



## IV353 - September 2003

# 6th Congress of the European Anti-Capitalist Left

19 September 2003, by **François Vercammen**

### An intermediary stage before new battles



One idea is central to the Conferences of the European Anti-Capitalist Left: [1] the advance towards a radical new political force is linked to socio-political experiences of great breadth. These, and not ideological debates, are what will lead to realignment and political convergence, the accumulation of forces, the sinking of roots in society, as well as the development of a platform which speaks to the masses and to youth. From this viewpoint, 2003 has certainly been eventful, with a war whose political impact has been felt across the planet, followed by a spectacular remobilization of labour in several European countries around a common objective.

Paradoxically, this powerful centripetal dynamic has, at this intermediary stage, not yet produced a simplification and a strengthening of analytical and tactical conclusions, nor a robust political and organizational impetus. The Conference in Athens, a

prelude in early June to new mobilizations in Thessalonika, took place too soon to grasp fully the impact.

### The anti-war movement after the war

The point of departure has undoubtedly been the role of the powerful international anti-war movement. In Europe, its point of departure was the European Social Forum in Florence - the political strength won through an immense debate, and a million strong demonstration. The initiative came entirely from the radical forces - political and social. That others joined in - from social democracy to the Pope - is still to the credit of these forces; at the head of these broader unitary fronts, they exerted a veritable hegemony in several countries, notably Italy and Spain, or, as in Britain, put the Blair government in difficulty and shook the Labour Party. Even in countries like France, Germany and Belgium, the governments, opposed to the Bush-Blair line, did not succeed in creating a 'sacred union' or demobilizing the occupation of the streets and cities. You have to go back 30 years to find

such a breadth of mass mobilization, such a will to impose on the dominant classes, such a situation of outflanking of the reformist apparatuses. And it is certain that the political, organizational and personal relations born in this period will be consolidated, ready to resurge at the next opportunity.

However, this favourable assessment is counterbalanced by three facts. First, the movement did not succeed in stopping the war, while the maximum of favourable conditions were met - mobilization from below, contradictions between great powers, the paralysis of 'neutral' international institutions, the ideological and practical isolation of US imperialism. This factor of setback has generated some mixed feelings among the masses ("who won?" "who is strongest?"). The defeat of the Iraqi army (almost) without a fight fed this impression of 'unstoppable power'. Bush tends to strengthen it by threats to North Korea, Syria, Iran, and his acts in Palestine. Secondly, there are the contradictions inside the Atlantic bloc which were very apparent during the war and surprised not a few. And they have not gone away. They will henceforth mark European societies. The European Union (EU) has drawn the conclusion (at its Summit in Thessalonika) in the line of Solana;

link up with US policy "against international terrorism", but at the same time reject a uni-polar world (dominated by the USA) and adopt a Constitution which establishes a supranational state reflecting the economic power of the EU. Thirdly, the enormous anti-war wave has not clearly benefited the parties that were at the head of it at the recent national elections, notably where it was strongest, in Italy and Spain. The PRC in Italy, the party of the movement, did not gather the fruits of the very important and very visible role it played. The Italian left progressed overall (in percentage terms), but Berlusconi was not really punished. In Spain, Aznar's vote held up; the United Left (IU) progressed a little, avoiding a predicted collapse, but the PSOE made few inroads into the electorate of the right.

These three points raise a debate, and this will not lead automatically to a consensus.

The roadmap (of the quartet: USA, EU, UN, Russia) seeks to isolate and crush the Palestinian people - who need great solidarity in a complex diplomatic-political situation. The US occupation of Iraq, increasingly problematic and insupportable, will demonstrate without doubt that the 'easy victory' was only provisional. Will the main imperialist countries, who played at 'reconciliation' in Evian at the G8, be capable of finding a common strategy before the Middle Eastern quagmire?

## The EU's offensive

But what will certainly weigh on the European political situation is the long offensive - from September 2003 to June 2004 - by the EU to pass to a new stage - creating a supranational state and winning sufficient popular legitimacy. The real nature of the operation will be clear - anti-democratic, anti-social, militarist. But that will not mean that the debate will also be clear.

For two reasons. Before a choice as fundamental as this, which affects all the mechanisms of stability and regulation of European capitalism, all manner of conservative and legitimist

reflexes will come into play. The pressure to say "yes" to the draft Constitution will be enormous. The choice will affect the future of political parties and personal careers. All the tricks in vogue since the beginning of European unification will reappear: the 'lesser evil'; the possibility of amending the texts in the future; the argument that "you have to choose sides"; fear of mixing one's vote with the nationalist right/far right; standing together against the Americans, avoiding a crisis of the EU which would be a catastrophe; and so on. There is no doubt that European social democracy will be aligned - in fact it is already, through its collaboration in the Convention (which has been preparing the draft of the Constitution for more than a year).

Even in some CPs, up to and including forces involved in the ESF, positions supportive of voting for the Constitution - 'critically' of course - could multiply. On the other hand, a nationalist left (Greek and Portuguese CPs, the Chevènement current in France, a mass of small Maoist and/or Stalinist parties) will also manifest itself, rejecting the EU in the name of the defence of national sovereignty (and thus the bourgeois state).

Political clarification will be a complicated process. It will initially create more confusion than clarity. The European anti-capitalist left faces the challenge of being resolutely opposed to the EU and resolutely pro-European, in favour of another Europe. Whereas the confrontation with the 'nationalist left' will be rather simple, indeed caricatural, the debate with the pro-EU 'left currents' will be altogether more difficult. For this debate will be less ideological-abstract and clearly more political; it will not suffice to develop the contours and general perspective of another Europe opposed to nationalist withdrawal. Regulations and standards drawn up and controlled by the EU intervene increasingly in the everyday life of European citizens. Directly and indirectly, they influence increasingly the concrete conditions of the class struggle. Without a 'European' formulation of partial demands, a European comprehension of state mechanisms, a global European political perspective, a European

workers' and social movement, the increasingly numerous militant layers and those who are increasingly concerned will not be won to our alternative. The acceleration and deepening of the establishment of the bourgeois-imperialist state that the EU represents offers an opportunity to the organizations of the anti-capitalist left.

## Employers' offensive, workers' counter-offensive

As was predictable, hardly had the Iraqi war ended when the European governments went on the offensive on the social front. That goes in particular for those who cultivated their popularity on the backs of anti-Americanism. They have had a strategy since the EU summit in Lisbon (March 2000) and a green light to attack pensions (Barcelona summit, March 2002). The level of European harmonization on the employers' side is striking. This time the response of the working class has also been harmonized: Austria, Germany, France (and then Portugal, Spain, Italy, and Britain, with partial but very tough struggles) have been shaken by general strikes.

The working class has once again occupied the forefront of the political scene. This combativity has surprised the bourgeoisie, which had begun to believe its own ideology about the 'disappearance' of the world of labour and the left. A rule has been reestablished - providing the right conditions are met, workers engage energetically and in great numbers in struggles of great breadth. It proves that neoliberal policies remain massively unpopular, even if past defeats have left traces of lassitude and scepticism. Strikes retain a strong legitimacy among the people, not withstanding the media hysteria. Moreover, as the struggles of the Italian metalworkers in Spring 2001 announced and the recent strikes of teachers in France have confirmed, a new militant generation is being born. This amounts then to a very significant change, as much in terms of the ideological climate as the reactivation

of the trade union movement and the inter-class relationship of forces.

Nonetheless, this revival remains contradictory. It is only beginning. It is directly threatened by the brutality of the right wing governments and the employers who will attempt to strangle it at birth.

The level of activity is higher than ever in the cycle that is beginning. Austria has been the scene of the biggest general strike (24 hours) since the war (1 million out of 3 million workers!). In Italy, there has been strike activity for almost two years; millions of workers have on several occasions occupied the streets both for political objectives (the war) and for their own demands. In France, the recent 'creeping general strike', with millions of workers in the street, has seen in an impressive succession of days of action, the biggest strike movement since May 1968.

On the other hand, this enormous activity is not enough to win. In Austria, the right wing government has momentarily drawn back. It is difficult for a regime that includes the semi-fascist FPÖ- to attack the power of the trade union bureaucracy. But in France and Italy - where the counter-offensive of the workers is tough - the Berlusconi and Chirac-Raffarin governments are not giving way. On the contrary, in the autumn they intend to pursue their anti-social offensive against the gains built up by the workers throughout the 20th century. The goal is clear: to weaken the unions, demoralize the workers, increase competitiveness. A sign that the European bourgeoisies, supported by the EU, are stepping on the gas: Schröder's 'red-green' government has launched an attack on all fronts (pensions, health, conditions of hiring and firing, unemployment benefits and so on), generating the biggest crisis in the German trade union movement since the end of the Second World War. And Germany had been 'lagging behind' on the European neoliberal timetable.

Thus at this time of remobilization we can also feel the impact of the defeats of the last 20 years on the cohesion of the workers' and trade union movement.

We need to rebuild social resistance and reorganize an active and democratic trade union movement. We will see in the months to come what will be the contribution of the movement for global justice, in particular the European Social Forum (ESF) and the national social forums, to this sharpening of conflict between employers and workers.

## **Social democracy's miserable comeback**

Social democracy has played an active and unsavoury role in this setback, in breaking the common base of social rights and reducing the weight of the trade union movement. It has itself paid a strong price for its heated support for neoliberal policies, weakening its parliamentary base and dilapidating its previous political cohesion. If a return to a 'classic' programme (Keynesianism, public services, social security, standard of living) is completely excluded, its return to government is not.

It is a perverse situation, but in the absence of a genuinely left political force, kicking out the right wing implies the return of the neoliberal left, lacking any trace of an alternative programme: the Olive Tree and the Left Democrats (DS) in Italy, the PSOE in Spain and the PS in France. It is an unhappy vista from all viewpoints; first, because the result will be a neoliberal policy hardly different from its predecessors. This neoliberal left will then probably need political support in Italy (PRC), Spain (IU) and France (PCF+Greens) to form a parliamentary majority. The poverty of the social democrats could lead to a lamentable confusion in some Communist Parties. Already the German PDS, as junior partner to the SPD inside administrations of the Länder of Berlin and Mecklenburg-Vorpommern have applied a brutal austerity policy, doubtless in the hope of ultimately serving in the federal government. Decidedly, the disaster of the PCF, after the plural left government, has not been assimilated, even within the PCF.

## **Intermediary stage, new battles**

The situation today is paradoxical. There is an obvious gap between the enormity of the historic intervention of the masses on the political and social terrain on the world scale; and the fact that it has not yet, at this stage, affected strongly the institutional structures and the political and social organizations.

The traditional bureaucracies (trade union and party political) have known an unprecedented setback and lost the monopoly on the big mobilizations and political initiatives, including at the international level. But we are only at the beginning of an alternative force.



The rise of the movement for global justice has overthrown the tendency of profound retreat of 20 years (1980-1999), spectacularly, creating through truly historic events, a new spirit of emancipation, self-activity, and hope. This movement is very legitimate, but still not deeply rooted. The new social movement has stimulated and inspired that of the workers (the trade union movement in particular) but it has only helped to awaken this latter, not to strengthen its militant structures. The trade union movement, depending on the country, has led strong, significant battles, in contrast with the preceding periods, but it seems that this is only the beginning of a true revival of trades unionism, especially in the workplaces. The anti-war movement - originating directly from the movement for global justice - has been extraordinary for its impact on society and the big traditional mass organizations, but this very political fact has only played a secondary role even in the most 'pacifist' countries. The 'new' organizations have not been significantly strengthened in terms of membership.

The most significant lag is clearly that between social activity and political commitment (electoral and party political). This is a fact which is explicable, and undoubtedly transient,

but real. There is nothing in common, from this viewpoint, with May 1968, when thousands of youth organized themselves in revolutionary parties. That leads for the moment, to the relative weakness of the alternative 'new' forces (social, political) to the left of social democracy.

For the European anti-capitalist left, there are two things at stake: to be in the social battles, and to participate in the main electoral contests. It has solid convictions and many tactical experiences, which should allow it to contribute to the stage which is opening.

This new situation also poses

questions for the CPs. Given a certain weakness of the alternative left, an extremely anti-democratic electoral system, and the difficulty of 'beating the right', certain tactical manoeuvres can be justified. The danger is to pass from manoeuvre to political engagement; governmental participation with a social democracy more than ever bogged down in neoliberalism, would mean the end of a cycle of radicalism, and would leave the Party in tatters. Nobody should forget the sad experience of the Parti Communiste Français.

The European Anti-capitalist Left, at its Athens conference, took the decision to constitute ourselves as a

specific current (by history, tradition, political sympathies), according to the terminology used by the EU to designate organizations, "a European Party of the Anti-capitalist Left". It is an important step, not anodyne. It is a pan-European appeal to advance in this direction; regroupment, in each country, and on the European continent, of the maximum of radical, pluralist, representative, non-sectarian forces. But we do not conflate the setting up of such a formation with the political battle at the European elections of June 2004. We act also to fight against social liberal policies and to constitute a broad and unified electoral bloc, capable of dialogue with the social forces.

## EACL Statement

**19 September 2003, by European Anti-Capitalist Left**

They are fostering a general process of political clarification inside the labour and social movements and parties of the left. In the next twelve months the European ruling classes will make an all-out effort to strengthen the European Union as a supranational, imperialist state. The social democratic parties will once more play a key role in trying to 'convince' working people to accept new cuts in jobs, wages, pensions, housing, education, health care and labour rights in the name of 'competitiveness'. They will also proclaim the need to accept 'sacrifices' of democratic rights and freedoms and asylum rights, to spend more on the military and to build a European 'army'. The European Anti-Capitalist Left will be at the forefront of mobilisations against this new neo-liberal wave, and will participate in the June 2004 elections. We want to break the iron chain that links neo liberal policies to war and war that prepares a new waves of massive social aggressions - a chain that is at the heart of global capitalism.



**2** The war on Iraq has been an historic event: it was the first frontal, planetary clash between global capitalism, led by the US government (and its allies), and the new international social movement. Far from being irrational or fortuitous, the new strategy of US imperialism, centred on 'unlimited war', is linked directly to the rise of capitalist globalisation and the necessity of mastering the heightened contradictions that result from it. These contradictions include: unbridled extension of the reign of the market; deregulation of economic and institutional functioning, including systematic abrogation of labour's hard-won rights; trans-national concentration and mobility of financial and productive capital; a more pronounced hierarchy among capitalist states; and an unprecedented intensification of social inequality, on a planetary scale as well as in each region and country. As a result inter-imperialist contradictions, which have been exacerbated and set

loose since the collapse of the USSR, need to be kept under control in new ways, since all the institutions that traditionally kept social and popular movements within bounds and channelled social explosions have lost their legitimacy and their grip. The outcome is economic volatility and general instability. The extraordinary extent of US power, whose supremacy is very uneven on different levels (military, economic, monetary, political, ideological and cultural), itself contributes to increased instability.

**3** The 'surprising' opposition of the French and German governments (supported by Belgium) impeded NATO's functioning for a while and (with Russia and China's help) successfully blocked Bush and Blair's initiative in the Security Council. Their opposition was too strong, too well thought out and too concerted to be reduced to remote historical factors, accidents of party politics or personal ambition. The opposition from the EU's key sector is linked directly to a resurgence and reinforcement of contradictions within Western capitalism. Admittedly these



contradictions are still held in check by transatlantic imperialist arrangements, the unrivalled supremacy of the US and the EU's difficulties in forming its supranational state. But US strategy, more and more systematically unilateralist, including in trade relations, is having a growing impact on US-European relations. During the past five years economic conflicts in the WTO framework have changed the diplomatic climate. The unprecedented growth of the 'transatlantic economy', measured in the volume of trade and above all in the level of foreign direct investment, has had contradictory effects. Intensified transatlantic integration has also stimulated intensified competition on both sides of the Atlantic and elsewhere in the world. Two political-strategic shifts are thus taking place at the same moment for the same reasons. US imperialism has been reorienting its foreign policy in the wake of the disappearance of 'the communist danger': a close union with Europe has become a lower priority than reaffirming its global domination. In its ongoing alliance with Europe, the US sets the ground rules on the basis of its own interests. (The war on Iraq is the most visible example.) Simultaneously the European Union's economic dynamic (the euro, consolidation of the single market, eastwards expansion) is impelling it to equip itself with the nucleus of a supranational state apparatus. Without challenging US supremacy, the EU is striving for a new equilibrium that would change the relationship of forces. This dynamic is pregnant with frictions, partial conflicts and more acute contradictions.

**4** Formation of a supranational state, an indispensable tool for the European ruling classes, is running up against the direct influence of US imperialism and the heterogeneity of the EU's (main) member states. But the main obstacle is the lack of substantial legitimacy or a broad social base. In order to establish its semi-authoritarian state and withstand international (above all US) competition, the EU is dismantling the 'welfare state' and recolonising the Third World. This in turn increases

popular resistance, particularly from the working classes and youth. Europe has become an epicentre of a global social confrontation, as shown by the huge anti-war mobilisations that have shaken several governments. Several of these governments (Britain, Spain, Italy) chose to back the war and line up behind the US; they reaped a huge wave of protest and mobilisations. Others (France, Germany, Belgium) positioned themselves 'against the war', visibly taking their distance from the US; they portrayed themselves as peaceful, democratic, social, humanist, 'internationalist' imperialists, concerned about a new world order with its institutions and rules. They had two goals: to win over world public opinion while gaining ground from the US; and to win over public opinion at home, the better to push forwards with neo-liberal policies.

**5** The neo liberal policies of global capitalism has led to war; today, war is leading to a new wave of antisocial policies. At the same time 'the politics of war' is still on the agenda. The radical left rejects this capitalist, imperialist strategy. It faces three challenges.

- The anti-war movement has partially demobilised since the war's end. It was not able to stop the war. But its militancy, its huge demonstrations, and its impact on society have reached far beyond activist milieus. It has made it a major factor in political life, even if this has not a decisive impact on the recent elections (in Italy or Spain for instance). The situation in the Middle East is very unstable, specially in Iraq. The Israeli government continues its war against the Palestinian people and occupying its country. The US hasn't abandoned

its goal to bring the whole of the Middle East under its control, threatening the Iranian and Syrian States, calling to destroy the popular resistance movements in the area. The so-called 'war on terrorism' has also led to a massive rise of racism and direct threats to the black, Muslim, Arab, Asian communities in the different European countries. Whatever the position of the EU governments has been in the Iraq war, all are united and in alliance with the US to attack the asylum and democratic rights. We cannot rule out a new threat or military intervention by the Bush administration. It is important that anti-war activity continue to take place regularly in each country and across the continent, combining antiwar and antiracist mobilisations. The massive participation of youth, in fact a new political generation occupying the forefront of the social movements, is a key element for the new cycle of struggles and the reinforcement of the class struggle.

- After the war, the 'social question' is now at the centre of the political battle, thanks to the governments' offensive and the bosses' offensive at the workplace level. The EU is pursuing the

same policies and carrying on with the 'Lisbon agenda' by attacking directly at three points:

- Dismantling the pension system and (partially) privatising it, transferring the huge sums now in the publicly controlled funds. This relates directly to the EU's other priority: unifying and expanding the financial market in the interests of big capital;
- The so-called 'labour market reform', in order to deregulate rights in hiring, redundancies, working time, wages payment, social insurance, etc. This is an attempt to smash the common framework that has been crucial for working-class cohesion. Today the 'reformers' have Germany in their sights.
- The bosses think the current relationship of forces now makes mass redundancies, drastic pay cuts, speed-up and increased exploitation of labour possible.

The wage earners have accordingly responded massively with demonstrations and mobilisations, as well as some of the most powerful general strikes in decades in France, Italy, Austria, Germany, Spain and Portugal. This is a genuine 'Europeanisation' of the class struggle: virtually simultaneous struggles around the same problems, putting forward the same goals and same solutions, using the same forms of mobilisation. Now on the agenda are European struggles, organised Europe-wide coordination meetings, and European general strikes. In short, we need more than ever to form a new, active, militant European wide trade-union force - while the bureaucratic apparatuses of the national union federations and the ETUC are blocking this perspective, linked as they are to the 'Lisbon agenda', the well-known 'business summit' of the

European Union (March 2000).

- Faced with the bourgeoisies' attempt to move forwards towards the nucleus of a supranational, imperialist EU state, the necessity of a European alternative can no longer be evaded. The European radical left has been lagging behind in its discussions and in developing its programme. While the EU is imposing its decisions - more than 60 percent of national laws implement EU decisions; the European military force is moving into action; the European Central Bank is exercising sovereign power over monetary policy; EU laws ('directives') are supplanting national legislation - parts of the new European social movement organised in the ESF, out of incomprehension, hesitancy or ignorance, is not taking on the EU institutions. With the Convention meeting, the Constitution being written and the Inter-Governmental Conference looming, we must urgently make a more systematic, more coordinated, political riposte and put forward a European anti-capitalist alternative.

**6** The EU is going to use the June 2004 European elections to carry out a gigantic EU political, media and

publicity operation from the North Pole to the Mediterranean and from the Atlantic to the Russian frontier. Its goal is to win over a popular base and a substantial legitimacy, which are indispensable to neutralising the recovering social and trade union movement and herding them into line behind an imperialist European power. European social democracy has already taken up its battle stations in the 'spirit of Lisbon': first strengthen European capitalism (in face of the 'American threat') and accept a new round of austerity, in order to re-launch social progress at some later date. The EU is supposed to become the alternative to the US: peaceful, social, humanist, 'international', etc. This new ideology is meant to restore a stable political anchorage to the EU state.

But the historical, existential crisis of the SP's is irreversible. This doesn't mean that they have already lost their hegemony over the labour movement; neither are temporary, purely electoral resurgences to exclude. But there will be, in the present conditions of capitalism, a genuine reconstruction of social democracy on the ideological, programmatic, political or organisational level. Besides, the process is very uneven, from one country to the next in terms of scope, depth and tempo, as it has been throughout his history. (Contrast the Labour Party with the SPD or Italian DS, or the Walloon and Flemish SPs within the same country!)

7 The EACL will take part in social, political and electoral struggles as an independent, radical, anti-capitalist current. But we will not lose sight of two factors that constitute levers with which to expand into a much broader space. First, we have entered a period of political clarification of considerable scope and depth. The process of radicalisation during the last several years has begun to push back the political and electoral boundaries.

The traditional parties may not be moving much, but their electorates are. Besides the war, social issues and the everyday life of the world of labour are provoking breaks. The militaristic and neo-liberal orientation of social democracy has led to a massive rise in

consciousness. The SPs and other left-wing parties that have participated in such governments have generally paid a high price! Second, the huge mobilisations of the 'global justice' ('no global') movement and the popular upsurges against the war have been initiated, organised and oriented by radical (social and political) left forces, outside and often against the central bureaucratic apparatuses of the traditional workers' movement. After having tried in the beginning to discredit and criminalize the movements, they are now trying to join them in order to win influence inside. This opens the way for broad united front actions which widen the terrain and the political influence for the radical Left.

All this is a reason for the EACL to be in the streets and in the struggles. We will also be present, everywhere, in the campaign for the 2004 European elections. Participating in this contest, is a key element for implementing the huge energy and commitment of the social movements on the political terrain, and for sharpening the political clarification towards the reformist social-liberal forces.

First, we will develop our own political identity and our own platform, which will distinguish us clearly on the basis of the experience of the last fifteen or twenty years:

- struggle against imperialist war, immediate withdrawal from NATO;
- against an EU army and EU militarism;
- against social-liberal policies and against participation in social-liberal governments;
- against so-called 'anti-terrorist' policies that attack democratic and political rights (the Spanish state has outlawed a party, Herri Batasuna, which was legal and massively present in the elected bodies of the state) and criminalize struggles and movements, in particular those of immigrants and blacks;
- and against the EU of big capital and the utterly anti social and anti democratic (draft) Constitution.

This dynamic cannot be halted with limited measures, because it has become systematic. Priorities must be changed radically: social needs for the mass of the population must come before the profits of big capital.

Our alternative programme is as simple, easy and clearly defined as the bosses' one: a full-time, stable job, a decent wage, and a liveable replacement income (in the event of unemployment, disease, disability or retirement) for everyone; radical reduction of working time without loss of pay or intensification of work, with compensatory hiring; the right to housing, education and professional training and health care, all good quality; and access to means of public transport.

These political and social rights will be equal for all workers, native and immigrant, men and women. Implementing them requires: a radical extension of public services; a recasting of the state budget (including the tax system) which drastically increases social spending; and a radical redistribution of wealth and income from capital towards labour. For this purpose all anti-capitalist measures must be taken that are needed to control and, if necessary, expropriate private property and transform it into social, public property. Another Europe is possible: social, democratic, egalitarian, ecological, internationalist-a socialist Europe!

Second, the EACL will not be content simply to bear witness. To the extent possible in each country, we will try to form alliances or electoral blocs in order to defeat the parties of Big Capital as well as social democracy, - both linked to the neo liberal policies of global capitalism, and the other left parties that go along with them.

Third, the EACL will wage an active, dynamic campaign with a high political profile in favour of an anti-capitalist, socialist alternative. The EACL will publish its European 'Manifesto' at the next the 7th EACL Conference, to be held in Paris in November 2003. The EACL supports the initiative of a 'Convention for an alternative Europe', as proposed by the PRC (Rifondazione).

# Reds, greens and 'reform'

19 September 2003, by **Paul B Kleiser**



Schröder with the architect of the pensions 'reform', Peter Hartz, himself a worker director at Volkswagen

Initially, in its honeymoon phase, the new government passed some reforms, abolishing certain counter reforms of the former government. Obviously we are not talking about radical measures in favour of employees, but there were some improvements concerning pensions and social benefits (for example the cost of dentures was again reimbursed). On the environment, the introduction of the ecological tax, intended to reduce the consumption of energy, was welcomed. Rapidly, however, the tensions inside the government - between the neoliberal wing, led by Schröder and Fischer, and the neo-Keynesian wing, led by Lafontaine - exacerbated to the point that Lafontaine had no other choice than to submit or resign from the government (and the party, of which he was president).

From this time on all governmental measures have followed the neoliberal logic of the defence of the 'national position' and the strengthening of 'supply':

- Tax reductions have benefited the richest and big capital: the tax rate on the highest incomes has fallen from 53% to 48.5% and will soon be 42%, while the rate on company profits has been reduced from 40% to 25%;

- Pensions reform - known as 'Riester-Rente' from the name of the former number two of the IG Metall trade union, who was Minister of Labour in the first Schröder government - ended in a partial privatization supported by the state and a partial abandonment of the system of distribution;

- Measures taken in the 'struggle against unemployment' render the unemployed responsible for their situation and introduce de facto a situation where they can be forced to take a job;

- The new immigration laws recognize for the first time that Germany is a country of immigration, but make the interests of the country the only guideline in allowing immigrants the right to stay. At the same time, the measures of dissuasion against 'undesirable' immigrants are being strengthened by the setting up of camps and prisons of expulsion.

- Efforts are being made to transform the federal army into a rapid deployment force, within the framework of the establishment of a European army (for the moment with France, Belgium and Luxemburg). Already, in the 'white book' of the conservative Minister of Defence, the interests of the greater Germany were defined as 'worldwide', above all in the area of the supply of raw materials which the country needs. The current coalition is continuing this approach.

All these measures did not stop the country from sliding into recession from the second quarter of 2001; in 2002, the year of the elections, there was a modest growth of 0.2%. As recovery was slow in coming, all the polls predicted defeat for the 'red-green coalition'.

The threat of war against Iraq and the horror of war felt by most Germans allowed Schröder to recover in the polls. His firm opposition to Bush's plans won him recovered popularity. Moreover, the serious flooding in the south of the former GDR allowed Schröder to play a commanding role and win the sympathies of the majority of people in the East. All this had been well orchestrated by the mass media, which Schröder is adept at using. The Schröder- Fischer team finally won the

elections with some 13,000 votes to spare.

## Agenda 2010

After the elections, the promised recovery still did not materialize. The German economy remained in recession and growth in 2003 was close to zero. In this context, a capitalist attack on wages (direct and indirect, that is social charges), supported by government policy, strengthened pressure on wage earners and the unemployed. The economic situation was also the main reason for the new measures of tax reduction. These should (in theory) lead to the abolition of subsidies, but in reality they have led to an explosion of the public debt (federal State, Provinces, Communes), which was already nearly 1,300 billion euros.

"We must reduce state benefits, favour individual responsibility and demand more effort from everyone" said Schröder to the Bundestag, on March 13, 2003, summing up the policy of 'reforms' adopted by the red-green coalition. In the Chancellor's view, labour is too dear in Germany, the 'second wage' [2] is too high and is the 'structural cause' of the difficult situation of the economy. In reality these costs are the consequence of mass unemployment and German unification. In proceeding to the destruction of the native industry of the East German capitalism threw two to three million people out of work. [3]

Agenda 2010 is the renewed and radicalized version of the 'Hartz proposals' [4] of the past year, which the chancellor claimed would reduce unemployment by two million. The core of the proposals of the Hartz commission was to create in each district a Personal Services Agency (Personal Service Agentur, PSA), if possible on a private basis, though in case of lack of interest on the part of



the private sector the 'labour offices' (ANPE) should take responsibility. These PSAs should 'employ' the maximum of unemployed people on a temporary basis and hire them out to enterprises. The talk is of 'creating' 780,000 jobs by 2005. "We have freed temporary work from bureaucratic rules and we have revalorized it, so that companies can meet their needs for qualified personnel in a flexible manner," [5] Schröder told the Bundestag.

The second aspect of the proposals of the Hartz commission is the installation of jobs at discount rate, where the employer is exempted from the essential of the social charges and taxes when the wage is less than 400 euros, whereas for jobs paid between 400 and 800 euros the employer only pays a reduced percentage of social charges. Those who wish to become self-employed workers or create a small company can form a 'Me-plc' ('Ich-AG' - what an expression!) and receive, if their incomes do not exceed 25,000 euros per year, a monthly subsidy of 600 euros the first year, 360 the second and 240 the third year, on condition they do not claim unemployment benefits. By these measures the government hopes to create 500,000 jobs.

The measures will create a sector of badly paid and insecure work (or enlarge massively an already existing sector), what the Americans call the 'working poor', workers who cannot live from their working incomes. The aim is also to reduce the average cost of labour in Germany, while worsening the crisis of social funds, deprived of contributions by the exemption of the employers from charges.

Agenda 2010 is a still more direct attack on the unemployed: until now unemployment benefit (Arbeitslosengeld, 58% of net salary) was paid for a maximum of 32 months. Now the maximum period will be 12 months for those under 55, and 18 months for those above that age. Through these measures the unemployed will lose a sum of 3.8 billion euros; the maximum loss for an individual could be 14,000 euros a year. After one year of unemployment the German ANPE normally pays a benefit (Arbeitslosenhilfe) according

to need, but with a ceiling of 53% of the net wage earned before being laid off. Now the long term unemployed will only receive a minimum income (RMI, around 560 euros for a single person and 920 for a couple, but with regional variations). Some 1.8 million people will lose their benefit (a loss of around 3.6 billion euros per year) and between 30% and 40% of the unemployed will no longer be covered.

The reductions of sickness benefits are another aspect of Agenda 2010. The deficit in this area - in the order of 3.5 billion euros per year - was the pretext to open negotiations between the SPD health minister, Ulla Schmidt (a former Maoist) and the specialist of the CDU/CSU and former Minister of Health Horst Seehofer, seeking to reduce health expenditure by 20 billion euros. The proposals are intended to stop the reimbursement of dentures and threaten the maintenance of sick pay beyond six weeks - which could open a market in private insurance.

## Post modern vision

Speaking of Agenda 2010, the former SPD treasurer, now president of the Swiss university of St Gallen, Peter Glotz, formulated the 'post modern' social democratic vision in these terms: "The society of skills appears as a society of the conscious exclusion of many people from modern work... We must in the long term live with a new social underclass, which cannot fill jobs demanding high skills, or accept those which demand an effort."

According to the first report on poverty and wealth published by the federal government and covering the period 1990 to 1998, "the analysis of development in Germany until 1998 shows that social exclusion has grown while the justice of redistribution has decreased". [6] At the time the red-green coalition spoke still of a "struggle against social exclusion and inadequate assistance as an integral part of our global strategy". [7]

Speaking of 'courage for change' Agenda 2010 exposes the distance between discourse and practice. This distance is illustrated by the use of a terminology borrowed directly from

Orwellian Newspeak: increased charges on wage earners are called 'individual responsibility', the reduction of social benefits 'incentives for more jobs', gifts to the rich in taxes are 'boosts for investors' and the extension of insecure work is called 'flexibility of the labour market'.

Since 1973 the rate of unemployment has gone from 1.2% to over 10% of the workforce. 1.8 million of the unemployed have been out of work for more than a year. A third of the unemployed are poor according to the criteria of the European Union, that is they earn less than 50% of the average income. Since 1974 the number of people living with a minimum income has quadrupled in the West and at the East it has doubled since 1993, to reach 2.7 million, of which 1.1 million are under 18. All the research shows that exclusion in youth has very serious implications for the future.

## The left in the SPD and the Greens

After Schröder's governmental declaration of March 14, eight social democratic deputies began to collect signatures for the organization of a referendum in the party (this requires the signatures of 10% of members, or 67,000). Speaking of "concern for the future of our party" while supporting "our federal government led by the SPD and our chancellor Schröder", they formulated demands in opposition to the official party policy: "We are against a privatization of life-risks. The reductions of unemployment benefit, of minimum income and the threat to sick pay are asocial and will bring about a dangerous regression in consumption. Instead of improving the public budget by the sole road of reducing expenditure, we should tax the big fortunes. We support the reintroduction of taxation on big fortunes. We are against the reduction of taxes for the rich and against the lowering of the rate of imposition for the highest band of income tax. We need to boost the demand of low and middle incomes, so that private demand supports the conjuncture and creates jobs. The rights of wage earners are not an obstacle, but a

precondition for a productive and qualified job... Strong trade unions are for us an integral part of economic life which cannot be renounced". [8]

The leadership of the party reacted immediately, convoking an extraordinary conference in Berlin. This conference was well prepared and orchestrated; everywhere there were slogans like "Our road in the future: Agenda 2010" or "Agenda 2010 is a social democratic programme for growth and jobs". The conference applauded the interventions of the chancellor, the governmental team and also those of the opposition. Most delegates, even critical, stressed that the chancellor should not be weakened. Finally, despite the critics, some 90% of delegates voted for the proposals of the Schröder team. The little rebellion, which had collected 20,000 signatures, evaporated.



IG Metall workers in the forefront of opposition to pension reform

Virtually the same thing happened with the Greens, where the drift towards neoliberalism has met with very little organized opposition, although dissatisfied individuals have left the party.

All the parties in Germany are currently losing members, but the SPD is leading the way.

## In the unions

With German unification and the integration of the official unions of the former GDR in the DGB [9] there was initially a growth of influence of West German unions which were invited to cooperate in the conquest of the East. The union leaderships criticized neither the dismantling of East German industry nor the programmes of privatization drawn up by the Treuhand. [10] And the boom which followed the unification allowed a growth of wages and a 'national euphoria' both in the workers' movement and in society as a whole. The unions won a lot of members through fusion with the Eastern

unions; total membership exceeded 11 million (since then they have lost nearly 30%).

Then came ordinary capitalism... the crisis of 1993-1994 and attacks from the employers. The union leaders were not at all prepared for this. The head of IG Metall, Klaus Zwickel, proposed an 'alliance for work' with the employers and the government: that is, the union would not press its demands for increased wages if, in return, the employers employed more workers. But for the bosses, these proposals were an invitation always to ask for more, above all a massive reduction of social benefits to reduce social charges beneath the barrier of 40%. The Kohl government, agreeing with the employers' proposals, began to transform them into legislation. The unions then left the famous 'alliance' and mobilized against the government, which was ultimately one of the reasons for the end of the Kohl era.

Under Schröder, everything started again. At the beginning there were concrete agreements, and even a small real increase in wages - above all in the area of services - but with the new recession the new alliance broke up, and the unions no longer had an interlocutor for their 'social partnership'. The union leaderships, still faithful to social democracy, developed a kind of 'division of labour' with the latter, the attacks of the red-green government finding little resistance. Thus, whereas for 20 years the unions had protested against temporary work, they signed a collective convention which accepted the principle that the employees with the PSA should receive a reduced wage. The union helped create a low wage sector, and they did very little to defend the collective conventions of the regions (Flächentarifvertrag). In the East, this kind of convention is still valid for less than 40% of employees; and this figure is permanently falling, while 25% have firm-by-firm conventions and 30% have no collective convention. (In the West these figures are respectively 60%, 10% and 15%.) The differences between the two parts of Germany are still increasing, and there is not only an enormous difference of political culture, but also an ever-greater atomization of the working class in the

East.

## A serious defeat

Officially the metalworkers work 38 hours a week in the East, or three hours more than in the West. The reality is often much worse. To fight against the destruction of the collective convention and the ever greater differences between the two parts of the country, IG Metall called a strike for the 35 hours in the East.

Everybody knew that this was a daring move, given the pressure of the employers and the propaganda of the mass media. The strike was solid for nearly five weeks, despite some incidents where strike-breakers were taken into the factories in lorries or even helicopters.

But the long strike led to an interruption of production in the big car companies in the West - Volkswagen, Opel, Mercedes and BMW - which led to a division inside the leadership of IG Metall. The campaign by the mass media, the pressure of the government and the division in IG Metall (between Zwickel and his second in command, Jürgen Peters, who is soon to replace him) led to the abandonment of the strike, which naturally caused great bitterness in union circles. People spoke of a betrayal of the strike by a part of the union bureaucracy.

In any case, it amounts to a serious defeat, with heavy consequences which will affect future struggles. Thus it is hardly probable that IG Metall could really defend itself and mobilize against the attacks of agenda 2010. The lost strike and the struggles in the leadership have led thousands of members to leave the union. An extraordinary conference has been called for September but it is not at all clear if the union will be in shape to elect a coherent new leadership.

The future of IG Metall, but also of Ver.di, the unified services union, will also have a significant impact for the development of social forums, which are beginning to be set up nearly everywhere in Germany, challenging neoliberalism in general and the policy of the Schröder government in

particular.

# A class struggle response

**19 September 2003, by Laurent Carasso**



Whereas many European Union (EU) countries have already taken important steps in dismantling the social entitlements won following World War Two, France has, from a capitalist viewpoint, been lagging behind in areas like employment, social protection, public services and pension.

From its accession to power in June 2002, the Raffarin government proclaimed its intent to accelerate privatization, following a path already set by the Jospin government, led by the Socialist Party. EDF-GDF (electricity and gas), Air France, and France Télécoms were the targets chosen by the government which, in the name of compliance with EU demands, has also introduced competition into rail freight and new sectors of the postal services.

In autumn 2002 these attacks led to numerous mobilizations of employees in the sectors concerned, while teachers were already mobilizing massively against the suppression of jobs of educational assistants. However, these responses remained scattered, while the leaderships of the trade union movement appeared paralyzed by the defeat of the political left at the presidential election of May 2002 - disoriented also inasmuch as the reforms often continued the policies of the plural left.

Thus in December 2002 the government decided to begin the privatization of EDF/ GDF through the creation of a pensions fund to manage the pensions of employees in this sector - previously the company integrated its pensions allocation directly into its accounts. With the

exception of the Force Ouvrière and SUD unions, no union leadership in this sector opposed the plan. Despite this broad union support, in a referendum on January 9 the majority of employees rejected the reform. This vote laid the ground for a massive rejection of the pensions reform that the government was to propose some weeks later.

## Attack a long time coming

The pensions reform had been anticipated from before the presidential election as an obligatory rite of passage for whichever new government came to power. Both the plural left and the right presented this question as a demographic imperative - they argued that the equilibrium of the share-out pensions system demanded that, by 2040, there should be an extension of the period in which employees paid in contributions by employees. Whereas retirement in France practically begins on average at 58, Jospin and Chirac committed themselves at the EU heads of state meeting in Barcelona in March 2002 to extend this by five years. French employees have the right to participate in the share-out pensions system at full rate from the age of 60. A first attack had already been made in 1993 by the right wing government of Balladur, which had introduced reforms meaning that workers in the private sector had to pay in for 40 years to receive the full pension. This attack took place without any reaction from the workers' movement. Thus the Raffarin government presented its reform as a matter of social justice - it was a process of harmonization of the private and public sector. Fearing a 'remake' of November-December

1995, which had seen the country paralyzed by striking rail workers, the government announced that employees benefiting from a special pensions regime - rail workers (SNCF), Parisian transport workers (RATP), electricity and gas workers (EDF-GDF) - would not be affected by the proposed reform. But everyone knew in advance that they would be the next targets.

From January, the objective had been fixed - by the end of June Parliament would vote through legislation extending the period of contributions in the public sector to 40 years, opening the door to a later extension for all employees. The government did not seek an agreement signed by the union confederations, but counted of course on the goodwill of the Socialist Party and the support of at least a part of the union movement, in the framework of a meeting of 'dialogue' to take place in February.

The union leaderships started on the defensive, refusing to challenge the setbacks of 1993 and defend the 37.5 years for everybody. Instead of preparing for a central trial of strength on a choice for society, they sought the least bad compromise with the government. Thus in January 2003, all the big union organizations - CGT, CFDT, FO, CGC, UNSA, CFTC, FSU [11] - adopted a platform, marked by the orientation of the CFDT, which did not axis its demands around respect for the 37.5 annuities and did not stigmatize the governmental project as a socially reactionary employers' offensive. The confederal congress of the CGT in March 2003 supported this line, even if there was much opposition.

## The motor of national education

On Saturday February 1, 2003, the trade union front organized a national day of demonstrations - more than 700,000 employees demonstrated in more than 100 towns. Everywhere the demand was for defence of the 37.5 annuities, challenging the basis of the inter-union appeal.

In the following days, discussions started between the government and the unions. The leaders affected ignorance of the brutality of the government's objectives and all spoke, in the style of the CGT leader, Bernard Thibault, of 'ambiguities' in Raffarin's discourse.

Believing its pensions reform was on the rails, the government launched a direct attack against technical personnel in national education (ATOS), the school psychologists and careers advisers (Copsy). About 110,000 personnel were to lose their status as civil servants and transferred to local government, in the framework of the decentralization of a great number of state functions. This attack compounded the suppression of educational assistants' jobs.

In the midst of several national strike days by the personnel in national education, March saw the beginning of 'renewable strikes' in schools and colleges, particularly in Bordeaux and Paris.

From this time onwards the movement in national education became the motor of social mobilization. Threatened both by the decentralization projects and pensions reform, the sector mobilized massively, forming the bulk of demonstrators on new days of mobilizations launched by the confederations, on April 3 (without the CFDT) then Mayday - everywhere inter-professional meetings were stimulated.

In the following days, eight years after the anti-neoliberal revolt of winter 1995 against the Juppé plan, the country experienced a social and political convulsion of exceptional

breadth. This movement had several important characteristics:

- A bigger strike than in 1995. Millions of workers participated in strikes, among them many youth, marking the entry into the social movements of new generations of wage earners. This phenomenon was obvious in national education which was the backbone of the strike, but it was notable in every sector.

- The national dimension of this movement - nearly all the towns and communes of the country saw demonstrations, local initiatives and inter-professional meetings.

- A renewable general strike in teaching, lasting more than two months in some regions. This element is historic, unprecedented since May 1968 in terms of length of strike by a professional sector.

- Seven days of action, strikes and national demonstrations, February 1, April 3, May 6, May 13, May 25, June 3, June 10 - as well as May 1, 2003, marked by the mobilization of millions of workers.

- Partial renewable general strikes in a number of sectors, like the SNCF, the Post Office, France Télécoms, taxes, or the ANPE.

- A significant participation by the private sector in the big mobilizations. Bigger than in 1995, and more important in the provincial towns than in the Parisian region.

- The setting up, at the instigation of the teachers usually, 'interpros', in towns, neighbourhoods, taking numerous initiatives for mobilization.

- Renewable regional general strikes, of a specific type, in several regions of the country, notably in the Bouches du Rhône and Puy de Dôme.

Another important element is the strength of alternative responses by the strike movement. Here is felt all the weight of the movement for global justice, the work of associations like the Fondation Copernic or ATTAC, the many revolutionaries present in the teachers' movement as in the other mobilized sectors. The question of the distribution of wealth and the demand

for social justice are among the themes taken up by the movement.

## An aborted general strike

From the early days of May the government was haunted by the spectre of 1995. While reaffirming its determination (Raffarin declared on the evening of May 7 that "it's not the street that governs!"), it partially changed its tactics and pushed the CFDT leadership to rapidly sign up for the proposed law. This it did on May 14, the day after a strike day supported by nearly 2 million demonstrators with high rates of support in all sectors of the civil service and numerous stoppages in the private sector. This signature led to a deep crisis in this confederation and broke the trade union front built in January but was not enough to break the movement. On May 9, the leadership of the main union in national education, the FSU, called for a renewable general strike, which was already a reality since May 6 in many establishments, both in primary and secondary education. After May 13, extension of the renewable strike to the SNCF, France Télécoms, the Post Office and taxes in particular was possible. However, the CGT leadership did not want a showdown. Claiming a risk of becoming cut off from the private sector, the CGT federations opposed the renewable strike calls, notably in the SNCF and the Post Office sorting centres. Despite the combative positions of many CGT sections, of Force Ouvrière or SUD unions and of CFDT structures rejecting the position of their leadership, the biggest union confederation weighed heavily in the balance. The massive mobilizations in the days of action that followed, the dynamism of the teachers, was not enough to reverse things.

The social force of the movement, and its limits, throws a new light on the state of social and political relations of force in France. It confirms the resistance of broad layers of the population to neoliberal counter-reform. For 20 years, the dominant classes supported by successive governments have scored a series of



points against employees - reorganizations, deregulation, privatizations, lower wages, an increase in precarious work. Nonetheless, all these attacks have not overcome mass resistance and neoliberalism has not conquered the country. This is the most important point of analysis of the national political situation. At the same time, the social-liberal transformation of the traditional left and the "recentring" of the dominant sectors of the trade union movement towards a trade unionism of negotiation, the negative effects of the crisis of consciousness, organization and leadership of the labour movement, the weakness of an anti-capitalist alternative weighed on the outcome of the fight.

The mobilization of spring 2003 is, in its way, the response of the social movement to April 21, 2002. [12] On that day, the social and political crisis which had been incubating for years, the disillusionment with the traditional parties, were expressed, mainly, by the impact of the Front national and its presence in the 2nd round of the presidential elections. The commentators relativized another political phenomenon, the three million votes for the far left. Today, this crisis is apparent in the eruption of millions of employees onto the political and social scene, responding through action and social mobilization to the problems arising from the neoliberal policies followed for years. April 21 clarified the nationalist, reactionary response to liberalism. Spring 2003 is a 'class struggle' response. That gives a double dimension to the mobilization: social and political.

Politically, the government has not won the battle of public opinion. On the contrary, more than 60% expressed, in the midst of the mobilization, their sympathy with the strikes. The strike reinforced a crisis of legitimacy of the institutions. It is a reminder that Chirac only won 19.88% of votes cast in the first round of the presidential election. Contrary to Raffarin's claim that "the street does not govern", the mobilization of millions of teachers and employees appeared, for much of the public, as legitimate if not more than the UMP majority in the assembly. The

government sought a showdown, by accumulating all the key projects of reform - pensions, decentralization, and autonomy of the universities. Under the pressure of the strike, it has to move back partly on the last two projects. And if it succeeded in imposing the Fillon law on pensions, it remains disputed by the social power of the movement. The government won over pensions but the social movement has not come out of the battle defeated. We do not have a situation comparable to that in Britain in the 1980s, where the Thatcher government succeeded in crushing a strike movement and breaking the trade union movement durably. The international context is no longer the same - neoliberal counter-reforms are disputed. The movement for global justice exists. And the dynamic of the social spring of 2003 is not that of a defeat.

There was an exceptional social mobilization, millions of employees in movement - why then, wasn't there a general strike?

## The limits of the movement

There are explanations related to the general situation in the labour movement - a total weakening of the traditional labour movement, the weight of the employers' pressures in the private sector. The height of the social and political stakes in this general context also caused a series of hesitations, interrogations, barriers to mobilization. For months, pensions reform was presented as a demographic, technical, necessity. The left-right consensus on the passage to the 40 annuities was obvious at the EU summit in Barcelona in March 2002.

The strike movement in national education and its transformation into a renewable general strike upset the applecart. By taking the head of the battle the teachers (in their majority women!) also gave the movement a radical content.

This situation created a change in spirit among employees on the pensions reform. There was a swing

between February- March and April, May and June, where according to polls, the majority of those questioned supported withdrawal of the Fillon plan or the opening of new negotiations. That did not remove the problems of trade-union division or minority mobilizations in certain sectors, or the real unpreparedness of many trade union teams for a showdown and the possibility of a general strike.

But, in spite of these obstacles, the mobilization managed to extend and reach out to all layers of society. Thus the responsibility of the confederal leaderships is crushing. The role of the CFDT leadership is unsurprising. As in 1995, it supported a rightwing government and neoliberal counter-reforms. A new crisis has opened in this confederation. But the leadership of the CGT, and in its way that of FO, did not want a renewable general strike. On four occasions - May 7, May 14, May 26 and June 4 - the CGT leadership refused to commit all its forces to renew the strikes. And the CGT's arguments against calling for a general strike? They were:

1. A general strike cannot be decreed. Admittedly! But it can be prepared, in particular by laying down objectives commensurate with the challenge being posed by the government. The leadership of the CGT would not do it.
2. The private sector has to be involved. Invoking this argument, the CGT refused to demand the 37.5 annuities or the withdrawal of the Fillon plan. In a word the CGT did not want to call a civil service general strike, something which would however have had a decisive strength. The private sector was partially engaged in the battle. More than in



1995. In some large companies strikers, while in the minority, were significant - Renault Cléon, les Chantiers de l'Atlantique, Gaz de Lacq, Michelin. Many small companies in the provinces stopped work during demonstrations. In the private sector, more over, a call for a general strike could constitute a constitutive element in the relationship of forces. Fears of a public-private opposition, of the populist use Le Pen could have made of a civil service strike, found a stinging contradiction in the popularity of the movement, in spite of the powerful pro-government propaganda relayed by the media.

3. Strikers were too much in the minority to continue. Here too, the question must be discussed in detail. With the SNCF, the strikes of May 14 and 15 were minority but more significant than in 1995. Strikes which were minority in the beginning could, as in teaching, become majority strikes. There was no lack of political good will!

Destabilized by the CFDT-government agreement and an exceptional teaching mobilization, the CGT leadership rejected a convergence of struggles which would have led to a movement that it could not control.

More substantially, as indicated by the report of Le Digou to the National Confederal Committee of the CGT on

June 11, the leadership of the CGT has implemented its 're-unionization' strategy: "Our strategy is not political. It does not seek to bring down this or that government or to show that this is a right wing government... There is no slogan for a general strike, something the CGT has moreover called for only under exceptional conditions." Clearly, the CGT was not about to open a governmental political crisis. Whereas it was necessary to concentrate fire, to centralize confrontation with the government, it took the wind out of the sails of the mass movement through successive days of action. As for the FO leadership, it tardily adopted the slogan of an 'inter-professional general strike', but throughout the movement it followed the calendar of the CGT.

Only the FSU - under the pressure of the movement and the proposals of the most combative sectors of the federation - and the Union syndicale G10 Solidaires (which in particular involves the new SUD trade unions), called for a general strike without having the force to carry it out.

The most telling argument was that of the absence of political alternative. However, the strike movement itself raised issues about choices of society and political questions about an alternative to capitalist neoliberalism politics, the distribution of wealth and the financing of pensions by making inroads on profits.

## **A powerful democratic dynamic**

The determination of the most combative sectors gave a completely exceptional dynamic to this movement. The power of the movement overcame the division in the unions resulting from the agreement between the government and the CFDT. The CFDT apparatus was unable to stop the development of the struggle. Led by the teachers who realized their unity through general assemblies, unions and co-ordinations, the other sectors in general organized their mobilization in unitary fashion. This process of self-organization

involving general assemblies and trade union sections in the struggle and inter-professional coordination at the rank and file level is one of the fundamental gains of this movement and promises much for the future.

This movement will have consequences for trade union recomposition. It has sketched the grand axes of reorganization through the content and dynamic of the movement. For it is clearly the vector of an alternative choice for society on the key issues, pensions, public services, social protection. The movement will render problematic the CGT-CFDT axis advocated for several years by the two confederal leaderships. It points to the convergence of the FSU, the US G10-Solidaires and critical sectors of the CGT and CFDT.

## **A political confirmation**

On the political level, the balance sheet confirms the lack of synch between the parties of the former "plural left" and the demands of the movement. It also confirms the existence of a radical left on the same wavelength as these demands, whose activists have been totally involved in the movement and whose political responses sketch a project of a society based on social needs, putting on the agenda the need for a force to build it. There are certainly two lefts, one tainted with neoliberalism, the other clearly anti-capitalist.

At the Dijon congress of the Parti Socialiste (PS), held in the midst of the movement, the delegates voted for a motion demanding the withdrawal of the Fillon plan. But this proclamation was annulled by internal dissent and above all by the logic of the amendments put by the PS deputies to the National Assembly during the debate in June. Jospin's commitments at the Barcelona summit were reflected in the acceptance by the PS leadership of the lengthening of the period of contributions. Nonetheless, the movement could allow the PS, a posteriori, to take its place as candidate for government at the next elections. The Greens, totally silent in

this movement, supported the PS approach. The PCF, while more involved in the movement, avoided taking a position on the mobilization and necessity for a general strike. Fundamentally, the Greens and the PCF remain riven by the imperatives of electoral agreements with the PS... and outside any logic of social radicalization.



The LCR, for its part, combined appeals for unity of action of the entire social and political left, on the basis of the demands and forms of struggle of the movement and discussion on global political orientations.

Lutte Ouvrière also intervened to launch, lead, extend the strikes, but there have been two problems with this organization - firstly, its refusal to take up the objective of the general strike. Beyond a problem of terminology, there was undoubtedly a divergence of appreciation on the dynamic of the movement. LO did not think it realistic that a strike of teachers, against the position of the CGT, could be the motor of a general strike.

The second problem relates to democracy in the mass movement. For LO, the key question, as they stated during the debate with the LCR at the LO fâte in June, is "the efficacy of the struggle, democracy only relates to forms of struggle". Thus the co-ordinations are only envisaged as gatherings of radicals - radicals around LO - and not as the expression

of a self-organized, unitary democratic mass movement. All the democratic mechanisms of representation of the movement in elected co-ordinations are thus relativized. This divergence was affirmed throughout the movement, in the co-ordinations of employees in national education. The LCR and LO intervened, "side by side" and not "together". Nonetheless, for the broad public, the militants of the far left were pushing in the same direction and were the sole militant political organizations in the movement, which gives them political responsibilities.

The LCR identified itself, from February 1, as the organization which proposed that the social movement face the challenge of the government's offensive, preparing a general strike to force the government back. All its militants participated actively in the movement. It appeared, both through the positions taken by Olivier Besancenot and its initiatives in demonstrations, the street, the media, politics as a political party which is situated at the heart of the movement.

## Emergence of new generations

The French social and political situation remains exceptional. In one year, the country has experienced three waves of mobilization of hundreds of thousands, indeed millions of people - against Le Pen, against the war, against the neoliberal reforms. The essential positive point in this battle is the emergence of new generations in struggle, of trades unionists and young teachers

organizing co-ordinations.

In late June and during the summer, the movement resurfaced in spectacular fashion in the renewable general strike of artists and technicians in the entertainment industry, in a fight against an agreement threatening their unemployment fund, an agreement which once again had been signed by the CFDT leadership. [13] This movement would take spectacular forms, leading to the cancellation of dozens of festivals. Again there was a significant level of self-organization, with the setting up of co-ordinations and a democratic management of the conflict.

The gains of the inter-professional links, the demands tracing the path of an alternative to neoliberal capitalism, should be preserved to serve as weapons in the coming battles. Many structures met during the summer, have taken initiatives, promising to restart a mobilization against the government's reforms in the autumn.

Finally, what is striking is the absence of a radical political force, organized, implanted in all the popular sectors. This movement has been the confirmation, on another terrain, of the electoral results of the far left, confirming the necessity of an alternative pole of attraction to the left of social liberalism.

The LCR has big responsibilities in building this pole of attraction and will decide, at its Summer University and its meetings in the autumn, the best initiatives to take with political, trade union and associative activists to pursue this objective.

# Reflections on the social situation

19 September 2003, by **Franco Turigliatto**

**The movements are back**



In recent years we have seen a

significant revival of big mass movements in Italy. Moreover in the midst of the rapid development of the movement against capitalist globalization, we have seen the extraordinary days in Genoa in July 2001. Then came the rise of the anti-war movement, which started at the time of the Afghanistan war and was confirmed at the European Social Forum in Florence (November 2002) and the international day against the war in February 15, 2003. Some hundreds of thousands of youth have come to the forefront of the scene and this indicates the resurgence of a new capacity to act and a repoliticization. All this in a political and social context still marked by the defeats of the 1990s and by the persistence of neoliberal policies which have been given a new impulsion, with marked reactionary traits, by the Berlusconi government which came to power following the elections of May 2001. In this context of revival of social struggles and sharper critiques of neoliberal policies (as well as the international financial bodies which inspire them), the traditional workers' movement, that is the organized movement of wage earners, has begun to express itself. Even in the 1990s large mobilizations took place in Italy. However those involved were above all public sector trades unionists. In the public sector, guarantees of employment were better than in the private and thus the relationship of forces was better and favoured a response.

## The FIOM

In industry it was the FIOM [14] which involved itself in the new movement during the Genoa days. The leadership of the FIOM was increasingly concerned by the disintegratory effects of the politics of 'social dialogue' on the structure and strength of workers. This was seen in the challenge to contractual policies (since the late 1960s, national contracts have reflected the socio-political relationship of forces), by the obligation to define options at a time of deep restructurings in the main enterprises and the reduction of the workforce employed.

The FIOM leadership opposed the

accentuated models of flexibility that the employers sought to impose on the trade union organizations. The other trade union forces, from the CISL [15] to the UIL [16] showed a disposition toward unlimited acceptance of subordination to the demands of capital. The Italian employers' organization, the Cofindustria, also challenged the policy of dialogue, but from the right, after having drawn all the benefits it could from dialogue. Two years ago, in the case of Zanussi (domestic goods company controlled by the Swedish group Electrolux), where the bosses demanded teams for the week-end, the FIOM took a different position from the two other federations FIM [17] and UILM [18] - the victory of the FIOM in the referendum on this reorganization indicated the tendencies which found a clearer expression in the recent period.

In the background, one found the process that had led the CISL and the UIL to sign the 'pact for Italy' - a pact that accentuated class collaboration through mechanisms, bodies, systems of dependence of a neo-corporatist kind. A model where the strength of the union no longer depends on forms of agreement of the workers but directly on its relationship with the state structures and the employers' institutions.

The practice of separate agreements has reached its culminating point with those passed by the FIM and the UILM. These two federations signed an agreement where they accepted an employers' document - from the Feder Meccanica - meaning that the employers chose the trade union or unions with which they would sign a contract, independently of the real support they had among workers.

In the 1990s and even some time before, we faced agreements between the CGIL, [19] CISL and the UIL (for example, on pensions) which were heavily criticized and even fought by the workers. Today this kind of practice is being revived. The goal is clear - to marginalize the most representative trade union organizations (the CGIL and the FIOM).

Two years ago, the FIOM refused to

sign the contractual renewal, which takes place every two years. It launched a referendum in which employees massively participated. This was one of the key moments of the struggles of recent years. The contract was rejected, but at the same time it remained in vigour to the extent where its application had been decided by other unions, in agreement with the Feder Meccanica. During the autumn the FIOM separated from the FIM and the UILM. The FIOM rests on a platform - validated by the vote of 400,000 metalworkers during the referendum on the contract - of breaking with the policy of dialogue and prioritizing the objective of significant wage increases and the struggle against casualization of labour.

## The CGIL in movement

The attack by the Berlusconi government against article 18 [20] posed a big problem for the CGIL, at base fairly similar to that which was posed for the FIOM during the renewal of the metal industry's working agreements - the need to put limits to the acceptance of policies compatible with capitalist demands. The CGIL came under pressure linked to the changes of the social climate and a very broad willingness among employees to react to the degradation of working conditions. The success of the public sector strike in February 2002, organized by rank and file trade union organizations, was a supplementary alarm signal to alert the leadership of Sergio Cofferati of the pressure for the organization of direct action. That came out at the CGIL congress and the very significant demonstration of March 23, 2002, then the general strikes that followed.

The CGIL leadership has made some very general criticisms of the dominant neoliberal policies but it has not challenged the orientation to dialogue, which could have led to a broad discussion among its cadres and many union militants. It follows that it has not defined a coherent platform based on clear objectives of defence of workers. Thus the last general strike, while strongly supported, had no real

platform, or rather a platform which placed at its centre opposition 'to industrial decline'. There can be few examples of strikes of such breadth with such vague objectives. Such an orientation indicates both the role played by this organization as a reference point for broad sectors of employees, but also its inability to project any kind of outcome to such a mobilization.

During the definition of the current contractual platforms, the federations of the CGIL - with the exception of the FIOM - have not put the accent on trade union democracy. They are in agreement with the other trade union federations on platforms which are integrate into policies of dialogue. Thus they have contributed to the isolation of the FIOM and weakened the revival in the movement affirmed from 2002. There is no doubt that conditions are not identical to those of the metalworkers' sector in many other professional categories. Thus, if one takes the sector of distribution, there is a strong non-concentration of the work force, great flexibility and casualized conditions of work. Which makes it difficult to know on what priorities it is possible to initiate a counter attack. Finally in many case the cadres and local leaders at the head of the workplace trade union structures have continued on their path and signed agreements in which they accept greater flexibility and deregulation of labour, leading them into situations which are very hard to backtrack from. This shows the degree of confusion, the internalization of defeat and the inertia that perpetuates the orientation of dialogue.

## Complex causes

The origins of this situation are many. First, the defeats of the 1990s. Then the objective effects of the fragmentation of the workforce produced by economic dynamics and deregulation. Finally, an internalization of defeat among many trades unionists and the fact that after 10 years of dialogue, many militants in the workplaces have become prisoners of this practice while the young militants have no experience. Sometimes the members of the leaderships have had a more long-term perception of the significance of some confrontations than the militants involved in everyday work. An example was FIAT where it was first the national leadership of the FIOM (with the rank and file structure SIN COBAS) which adopted a position of radical rejection of the company's plan, in a perspective of national confrontation integrating all units of production. At the local level, the initial reactions led the FIM and UILM to sign separate and local agreements in the FIAT enterprises at Cassino and Mirafiori (Turin). This has been notably the case in the FIOM for the FIAT factory at Pomigliano where an agreement was signed which fits in the logic of the FIAT-General Motors hook-up - closure of the factories in the north and introduction in what remains in the south of the model of Melfi, [21] that is exploitation pushed to the extreme. The negative evolution of the struggle at FIAT has had an effect on struggles everywhere.

Also, there are the limits of the politicization of the movement against capitalist globalization. More exactly, the difficulty of an understanding among those who participate therein

of the link between a general critique of the capitalist system as a whole, including the international financial bodies, and the concrete definition of the very real adversary employees confront every day. Which involves the creation and appropriation of bodies to fight it, demands to stimulate a specific struggle which allows the accumulation of forces and to strengthen in a relatively stable manner an overall political battle.

Finally, there is the problem that the movements which oppose the state's neoliberal offensive need a political outlet. The forces of the moderate or social democratic left can certainly not offer this. And the forces which stand for an alternative to the system have not yet accumulated sufficient capital to position themselves credibly on this terrain.

## The field of political action

It is in the workplace and in the social movement that one can judge the action of a party. The situation here is not easy. If the cycle of struggles which has begun does not develop there will not be maintenance of the status quo. Demoralization can affect sectors of employees and open the road to a counter attack by moderate sectors of the CGIL linked to the leading group of the DS. In perspective, we see the process of recomposition and reorganization inside the trade union organizations, a process in which the PRC should be capable of intervening to favour the elements of unification of employees in view of the consolidation of a class trade union.

# Defeat of the referendum

19 September 2003, by **Livio Maitan**



A vast front was formed against these two proposals and particularly the first - all the employers' organizations,

the ruling coalition government, the great majority of the centre-left, including the majority of the Left



Democrats (DS), two trade union confederations, the CISL and UIL, the League of Cooperatives and the organizations of traders and artisans.

This front, corresponding to 92% of votes cast at the last parliamentary elections, did not call for a 'No' vote, but rather non-participation in the vote - to stop the necessary quorum of 50%+1 of voters being attained (in Italy now the 'normal' abstention is around 35%).

Campaigners for a 'Yes' vote included the Party of Communist Refoundation (PRC), which had gathered the majority of the necessary signatures, the Greens, the FIOM and the rank and file unions, the Party of Italian Communists (a split from the PRC, led by Armando Cossutta), the ARCI [22] and the main trade union confederation, the CGIL - although it did not campaign excessively.

The campaign ended in defeat: only 25.7% of the registered electorate voted. Among them 10,322,598 (87.3%) were favourable to the broadening of article 18 and 1,648,142 (12.7%) against.

## The balance sheet

The results led to lively discussions in the PRC leadership bodies. Finally, broad agreement emerged - a defeat had been suffered, but despite all more than ten million voters voted in favour of extending workers' rights, after years in which not extension but defence of these rights has been on the agenda.

A commentary by comrades from the Bandiera Rossa current states that in the last analysis the referendum reflected the general relationship of forces at the current stage. Even recently the working class has suffered setbacks, despite combative struggles and big mobilizations: the metalworkers did not win the renewal of their national contract; FIAT dismissed thousands of workers; the government got Parliament to adopt laws increasing the precarious status of workers; mobilizations in the civil service have begun to subside (although a demonstration of 200,000 people took place in Rome after this

commentary was written). More generally we still suffer the consequences of a long phase of setbacks, defeats and difficulties stemming from the neoliberal framework.

In such a context it is important that more than 10 million people voted 'Yes'. It is an urgent task to analyze the results of the vote more closely to understand who they were and decide whether the defeat suffered is the last in a fairly long series or if something new is emerging.

Moreover, we need to consider the role of the movement against capitalist globalization and the other movements which have emerged over the last two years and the results of the effort to combine unity and radicalism. We would repeat here what we have said in the past; the movement is based on an ethical critique of what exists, forming itself around events, but without translating itself into an everyday movement with mechanisms of rooting itself, capable of leading battles around well defined demands. This was the case at Genoa and then Porto Alegre and Florence. During the referendum the 'people of the social forum' were part of the ten million who said 'Yes' as shown by the vote in the big cities, but it was not enough to establish strong and durable links in the neighbourhoods and workplaces, and effectively influence the population as a whole.

Also the peace movement had taken on unprecedented dimensions in Italy, but the war broke out anyway - we have still not grasped the effects of this reality on the movement and its different components. It is true that peace flags still remain on houses, but the war seems to have fallen off the political agenda.

## Refounding unity

On perspectives, it is the responsibility of the Olive Tree and the DS to have deliberately separated social demands and political dimension. They subordinate social struggles to the demands of a bipolar political framework that they will never question. That is why they rejected a referendum that did not fit into the

bipolar logic.

For us it is clear that priority should be given to social opposition, the only way to favourably change the relationship of forces in the country.

We have no doubts on the nature and projects of the centre-left. But we cannot ignore the desire for unity to beat Berlusconi, which is very widespread at a mass level. The only way to approach this problem without falling into political manoeuvres is to build on the social opposition, challenging the centre-left precisely on this terrain. Such an approach should pose the problem of an alliance to overthrow the ruling coalition. The point of departure should be the utilization of the potential of more than 10 million 'Yes' votes at this referendum.

This problematic has been at the centre of the debates on the PRC national political committed at the end of June. The resolution approved by a large majority proposed the construction for the autumn of a "campaign of mobilization which links the social questions to the defence and enlargement of democratic spaces. Those who have mobilized in the battle for the referendum... represent the point of departure... The expectations of struggle at a mass level against the policy of the centre-right and the concretely alternative practice sketched by the movements allow us to go forward and approach the phase which is opening and the demands for an alternative in posing the problematic of a new relation between the PRC and what has until now been the Olive Tree, projecting a programmatic alternative around content emerging from the reality of conflict and social opposition. This is not a programmatic relation between two subjects, but a relation between numerous partners, open to the movements in the forms that the movements themselves will decide to choose".

It is obviously easier to express such demands in a resolution than concretize them in real mobilizations. The outcome depends above all on the socio-political dynamic in the coming months and years. But that will depend also on the role the PRC can



effectively play, in showing itself

capable of profoundly renewing its organizational conceptions, structures

and mode of functioning.

# Renewal of struggle

19 September 2003, by **Boris Jezek**



The government led an intense agitation against the mobilizations across the media, primarily through the television - without effect! The polls show that the majority of the population supported the strikes and rejected the proposed 'reform'. This latter was based on the same neoliberal logic as the reforms in France or Germany. The government incessantly evokes the threat of no longer being able to finance pensions and instead of introducing a socially equitable system, it proposes to lengthen the years spent at work and cut the amount of pensions. These measures affect women in particular, because of their precarious status in the workforce. The reform adopted will lead to a reduction of pensions of as much as 40% in some cases. The social democrats (SPÄ-) and the Greens - the two parties of the parliamentary opposition - were very reserved. They broadly accepted the postulate that it would be impossible to finance pensions and had their own reform proposals, which differed only in detail from those of the government.

## A union learns to struggle

The mobilizations called by the Å-GB have changed Austria's political climate: before, the majority of the population accorded to the government an 'economic competence'; since the strikes, the majority is against the government's neoliberal proposals.



After a long internal debate the Å-GB union confederation [23] decided to organize a 'defensive strike' against the reform of the pensions system. The pressure of the union rank and file was already very strong when the chancellor Wolfgang Schüssel (Å-VP) provoked the 'social partners' - and above all the unions - with his obstinate attitude. Nonetheless, the decision to call the strike was a surprise for most Austrians and even for union activists.

The Å-GB was an integral part of the system of 'social partners' since the 1950s. Integrated in the 'pre-parliamentary space' of the bourgeois political system - especially in the period of social democratic governments - the trade union leadership has gained in power while growing more distant from its base.

Workers' struggles were reduced to a means of pressure in negotiations and numbers of left union activists doubted that the Å-GB could still be capable of organizing strikes and workers' actions. People spoke of a 'sleeping giant'. All the radical left demonstrations on Mayday took place under the slogan "For an Å-GB which fights"! The pensions reform was the straw that broke the camel's back.

On May 6, 13 and 20 the Å-GB called for 'days of action' and strikes. On May 6 and 13 many enterprises were on strike. The rail workers, the private sector and council employees were at the heart of the actions and guaranteed their success. They were the spearhead of the first strikes and demonstrations and organized numerous radical actions - many small

demonstrations which blocked traffic, blockades of borders and highways, public meetings, strikers' picnics in the public parks made sure that everyone, even those who worked in a non-striking enterprise or were unemployed, could participate in these actions. On May 13, the Å-GB called for a demonstration in Vienna - 200-300,000 people supported it.

In mid-May the president, Thomas Klestil [24], proposed 'round tables' to save 'social peace' within the logic of 'social partnership', although this has been moribund since the social democrats are no longer in the government. Chancellor Schüssel seized the chance to open negotiations while deciding to yield on nothing, to paralyze the unions. The leadership of the Å-GB pursued the farce of negotiations up to the last moment. When the president of the Å-GB announced the failure of the 'round tables' and a new day of strikes, he was already too late - the movement, tired of delay, in part demobilized, had been divided.

## A defeat, but a new climate



The verdict on the strike of May 20 witnessed to the division of the movement. While public transport and the rail were on strike for 24 hours, like many public enterprises and the airport at Vienna, as well as the high schools and universities, there were not enough participants to carry out the planned street blockades and participation in public meetings was disappointing. This was the result of

the interruption of actions during the 'negotiations' and the demoralization of union activists who had hoped to win something from the 'round tables'. Moreover - something very serious - inside the union rumours spread that the president of the *Ä-GB* was preparing to denounce the actions planned after the vote on the proposed law in Parliament.

These rumours had a real basis - after May 20 the *Ä-GB* leadership voted unanimously against new actions and strikes. The *Ä-GB* wanted to 'influence' the deputies on the national council of all the parties not to vote for the reform. Chancellor Wolfgang Schüssel made small concessions to internal critics in the *Ä-VP* and the *FPÄ-*. Then on June 6 the *Ä-VP* and *FPÄ-* voted for the laws which would be the basis of the pensions reform.

The *Ä-GB* fought - and suffered a defeat. But it has created a new

political situation. In the debates on the forms of actions and strike, left militants (including the *SOAL*) had the possibility of arguing for a general strike. A combative situation developed. The defensive debate of recent years, around the question "if the sleeping giant could still be woken" has been settled in practice - of 2.3 million employees and civil servants, more than a million were on strike and participated in actions of resistance and more than 18,000 enterprises were on strike. Most strikers are also supporters of social democracy. And the forms of struggle which had been attacked and denounced by the bureaucrats while the social democrats ruled are now more accepted than ever.

The consequences for the union bureaucracy are unpredictable. There are still forces favourable to 'social partnership' who hope for the end of the struggles and a new form of negotiations after the show of force. But there is also a new generation of

unionists, who take part in the Austrian Social Forum, who support the social movements and are capable of self-criticism [25]. For the first time in Austria union activists appear to be learning from their colleagues in Italy - a week after a great number of Italian pilots declared themselves 'sick' Austrian pilots came down with the same illness to defend their jobs.

In the coming weeks all the unions are organizing internal debates to draw a balance sheet of the strikes and actions. For the militants of the radical left - including the *SOAL* - there is a new situation; they can now intervene in these debates, be heard and even listened to, whereas previously the social democrats refused any contact with the radical left, including in the trade union framework. Today a new subject is debated inside the union movement - we have the experience not only that another politics is possible, but also another leadership.

## Elements of a new conjuncture

**19 September 2003, by Inprecor América Latina**

What we call the 'elements of the new economic situation' emerge in opposition to this conservative political orientation. This opposition appears within the social and political sectors which were at the centre of the PT's trajectory during the two previous decades.

This increasing opposition has taken the form of manifestos made public by individuals representative of the political, social and cultural sectors of the PT as well as the initiatives of mass organizations closely linked to the party. Here is a rapid summary:

### Manifestos

On May 1, 2003, in an open letter addressed to president Lula, four bishops (including Dom Paulo E Arns), artists, literary critics, human rights

activists, feminists and so on - all historically linked to the construction of the PT over the past two decades - came out against the project of the Free Trade Area of the Americas (FTAA) and against the autonomy of the central Bank [26].

On May 29, 2003, a manifesto signed by 30 PT parliamentary deputies was made public: it calls into question the ultra-monetarist policy of the central Bank and the Ministry of Finance, which under the pretext of the fight against inflation has plunged the country into recession and increased unemployment. It was a common initiative by left PT tendencies (Socialist Democracy, Socialist Force, Left Articulation) and independents.

On June 10, 2003, a 'Manifesto of Alarm' was published against the governmental project of pensions

reform, signed by intellectuals historically linked to Lula and the PT - among them the sociologist Octavio Ianni, the philosopher Marilena Chaui, the lawyer Fabio Konder Comparato, the sociologist and economist Chico de Oliveira, the economist Wilson Cano and the geographer Aziz Ab' Saber. The authors demanded the withdrawal of the government's plans and the opening of a discussion on healthy bases. On June 12, 2003, dozens of progressive economists, many linked to the PT, issued a manifesto demanding an "inversion of the matrix of the economic policy" currently being followed.

This proclamation is signed in particular by some of the most known Brazilian economists, of whom many had collaborated in the formulation of Lula's electoral programs between

1989 and 2002 or advised him inside the Institute of Citizenship NGOs. In particular, Luis Gonzaga Belluzo, Joao Manuel Cardoso de Mello, Ricardo Carneiro and Reinaldo Gonçalves are among the signatories. Among the economists linked to the left of the PT one notes the signatures of João Machado (Socialist Democracy) and Plinio de Arruda Sampaio Jr (Movement of Popular Consultation).

Initiatives of mass organizations linked to the PT

The 2,700 delegates who met from June 3-7, 2003 at the Eighth National Congress of the CUT (Brazil's biggest trade union federation) were unanimous in questioning the government's proposals for pensions reform. 80% of them are identified with the PT and 90% with the parties which form the government.

But divergences appeared with regard to the tactics to use in this debate in the congress and in society as well as on the content of an alternative project of reform. The resolution presented by the majority current (Trade-Union Articulation, close to the PT majority) was adopted by around 53% of the delegates. Until the last minute various currents tried to formulate a proposal which could gain the support of a much larger majority.

That was not possible because of, among other things, divergences concerning the 'ceiling' for pensions. The current Socialist and Democratic CUT (CSD), within which supporters of the Socialist Democracy tendency work, thus defended an alternative draft resolution, also supported by the Classist Trade-union Current (in which supporters of the PCdoB - Communist Party of Brazil - work) and by those of the Marxist Tendency of the PT.

However, the resolution finally approved by Congress requires a profound change in the government's project (widening of rights with regard to retirement age, the amount of the pensions and so on) .

On June 11, more than 30 000 workers from all over Brazil demonstrated in the capital, Brasilia, against the government's proposed pensions reform. Convened originally by the National Confederation of Education Workers (CNTE, which is part of the CUT), whose leadership is linked to the PT majority, this demonstration was supported by all the public sector trade unions and by the CUT congress. The great majority of demonstrators were PT supporters. Following the CUT congress and this demonstration, there was strong

pressure on the PT parliamentary group and those of the other allied left parties to amend the government project by integrating the trade-union point of view.

## An organic response

These positions, which witness to a more organic response from historic PT sectors to the policy of the Lula government, converge in many points with criticisms formulated by the senator Heloisa Helena (a member of the Socialist Democracy Tendency), which led to her being threatened with sanctions by the majority sector of the party (sanctions stretching from a warning to expulsion from the party). Heloisa was the star of the demonstration of June 11, in which she participated with the deputies who had signed the 'Proclamation of the 30', some of whom belong to the 'majority camp' (the tendency of Lula and José Dirceu, secretary-general of the presidency, whose function resembles that of a Prime Minister in other countries) while being closely linked to the CUT and the three deputies already disciplined or threatened with punishment by the party leadership.

## First conflicts inside the PT

19 September 2003, by **Em Tempo**



The majority of the DN approved the initial course taken by the government. [27] Some significant steps forward have been taken in the area of foreign policy and land reform. The debate took place just before the US attack on Iraq and the government's clear opposition to the war reinforced the goodwill felt towards its foreign policy. The concerns felt over the US project for a Free Trade Area of the Americas

(FTAA) and the alternative stress put on Latin-American co-operation were also seen as positive.

With regard to agrarian policy, the advance in the establishment of a constructive relationship with the social movements and in particular the Movement of Landless Workers (MST), as well as measures aimed at defending the settlements of rural workers on new lands made under the preceding government with the aim of ensuring their civic rights can only be applauded.

However, with regard to economic policy - the main subject of polemic in the party since the first measures adopted by the government - the majority of the DN sought to justify it, stressing the situation that had been inherited and claiming that the policy currently followed was valid only for a transitional period, for an initial stage of the government.

Obviously, neither in the debate nor in the text adopted could the majority explain clearly how a policy which in its essential aspects continues the preceding neoliberal policy (and even

deepens it in the area of taxes) would make it possible to prepare the ground for another policy, i.e. how it could be regarded as transitional. In this debate the Socialist Democracy Tendency presented an alternate document entitled "Another economic model is possible". [28]

The resolution approved by the DN puts forward five great initiatives which should be undertaken simultaneously; political reform, land reform, employment reform, tax reform and pensions reform. With regard to the latter, the resolution reaffirms the program of the government and stresses that pensioners should be exempted of any contribution to the new system. The organization of a seminar on pensions reform was also approved.

## Political dilemma of the government

Immediately after the meeting of the PT leadership, on March 18, the government made public the letter of intent to the International Monetary Fund (IMF), although it is dated from February 28. Among other problematic aspects, this letter reaffirms the commitments to adopt the very controversial Draft Law number 9 (on the ceiling for pensions and supplementary pensions in the public services), to privatize the old federalized State Banks and to use the constitutional amendment which fragments the financial system so as to make effective the operational autonomy of the central Bank. [29]

All these government position do not enjoy the support of the PT. In particular with regard to the autonomy of the central Bank, the position of the PT parliamentary group is contrary to that taken by the government. In manifestoes which have been made public 55 deputies (out of 93 affiliated with the parliamentary group) have affirmed their opposition to the autonomization of the central Bank and their support for its subordination to the government and the electoral program of the elected president. It is the parliamentary group of the PSDB [30] which has supported the position

formulated in the letter addressed to Horst Kohler, director of the IMF.

Insofar as the government opts for a deepening of neoliberal policies, as in the case of the autonomy of the central Bank (which even the preceding government did not try to impose!), the political force which supports it is that which is identified with this line, i.e. the PSDB. And that which is opposed to it, in spite of the constraints, is the PT. Such is the political dilemma of the government. It is a reflection of the policy of 'continuism' in relation to the economy. It is the principal problem of the government, the condenser of programmatic antagonisms and opposed economic interests.

With the presentation of the proposals for tax reforms and pensions, this dilemma reappears again. These proposals must be examined and, what is more significant, they must be confronted with alternative proposals resulting from the debates of the parties of the left in tandem with the developments and the mobilization of the social movements. In this manner these initiatives can be modified so as to express the content of democratic and popular reforms.

## A transition backwards

On April 10 the Ministry for Finances made public a document which presents the orientations of economic policy. [31] It is important to discuss it and also note what is not explicit; it does not deal, for example, with inflation, a topic nonetheless considered as a priority by the government's economic team.

It is interesting to note that this document renders useless the concept of transition such as it was employed by the DN of the PT - an initial policy, concentrated in time, as this was defined in the program of the government, containing elements of a new economic policy. The 'transition backwards' proposed by the document between the economic cycles of Brazilian capitalism, implies the permanence of the current parameters of economic policy throughout the

government's term and, in reality, its continuity is projected over the duration of another presidential mandate!

It is not a question of the transition towards another model, but of the deepening and the consolidation of the orientations considered by the DN of the PT as only provisional, necessary today to open the way to a policy of growth and income redistribution tomorrow. The document of the Ministry for Finances tries to establish another programme of government. It is based on the ideology according to which the market is an engine of development, redistribution of income and social well-being, provided that the government does not obstruct it. An important criticism of this document, which supplements the debate of the party usefully, has been presented in the electronic bulletin of the Foundation Perseu Abramo and the Secretariat of Political Education, bodies of political education within the PT. [32]

Economists linked to the PT have also made public their convergent and increasingly strong criticisms of the neoliberal turn which economic policy has taken.

## Debates and realignments in the PT

The PT's agenda will be rich in debates during the next period; it is the time to strengthen the party and enable it to formulate proposals and defend them in the political and ideological debates to come. It is a fundamental condition so that the programmatic conceptions adopted for a long time by the party can prevail in governmental policy.

After what we can call the inaugural phase of the government, the party must wake up and enter the political debate within the government and society. There is no automatic guarantee that the main governing party will have control over its policy. Its relation with society, i.e. with the class struggle, is forged from - and is conditioned by - the defeat of the



project expressing the interests of the dominant classes. This defeat has given way to a programme of changes, but remains entangled in an ambiguous range of commitments to the continuity of the defeated project. The process which has thus been opened is that of a combat for the orientation of the government.

The PT has just tried to carry out a double movement; a role of defence of the government combined with an autonomy in order to build positions and intervene in the political dynamic. It has affirmed in its resolutions that it does not want to be a transmission belt for the government. But taking into account the trajectory of the government, such an attitude causes innumerable conflicts, differentiations and realignments within the PT.

On one of the principal points of tension which has appeared until now - the vote on the regulation of the financial system - the party, after a full discussion, expressed an independent point of view, different from the government, critical of the effort of the latter in order to guarantee more space to financial interests under the control of the central Bank. [33]

In addition, the threat of sanctions against our comrade Heloisa Helena go in an opposite direction. Moreover, the same orientation appears in the desire of the leaders of the party to make her endorse the government's orientations automatically. The initiatives that we take inside the party, the standpoint of many members of Parliament, are opposed to it. In addition to the already mentioned attitude of the parliamentary group with regard to the future of the central Bank, let us note that the majority of the PT group of in the Senate (9 out of 14) solidarized with Heloisa Helena, as well as a quasi-majority of federal deputies. Nearly 30 PT deputies recently launched a new proclamation against the neoliberal economic policy. In the same way, in another proclamation, more than 100 economists close to the PT demand a new economic policy and denounce the ongoing capitulation to the requirements of the 'market'.

Obviously the debate on the tax

reforms (on their insufficiencies and limits) and especially that on pensions (on the accentuation of tax polarization, the reduction of rights and the consequences for the universities and public services in general) puts on the agenda the need for the autonomy of the party so that it can express its positions vis-à-vis the government. It is significant to stress that if the terms of the pensions reform were negotiated with the governors (among whom the PSDB can affirm its hegemonic force), they were only presented to the party and the social movements.



It is then not surprising that the strongest criticisms of the government project come from the ranks of the PT and have appeared in the debate of the party. A seminar of the party leadership on this subject involved nearly 1,000 participants whereas more than 20,000 others participated through the Internet. The PT deputies and senators are thus under the joint pressure of broad sectors of the party, academics, the CUT and the public service trade unions in order to modify the project, whereas the government is accentuating the pressure on them so that they adopt it.

With regard to the longer-term options, such as the conceptions and axes of the economic policy, the criticisms already formulated must be reinforced so that the party can formulate positions which would be used as a reference for a change of course of the government.

But above all, this process of internal PT debate must be related to the debates of the other parties of the left and especially to social mobilization.

## **The social movements in the political debate**

Until recently the mobilization of the social movements for the conquest of their interests had not taken a political dimension and had not undergone a process of unification.

The hope that the specific relationship of the movements with the government would be sufficient for the achievement of policies which privileged popular interests dominated. That could be enough to obtain satisfaction on specific questions, but certainly not to obtain essential changes nor modify the structure of power and wealth within society. Moreover the debate on the orientation of the government cannot take place without there being a vigorous debate within society, without a permanent politicization of the social movements, without a broad mobilization and without the contradictory social interests clashing. A passive attitude on the part of the social movements carried a double risk: that of a decline in their level of consciousness with regard to their own interests leading them to be dragged along by the government; and, worse still, to see the dominant classes and especially the fraction related to financial capital, reorganize themselves and act effectively to impose limits on the change in government.

This picture has been modified. The social movements have woken up to oppose the proposal for pensions reform.

## **The CUT and pensions reform**

The CUT closed its congress of June 7-8 by affirming its willingness to mobilize its forces to modify the plans for pensions reform. In their immense majority, the militants of the CUT are linked to the PT.

The first great national demonstration since the establishment of the Lula government took place on June 11 in the capital, Brasilia. It gathered between 30,000 and 40,000 people from all the country. New demonstrations are planned. The political impact of this mobilization is central in the current conjuncture. It implies a change of position and consciousness of PT militants in the social movements. It also implies a public confrontation of social interests with major consequences on the dynamic of the government, the



Parliament and the party. The debates which question the orientation of the government, hitherto confined within

the parties (above all the PT), take on another dimension. It is possible to say that we are witnessing a change of conjuncture, within the framework of

the new period opened by the defeat of Fernando Henrique Cardoso and the victory of Lula.

# When two worlds collide

19 September 2003, by Édouard Diago



Let us say from the beginning that what has happened in Venezuela under Chavez does not amount to a socialist revolution. However, if we understand by 'revolution' a radical change in political mentality and its organisation, a massive growth of understanding that the regime belongs to the people, then a revolution is underway. If one understands by 'revolution' a long process which is born before it is concretely realized, the Venezuelan revolution began in the 1950s against the dictatorship of Marcos Pérez Jimenez and is now at the gates of power with Hugo Chavez as spokesperson. To take up an idea frequently invoked by its partisans, the 'Bolivarian revolution' resembles a kind of French revolution, an indispensable stage in the preparation of more radical processes in the future.

## An anti-communist pact

Analysts have often presented Venezuela's contemporary history as an exception in Latin America - a country which has succeeded in establishing a representative and liberal democracy while the rest of the continent was subject to political instability, military dictatorships and the development of guerrilla movements. The reality is much more complex.

Representative democracy in Venezuela was born on January 23,

1958 with the overthrow of the dictatorship of Marcos Pérez Jiménez following a popular insurrection accompanied by a military uprising. On the civilian side, the Venezuelan Communist Party (PCV) was the most active party in the insurrection; it led the Patriotic Junta - the alliance of all the parties opposed to the dictatorship (Acción Democrática, COPEI, the URD and the PCV). [34]

Some historians say that the privileged classes of the time, allied to the US, supported the overthrow of the dictatorship, which did not respond any more to their interests. At this time Venezuela was the most significant country on the planet in terms of oil.

It was the main supplier of oil and materials necessary to the military deployment of US forces in Europe during the Second World War. The entire oil industry was controlled by western companies, particularly the British ones. The fall of the dictatorship led to a new political regime which was definitively put in place with the election of Romulo Betancourt, leader of the AD in exile. The PCV supported the candidacy of Wolfgang Larrazabal which ensured the interim presidency between January 23, 1958 and the election of Betancourt in January 1959. The new regime, which adopted a Constitution in 1961, was sealed during 1958 by an alliance between the three main parties (AD, COPEI, URD). This alliance decided to marginalize the PCV, through the Pact of Punto Fijo. This was a kind of agreement of co-government between the three parties who, under the pretext of protecting the nascent democracy, decided to

share power whatever the electoral results. Parallel to this, the main trade union federation, the Confederation of Venezuelan Workers (CTV), led by AD and responding directly to its interests, signed an agreement with the employers on the maintenance of collective agreements originating from the dictatorship. The Pact of Punto Fijo collapsed definitively with the victory of Chavez in 1998. of elements originating from popular sectors which is partly trained in the public universities and is thus open to Marxist and progressive thought.

## Military work by the PCV

The first months of the new regime were marked by the demands of workers, students and the revolutionary left in general, including the PCV. Betancourt's victory in 1958 was rapidly seen as a betrayal. Elected on a left wing programme and personal image (he was a member of the CP in Costa Rica in the 1930s and participated in a left government between 1945 and 1948), he rapidly reconciled himself with the interests of the dominant classes, convinced that in 1959 no left government could face down US imperialism.

The Cuban revolution of January 1959 refuted this analysis in stinging fashion. It favoured the radicalization of left sectors inside the ruling party, AD and put the PCV back on the rails.

The repression of left sectors by the Betancourt government effectively obliged the revolutionary left to turn away from the road of legality. The PCV decided to turn to armed

struggle, joined in 1961 by the MIR, a left split from AD led by its youth wing and influenced by revolutionary Marxism during the years of clandestinity.

Inside the PCV, a sector concerned itself with military work under the leadership of Douglas Bravo. This front attempted to overthrow the AD regime in 1962 through two military coup attempts organised by the PCV. The emergence of Chavez on the public scene on February 4, 1992 was the end result of this strategy of the left forces inside an army made up in its great majority

In this sense, one can speak of a revolutionary process which began in the late 1950s and which found in the election of Chavez a first small victory.

## Hugo Chavez

Hugo Chavez, a young soldier undergoing training, joined the clandestine movement towards the end of the 1970s, influenced by his brother Adan Chavez, today in charge of agrarian reform in Venezuela, but then an activist in the Party of the Venezuelan Revolution (PRV).

The PRV originated from the guerrilla movement. In 1962 a National Liberation Front and Armed Forces of National Liberation had been set up under the influence of the CP. When, in 1965, the CP called on its militants to halt the armed struggle, Douglas Bravo refused. The NLF-AFNL became the FALN-PRV.

In 1969, the majority of combatants accepted the amnesty of President Caldera. The group around Douglas Bravo and Ali Rodriguez - currently director of the national oil company, Petroleos de Venezuela S.A (PDVSA) - kept the PRV in guerrilla activity and resumed clandestine work inside the army.

We should note that the CP, the AFNL and then the PRV adopted an anti-feudal and anti-imperialist, cross-class political programme. According to the latter, the nationalist bourgeoisie had its place in the revolutionary regime to be created, a political position largely sustained by Chavez. In the Venezuela

of the 21st century, the Chavista majority thinks like the guerrilla movement of the 1960s, which is not a small political conquest.

Inside the armed forces, Hugo Chavez developed what would become the MBR- 200 (Revolutionary Bolivarian Movement) which would lead the civilian-military insurrection of February 4, 1992. More known as a coup d'État, this insurrection was the response of the MBR-200 to the repression of the popular riots of February 27, 1989 (the Caracazo), a spontaneous movement of Venezuela's excluded masses against a package of neoliberal measures implemented by Carlos Andres Perez, a Latin American supporter of the Socialist International. The forces of order would leave 3,000 dead in the streets.

Unknown, Chavez then entered on the public scene through the attempted coup of February 4, 1992. Naturally, the sectors of the traditional left, unfamiliar with political work inside the armed forces, mistrusted the putschist colonel. Apart from the PRV, reduced then to a groupuscule, two other parties of the radical left had developed their own apparatus inside the armed forces - La Causa Radical [35] and Bandera Roja. [36] The popular masses, for their part, saw immediately in Chavez a possibility of getting rid of a regime which was hated because of its neoliberal policies and corruption (a minority of the country lived according to US living standards while the huge majority was immensely deprived).

From 1958 to 1993, every president came from either the AD or COPEI. The presidential election of 1993 saw the breakdown of this model and the emergence at a mass level of La Causa Radical, a heterodox Marxist party which developed particularly in the class struggle trades unionism in the east of the country. During the election of 1993 its candidate, Andres Velázquez was on the point of becoming president. Massive fraud stole the election from him. A minority of the party demanded it call street demonstrations to demand his victory. The majority refused, sowing the seeds of the division of 1997 which led to the creation of the Patria Para

Todos (PPT) party, today the second key party in the Chavista majority.

During Chavez's clandestine work in the army, some contacts had taken place between the colonel and La Causa Radical, without any agreement emerging. During the presidential election of 1993, Chavez called for active abstention, arousing a fierce hatred on the part of La Causa Radical towards him. Its candidate Andres Velázquez is today in the opposition and did not hesitate to give his support to the military putschists in April 2002.

When participating in the presidential election of 1998, Chavez announced that it amounted to a 'tactical movement'. In the framework of representative democracy, to consider an election as a tactic is to avow the revolutionary character of one's objectives; to come to power by the ballot box to so as to install a revolutionary process from a position as legitimate head of state.

## A political revolution

Chavez would successively win several electoral processes. The first was in December 1998, against nearly all the established parties. The PPT decided to support Chavez, under the pressure of the rank and file and against the will of its main leader of the time, Pablo Medina. [37] The Movement Towards Socialism (MAS), pillar of the last right wing government of Caldera (1993- 1998), supported him also, [38] provoking the departure of its main leaders. All the other political forces were opposed. He nonetheless won the election with 55% of the vote.

His great political project was to bring about constitutional reform, under the slogan "All power to the people". To achieve this, he called a referendum to set up a Constituent Assembly. In the elections for this Assembly his supporters obtained 90% of the seats. The new Constitution was written in less than a year and approved by a majority of the electoral body, before the renewal of all electoral mandates in August 2000. Chavez then obtained more votes than during the election of

December 1998.

In many areas, the new 'Bolivarian Constitution' of the Bolivarian Republic of Venezuela contains authentically innovatory measures. The concept of the state of law is replaced by that of the state of Law and Justice, and the concept of participatory democracy is introduced.

Deputies became subject to removal. [39] The concept of the workers' cooperative was introduced, as well as the principle of self-management. The rights of indigenous peoples were recognised, including rights of land ownership, managed according to the ancestral traditions of the pre- Columbian peoples. The Constitution was feminized. The principle of defence of the environment is invoked in numerous constitutional clauses. The patenting of living organisms is forbidden, as are monopolies. Oil, as a raw material, is excluded from the field of possibilities of privatisation. The presence of foreign troops on the territory is forbidden. The principle of solidarity and Latin American integration has a prominent place.

Other elements indicate that the negotiations in the bloc which had come to power had led to concessions to the right; the principle of a decentralized police force originating from the old system was maintained. [40]

Abortion, after a sharp debate, was rejected despite Chavez's position in favour (repeated publicly in April 2003). Non-discrimination because of sexual orientation was not introduced in the discussion but Chavez has recently defended gay rights. Free enterprise was kept as a constitutional principle, as was private property in the means of production. The Constitution is thus clearly situated within the framework of a capitalist regime. These examples among others show that Chavez's party included authentic reactionaries in its early period in power. [41]

Strewn with obstacles to a genuine social revolution, the Constitution is nonetheless a precious tool for the popular movement in the conquest of semi-direct or participatory

democracy. That is the real innovation of the 'Bolivarian revolution'.

## A society in movement



Some thousands of Bolivarian circles, popular assemblies, trade unions of struggle, assemblies of women, students, committees for urban or agricultural land, dozens of rank and file political regroupments, make today's Venezuela a society in movement. All these associations benefit from the frank and massive support of the chief of state, who sees in them the genuine process of consciousness raising necessary for the transformation of the country. Thus, for example, it is with the support of the chief of state that the community mobilizes to defend its school system against a political decision to close it down. [42] It is with the support of the minister of higher education that student assemblies are held in favour of opening up the public university to the popular classes. The National Institute of Women has developed thousands of 'meeting points' throughout the country to help women react to domestic or work-related violence, informing them of their rights, organising them to acquire others. The same institute organises women to gain access to public credit, allowing them to become autonomous economic actors, even if the activities proposed reproduce a form of sexual division of labour. Numerous new trade unions have appeared outside of the CTV federation, which is linked to the opposition. These unions decided early this year to form a new confederation, the UNT. [43]

Caracas is a city of around 4 million inhabitants. A large part of its population lives in the 'barrios' (the equivalent of the favelas in Brazil). Initially shanty towns, the barrios have over time been transformed into real neighbourhoods, where the inhabitants build their houses on occupied land, without ownership rights. In these neighbourhoods,

strongholds of Chavismo, the inhabitants self-organise, following the advice of the president: "Organise yourselves, we will bring you the political and economic support". Thus popular assemblies have been created, reinforced by a new institution: the local councils for popular planning.

Here we have one of the most interesting subtleties of the Bolivarian revolution: the head of the state is the main promoter of the subversion of the state by popular organization. Faced with a highly bureaucratised state, Hugo Chavez has appealed to his compatriots to manage directly themselves the affairs of their neighbourhoods, and promote workers' control of the enterprises. This impressive political upheaval has not, however, led to a genuine transformation of Venezuelan society.

## No deep-seated structural transformation

Unlike the Cuban revolution which, in less than three years, had eliminated illiteracy, reduced rents by half, nationalized electricity and implemented agrarian reform, the Bolivarian revolution has not yet implemented great structural reforms. However, unlike the Castroite revolution, Chavismo has not suppressed any newspapers, banned parties, or arrested any political prisoners. So in neither sense can the Bolivarian revolution be assimilated to some kind of 'Cubanization'.

Nonetheless, great structural reforms are necessary if the people are not to lose confidence in the possibilities of this government. A great plan for feeding the people needs to be developed on the basis of the timid beginnings of recent months. [44] Public health is in a state of advanced decay. However, the reform of national education has begun with the opening of the Bolivarian schools, which assure pupils food and complete days of teaching.

However, it would be wrong to pin the entire responsibility for these shortcomings on the government

alone. The big difficulty which the government faces is an absence of control over great parts of the state apparatus. This bureaucratic reality is explained by Venezuela's model of development in the second half of the 20th century. Venezuela has lived for 40 years on its oil income, which represents 50% of its tax receipts and 80% of its exports. 70% of its food needs are imported. The country's economic model is based on the export of its crude oil, and money has never been invested in the industrialization of the country. One can say that Venezuela is not, properly speaking, a capitalist country led by a national bourgeoisie. There is not properly so-called a working class dependent on an employing class. 50% of workers are employed in the informal sector, the biggest formal employer is the state, and jobs in this sector follow the clientelist model of the former regime. Each minister or director of services employs their friends without dismissing others, and membership of political parties is organized around this clientelist basis. To give an example, the press and communications service of the Libertador ward in Caracas has 54 employees! The private enterprises that exist have been created thanks to initial support from the state and those who have become owners of these enterprises have never understood what the word tax means.

## Absence of a strategic project

There is not in Venezuela a party of the working class worthy of this name in the manner of the Workers' Party (PT) of Brazil. Chavez came to power without an apparatus and without strategic perspective. He is also the product of the enormous mistrust felt by Venezuelans for the party form. Indeed, a structured party which provides the government with clear orientations starting from the needs of the popular movement is cruelly lacking. The absence of a strategic project of transformation produces a discourse which hesitates between the

necessity of the construction of a national capitalism (indeed sometimes of a capitalist class) to favour endogenous development and the development of productive forces or the aspiration to co-management or indeed self-management.

Despite his revolutionary origins, Hugo Chavez lacks political education. That has led him to place confidence in people who, like Alfredo Pena and Luis Miquilena, to cite just a couple, have become prime adversaries well integrated into the state apparatus. At the same time, the political and social forces which are found today around Chavez are clearly to the left of those who supported him in 1998.

Faced with a media in the hands of an irrational opposition, the popular movement has developed a law on radio and television content which is being discussed in parliament. Although timid, this law is a sign that the government has decided to no longer give a free hand to the manipulation of information. The new trade union federation, the UNT, is clearly situated on the terrain of the class struggle against the tradition of class collaboration prevalent in Venezuela since 1958. After the defeat of the employers' strike in the oil sector, the government has taken control of the oil industry.

It must now take control of the justice system and the electoral council so as to weed out those deputies and governors who, having been elected as Chavez supporters, have gone over to the opposition.

The political process underway in Venezuela is novel and raises questions about our own political traditions. The seizure of central power is not enough to bring about the necessary transformations for sharing out the national wealth. Venezuela teaches us that the distribution of power can be an alternative to the bureaucratic obstacles in the framework of a process of transformations which passes strictly through the legal framework. The political project is not

revolutionary and yet the dominant classes do not accept the popular vote. The holders of economic and political power would do everything to block the reforms undertaken by Chavez. Venezuela poses the question central to all revolutionary processes - can the interests of the dominant classes be frontally attacked in the framework of a 'democratic and peaceful revolution'? In Venezuela, because of the particular history of the revolutionary movement, the army is apparently under the control of the government.

Will this be enough to avoid a non-democratic outcome?

## What outcome?

The opposition, dismembered and divided as it is currently, has not laid down its arms. It has a constitutional focus; Chavez will reach his half term on August 19, 2003, and from this date the opposition can gather signatures to submit his revocation to referendum. For more than a year, the opposition has claimed that the immense majority of the country wishes the departure of Chavez. If the revocation of the mandate of Chavez happens, however, nothing indicates that he cannot run again in a new presidential election. That being the case, Chavismo would only have one candidate, Chavez.

How many candidates would represent the opposition? Even if there were only two, that would be enough for Chavez to win the election. And if Chavez's mandate is not revoked, nothing in the attitude of the opposition indicates that it would not seek an extra-constitutional outcome to its desire to displace the government.

The Bolivarian revolution is a necessary transitional stage which can open the road to a revolution led by the oppressed sectors of Venezuelan society. For that to happen, the organisation of networks of political and trade union solidarity is necessary.



# Venezuela's political forces

19 September 2003, by Édouard Diago



On the side of the opposition partisans of a putschist solution and supporters of an institutional solution (referendum or election) coexist.

The parties making up the opposition are the parties of the old system - AD, COPEI.

The majority of the MAS leadership, after having supported Chavez, has gone over to the opposition. The MAS was a social democratic evolution from a wing of the PCV that integrated itself into the institutional game in 1970. Its principal leader, Teodoro Petkoff, left the MAS in 1998 when it took the decision to support Chavez. He was a minister in the rightwing government of Caldera (1993-1998), in charge of the ministry of planning. He scrupulously applied the diktats of the IMF. The minority of the leadership created the PODEMOS party, which is the reformist wing of the Chavez government.

However, the opposition also includes parties originating from the far left like Bandera Roja or La Causa Radical, or groups originating from the Chavismo of 1998.

Bandera Roja is a group originating from the MIR (Movement of the Revolutionary Left - created in 1962, it fused with the MAS in the 1980s) which rejected the abandonment of armed struggle (Bandera Roja opted for pro-Albanian positions). This group, today implanted essentially in the universities, had supported and hoped to participate in the attempted military insurrection of February 4, 1992. Today, while arguing that the Chavez government is neoliberal, it participates in the Democratic Coordination which includes the most anti-Communist elements in Venezuela. Chavez supporters

consider it as the armed wing of the Democratic Coordination; numerous assassinations portrayed as government acts by the opposition have been attributed to it.

La Causa Radical, created in 1971 from a group of Communist militants who rejected the rightward evolution of both the MAS and the PCV, was for a long time the most interesting party in Venezuela. A heterodox Marxist group, it was the party closest to Chavez at the time of the civilian-military insurrection of February 4, 1992. After the defeat of the insurrection, its candidate, Andres Velazquez, came close to winning the presidential election of 1993 but fraud robbed him of victory. Chavez refused to call for a vote for Velasquez in 1993, preferring to call for abstention as a means of delegitimizing the Venezuelan political system. In 1997, La Causa Radical split, giving birth to the PPT, which supports Chavez. La Causa Radical is currently a member of the Democratic Coordination and calls for the organization of a new constituent assembly.

Chavez's right hand man during the insurrection of 4 February 1992, Francisco Arias Cardenas, who supported Chavez in 1998, became the candidate of the entire opposition in 1999 during the second presidential election in the framework of the new constitution. While Chavez rejected electoral participation in 1993 and up until 1998, Arias Cardenas was elected governor of one of the Venezuelan states with the support of the parties of the system in 1995. He created his party, Union, in 1999.

Solidaridad is the party of the supporters of Luis Miquilena, who was Chavez's political mentor until 2001. Miquilena was imprisoned under the dictatorship because of his Communist activities. Between the 1960s and 1990s, he made a fortune in insurance. Chavez broke with him at

the end of 2001, and Miquilena became one of the coup plotters.

Bandera Roja, the MAS, Causa Radical, Union and Solidaridad propose the establishment of a centre left bloc (which is indicative of the change in the nature of Bandera Roja).

Among the participants in this great heterogeneous coordination can also be found the owners of the means of communication, prominent figures in TV and print journalism and the association 'Gente del Petroleo', made up essentially of former directors of the oil company.

Two elements allow us to understand the successive departures of the Chavez government. First, opportunism is a basic characteristic of the old Venezuelan political system. The proliferation of parties is not based on clear political concepts but rather the necessity for a certain number of leaders to equip themselves with a political structure to stake a claim to occupy posts inside the state apparatus. When it became obvious, in 1998, that Chavez would win the presidential election, numerous political groups rallied to him to become part of the majority bloc. When the hopes of gaining a ministry or a share of power were disappointed, the parties joined the opposition. At the regional level, an alliance can group parties which confront each other at the national level.

A second factor has been the radicalization of the hard core of Chavismo. When he came to power in 1998, Chavez was not as radical as he was in 2001 when he instituted land reform, reform of the laws on fishing, banks, and so on. This was more radical than what many supporters of Chavismo in 1998 could accept.

This was one of the reasons for the departure of Miquilena, for example,



or the split of the MAS. Meanwhile, other political forces, not very defined ideologically, rallied to Chavez's cause, notably among youth.

Three main parties support the Chavez government: Podemos, the PPT and the MVR (Fifth Republic Movement). The MVR is by far the most important party in terms of numbers of activists. It was created by Hugo Chavez for the election of 1998. It initially brought together all the supporters of Chavez, whether from the centre, the left or the radical left. Now the MVR also includes politicians originating from the old system who are recycling themselves through Chavismo. Until now, the MVR has not possessed a democratic apparatus and the rank and file members have joined primarily to support Chavez. MVR leaders speak of a million party members.

The PODEMOS party, originating from the MAS (Movimiento al Socialismo), is the 'reasonable' component of Chavismo. Originating from a European-style social democratic

tradition, it represents the right wing of the Chavez government and defends the measures of popular participation implemented by the government. A clean up of the administration and the idea that it is necessary to inject ethics into political life are the bases of its participation in the ruling bloc.

The PPT is the most interesting party in the ruling alliance although the weakest electorally. With only one deputy and three governors, the PPT has responsibility for several ministries including labour, education and culture. The president of the national oil company is a member of the PPT. From a Marxist tradition, the PPT is the product of the split in La Causa Radical. Of the three parties in power, it is the best structured. An annual congress defines its political orientation and its national leadership with a significant level of participation by the activist rank and file. At its 5th congress, it defined itself as a party of the left, revolutionary and humanist. It defines itself as a movement of movements and intervenes in trades unionism ('Autonomia Sindical', a

member of the UNT), among youth ('Jovenes por la Patria'), the women's movement ('Movimiento Manuelita Saenz'), and in local communities. Its analyses on capitalist globalization share many of the concerns of the Fourth International. If it does not define itself as communist, a number of its leaders do so on a personal basis. During the coup in April 2002, it was a decisive political force in the reconquest of power.

Finally, a constellation of small parties and small regional, local, indeed neighbourhood political forces constitute the rank and file network of Chavismo.

We should also mention the role played by activists of Trotskyist origin, notably in the Democratic and Classist Bloc of Carabobo, an industrial state in the centre of the country. This bloc is a member of the new trade union the UNT. Also, the excellent website [aporrea.org](http://aporrea.org), a kind of autonomous press agency of the Bolivarian revolution, is organized by activists of Trotskyist origin.

## An anti-imperialist policy

**19 September 2003, by Édouard Diago**

From its arrival in power, the government demanded that US military forces leave the country. It introduced a clause in the Constitution banning foreign troops from the national territory. At the same time, the government banned US planes headed for Colombia in the framework of Plan Colombia from flying over Venezuela. The Free Trade Area of the Americas (FTAA) project has been rejected by Chavez, who prefers a Latin American political integration. At the Quebec summit, Venezuela was the only country to express reservations on the implementation of the agreement.

On Colombia, Chavez refuses to characterize the FARC as a terrorist

organization, contenting himself with condemning the terrorist actions carried out by the guerrillas.

During his electoral campaign and to this day, Chavez made solidarity with Cuba an axis of his foreign policy. In the area of oil the two countries have signed an agreement which has given Cuba favourable credit conditions indexed on the international price of a barrel of oil; the higher the price, the lower the part of the bill paid in cash and the higher the part paid in credit. Cuba provides contingents of doctors and sports instructors in return; also, it has cared for 5,000 Venezuelan patients in Cuban hospitals and welcomed hundreds of students to its medical schools. Venezuela is the only

Latin American country not to have voted for the recent resolution of the UN Human Rights Commission against Cuba and Fidel Castro is regularly hailed in Chavez's public appearances.

Venezuela has signed an oil agreement with a dozen other Caribbean and Central American countries, with similar credit conditions (if slightly less advantageous than the Cuban deal) which help reduce the oil bill for small economies.

Chavez welcomed the decision of the OPEC Summit in 2000 to respect scrupulously production quotas. The immediate consequence was a rise in the price per barrel which went from

less than US\$10 to more than US\$20 in a few weeks. Venezuela has sought a rapprochement with the big exporter countries like Libya, Saudi Arabia, Iran and Iraq.

Chavez has visited Saddam Hussein, becoming the sole head of state to break the embargo decided on in 1991 by the UN Security Council. Venezuela opposed both the war in Afghanistan

and the recent war in Iraq.

Recently Chavez attacked the IMF, the World Bank and the World Trade Organization, as agencies that oppress the peoples more than they help them. Despite all, trade relations with the US have not been modified. Venezuela remains the main American supplier of oil to the US. The latter, which desires the fall of Chavez and participated

actively in the attempted coup of April 2002 and recognized the transitional government of the employers' leader Carmona, is isolated at the continental level because of the Chavez government's strict respect for constitutional legality. The Organization of American States had condemned the coup. Yet, outside of Fidel Castro, Chavez has no strategic allies in America.

## Attempted coups

**19 September 2003, by Édouard Diago**

The opposition embarked on a strategy of permanent destabilization; economic destabilization by the leaders of the oil industry and the local and international employers, permanent demonstrations of the middle and upper classes relayed through the media, and military destabilization.

Economic sabotage culminated in the lockout of December 2002-January 2003. The country's key industries were brought to a halt, while the big food companies stopped production, creating serious shortages for the poor. In the shanty towns without access to town gas, families had to cook with charcoal in the absence of

supplies of bottled gas. Meanwhile, international reserves melted away following a massive flight of capital (\$50 billion in summer 2002).

Since December 2001, Venezuela has experienced a whole year of demonstrations of the opposition calling for the resignation of the head of state. Some attracted hundreds of thousands of participants. Support for these demonstrations is presented by the media as heroic opposition to the 'Castro-Communist dictatorship' of Chavez. Between programmes, advertisements for the opposition are broadcast. Some journalists describe the situation as a media coup d'état.

Since the defeat of the lock-out of

December 2002-January 2003, the opposition continues to pin its hopes on a military uprising, turning its propaganda towards the denunciation of Venezuela's protection of the Colombian FARC. The goal is to put Venezuela on the list of 'rogue states' and provoke an extreme tension with neighbouring Colombia, the US's foremost ally in the region (it was the only Latin American country to have supported the war in Iraq).

If the degree of radicalism of the Bolivarian revolution is to be assessed by the radicalism of its opposition, there is no doubt that Venezuela is in the vanguard of the anti-imperialist movement in Latin America!

## The oil curse

**19 September 2003, by Édouard Diago**



Venezuela is one of the main oil producers of the world, the fifth biggest world exporter, the only American member of OPEC and the second biggest oil supplier to the US,

behind Saudi Arabia.

The known reserves of non-conventional, extra heavy petroleum are equivalent to the reserves of Saudi Arabia. Oil represents 50% of tax receipts and 80% of Venezuela's exports. From his arrival in power, Chavez had said he wanted to make oil

the motor of a new Venezuelan economy at the service of the whole of the population.

The attempted coup of April 2002 and the attempts at destabilizing the Chavez government fit into the imperialist strategy to control the oil resources. After the attacks of

September 11, 2001 and the suspicions of Saudi financing of the Al-Qa'ida network, the US realized that the Saudi monarchy is an increasingly unreliable ally for their energy supplies. Hence the necessity of controlling other oil reserves, which explains the military intervention in Afghanistan and the desire to gain control of Iraqi oil reserves. Venezuela fits into this geopolitical agenda, just like Plan Colombia.

Under the leadership of Hugo Chavez and Ali Rodriguez, [45] the role of OPEC has been considerably strengthened and the price of oil per barrel has risen from 8 to 30 dollars.

The best allies of the US were found until December 2002 at the head of Venezuela's national oil company, PDVSA. With the private media, they are the spearhead of opposition to Chavez. Paradoxically, it was with the nationalization of the oil industry by Carlos Andres Perez in 1976 that the problems began. The new directors were the Venezuelan managers of the big foreign companies who had until then been responsible for oil exploitation. Rather than changing the political economy of oil, they would manage PDVSA as they managed their private companies. The national company would behave like a transnational private enterprise, one of whose central objectives would be to escape state control. Rather than managing the reserves to benefit future generations, the strategy adopted was to sell as much as possible. Venezuela did not respect its production quotas, thus reducing the

price per barrel to 7 dollars.

In 1976, for each barrel of oil exported, 80% of receipts ended up in state coffers; in 2000 it was only 20%. The brunt of the oil surplus value escaped the state through many mechanisms. The most important of them was the so-called policy of internationalization of oil.

Venezuela's most significant strategic reserves are in extra heavy petroleum, the richest in terms of by-products but also the most difficult to refine. PDVSA directors invested massively abroad in refineries supposedly specializing in petroleum of this type. Today, the PDVSA owns 8 refineries in the USA, Venezuela becoming the first country in the South to export its capital to the North. A network of 15,000 franchises exists in the USA for the sale of Venezuelan products. These investments escape state control and allow profits to escape the Venezuelan tax system. Since Chavez came to power, the government has demanded the opening of PDVSA books so as to subject them to an audit - which the directors have consistently refused.

While particularly high salaries are paid to PDVSA's top managers, this policy extends to nearly all the company's permanent employees, who have become the best-paid wage earners in Venezuela. As a consequence PDVSA workers are more linked to the survival of the system than to the working class. Thus, when the PDVSA directors and the trade union confederation, historically and organically linked to

the AD, the pivotal party of the old political regime, decided to halt oil production, the permanent workers to a large extent supported the 'strike'.

The PDVSA temporary workers refused to bend to this strategy of strangulation of the country. These workers are members of Fedepetrol, one of the most important trade union federations in the CTV, which has since the beginning refused to follow the employers' strike movement.

The response of the Chavez government from December 2002 onwards has been firm. Oil has become an element of national security and emergency measures have been taken. The militarization of the sites has put an end to the sabotage of the managers and technicians. All those who had left their posts or participated in sabotage were dismissed - around 15,000 people. These dismissals are justified by the fact that the strike was a political strike with an insurrectional character.

"The proof that all this bureaucracy was not needed is the fact that the oil industry has resumed production without the dismissed workers", said Ali Rodriguez in February. In fact the company is essentially being run by the temporary employees, with the active participation of Fedepetrol. This has allowed the latter's secretary general, Rafael Rosales, to demand that the government establish a new type of co-management of the company with its rank and file employees.