature ("Pachamama," or "Mother Nature," literally "Mother Universe"). 1

The CIA has often characterized the social movements of the native peoples as a major challenge to US hegemony. Territories they occupy contain 80 percent of Latin America's biodiversity, several important watersheds, and such valuable resources as petroleum.

Bolivia and Ecuador, historically wracked by poverty, military coups, and massacres of native peoples, peasants, students, and workers, exemplify many challenges. Both countries remain two of the poorest in the world and have experienced recent cholera epidemics. The average income of a Bolivian peasant is \$50 a year. That is one reason why peasants, whenever possible, base their lives on the indigenous legacy of terraced irrigation works and the "ayllu," or commune. Many try to emigrate. One of every four Bolivians works outside the nation. Their remittances account for 10 percent of Bolivia's GDP (Gross Domestic Product).

Brazilian economic interests account for 20 percent of Bolivia's GDP. Bolivia's profitable energy and mining sectors sell gas to fuel 70 percent of the industry of São Paulo, Brazil, South America's largest city. Control

of Bolivia's principal agricultural export, soybeans, is 35 percent Brazilian. Some of Brazil's farmers, together with a hundred Bolivian families, control five-sixths of Bolivia's farmlands.

Ecuador remains the largest banana producer in the world but now gets more money from oil, forestry products, and the remittances of its emigrants (more than 3 million persons, out of a population of 14 million). Ecuador is a significant source of petroleum. It has abundant cedar, ceibo, and mahogany, and several 250-year-old trees. It is the world's largest producer of Balsa wood. In 2003, forestry interests from Colombia provoked genocide against the already reduced, small, nomadic Tagaeri and Taromenari native peoples.

Bolivia's President Evo Morales, an Aymara elected in 2005 with a majority of votes in the initial round, an unprecedented event for Bolivia's multi-party system, has often pointed out that "The fight of our people is an historic struggle against empire." Native peoples throughout the Americas tend to see empire as an uninterrupted process of 516 years of genocidal subjection in the face of their proud resistance. They understand well the continuity of colonialism/imperialism: the routine use of kidnappings, disappearances, torture, and male violence against women; ecological destruction; and the creation and perpetuation of an un-payable external debt for economic blackmail.

Bolivian filmmaker Jorge Sanjinés once called Bolivia's indigenous peasants and miners "the clandestine nation." Now they and other peoples in Latin America and the Caribbean are changing history. Ecuador's President Rafael Correa, a US-trained economist elected in a runoff in 2006, has declared: "We are living not in an epoch of changes, but in a change of epochs."

Recently, Bolivia and Ecuador, like Venezuela, have experienced democratic elections, even popular referenda and, in the cases of Bolivia and Venezuela, recall votes. Their presidents have won these elections

by impressive majorities. On behalf of the oppressed they have been implementing policies against neo-liberal capitalism's practices of "free trade," deregulation, and privatization. In various ways, they have advocated "a new socialism for the 21st century." Evo Morales evokes an Aymara-type "communitarian socialism based on reciprocity and solidarity."

In an address at the United Nations in September 2008, Evo, as he is popularly known, proposed "Ten Commandments" to save the planet, life and humanity:

1. Put an end to the capitalist system
2. Renounce wars (Evo says "I don't believe there can be peace under capitalism")
3. Create a world without imperialism or colonialism
4. Honor the right to water
5. Develop clean energies
6. Respect Nature (Pachamama)
7. Recognize basic services as human rights
8. Combat inequalities
9. Promote diversity of cultures and economies
10. Seek "Vivir bien" — living well (what is known in Ecuador as "sumak kawsay," living fully), instead of living better at the expense of others

Evo pointed out that Bolivia's recently drafted constitution "is to support a new pact with all humanity and Pachamama, from the heart of the Andes, from the South, for all the world."

Revolutionary Processes Rooted in Indigenous and Social Movements

Revolutionary processes in Bolivia and Ecuador are rooted in the social movements of native peoples and others. In Bolivia, mass mobilizations against the privatization of water in 2000 and 2004 succeeded against the powerful US-based transnational corporation Bechtel. Similar mobilizations for nationalizing gas in 2003 toppled the government of

President Gonzalo Sánchez de Lozada, known as “el gringo” because of his speaking English better than Spanish. Sánchez de Lozada’s regime was responsible for the massacre of more than 60 citizens in El Alto, a new Andean city of more than a million poor people above La Paz, the world’s highest capital.

One of President Evo Morales’ first acts after taking office in 2006 was to nationalize oil and the production of gas. With proceeds from the nationalizations, he created a “dignity pension” for people over 60 years of age and a “family income supplement” to help keep children in school. He extended credit with zero percent interest to farmers of corn, wheat, rice and other basics. Under Morales, Bolivia has eliminated its fiscal debt, repaid half its foreign debt, and quadrupled employment in the mining and metallurgical sectors. Its GDP has almost doubled in three years, while its foreign reserves have almost quintupled to over \$8 billion. Cuban teams of teachers and medical personnel have helped reduce illiteracy by 80 percent and extend free health care to half the populace. Cuba’s “Miracle Mission” has conducted free eye operations to restore the full vision of nearly 300,000 Bolivians.

Bolivian Vice President Álvaro García Linares often reassures foreign capitalists and says Bolivia’s economy will be “Andean/Amazonian capitalism,” featuring strong support for small and medium enterprises, including cooperatives and handicrafts. Despite these reassurances, the US Government has sought to undermine Bolivian democracy the way it so often has done in the past. It has lifted its restrictions on the CIA’s use of assassination against foreign leaders. Both Evo Morales and Ecuador’s Correa have denounced assassination plots on their lives.

Upon assuming the presidency, Evo ordered the CIA desk in the presidential palace removed. Later, in the face of US pressures on behalf of Bechtel and other transnational corporations, he pulled Bolivia out of the World Bank’s Disputes Resolution Court. During 2008, department-level

Bolivian officials expelled various personnel of the US Agency for International Development (USAID), which had established an “Office of Transition Initiatives” to fund the rightist opposition. Evo discovered that US Ambassador Philip Goldberg was promoting and financing extreme rightist leaders in the gas-rich eastern breakaway departments who, in the name of departmental autonomy, in effect separatism, were ordering massacres of native peoples and occupying federal offices. This was a thinly veiled attempt at a “civil” coup d’état, a coup in quest of military support.

Ambassador Goldberg had served earlier in countries undergoing violent breakups, such as the former Yugoslavia. He served as ambassador to Kosovo, where the United States tolerated or supported paramilitary massacres of Serbs and other ethnic minorities. His superior is John Negroponte, Deputy Secretary of State and chief State Department official for Latin America. Negroponte is the former 1980s’ ambassador to Honduras who oversaw the “contra” war against the democratically elected Sandinista government. He and the State Department’s embassy staffs help coordinate US efforts to undermine or topple today’s socialist oriented governments and social movements, like those in Venezuela, Bolivia, and Ecuador.

Goldberg’s Embassy began enlisting Peace Corps volunteers and Fulbright Scholars to “spy” on Cubans and Venezuelans in Bolivia. It also worked with a special intelligence unit of the Bolivian police. Goldberg was photographed meeting with coup-plotting leaders and a known Colombian paramilitary figure. In September 2008, at the height of the unsuccessful “civil” coup attempt, Evo expelled Goldberg. The United States responded by sending home the Bolivian ambassador.

Meeting in Chile in September, the newly created Union of South American Nations (UNASUR) unanimously condemned the ongoing attempted coup and its massacres. UNASUR unconditionally supported Evo’s democratic government and sent observers to government-proposed

negotiations in which the opposition finally agreed to participate. When the negotiations later failed because of right-wing intransigence despite major concessions by Evo, the UNASUR observers again condemned the right for its anti-democratic and criminal conduct.

Meanwhile, a UNASUR investigating team of experts confirmed details of a September 11, 2008 massacre of peaceful protesters, mostly native peoples, in Pando Department, when 18 people were gunned down, 60 were wounded, and more than 100 persons “disappeared.” The rightist governor said to be responsible for the massacre, Leopoldo Fernández, an ally of the 1970s’ dictator Hugo Banzer, fled toward Brazil but was captured by the military and jailed.

On November 1, 2008, Bolivia’s government suspended indefinitely the operations of the US Drug Enforcement Agency because of the DEA’s financing fascistic opposition forces behind the coup attempt and “criminal groups” plotting to kill government authorities. President Evo Morales offered evidence of this and other DEA crimes, such as its involvement in narco-trafficking and its investigations ordered in 2003 of leftist leaders, including Evo himself. He said that Bolivia would continue to protect small-scale growers of coca to maintain the cultural use of the product by native peoples and would play a key role in a new unified South American effort against narco-trafficking to be backed by regional funding. Washington countered by suspending long-term trade preferences with Bolivia.

In Ecuador, occupations of government buildings and general strikes became an annual affair in the 1990s. Mass movements of the underclasses, students, workers, and native peoples began to link up. The native peoples launched five uprisings. From 1995 to 2005 the popular movements toppled seven presidents. In January 2000, the native peoples took over Ecuador’s parliament and actually “governed” the nation for 24 hours! The old State — led by a comprador bourgeoisie in the coastal region of Guayaquil, landed oligarchs there and in the Sierra, military

officers and paramilitaries, and an ultra-reactionary Catholic Church — began to totter.

President Rafael Correa of Ecuador initially tried to reassure Washington. He maintained the US dollar as the nation's currency. He simultaneously challenged the US Government by declaring he might not recognize the legality of Ecuador's foreign debt. He expelled the World Bank's permanent representative and said that in 2009 he would not renew the lease for the US military base in Manta.

Then, on March 1, 2008, the United States and Colombia mounted a military bombardment and invasion of Ecuador that used the Manta base and killed at least 24 people, including Raúl Reyes, a guerrilla commander of the FARC (Revolutionary Armed Forces of Colombia), who at the time was meeting with Mexican university students in the northern Ecuadorian jungle. Afterwards, Correa denounced US control of high officials of Ecuador's security and intelligence forces and dismissed leaders in the Armed Forces, Police, and his own Minister of Defense. The Organization of American States (OAS) showed its independence from traditional US control when it voted to denounce the military attack on Ecuador.

In November 2008, President Correa, contrary to economic integration plans already underway in South America, went along with the European Union's call for bilateral trade negotiations. Colombia and Peru, but not Bolivia, already had agreed to accept bilateral negotiations. The Ecuadorian government also announced a partial privatization of the Napo River. It planned to allow state development of mining in Yasuni Park, declared a Biosphere Reserve by UNESCO in 1989. But at the same time, Correa accepted the report of an independent international commission of inquiry into Ecuador's foreign debt from 1976 to 2006. The report found that many loan agreements involved corruption, illegalities, and "looting"; violated national sovereignty; contributed to greater poverty and inequality; and were "odious" because of their often being contracted in years of military dictatorships. Correa announced that the "illegitimate, corrupt, and illegal

debt" would likely not be paid.

Meanwhile, Latin America's indigenous and social movements called for "the recognition of the historical, social and environmental debt" that most of the "creditor" nations had incurred "during five centuries of the colonization of Abya Yala." ("Abya Yala" means "Continent of Life" in the language of the Kuna peoples of Panama and Colombia.)

Re-founding the State, New Constitutions

Throughout Indo-Afro-Latin America vigorous movements to "democratize democracy" have taken root. The social movements that put an end to the worse period of US-supported "dirty wars" and toppled the military dictatorships of the 1964-1984 period did not settle for the limited democracies that replaced them. People had fought and died for human rights and not the amnesties that were granted the dictators and their henchmen as a condition for allowing the new "democracies." To walk down the street and suddenly see one's torturer coming out of the corner store was one more form of torture. Moreover, the newly introduced "representative democracies" typically served the interests of big money and economic neo-liberalism rather than those of the general populace.

As poverty spread, movements sparked by native peoples and other groups, especially women and youth, mobilized against the IMF and its defenders in the newly elected parliaments and presidencies. For many, to "democratize democracy" meant to introduce economic democracy and not just limited political democracy. People began demanding constituent assemblies. The elections of Morales and Correa paved the way for a re-founding of the State and an official rejection of neo-liberalism.

In elections for Bolivia's constituent assembly the only requirement was that 30 percent of the delegates had to be women. Candidates from Evo

Morales' MAS (Movement to Socialism) won 137 of the 255 seats; 64 of the MAS delegates were women. Delegates finalized the new constitution of 411 articles in December 2007, only after being forced to move the location of the assembly's meetings because of right-wing violence and sabotage of the process. This violence was part of the "civil" coup attempt that actually commenced the day Evo was elected president.

Ecuador's voters elected their constituent assembly in September 2007. It included 80 members of Congress from Correa's heterogeneous political coalition "Alianza Pa'As," 40 from the conservative opposition, 10 from small leftist parties, and 5 from the CONAIE (Confederation of Indigenous Nationalities of Ecuador, founded in 1986). Other organizations, such as the CONFENIAE (Confederation of Indigenous Nationalities of the Ecuadorian Amazon) and the FENOCIN (National Federation of Peasants, Native Peoples, and Blacks), pressured the assembly to make constitutional changes in defense of their interests. On September 28, 2008, voters approved the 444-article Constitution by a 65 percent "Yes" vote. Concluded President Correa: "Neo-liberalism has been crushed and put in the dustbin of history."

Both nations' new constitutions distinguish between the old representative democracy and a new participatory and communitarian one. They call for plural nationhood; genuine interculturalism (instead of cosmetic multiculturalism); recognition of differences among cultures; and "unity in diversity." As a result, the native peoples' communities have constitutional rights to local self-governance and their own juridical procedures based on indigenous customs and traditions. Bolivia's Constitution calls for juridical pluralism within a proposed "Plurinational Constitutional Court of Justice."

Only when there is plural nationhood can there be real interculturalism. Plural nationhood entails re-founding the State. In the eyes of the native peoples, the old State was a colonial

one, formed of select individuals. It championed individual freedoms solely for the elites. In no way did it represent collective societies like those of the Quechua, Aymara, Guaraní, Shuar, Siona and other native peoples. The new State is to be an independent, unitary, plurinational one that celebrates human diversity and true democracy. In indigenous terms, exit colonialism and enter all humanity.

Bolivia's proposed new constitution contains the following provisions, presented here in a synthesized form and in no particular order:

1. A unitary, plurinational, communitarian and democratic State.
2. All 36 peoples to have equal rights and regional autonomies, that is, a democratic decentralization of power.
3. Nationalization of natural resources and State control over forests and biodiversity.
4. Three forms of economic ownership: public, private, and communitarian — in effect, a mixed economy compatible with the Vice President's vision of an Andean/Amazonian capitalism.
5. State involvement in strategic sectors of the economy, and foreign private investment to be subordinated to national development plans.
6. Agrarian reform with expropriation of huge landed estates (latifundia).
7. Re-election and removal of any elected official by popular mandate — already implemented on August 10, 2008, when the opposition's demand for a referendum was granted and 67 percent of the votes favored keeping Evo Morales as president; Evo's supporters also won several governorships while increasing their vote percentage in the few departments they lost to the rightist opposition.
8. Election of the judiciary; recognition of communitarian and ancestral forms of conflict resolution.
9. A plurinational Parliament with only one chamber (in effect, the elimination of the structurally elitist Senate).
10. Free and equal health care and education; end of illiteracy.
11. Sucre to replace La Paz as the capital (a concession to the rightist opposition).
12. A ban on discrimination based on sex, color, age, sexual orientation,

gender identity, culture, nationality, religion, ideology, disability, pregnancy.

13. Prohibition of foreign military bases.
14. Potable drinking water as a human right.

Most observers expect that Bolivian voters will approve the constitution in the referendum scheduled for January 25, 2009. The articles on land ownership will be submitted separately at the same time.

Ecuador's Constitution contains the following provisions, also presented in a synthesized form and in no particular order:

1. State to tighten control of strategic industries, such as oil, mining, and telecommunications, and to protect biodiversity.
2. State to reduce monopolies.
3. Some of foreign debt to be declared illegitimate.
4. Agrarian reform; end of latifundia; prohibition of genetically modified seeds.
5. Free health care; free education for all through college; State-assisted housing programs.
6. A lay State; civil marriage for gay partners (measures opposed by one of the continent's most reactionary Catholic Churches)
7. Women's rights, including valuation for work in the home.
8. Free responsibility over one's own sexuality and life; recognition of diverse types of family; yet, the right to life from the moment of conception (feminist activists generally welcomed their gains and said the clause on life at conception could be eliminated through future popular mobilizations).
9. Equal rights for the disabled.
10. Universal social security; pensions for stay-at-home mothers and informal sector workers.
11. Presidential control over Central Bank; less autonomy for the Armed Forces.
12. Consecration of Nature's collective rights.
13. Potable drinking water as a human right; prohibition of privatization of water.
14. Food sovereignty and the right to have secure food sources.
15. Right to have access to the mass media and to establish community

media.

16. Prohibition of foreign military bases.
17. A solidarity-based and sustainable economic system; a "private, social and solidarity" economy, in effect a mixed economy.
18. Integration into the rest of Latin America, especially via UNASUR
19. Prohibition of State taking over private debts, in effect no bank bailouts
20. Balanced living (sumak kawsay)

There are, to be sure, ambiguities and contradictions in both nations' new constitutions. Ecuador's, for example, includes loopholes for big capital and latifundistas, such as Article 323, a prohibition against all forms of confiscation. In Bolivia, some have criticized an overemphasis on local indigenous autonomies with inadequate attention given to the 70 percent of the population that is urban or to the important role women play in the creation and defense of "informal" economies key to human survival and advancement.

Also, one area of great concern to native peoples in Ecuador is the clause calling for their "previous informed consultation" on mining, oil, or other economic rights granted outsiders in territories where they reside. Consultation with native peoples does not mean their "consent." There have already occurred killings and repression of protests against foreign petroleum firms. President Correa has gone so far as to characterize some of the protesters as "terrorists." The UN and ILO declarations on indigenous peoples' rights are generally interpreted as calling for "previous consent." "Petroleum is the blood of the Earth," goes a saying of the U'wa people resisting foreign oil interests in Colombia, "if you suck the blood you kill us."

Clearly, new laws do not necessarily translate into new realities. The movements that gave birth to the new constitutions of Bolivia and Ecuador will have to be maintained and strengthened if the articles on environment, plurinationalism, and social rights are to be fulfilled or expanded in practice.

Right-wing Opposition in Historical Context

A long time ago, a Mayan said:

They destroyed our crops

They cut our branches

They burned our tree trunks

But they could not kill our roots.

In 1781, Tupak Katari, the leader of a widespread and nearly successful revolt by South America's native peoples against Spanish colonialism, was captured and tortured. His body was torn apart, literally "quartered." Before his death, he proudly announced to his captors: "I will return and I will be millions."

Evo Morales, a strong advocate for world peace and non-violence, has said the right-wing opposition is attempting to "quarter" Bolivia but will not succeed. In a sense, Tupak Katari has returned and is millions. The Bolivian rightists, relatively strong in four departments rich in commerce, narco-trafficking, agriculture, gas, and other natural resources but unable to win national elections, seek to create a secessionist State centered around the economically powerful city of Santa Cruz. This would leave the rest of Bolivia impoverished.

Just as in Bolivia, there are anti-democracy rightists in Ecuador and Venezuela with links to US governmental agencies and paramilitary elements in Colombia. They too seek to topple the new democratically elected revolutionary governments by splitting off the richest areas into separate, new States: the industrial, oil, agricultural, and commercial region of Guayaquil in southwestern Ecuador and the oil-rich Zulia in northeastern Venezuela.

Bolivians have a long history of popular resistance to right-wing elements that have governed the nation on behalf of domestic and foreign elites. They have learned from their earlier struggles. In 1952 they

achieved the continent's first revolution since the Mexican Revolution of 1917. They introduced a short-lived agrarian reform and nationalization of tin mines, the main industry at the time. Many miners were Marxists. In 1946 the Miners' Congress passed the "Pulacayo Thesis," a program echoing the ideas of Bolshevik revolutionary thinker and military commander Leon Trotsky. This program called for workers' control of the means of production, a genuine democracy, and internationalization of the revolutionary struggle. Armed miners turned the tide in 1952 just when it looked like the rightist military might crush the democratic revolutionary forces in a bloodbath.

However, the United States gradually reversed Bolivia's 1952 Revolution by training the Armed Forces and sending in economic advisers favorable to free-market capitalism and foreign capital. By 1964, the Revolution was not only reversed. It was being replaced by a series of military dictatorships and occasional civilian governments that carried out several massacres of workers, peasants, and students, in a "dirty war." Nazi war criminal Klaus Barbie, later extradited to France and convicted in 1987 of mass murder, helped set up Bolivian concentration camps. Poverty increased. Because of silicosis, overwork, and the decline of the mining sector, the lifespan of the average miner today is just 35 years.

A guerrilla struggle led by Ernesto "Che" Guevara in southeastern Bolivia failed when US-trained Bolivian Army forces captured Che on October 8, 1967, and, on US orders, killed him the next day. Crosses labeled "Saint Che" began appearing in several rural locations.

In 1971 a Peoples' Assembly backed by the military government of General Juan José Torres approved a worker-peasant alliance and a program for socialism. Torres was overthrown by General Banzer, leading to a savage seven-year wave of repression known as "the Banzerato," a prosperous period for Bolivia's elites and foreign capital. The boom city of Santa Cruz began concentrating most of the nation's wealth.

Popular protests by the poor majority and by the small economically squeezed middle classes continued. By 1980, strikes, revolts, and massacres reached another severe stage. The so-called "Cocaine Coup" of that year established a particularly brutal and corrupt dictatorship that lasted more than two years. In 1985, Harvard-educated economist Jeffrey Sachs introduced a "shock therapy" neo-liberal treatment of the economy that laid off thousands of miners, who had to migrate with their families to the countryside or cities to try to find work to survive. In the early 1990s, Sachs introduced the same economic approach in the former Soviet Union. In both cases the results were disastrous for the majority of the peoples.

During and after Sachs' "shock therapy," Bolivia's resistance movements reached new levels of community-based organization. People perfected roadblocks and other acts of civil disobedience. Women's committees, a traditional institution among miners, began running urban slums. A street vendors' union grew each year to its present size of 800,000 members. Bolivia's citizens conducted huge marches "For Life and Peace," "For Life and Bread," and for "People before Profits."

Native peoples completed an historic 33-day "March for Territory and Dignity" (1990). A movement by coca growers led by Evo Morales gained strength and called itself the Movement to Socialism. Workers, street vendors, ex-miners, desperate peasants, and heads of households in El Alto and other urban slums organized neighborhood defense-and-struggle committees. Women and youth played pivotal roles. Most of the time Bolivia was under a state of siege, with all opposition repressed. Nonetheless, the social movements kept reappearing and gaining strength, toppling government after government until Evo's election in 2005.

Prefect Ruben Costas in Santa Cruz and several ex-Nazis and large landholders began to organize their "civil" coup. They referred to Evo with racist epithets and claimed no "Indian monkey" could possibly

govern the nation. They sent fascist goon squads to attack, beat up, and kill native peoples. They took over national offices, including airports, making it impossible for the nation's president to fly to important areas.

Several of the fascistic right-wing leaders of the opposition movement are anti-communist fanatics whose pro-Nazi families came to Bolivia from Eastern Europe after World War II, often protected or encouraged by the US government, as in the case of Klaus Barbie. One current leader, Branco Marinkovic, a Croatian-Bolivian, is widely believed to be in the pay of the man in the government of "el gringo" who ordered the El Alto massacre of 2003 and later fled to the United States with "el gringo" and other top government officials.

Over the years, the fascist leaders of the four breakaway departments routinely have hired Brazilian gunmen, some of whom joined Bolivian and Peruvian gunmen in the Pando massacre of September 11, 2008. Pando is the department that gave refuge to the murderers of Chico Mendes, the world-renowned trade-union and environmentalist leader of Brazilian rubber tappers assassinated in 1988. Ever since then, these assassins and their henchmen have been operating on behalf of Pando's elites to help maintain labor discipline and political loyalty, but with decreasing success.

Even though momentarily defeated in their attempt to topple Bolivian democracy, right-wingers of all varieties have not stopped their pressures on Evo. The social movements and native peoples continue to mobilize in defense of Evo's government.

In the middle of October 2008, some 50,000 to 200,000 people conducted an 8-day, 150-kilometer march that was joined on its last day by Evo himself. The marchers surrounded the national Congress in La Paz to demand approval of a future referendum on the new constitution. They succeeded in winning the required two-thirds majority of votes and then celebrated in the streets.

However, prior to the successful vote,

centrist and rightist political parties in Congress modified more than 100 articles. Details of the changes are rather complex, but it is clear that greater though not complete autonomy is to be granted the breakaway departments. Also, Evo will not be allowed to run for re-election after the December 6, 2009 presidential and congressional elections. His potential years in the presidency thus would have to end in 2014.

In both Bolivia and Ecuador, as in Venezuela, the rightist opposition is increasingly divided. For example, Bolivia's PODEMOS (Social Democratic Power in Spanish), the largest opposition group, now has at least four squabbling factions.

But the opposition is not just from the right. While leftists generally support Evo and Correa, even if critically at times, there are a few who feel that both nations' presidents are moving too slowly and with too many compromises. Some even see the emergence of "a new neo-liberalism with a human face." Also, there are people inside the governments of both nations who act as cliques that tend to undermine democratic processes and thus serve the rightist opposition's claims that the presidents are "dictators."

Cooptation and clientelism are occurring, more so in Ecuador than in Bolivia, but the social movements continue demanding genuine democracy and a new type of socialism that meets all human needs in harmony with "Pachamama." The chances of either a civilian or a military coup seem slimmer each day but can never be ruled out. Both nations' Armed Forces have sworn to uphold the constitutional processes underway. The Bolivian and Ecuadorian peoples are on the alert against possible traitorous officers or soldiers.

Decline of US Hegemony

Events in Bolivia and Ecuador reflect a growing defiance of the "big brother to the North." Latin American nations

are integrating into a larger "gran patria" independent of the United States, an idea originally advocated by "the Liberator" Simón Bolívar in the Wars of Independence against Spain when he attempted to unify the region against future US hegemony. Bolívar was unsuccessful, in part because of US opposition. He concluded in 1829: "The United States appear to be destined by Providence to plague America with misery in the name of liberty."

In addition to UNASUR, several new institutions have been created in this recent integrative process. Among them are the following:

- * Rio Group (created in 1986 by members of the Contadora Group active in seeking peace in Central America, today an organization of almost all Latin American and Caribbean states whose most recent new member is Cuba)
- * TeleSUR (a continent-wide television news and entertainment channel countering the slant and distortions of CNN and most US mass media)
- * RadioSUR
- * PetroSUR and PetroCARIBE (for energy integration with discount prices on Venezuelan oil, gas, and know-how)
- * Bolivarian Alternative for the Americas — ALBA, a socially responsible instead of profit-guided alternative to the now defeated US initiative Free Trade Area of the Americas (FTAA)
- * MERCOSUR — Common Market of the South, an earlier alternative to the FTAA
- * Community of Andean Nations and Caricom (two more regional trade blocs)
- * Latin American Court of Justice
- * Banco del Sur (Bank of the South, a response to US-dominated, neo-liberal financial institutions like the World Bank and the Inter-American Development Bank).
- * Parliamentary Confederation of the Americas (a South American Parliament is to be built in San Benito, Bolivia)
- * Security Council of South America (a military alliance of 12 nations excluding the United States)

There are also plans for a single unified currency possibly to be called

"pacha" and a Monetary Fund of the South (Fondo Monetario del Sur) as an alternative to the US dollar and the IMF (International Monetary Fund). There is talk of an economic Stabilization Fund as well.

In the past, the US Government and Latin American oligarchies would not have tolerated this for a second. They would have mounted bloody military coups and new dictatorships in the name of defending democracy. But those days of US hegemony are long gone. Spain's capitalists now have more investments in the region than those of their US counterparts. The United States and the OAS have been largely absent from all major decisions about conflicts; new coalitions like UNASUR and the Rio Group make those decisions, without a single dissenting vote so far. Even the influential US policy-creating Council on Foreign Relations (CFR), in its May 2008 report, says the Monroe Doctrine is dead and should not be resurrected. Significantly, Washington has accepted the 12-nation Security Council of South America.

US military and diplomatic failures in Iraq, Afghanistan, and Pakistan, together with the global financial crisis triggered by US bank failures in 2007-2008, have extended the United States' loss of hegemony worldwide. The Euro and other currencies have long since weakened the dominance of the US dollar. The gigantic US economy has become dependent on investments and loans from China, Japan, the European Union, and sundry oil kingdoms. According to CNN reports, the two-trillion-dollar US bank rescue plan may cost each US citizen \$40,000 by 2010. The three-decade economic reign of neo-

liberalism is spiraling rapidly downward into the abyss of human suffering it has helped generate. Multiple Poles of Power and the rise of new economic and geopolitical alliances are replacing the 18-year-long dominance of a sole Super Power.

Conclusion

It is evident that Bolivia and Ecuador, like so many Latin American countries, are undergoing historic changes in the correlation of social and class forces and in relations with the United States. Only the rightists and the US Government oppose these two new popular and vigorous democracies. Others are trying to learn from them.

In July 2008, the 8,000-mile "Longest Walk 2 All Life is Sacred - Save Mother Earth" reached Washington, D.C. One of its leaders, Dennis Banks, cofounder of the American Indian Movement (AIM), summed up its goal as one of "environmental protection, an end to global warming, the protection of Indigenous cultural survival, and the empowerment of Native youth." Most of the marchers expressed solidarity with Bolivia, Ecuador, and Venezuela.

US policy on Latin America in 2008, however, continued down the anti-democratic path. The Pentagon sent the modernized Fourth Fleet to police the oceans and waterways of the region. More military bases were constructed in Colombia, bordering Ecuador and Venezuela. US support for the mega-project IIRSA (South American Regional Integration of the Infrastructure in Spanish) increased.

It is a multi-billion dollar transcontinental transport and commercial development plan that will violate several indigenous territories. Despite widespread bank failures and skyrocketing unemployment rates at home and abroad, US aid programs continued to give short shrift to meeting human needs and instead contributed to the military repression of social and indigenous movements or renewed attempts at "civil" coups.

The world faces a profound ecological crisis. World hunger is rapidly increasing. In a relatively short time there will not be sufficient potable drinking water, food, or petroleum to maintain current standards of living even in the most industrialized nations. Neo-liberal capitalism faces both deepening economic crisis and loss of credibility on a world scale. The indigenous and popular movements of Bolivia and Ecuador, on the other hand, have achieved significant advances and now have a chance to push for even greater gains in the re-founding of their States and the introduction of new programs in defense of the environment and the peoples of the world.

In November 2008, some 400 academics of the prestigious Latin American Studies Association sent a letter to president-elect Barack Obama in which they expressed their hope that his presidency would convert the United States into "an ally instead of an adversary of the positive changes taking place in the Hemisphere." It remains to be seen if Obama will maintain old policies; make mere cosmetic changes; or create new policies in the interests of all the peoples of Latin America - and the United States.