



## IV437 - June 2011

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[IV 437 in PDF format](#)

## Core vs Periphery in the EU

25 June 2011, by **Éric Toussaint**

Their joining the euro zone during the 2000s was also well received since it went together with increased consumption levels, albeit financed on credit. Something similar occurred among countries of the former Eastern bloc: there too, people saw joining the EU as a guarantee of democratic stability, a perspective of transfers, the possibility to move around within the Union, perhaps even of finding a better paid job in the West, and access to credit to finance consumption. However, very soon, the transferred amounts were drastically reduced and some productive sectors, particularly farming, were badly affected by competition with much more industrialized and competitive West European agrobusiness.

The years 2008-2010 marked a turning point in the perception European peoples have of the EU. Many became quite critical, which was largely a result of the European Commission accumulating neoliberal measures while claiming to promote

the notorious 'free and undistorted competition', to which were added from 2009-2010 the crisis of the euro and the deep impact of the economic crisis.

### Core and Periphery within the EU

The hierarchical relationship at global level with a 'Core' consisting of the US, the EU and Japan (the Triad) and a Periphery consisting of so-called 'developing' countries is reproduced within the 27 member states of the EU. The Core consists here of the most powerful countries among which Germany and France, but also the UK, Italy and the former Benelux (the Netherlands, Belgium and Luxembourg). The Periphery is subjected to decisions made by this hegemonic Core and mainly consists of countries lying to the south and

east of the EU, not forgetting Ireland to the West. At the more limited level of the euro zone (16 countries), [1] the same distinction resulted in the acronym PIGS (Portugal, Ireland, Greece and Spain), that has prompted outrageously racist puns.

The EU's refusal to develop genuinely common policies to help new members reduce their economic drawbacks compared with the Core is largely responsible for structural discrepancies that work against the process of European integration.

Over the last ten years Germany (as well as the Netherlands and Austria) has developed a neo-mercantilist policy: it has increased its exports particularly within the EU and the euro zone by reducing workers' wages. In September 2010 in Germany 7.3 million wage earners only had a small part-time job paid 400 (four hundred) euros a month. [2] So its competitiveness has clearly increased compared with its partners,

particularly countries such as Greece, Spain, Portugal, but also Romania, Bulgaria or Hungary (which do not belong to the euro zone). Those other countries had to face a growing trade deficit towards Germany and other countries of the Core. Their current balance-of-payment deficits reflect surpluses in countries of the Core, especially Germany. Such financial deficits, which can be either private or public, have to be compensated for by external contributions: foreign investments or debts, i.e. loans. The current balance deficit can be traced for the most part to private deficits, a majority of which were financed by loans from banks of the Core, for investments were relatively limited (except in the case of Spain) or were neutralized by significant capital outflow in the guise of TNCs taking their profits home. In some Eastern European countries (Hungary, Slovakia and the Czech Republic) such profit repatriation (capital outflow) have been definitely more significant than investments (capital inflow). [3]

It can thus be argued that the debts to be paid by countries of the Periphery are essentially due to the behaviour of the private sector within the EU. Unable to compete with the Core, companies of the private sectors have contracted debts with banks of the Core but also with internal agents as the economy of these countries is increasingly controlled by the financial sector since they joined the euro zone. Consumption boomed in those countries and in some of them (Spain, Ireland, Hungary, Romania, Bulgaria) a real estate bubble finally burst.

Higher and higher interest rates paid by countries of the Periphery for new loans contracted since the crisis started will further drain capital from the Periphery to the Core (to the private financial institutions that buy debt securities issued by countries of the Periphery or governments of the Core that are involved in 'aid plans' by lending money at 5.2% interest rate in the case of Greece). Germany,

France and Austria, for instance, borrow at 2% and lend at 5.2%. This is a highly profitable move. Financial markets demand double or triple interest rates compared with 2007-2008 and the borrowed amounts are impressive. The money lent by countries of the Core to Greece, Ireland or Portugal is paid back to private banks in countries of the Core, and interest rates with these banks are 10% or more. There is indeed a drain on resources from the Periphery to the Core.

On the other hand, given the productivity edge of Germany and of other countries of the Periphery, financial drain also occurs through trade exchanges according the mechanism of unequal exchange Marx describes in *Das Kapital*: Capitals invested in foreign trade can yield a higher rate of profit, because, in the first place, there is competition with commodities produced in other countries with inferior production facilities, so that the more advanced country sells its goods above their value even though cheaper than the competing countries. [...] The same may obtain in relation to the country, to which commodities are exported and to that from which commodities are imported; namely, the latter may offer more materialised labour in kind than it receives, and yet thereby receive commodities cheaper than it could produce them. [4]

Democratic foundation of another European Union based on solidarity

Several provisions in the treaties that preside over the EU, the euro zone and the ECB have to be cancelled. For instance, we must do away with articles 63 and 125 of the Lisbon Treaty that prohibit any move of capitals as well as any aid to a state in difficult circumstances. We should also do away with the Stability and Growth Pact. And replace the current treaties with new ones in the context of a genuinely democratic constituent process so as to achieve a pact of

solidarity among peoples that is mindful of both employment and the environment.

We must thoroughly revise the monetary policy as well as the status and practice of the ECB. The inability of the political power to force the ECB to create money is a heavy handicap. When it set the ECB above governments and thus above the peoples, the EU made a disastrous choice: it subjected man to money instead of the other way round.

A Europe based on solidarity and cooperation must allow us to turn away from competition, which draws all standards down. The neoliberal logic has resulted in the crisis and proved a failure. It pushed social indicators down: less social protection, fewer jobs, less public services. The minority that benefited from the crisis did so by tramping on the rights of others. Those who are guilty are rewarded while victims have to pay! We must change this untenable logic, on which all founding texts of the EU are based, with the Stability and Growth Pact in the lead. More than ever, we must strive toward another Europe, based on cooperation among states and solidarity among peoples.

This new democratized Europe must strive to establish non negotiable principles. It must uphold and improve social and fiscal justice, make choices that will raise the standard of living of its inhabitants, engage in arms reduction and a radical decrease in military spending (including withdrawing European troops from Afghanistan and leaving NATO), choose sustainable energies so as to avoid nuclear power, and refuse genetically modified organisms (GMO). Furthermore, Europe must resolutely put an end to its "besieged fortress" policy regarding candidates for immigration, so that it can become a partner trusted for its fairness and true solidarity towards the peoples of the South.

*Translated by Christine Pagnoulle.*

# European conference for the defence of a public health service

22 June 2011, by **Jan Malewski**

The first European conference for the defence of the public health service took place on May 7th and 8th, in the International Institute for Research and Education in Amsterdam. The statement adopted by the Conference is [here](#).

Facing an acceleration of hospital privatisations in Poland and the changes to the status of health service employees (replacing public sector contracts by private sector ones, making employees "individual entrepreneurs"), the Free trade union "August 80" [5] took the initiative to bring together trade-union, political and local activists, involved in the fight to defend public health services in Europe. In addition to the militants of "August 80", there were delegations of the National union of nurses and midwives of Poland [6], of SUD Santé-Sociaux of France [7], of the Coordination of Committees for the Defence of local hospitals and maternity sections [8] of France, of London Health Emergency [9] and Keep Our NHS Public [10] of Britain, of Europa von Unten [11] and of RevolutionÄr Sozialistischer Bund [12] of Germany, of the New Anticapitalist Party [13] of France, of the Socialist Party [14] of Sweden and Peoples Before Profit Alliance [15] of the Republic from Ireland.

The conference took stock of the state of attacks against public health

services and privatisations which are speeding up in all countries. Rich exchanges based on activist experience made it possible to discuss the methods for a fightback and the political answers necessary. These debates also made it possible to collectivize information on the balance of forces in the various countries. For example, in Poland, after having decentralized and reduced the health budget, the government formed by the neoliberal Civic Platform (PO) and Agrarian Party (PSL) has just made vote a law obliging all hospitals in deficit "to become commercial" or to privatize themselves by the end of 2011; in Britain (cf John Lister's article), after three decades of neoliberal policies, the liberal conservative government is still hesitating to impose a generalized privatisation of hospitals, fearing to lose its legitimacy ...

These differences of situations and experiences re-appeared in the debate on the means of fighting to safeguard the collective and non-profit character of the health services: the comrades of the Polish free trade union "August 80" proposed, to prevent the privatisation by private health trusts, to form cooperatives of hospital workers and social mutual insurance companies in the localities, which would take over the hospitals themselves on a non-profit basis... The comrades from Britain, Sweden and

the Irish Republic for their part mentioned experiences in their countries: the passage to non-profit-making cooperatives or private companies was a step towards privatisation! The discussion made it possible to clarify the different approaches and to reach a general agreement: whatever the dangers in the medium and long term faced by cooperatives in a society dominated by capitalist competition, and whatever can be the negative experiences of official management (bureaucratic and corrupt) of the public health service, what must direct the approach to the defence of the public health service is its social character, adapted to the situation in each country. From this point of view the approach of the comrades of Poland is by no means in contradiction with that of the comrades from Britain, Sweden or Ireland!

The participants in the conference decided to form a European coordination, to establish contacts and the co-operation with other existing networks which have similar goals in order to extend it to a large number of countries and to all the popular organizations - trade unions, parties, associations and movements - which share the same goals. The comrades of the Free trade union "August 80" and OZZPiP committed themselves to organizing a forthcoming European conference in autumn 2011 in Katowice (Poland).

# European Conference for the defence of a public health service

## 22 June 2011

We noted the simultaneity of the attacks against people's rights to health and against the healthcare systems through increasing privatisation and marketisation of healthcare and social protection.

A brutal acceleration of these attacks has occurred with the introduction of austerity policies everywhere in Europe.

The defence of the right to health and social protection requires a mobilisation of the whole population, beyond that of health professionals. This is why it is urgent to build in each country the broadest framework, bringing together local people, trade

unionists, local and political activists against the policies of privatisation, corruption in healthcare and the new austerities which capitalism is trying to impose.

The Conference recommends for discussion by all interested organizations the need to build the European coordination of such a framework around the demands:

1. Universal access to all to the health care system, to all forms of health care and social protection;
2. Comprehensive medical care, free at the point of use without restriction;
3. Democracy in healthcare with

public control over planning for population health needs;

4. Healthcare based on public and collective funding, because health must not be a source of profit.

This preliminary statement could be extended by broadening this network to a larger number of European countries and to all the organisations which share this point of view.

A new Conference could take place, within this framework, in November 2011, in Poland.

***The Amsterdam Conference  
May 8th, 2011***

## Massive outrage

### 22 June 2011, by **Esther Vivas, Josep María Antentas**

The *indignad@s* (indignants) have unambiguously pointed the finger at those who have buckled under the pressure of the "markets" and who in demanding that others tighten their belts, have not done so themselves. "We want to see politicians earning pitiful salaries of 1,000 euros a month" was one of the enthusiastically applauded slogans at the rally. This democracy has proved increasingly empty of content for a public prepared to take control over their own lives. One vote every four years is not enough for those who argue that politics must involve the daily exercise of their rights, from day to day and from the bottom up.

The attempt by the authorities to contain the movement, following the action at the Catalan Parliament on 15J, has not been able to cope with the collective social outrage that surpasses even that of the men and women who were in the protest camps. Anyone who believes that the

movement is merely a passing phase of youthful activists was wrong. So are those who consider it to be simply a problem of public order. The usual suspects have turned into a multitude. Two years and nine months of crisis weighed heavily. The current movement expresses a deep social malaise that has finally emerged into the open and, as usual, without warning and in new ways. We are not part of a cyclical or passing phenomenon, but instead privy to the first stirrings of a new cycle of political activity, of which 15M and the protest camps acted as a springboard.

Over the last month we have regained confidence in collective action. It has gone from skepticism and resignation to "yes we can". The riots in the Arab world, mass demonstrations in Greece and "will not pay for your crisis" of the Icelandic people have weighed heavily on the collective imagination and have given impetus to a restoring of

confidence in the "we", the collective political subject. The "globalization of resistance" of that anti-globalization movement, dating back more than ten years, has been revived again in a very different scenario, marked by the crisis.

After a day of 15J, where the movement was engaged in a battle for legitimacy, 19J was presented as a test for the movement to show its strength in the face of the attacks it has received. It needed to translate into action in the street the popular support that it has awakened. And that is exactly what it has achieved. The 19J has shown the expansion of the movement, its ability to mobilise en masse and its explosive expansion in a very short time. Its growth since the 15M is not only quantitative but also qualitative in terms of the diversification of its social base and its generational composition.

Now what? The challenges of moving



to strengthen its roots involve strengthening the grassroots, establishing local assemblies and strengthening stable organisational mechanisms. The movement also needs to try to develop links with the working class, sectors in struggle and militant trade unionists, and to keep up the pressure on the main trade unions, who are puzzled by a change in the social and political landscape

that they had not anticipated. It is necessary to achieve concrete victories. The prevention of several evictions, although they may be small and very defensive gains, point the way and bring new energy. More generally, the movement faces the challenge of combining its general character, its critique of the current global economic model and the

political class, with the strengthening of concrete struggles against the cuts and policies that seek to transfer the cost of the crisis on to those who can least afford it.

The 19J has marked a turning point that ends the first phase which started with the 15M, and prepares the next phase of a movement that has only just begun.

## Indignad@s versus Parliament

**22 June 2011, by Esther Vivas, Josep María Antentas**

The mobilization before the Parliament of Catalonia came a month after 15 M, propelled by the success of the camps and occupations of squares, but also after several months of mobilizations against social cutbacks in Catalonia, led by health workers. The objective was clear: to show a firm rejection of anti-social budgets cutting basic public services, which were to be discussed in the first parliamentary session. This 15J was one step more in the attempt to halt destructive budgets faced with a government determined to push forward the cuts at all costs.

On 15J, the movement decided to step on the accelerator. The result was a massive action of civil disobedience, unprecedented in the city of Barcelona. In terms of disruptive ability, of setting the agenda for the day, of being heard, the balance sheet of the mobilization leaves no doubt. The Parc de la Ciutadella, inside of which the Parliament of Catalonia is located, was closed by the government for two days. The parliamentary session of 15J was substantially altered. The President of the Generalitat, after several failed attempts to get there by car, opted to arrive in Parliament by helicopter. As did several councillors and the President of the Chamber. The meeting began late and had to change agenda. A large group of deputies, given the impossibility of access to the site, had to be taken to Parliament in a

police van and entered via the zoo located next to the Parliament... quite a metaphor! Definitely 15J was not a day to the liking of the supporters of "law and order".

"Normality" was one of the words fetishized by the opponents of the mobilization. "We must restore democratic normality" screamed the authorities and media in unison. What "normality", one might ask? That of five million unemployed? Of thousands of evictions every month? Of the immunity of corrupt politicians? Of the neoliberal steamroller which uses the crisis as a pretext for relentlessly undermining social rights? It is precisely this false "normality" that the movement of 15M puts in question. "We are not commodities in the hands of politicians and bankers" was the slogan of the demonstration of 15M.

Since the epoch of the rise of the anti-globalization movement, there has not been a mobilization with as much determination and courage in its desire to challenge the established regime as 15J. Images of the delegates to the third ministerial meeting of the WTO at the Seattle Summit, blocked by the demonstrators with tactics of nonviolent direct action, came to mind for many. But the international institutions were barely known to citizens before the movement targeted them, and lacked any legitimacy or democratic symbolism. Given its very

nature it difficult for supporters of the current economic model using demagoguery on behalf of democracy to defend the World Bank, IMF, WTO or the EU, as has happened now.

Unlike in Greece, the siege of the Parliament did not have a context of popular uprising, but rather that of the rise of a movement which enjoys wide sympathy, but that has not yet been transformed into a militant commitment to struggle, and still with a restricted social base in terms of mobilization. 15J, being of great magnitude in terms of civil disobedience actions involving perhaps about three thousand people, was not a day of mass mobilization. This explains the strength of the attack against the movement by a political regime that desperately fights to prevent the flow of popular sympathy for the camps and occupations of squares becoming a mass movement.

Opponents of the movement, beyond some irreducible voices, had been up to now rather passive, overwhelmed by a movement they did not expect and the sympathy aroused. But the acceleration of 15J, raising the bar on the level of confrontation, has provoked a counterattack of a magnitude not foreseen, perhaps mistakenly, by the movement. After several weeks of developing in quite a favourable political and media environment, for the first time it faced

widespread attack from the government and the media in order to isolate it, weaken it and destroy it.

The attack more or less deliberately mixed two arguments: the alleged illegitimacy of a mobilization presented as undemocratic and its alleged violent character. Both arguments lack strength.

The demagogic argument that the protest was a "kidnapping of the Parliament" and an "attack on democracy" is unacceptable. It is not the demonstrators who have kidnapped the Parliament, but economic and financial power. It is the interests of big business who did so long ago. And, it must be said, without finding much resistance from the "honourable members", prisoners with a clear Stockholm syndrome in relation to economic power.

Those who intone the mantra that Parliament represents the sovereignty of the Catalan people and that its members are the sole legitimate representatives of the people and that organizing civil disobedience action to symbolically "halt" Parliament is undemocratic, have "forgotten" many things.

First, they forget that a very significant part of the citizens of Catalonia (abstentionists, those who cast blank ballots or supported extra-parliamentary options) have never voted for any of the options present in the Parliament. And there are many more citizens who did not vote for the ruling party, CiU, than those who did.

Second, they do not seem to take into account that many of the voters for some of the parliamentary options do so as a lesser evil despite a growing disaffection and that they fully share the demands of the movement.

Third, they overlook a fundamental "detail": the cuts, the bank bailouts, and so many other outrages, have never been approved through the ballot box. They were not in the election manifestos of the parties in the government. It is precisely the movement which has formulated proposals for a referendum on the cuts and adjustment measures, as in Greece or Iceland. It is the movement

which makes democratic proposals, which asks for a voice for the people of Catalonia. And it is the government and the Parliament which refuses. The same Parliament and government which over and over again approves reductions in rights, gifts for the privileged and attacks on the environment. Few lessons of democracy can be taken from those attacking fundamental civil rights and restricting freedoms.

Finally, to reduce the idea of democracy to "Parliament" and "elected positions" indicates a simplistic and superficial vision of what democracy is. It isn't just synonymous with "Parliament" and "elections". Democracy is also participation, self-organization, demonstrations... definitely their idea of democracy is not ours!

There is no doubt: the decision to "stop the Parliament" is perfectly legitimate. Where is the outrage in booing the members? Or trying to hinder the discussion of budgets that pose a serious violation of social rights? After long months of protests in health and education, camps and occupations of squares and a government that moves like a steamroller, mass civil disobedience was one step more in a long struggle. Some claim that the 15J action is illegal. They forget that not all that is legal is right, nor that all that is illegal is illegitimate. History is full of demonstrations and struggles out of which emerge laws, laws that are not neutral but the result of relations of power between classes and social groups.

The argument of the "attack on democracy" is mixed with the criticism of the "violence" of the demonstrators. The media and political campaign against the movement magnifies deliberately isolated incidents on a day of mobilization which, following the criteria of the organizers, was essentially of a non-violent and peaceful character. Talk of "low-intensity kale borroka" [a reference to the street fighting tactics of Basque nationalist youth], "urban guerrilla tactics", "behaviour of extreme violence" formulated by President Artur Mas and the Interior Minister Felip Puig is absolutely out of place.

Despite the media frenzy, the reality is that the 15J protests were characterized by little violence from the demonstrators, beyond isolated events. The more aggressive violence, as on so many occasions, came from the police action, leaving forty wounded (not to mention the detainees and the threats of further arrests), which is hardly referred to. A police action, by the way, which took place in the framework of a strangely inadequate provisions for handling the mobilization. Incompetence of the police officers? A deliberate attempt to facilitate tensions between protesters and members of Parliament to delegitimize the protest? There will always be doubt, but the second possibility seems rather likely.

The reaction of all parliamentary parties to 15J was monolithic. Frontal opposition to the protest. We saw an appalling example of group solidarity among the political class and the professional politicians, everyone made uncomfortable by this annoying eruption of the movement. There is no doubt that professional politicians work best with a demobilized people glued to the television. But most regrettable of all was the performance of the parties of the "left", despite a formal position against social cuts, who did not hesitate to sign a joint statement by all parliamentary groups condemning the mobilization and stubbornly defending (its) institutional normality. The performance of the coalition of the ICV (an organization affiliated with the European Greens) - EUiA (the coalition controlled by the Party of Communists of Catalonia) was particularly unimpressive.

Seeing the sad role of ICV-EUiA and the left in Parliament in general on 15J, we more than ever miss the lack of an anti-capitalist political reference point that would break the parliamentary consensus: a courageous left that would have announced its refusal to participate in the plenary sessions, to seek its suspension and to demand the reversal of the cuts. That would have helped break the consensus of those who rule in favour of the enterprises and the privileged and bring legitimacy to the movement. This is not, however, the policy of the Catalan parliamentary left whose initial

unconditional alignment with the parties of the right, against the movement and with a criminalizing rhetoric has shown once again its fundamental renunciation of any horizon of social transformation.

After 15J we are immersed in a battle for legitimacy. It's now up to the movement to explain what lay behind the mobilization before Parliament and answer the demagoguery. It is time to deploy a smart strategy

against criminalization, to avoid isolation and alienation from the movement's natural social base. We must engage in a well argued policy discussion with those social sectors, organizations, journalists, who genuinely have been victims of the anti-movement hysteria and the arguments that this "had gone too far", to make them swing back towards the movement.

The day of demonstrations next Sunday, June 19 will be a crucial test.

The demonstrations that will take place in various cities of the Spanish state, and in particular Barcelona, should serve to mobilize the sympathy that the movement has awakened from 15M and now more than ever, show its broad social support. After the acceleration of 15J, what is required is a massive mobilization which can be a bearer of legitimacy. A mass mobilization is now fundamental for the future of a movement that has only just begun.

# Massive popular uprising in Greece

21 June 2011, by **Yorgos Mitralias**

How many were there on Syntagma square (Constitution square) in the centre of Athens, just in front of the Parliament building on Sunday 5 June 2011? Difficult to say since one of the characteristic features of such popular gatherings is that there is no key event (speech or concert) and that people come and go. But according to people in charge of the Athens underground, who know how to assess the numbers of passengers, there were at least 250,000 people converging on Syntagma on that memorable night! Actually several hundreds of thousands of people if we add the "historic" gatherings that took place on the main squares of other Greek cities (see map).

At this juncture we should however raise the question: how can such a mass movement that is shaking the Greek government (in which the EU has a particular interest) not be mentioned at all in Western medias? For these first twelve days there was virtually not a word, not an image of those unprecedented crowds shouting their anger against the IMF, the European Commission, the "Troika" (IMF, European Commission, and European Central Bank), and against Frau Merkel and the international neoliberal leaders. Nothing. Except occasionally a few lines about "hundreds of demonstrators" in the

streets of Athens, after a call by the Greek trade unions. This testifies to a strange predilection for scrawny demos of TU bureaucrats while a few hundred yards further huge crowds were demonstrating late into the night for days and weeks on end.

This is indeed a new form of censorship. A well-organized political censorship motivated by the fear this Greek movement might contaminate the rest of Europe! Confronted as we are with this new weapon used by the Holy Alliance of modern times, we have to respond together both to expose this scandal and to find ways of circumventing such prohibition to inform public opinions, through developing communication among social movements throughout Europe and at once creating and reinforcing our own alternative media...

Going back to the Greek "Outraged", or Aganaktismeni, we have to note that the movement is getting more and more rooted among lower classes against a Greek society that has been shaped by 25 years of an absolute domination of a cynic, nationalist, racist and individualist neoliberal ideology that turned everything into commodities. This is why the resulting image is often contradictory, mixing as it does the best and the worst among ideas and actions! For instance when the same

person displays a Greek nationalism verging on racism while waving a Tunisian (or Spanish, Egyptian, Portuguese, Irish, Argentinian) flag to show his internationalist solidarity with those peoples.

Should we therefore conclude that those demonstrators are schizophrenic? Of course not. As there are no miracles, or politically "pure" social uprisings, the movement is becoming gradually more radical while still branded by those 25 years of moral and social disaster. But mind: all its "shortcomings" are subsume into its main feature, namely its radical rejection of the Memorandum, of the Troika, the public debt, the government, austerity, corruption, a fictional parliamentary democracy, the European Commission, in short of the whole system!

It is surely not by chance if for the past two weeks demonstrators shout such phrases as "We owe nothing, we sell nothing, we pay nothing", "We do not sell or sell ourselves", "Let them all go, Memorandum, Troika, government and debt" or "We'll stay until they go". Such catchwords do unite all demonstrators as indeed all that is related to their refusal to pay for the public debt. [16] This is why the campaign for an audit Commission of the public debt is a great success throughout the country.

Its stall in the middle of Syntagma square is constantly besieged by a crowd of people eager to sign the call or to offer their services as voluntary helpers... [17]

While they were first completely disorganized the Syntagma Aganaktismeni have gradually developed an organization that culminates in the popular Assembly held every night at 9 and drawing several hundreds speakers in front of an attentive audience of thousands. Debates are often of really great quality (for instance on the public debt), actually much better than anything that can be seen on the major television channels. This in spite of the surrounding noise (we stand in the middle of a city with 4 million inhabitants), dozens of thousands of people constantly moving, and particularly the very diverse composition of those huge audiences in the midst of a permanent encampment that looks at times like some Tower of Babel.

All the qualities of direct democracy as experimented day after day on Syntagma should not blind us to its weaknesses, its ambiguities or indeed its defects as its initial allergy to anything that might remind of a

political party or a trade union or an established collectivity. While it has to be acknowledged that such rejection is a dominant feature among the Aganaktismeni, who tend to reject the political world as a whole, we should note the dramatic development of the Popular Assembly, both in Athens and in Thessaloniki, that shifted from a rejection of trade unions to the invitation that they should come and demonstrate with them on Syntagma.

Obviously, as days went by, the political landscape on Syntagma square clarified, with the popular right and far right located in the higher section, in front of Parliament, and the anarchist and radical left on the square itself, with control on the popular assembly and the permanent encampment. Of course, though the radical left is dominant and tinges with deep red all events and demonstrations on Syntagma, this does not mean that the various components of the right, from populist, to nationalist, to racist and even neonazi, do not further attempt to hijack this massive popular movement. They will endure and it will very much depend on the ability of the movement's avant-garde to root it properly in neighbourhoods, workplaces and schools while defining

clear goals that throw bridges between huge immediate needs and a vindictive outrage against the system.

While fairly different from the similar movement in Spain through its dimensions, its social composition, its radical nature and its political heterogeneity, the movement on Syntagma shares with Tahrir square in Cairo and Puerta del Sol in Madrid the same hatred against the economic and political elite that has grabbed and emptied of any significance bourgeois parliamentary democracy in times of arrogant and inhuman neoliberalism. The movement is stirred by the same non violent democratic and participative urge that is to be found in all popular uprisings in the early 21st century.

Our conclusion can only be provisional: whatever is to come (and the consequences may be cataclysmic), the current Greek movement will have marked a turning point in the history of the country. From now on everything is possible and nothing will ever be the same again.

*Athens, 8th of June 2011*

\* Translated by Christine Pagnoulle (CADTM).

## Why a debt audit in Greece

**20 June 2011, by Maria Lucia Fattorelli**

The women are the main victims of these measures, because they are the first ones to be filled from their jobs, and the last ones in line for new jobs. Also, when social services are cut down or eliminated, it's expected that women will take care of services like health, education, assistance, children care, and many others, without any payment.

People is confused because everything is going on too fast and day by day new adjustment measures are announced, with the strong interference of IMF, European Central

Bank and European Commission - the Troika - in the internal matters of Greece economy and policies, interfering directly in the people's life and in Greek's sovereignty.

One year ago, the memorandum was signed with IMF. Since then, currently new revisions and new measures are imposed directly to the Greek society, because the Greek Parliament is not even voting these measures that are recommended by the Troika and, in the next day, are already being practiced. The direct intervention of the Troika is a completely new

situation for a society who gave birth to democratic way of government in the world history.

All this social, economic and political damage is a consequence of the so called "debt" crisis. But we must remember that it didn't start as a debt crisis, but as a bank crisis: a financial private sector problem.

In 2008, the largest financial crisis beat the main financial institutions in the USA, because of a huge "bubble" originated by the issuing of an immeasurable amount of series and



series of derivatives and other kinds of financial products without any real value, which loaded the financial market of “garbage”. This procedures were possible because the existing controls under the SEC [18] - that had the role, since the 1929 crisis, to control the “quality and authentic” of papers deal in the financial market - were disrespected and bypassed for the many financial institutions.

The media generally nominates these “garbage” papers as “toxic assets”. The amount of derivatives and all toxic papers was so large that Obama thought about creating “bad banks” in order to “clean up” the financial system. That idea also came up in Europe in early 2009:

It’s very important to know that the institutions who issued these papers are the largest and most important ones of the financial world, because they are the ones who have “credibility” to have their own papers accepted and negotiated in the financial market. Only very few of these important institutions broke up - Lehman Brothers, for example - but soon the USA approved a plan to bailout the financial system, by transferring great amount of public resources into financial institutions in order to rescue them, saving them from bankruptcy. The same plan went on in Europe in 2009, and since the beginning, everyone knew this plan represented a serious risk for all countries, as shown on the Feb 2009 new:

Thus, in a certain point, besides aware of the risk of economic ruin, all countries in the North started to put a lot of money in the financial sector, in order to rescue institutions. There is no transparency about this amount of money that has been given by countries to the financial sector. Estimative goes up to trillions, but no country has revealed clearly the right amount that has been given to bailout banks since 2008, and many “secret” documents - as mentioned in the

notice above - has been produced.

The worry part of the history is that the northern countries didn’t have, on their budgets, all the money they decided to give to banks. This way, countries created public debt by issuing public bonds to give to banks in order to fill up the big role created by their “toxic assets”. So, a significant part of the “sovereign bonds” of these countries did not represent real “public debt”, or bond issuing to obtain resources to the country, but simply the utilization of debt mechanism to guaranty funds to financial institutions.

Besides this, the deregulation of the financial market is permitting the use of sovereign debt bonds as if they were cards or chips of a casino, used for gamblers bets and games. How can a society be responsible for the losses of such irresponsible and immoral operations, which are taking money from essential services like Health, Education, Assistance, Security, Sanitation, provoking the loss of thousands of employee and, in the other side, making many gamblers very very rich?

Can the result of these operations be considered as “public debt”? The good economy books explain that public debt is an instrument that can be used to finance the state needs. The bonds issued to bailout banks can’t be considered as public debt, but should be treated as a separated loan to be paid by the banks, not by the entire society.

The instrument of “public debt” is being used now in Europe as it has been used in Latin America since the 70’s. The experiences of debt audit - official audit in Ecuador and citizen initiative in Brazil - have proved that in the last 40 years the only beneficiary of the commercial external debt were the large international banks; instead of being an instrument to finance state activities, this kind of debt in bonds was a mechanism to

transfer public resources into the private financial sector.

The debt-audit also proved that the financial crises we had in 1982 were provoked by the same international private creditors and that crises opened the opportunity for an intense interference of IMF in our economies with fiscal adjustment plans - just like it’s happening now in Europe - that cost as at least 2 decades of heavy social sacrifice (that we call lost decades) in order to guarantee benefits for the financial sector.

It’s very important that European countries, who are not under dictatorships as we were in the 80’s in South America, organize civil commissions, like our organization in Brazil - to research documents, encourage popular investigations, studies, social mobilization and elucidation about this debt process as soon as possible.

A debt-audit is an opportunity to have documents and proves of the real nature of the so called “public” debt. The findings of the audit can push concrete actions in all fields: popular, parliamentarian, legal and any other policies.

Most part of Greek public debt is reflected in sovereign bonds. The first question we must ask is: What part of Greek public debt comes from bonds issued to rescue banks? What part of this debt has never being really received by Greece, because is just a result of financial mechanisms, attacks, and speculations in financial market? Does anyone own what has never received? Is it right that all Greek people pay for this?

That’s why it’s so important to have a debt audit in Greece and the organizers of the recent Conference of Debt Audit in Athens and Seminar in Tessaloniki deserve all congratulations for opening this urgent debate. [19]

From the [CADTM website](#).

# **We defeated Berlusconi politically through a radical mobilisation**

**14 June 2011, by Emiliano Viti, Flavia d'Angeli**

## **Statement from Flavia D'Angeli and Emiliano Viti from the national executive of Sinistra Critica**

This result represents a historic turn in the political situation. The people's vote has put an end to the Berlusconi period. He is the champion of free market policies and so this result is also a defeat for privatisation policies and the primacy of markets over the common good. The slogan "Our lives are worth more than their profits" really has a meaning in Italy with today's referendum results. A phase has ended. Berlusconiism has been defeated by a democratic mobilisation through the referendum process. It is the case that referendums do provide more of a framework for a form of direct democracy.

It is important to highlight the role of a political subject which was lacking

before - the Committees for public water - which played a decisive and in some respects an historic role. They worked away outside of the media glare but collected the highest number of signatures ever obtained for triggering a referendum. The Committees carried out a campaign based exclusively and consistently on the political demand for publicly managed water distribution. They were opposed by the PD (Democratic Party - main social democratic opposition party) who ought to listen to the clear message expressed in these results from the "red" regions where they have already privatised water distribution. The IDV (Italy of Moral Values party led by Di Pietro) also opposed the committees. Today these two parties are exultant about the results. Nobody representing the Committees was ever invited onto any TV programmes. Today's victory is their victory. It is a great day for the movements who campaign against the overwhelming power of profit and money such as the NO to the TAV group (campaign against High Speed Train routes). Any initiative to bring these campaigns together into a united movement - against the refuse

dumps and incinerators, local tariffs and the high speed train routes - is to be welcomed and Sinistra Critica will work tirelessly to that end.

This victory teaches us about the politics of the traditional and institutional parties. The battle was won because people were mobilised, there was passionate, radical work carried out in the community and workplaces and activists were able to take up a particular issue and build a strategy. It has been proved that radical demands can win. Emma Marcegaglia and all those industries who were hoping to make a killing with nuclear power and privatised water have also lost alongside Berlusconi. Of course these same forces will now throw themselves into the renewable energy sector!

A clearly radical, anti-capitalist and ecological left is possible and its role is not to be subordinated to the trajectory taken by the PD and the centre left forces.

Our strategic political project has today been given a great boost.

Sinistra Critica - Organisation for an Anti-Capitalist Left

## **The "Movement of the Squares" and the perspectives it creates**

**14 June 2011, by Nikos Symeonides**

Since the 5th of May 2010 several labor struggles have taken place, but without significant results. In parallel to these a large number of social movements have developed, such as

the hunger strike of 300 immigrants demanding their legalization, the struggle of the people in the district of Keratea against the creation of a garbage burial site in their

neighborhood, which have achieved some victories as well as others, such as the movement "I won't pay" which is still developing against the rise in prices of practically all social services.

When the government appeared after a year of violent austerity and shamelessly declared that the previous measures had not given the expected results and that new ones had to be taken, the social rage burst out and thousands of people, seeing on the one hand what was expected from them but also the incapacity (or rather unwillingness) of the trade union leadership to stop these measures, spontaneously occupied Syntagma square, the central square of Athens.

The Syntagma square movement creates new perspectives for class struggle. Despite its contradictions and important weaknesses, it is a development that in principle brings hope. At a practical level, it was inspired by the Arab rebellions that largely utilized current technologies to coordinate themselves (Internet, mobile phones etc). The Arab movement managed to traverse the national borders and "invade" Europe, much like European capitalists feared. The Spanish State being the first country to enter the game, other metropolitan capitals followed like Paris, Rome, Lisbon and, of course, Athens. This movement has of course often important weaknesses: most of its participants often have a low level of political consciousness (at least in its most massive manifestations) and it lacks a clear political perspective. However, it is extremely massive, more than 100.000 people participated in its meeting of 5 June in Athens as well as important meetings in other Greek cities. Although it remains particularly blurry and fluid, it starts from a clear demand: the abrogation of the Memorandum as well as the departure of those who brought it with them.

On the other hand, we should of course not overestimate its spontaneous and self-organized character. It does not yet possess features of a genuine revolt, but it is clear that if the idea of a blocking of the parliament on the day when the new Memorandum will be voted comes to fruition, that day will certainly bring in mind a true revolt especially since this day is combined with a general strike. On the one hand, we cannot identify this movement with a new political subject that can replace the centrality of the

labor movement. It is, nonetheless, a field of interaction among the avant-garde of the movement and the masses of the oppressed. It provides the oppressed with experience of collective organization (especially social groups that have little chances of encountering such experiences) as well as confidence if it achieves some concrete victory. It is possible that through this movement several new militants will join the ranks of the left and anticapitalist ideas.

As a first step, it is important to try and pin down the social composition of the "indignant" movement, so as to estimate the limits and the goals of our own intervention in it:

- unemployed or precarious workers, a great part of which have essentially no experience of collective organization and action neither within the traditional trade unions nor within the political organizations of the working class.

- Small bourgeois that see their level of life being crushed. Occasionally these people identify their interests as opposing those of the lower classes. It is crucial for us to manage and demonstrate that their interests coincide with those of the labor class and not the ones of the capitalists and forge and alliance among the most low-level small bourgeois and the workers.

- Miscellaneous "patriotic" groups.

- Disappointed voters of the two large parties, notably voters of the right-wing.

- The left-wing (apart from the Communist Party of Greece, with participation/intervention details varying among each organization) which, especially after the first days, plays a central role in the people's general assembly taking place every evening at Syntagma square and the several working groups. There is always the danger of turning the assembly into an internal battle of the left-wing organizations. Fortunately, this is not the case for the moment. A significant portion of the autonomous/anarchist collectives is absent and even denounces the whole process, whereas another part is

participating actively, presenting more or less the same limitations as most of the left-wing organizations.

It is also crucial to try and codify some basic political characteristics of this movement in order to analyze it in depth and determine our own standpoint in its framework:

- It is opposed to all political parties and to anything organized, although we should note that the initial opposition to trade-unions and strikers has decreased, which is actually one of the major successes of the left-wing's intervention. This standpoint can be partly inscribed within a more general framework due to the incapacity of traditional trade-unions to persuade that determination and struggle are needed: the trade-union leadership is extremely bureaucratized, they have sold out essentially all labor struggles since quite some time, whereas some sectors seem hesitating to mobilize at all. Furthermore, the left has proven incapable of proposing an alternative social project and some perspective in some convincing manner. Despite all this, the clear anti-organization ambiance in this movement should be interpreted as one of its clearly conservative reflexes. At the same time its generalized anti-parliamentarianism although justified, if not supplemented by other political features can lead to reactionary proposals (government of technocrats, strong leaders that are not limited by corrupt MPs).

- It has a highly contradictory character, which is of course in direct relation to its massive nature. This feature will most certainly lead to both ideological and political clashes within the movement.

- It reveals an ambiance of national unity. Consciously or not, non-negligible parts of this movement propose national unity and a government of technocrats that will only act "for the good of the country" as a response to the official sell-out politicians.

- It has introduced highly innovative practices and forms of organization such as a popular general assembly of the movement as well as working

groups for discussion and action on specific issues (employment/unemployment, economy, education etc) but also forms of collective handling of space and life (collective nutrition, medical care, cleaning etc).

- Finally, there is some discontinuity among local popular assemblies in which the left-wing and anarchists are more hegemonic and the general assembly at Syntagma square. In fact, some anarchist groups only intervene in local assemblies.

It is clear that the everyday concentration of people at Syntagma square creates a promising field for anticapitalist and revolutionary ideas. This does not mean that the consciousness of those who take an active part in the movement will be deterministically led towards the left. The anticapitalist left intervention should aim at proposing our ideas to the people, either through the assemblies or during in-person discussions and, given our limitations, primarily aim at those who are apt to be persuaded such as the unemployed, precarious workers or the youth. In order to prevent the far-right from profiting from the generalized indignation and covering the "empty political space" we must rate as priorities, among others, to break the spirit of national unity and consensus as well as to fight against all patriotic and racist reflexes.

The great challenge for us is the unification of this movement with the labor struggles. The beginning was done during the strike of 04/06/2011

when the demonstration of the trade-unions ended at Syntagma square. This must be the case during the next general strike, where trade-unions and the indignant people of Syntagma square must be united and fighting together. This, of course, introduces another essential point of intervention, namely the need to popularize the need for class unity and independence. We must say that the blame is not to be put upon workers enjoying a decent salary, immigrant workers, the public sector etc. We must fight against the separation of workers into, for instance, Greeks and immigrants or public and private sector ones at the same time when the government is playing this exact card, finding an echo into non-negligible parts of the Greek society. Pointing out the necessity for international solidarity and coordination of the struggles (at least throughout Europe) is perhaps a little easier (but crucial), since it becomes increasingly apparent that all people face essentially the same problems (especially in countries under IMF supervision - Ireland, Portugal and Greece - or are menaced by such a perspective - Spanish State).

At the same time, it is important to spread the practice of popular assemblies into neighborhoods and link these to the central one which should remain in Syntagma square. Such smaller-scale cells can be maintained more easily after a potential retreat of the movement (a possibility that we should not ignore) but also favor the organization both at a local level and at the level of workspace.

At the level of immediate or transitional demands it is important to choose those ones that can be widely understood today and constitute a primary unified direction for the movement of the Square, such as:

- Overthrowing of the Memorandum, its measures and the government.
- Renewable general strike and blocking of production (strikes, blocking streets, building occupations and so on).
- Refuse to pay off the debt and erase it.

The question of power and of an alternative social and political system is no longer only put as an objective necessity but also in terms of a generalized question shared by many people. We must discuss in simple terms some basic features of an alternative (communist) society and of a system of power based on assemblies. Even if the most urgent for the moment is to achieve even a single concrete victory that will give confidence to the worker's class and the oppressed, we cannot evade giving some answer to the question "and then, what?". It is a recurring question both in small-scale discussions but also - although in an elementary form - in the popular assemblies of Syntagma square. Side-by-side to the immediate duty of mobilizing for our fundamental rights, it is important to try and gain an audience for the fundamental revolutionary and communist ideas.

*Athens, June 2011*

## The revolt of the indignad@s: moving on to the next stage

**13 June 2011, by Esther Vivas, Josep María Antentas**

After days of intense activism, the effects of fatigue and exhaustion have made themselves felt in the protest camps. The difficulties of managing

many of them are also noticeable. The time for camping is over.

Protest camps and occupations of

public squares are not an end in themselves. They have simultaneously acted as a symbolic reference and a base, a lever to propel future



demonstrations, and a loudspeaker to amplify the ones happening now. To rise up still further from a position of strength, keeping up the rhythm of the struggle, and not to go into a spiral of decline, something we have seen signs of over the last few days, is the step to take now. And it is indeed the step that many still occupying the plazas are taking now, admittedly with some difficulty.

The challenge is to know how to manage our success, to go on to the next stage and use the energy of the protest camps to move forward. A schedule for immediate mobilisation is emerging from the camps, something which should serve both as a culmination of the phase which began on May 15 and also mark the start of the next phase, and begin to move the center of gravity of the movement.

First are the demonstrations this Saturday, June 11, in many locations to mark the establishment of new municipalities, following the brutally repression of the protest outside the Valencian Court on February 9 during the opening session of the legislature and the inauguration of the new right-wing regional government.

Second are the demonstrations at the offices of several institutions against the policies of cuts in social services in the wake of demonstrations on June 8 outside the Congress of Deputies in Madrid against the reform of collective bargaining and Friday 10 at the headquarters of the Ministry of Labour. Among the rallies planned, the 14 and 15 of June in the Catalan Parliament to organize a protest camp, rally and blockade of the Parliament is of special importance. A good mobilisation on the day when the full Parliament starts discussing the

budget can be a key moment in the struggle against the cuts than have been being planned over the last few months for months in Catalonia, especially in the health sector and also in education. This can also be a reference for future mobilisations in other regions, where they will also begin to announce cuts from next autumn.

Thirdly, we need to prepare the day's events for June 19 throughout the Spanish state, whose general theme as proposed by the camp of Barcelona is "The streets are ours. We will not pay for your crisis", which should serve to translate the solidarity that has arisen throughout the protest camps into a movement on the street and jobs and to reinforce the mass nature of the movement. The challenge is to demonstrate the political and social expansion of the May 15 movement.

Beyond the immediate mobilization for the next week, we need to establish a roadmap for the next stage. It is also necessary to draw up a list of basic demands that combine a general discourse critical of the current economic model and the political class, in the spirit of the slogan of May 15: "We are not commodities in the hands of politicians and bankers", with concrete proposals. Given the lack of a commonly agreed program from the protest camps, the proposal created in Barcelona seems the most consistent and politically it is a good benchmark for future protests.

In this new period we cannot lose sight of the symbols that the protest camps and occupations have established. To maintain these symbols as an element of continuity and of memory is important. Hence,

many camps, on deciding to break up, agreed to keep a small infrastructure in place (information bureaux, etc) and to convene regular meetings.

The paths that we must take in the coming months seem clear. First, to strengthen the grassroots movement, empowering local assemblies and establishing stable coordinating mechanisms. We will have to find ways to combine local roots and common activities without losing sight of our common objectives. The proposals for social consultation which some of the activists in Plaza Catalunya in Barcelona have outlined can, along with other initiatives, serve this purpose. Second, to seek ties with the working class, those in struggle and militant trade unionists, and to keep up the pressure on the main trade unions, who are disconcerted by a change in the political and social landscape that they did not anticipate. The challenge is to shift the anger to the workplace, which is still dominated by fear and resignation. Third, to prepare for October 15 as the date of mass mobilisation and seek to make it a global day of action at a crucial time for the internationalisation of the movement. Fourth, to combine the development of a general movement, the "movement of l@s indignad@s," which criticizes the current overall political and economic model, with the concrete struggles against the cuts and policies that seek to shift the cost of the crisis onto the workers.

One stage ends and another begins. Without our having noticed, we are dealing with a movement whose potential we are just beginning to discover.

*11th of June, 2011*

## Why vote for the left?

**12 June 2011, by Claudio Katz, Eduardo Lucita, Jorge Marchini**

Turnout is likely to be high. In a context of increased participation, people are more interested in politics and the vote has recovered some of its prestige. So far the contenders include various candidates of the right, several strands of the ruling majority, some centre-left options and a left front.

**1. Those of us who are active on the left, in the social movements and in intellectual life from a left perspective**, need to take a public position in relation to these elections. Some comrades think we should abstain, recalling the protest value such a stance has had on various occasions in recent decades. They do not realize that this position has lost the significance it had a few years ago. Electoral indifference and the blank vote - as expressions of resistance to the prevailing order of oppression - have not only become weaker, they have now lost all political meaning. Abstention is not a symptom of protest, nor does it strengthen the social movements. It runs counter to the political awakening of young people, who are looking for political channels to articulate their demands and concerns. To neglect electoral intervention at the present time leads to self-isolation.

Many comrades agree with this analysis, but feel the electoral options on offer do not open up any new emancipatory project. For this reason they prefer individual votes of conscience, or a "programmatic" message scribbled on one or other of the existing tickets. There is plenty of evidence that such positions do not lead to effective political action. They are individual acts that do not help to develop real experience. To limit ourselves to a silent vote, effectively endorsing the principle of the secret ballot, contradicts the commitment to open, public participation that we have always defended on the left.

We have to understand that voting for particular candidates does not mean total support for their parties, programmes or past histories. It simply defining the direction of our intervention, based on our complete rejection of some alternatives and our commitment to others. Given this need to take part in the electoral fight, what

are the options available?

**2. The current electoral landscape** includes various manifestations of the right, which are obviously the left's main enemy. It's important to be clear about who represents what here. Some comrades think that the representatives of reaction are spread across the spectrum of the mainstream and there's no point in distinguishing between them. They do not believe the right exists as a specific force. Others see it as something that is invented before elections to create a non-existent polarization. Both views seem to us mistaken.

The right does exist, with its own leaders and its own proposals. Its aim is to apply in this country the same policies that Santos implements in Colombia, Piñera in Chile or Calderón in Mexico. It represents directly the interests of imperialism and aims to restore neoliberal economic policy leading to more privatizations and trade liberalization. Its objectives were revealed when it demanded a reduction in export taxes and payment of the foreign debt through budget cuts, or when it opposed the nationalization of the AFJP pension funds [20]. It seeks to restrict democratic rights, annul the verdicts against those responsible for genocide (during Argentina's military dictatorship) and generalize the repression against popular demonstrations. It hopes to reduce the age of criminal responsibility, in order to persecute impoverished youth. Its spokespeople are directly employed by the dominant media.

It is opposed to any democratisation of the media and acts as an agent of the Church and private education. So far this current has not managed to build a significant electoral option of its own, but it can fall back on Macri, Olmedo, Duhalde, Solá, Rodríguez Saa or De Narváez. It has representatives in the PRO, in the Federal PJ, in the UCR and in the Civic Coalition. [21] These candidates are poles apart from any kind of left activity. But it is important to understand that such representatives of the right are to be found not only on the opposition side of the spectrum.

There are many representatives of the right within the ruling coalition. This fact is glossed over by many government supporters who claim to represent progressive positions. They avoid talking about the provincial governors and city barons who prop up Cristina Fernandez at regional and national level while securing neoconservative policies on their home patch. They support damaging mining operations in San Juan, shore up the privileges of the oligarchy in Salta, back the Saadi in Catamarca, [22] evict small peasant farmers in Chaco, repress indigenous peoples in Formosa, top the corruption league in Córdoba and in Rioja they are behind Menem's alliance with the government.

Many government supporters recognize all this, but believe it is necessary to do deals with the 'caudillos' in order to ensure the country is 'governable' and achieve the hegemony needed to carry through the progressive policies of pure Kirchnerism. But commitments like these compromise the position of the whole government; they end up reinforcing the enormous profits of foreign companies and the fraud carried out by provincial elites, at the cost of the rest of the population. Such agreements are not inoffensive. They perpetuate the power of tiny minorities and the structural poverty of those who suffer malnutrition and are forced to emigrate. Support for a progressive project is completely incompatible with voting for these 'Kirchnerite' governors. Those who believe backing them is a way of backing the government while holding onto progressive principles are flying in the face of the obvious.

Lining up behind the government not only strengthens these power structures; it also leads some intellectuals to adopt a McCarthyite attitude when they come into conflict with the militant activity of the left. They find themselves repeating the official line which blames the victims and slanders the struggle of anti-bureaucratic currents.

**3. So far Cristina Fernandez de Kirchner (CFK)** leads in all the polls and looks set to win in October. This demonstrates that the government has

recovered support as a result of three processes: economic growth, the consolidation of a number of social and democratic gains, and the debacle of her right-wing opponents. The continuing high level of economic activity is a result of favourable international circumstances, expansionary economic policies and the high rate of profitability that resulted from the crisis of 2001. The government has actively intervened to manage this situation. Its policies have helped rebuild the power of the ruling classes and generate an unprecedented level of profit for capitalist groups. This government support has tended to favour enormous business profits rather than real investment or "the hard work of the private sector". But at the same time some workers and popular sectors have also seen their incomes improve.

The right-wing opposition has proved incapable of developing its own alternative and has been battered by two years of successful, governmental counter attack. One central aspect of this counter attack was the granting of social benefits (wage increases, collective bargaining, contribution-free pensions, universal child benefit, more public sector jobs), as well as significant democratic gains (on the bringing to trial and imprisonment of those responsible for genocide during the military dictatorship, on media legislation, equal marriage rights and violence against women, as well as less repression against the right to protest).

Those who support voting for the government candidates from a progressive point of view say they want to "deepen" these conquests, as if these improvements were the main characteristic of the current administration. They downplay the huge imbalance between the vast profits obtained by the big capitalist groups from economic growth and the modest progress achieved in workers' wages and jobs. This modest progress sits alongside continuing inequality which merely recycles poverty and job insecurity.

A left vote cannot lend support to an economic model based on agricultural exports that push us into ever more

dependence on primary commodities, on the absence of progressive tax reforms, the running down of oil reserves, the destruction of the railways, the giving away of natural resources and the refusal of even partial indexation of pensions. We have to find ways to promote a distinct, anti-capitalist project and challenge the current path that maintains the polarization of society and prevents the redistribution of income.

Many progressive pro-government sectors recognize these limitations. They say "much still needs to be done" and that "the project needs to be improved from within". They suggest creating their own alliances with their own candidates within the pro-government "collector" lists [23] But being a part of the governmental coalition means accepting all that the president demands. It is a blank cheque that makes any initiative impossible unless it has the blessing of the Casa Rosada (presidential palace). It is a road that leads, not to the creation of a progressive current, but to accepting the discipline of the government. Such alignment will be even stricter this time, with a second mandate built around social pacts designed to reign in wage demands.

Uncritical promotion of the presidential figure could have grave consequences in the future. Peronism has a long, top-down history of demanding blind obedience to the "jefe" in the presidential palace, which some progressive sectors prefer to ignore. Such subordination also means living alongside the old Peronist placemen who run the political machine for the city barons. The support of the trade union bureaucracy is equally damaging. This sector has been receiving support from within the state to finance its gangs of thugs, attack activists and bankroll company unionism, while the leaders fill their pockets and are accountable to no one. Allying with the government means strengthening these power structures.

**4. It is not enough to point out these problems.** There is widespread support for the government at present. The majority of the population is well aware of the

continuing social inequality, the drama of outsourcing, the absence of housing programmes, the breach between high-class private education and run-down state schools. But still fresh in their memory are all the earlier disasters of the Alliance government and the catastrophe it led to [24]. And the previous decade, under Menem, is seen by most as the antithesis of the current situation. Compared with the state of collapse which the country experienced at the start of the last decade, the reality today is seen as much more bearable. At the same time, the relative improvements obtained affect how people see their vote. This context has to be taken into account, when we explain our proposals from the left.

Our criticism has to be directed at the insufficient and precarious nature of the gains made, and not at denying their existence. These are conquests achieved by the popular movement, which can only be consolidated and developed over time, if a genuinely independent political force of the left is built. Blind opposition is too often a cover for political weakness. On the other hand, recognising these gains as a belated expression of the great rebellion of 2001 and the subsequent strikes and unemployed movements (known as *piqueteros*) allows us to relate to the broader masses on the basis of their reality.

**5. The centre-left Proyecto Sur (South Project) [25]** at first seemed to be questioning the government from a progressive point of view. It won significant electoral support in the Federal Capital and proceeded to denounce the government's deals with right-wing governors and to question the bureaucracy. It correctly criticized the devastation of the mining and oil industries, the dismantling of the railways and the stifling of any investigation into the foreign debt. From this point of view it attacked the murky business of "friendly capitalists" in public works concessions, the management of privatized public services, the absence of any audit in Social Security and the destruction of the National Statistics Office (INDEC). These positions allowed it to run in the state elections in Catamarca, for example, on a platform of opposition to the mining

companies.

But a political organisation is not defined only by the proposals it makes. It matters also how it plans to implement them. And here a series of contradictions emerged with the alliances it had made with traditional political figures. These agreements prevented it from achieving its progressive aims. First it flirted with the other opposition parties in Group A [26], then there were a series of speeches that sounded very much like the right. In this way it repeated the ambiguity, silence or complicity with the big soya farmers that it had shown during the agricultural conflict. [27]

Proyecto Sur had an appealing proposal: to break with the Radical-Peronist two-party system and create a third option. It sought to distance itself from the political degeneration imposed by the party machines of the UCR and the PJ. [28] This initiative – which inspired so much enthusiasm – has been drowned in the political practice of the last year. Instead of working for a real third force, it began negotiations with a series of figures (Juez, Stolbizer, Binner) who are no different from the two-party system that is so-reviled. It is notable how far the traditional discourse of the Radicals has taken hold of Pino Solanas' public profile.

Such flirting with the right impedes the development of a progressive alternative. The main criticism made of the government is its “disrespect for institutional” and constitutional norms and procedures. It fails to mention that all capitalist governments flout the rules in order to favour those with the economic power. On the other hand its almost exclusive focus on corruption sounds very much like the vacuous rhetoric that the Alliance churned out against Menem over a decade ago.[ See note 5 above.] Such a message does not go beyond the liberal orbit and reproduces the old, destructive prejudices against politics in general. What's more, it challenges the government in terms very similar to the dirty tricks campaign waged against them by Clar  n. [29]

Proyecto Sur seeks to emulate the more conservative governments in

neighbouring countries. But in choosing Dilma and Lula or Tabar   and Mugica as models to follow, it ends up policies that tend to preserve the status quo, especially in the social and human rights fields.

We still have much to do alongside the centre left. But those of us who defend anti-capitalist proposals and the cause of socialist emancipation, have to do this on the basis of building our own political organisation.

**6. A characterization of the right, the government and the centre left** is essential in the elections over the coming months, which will certainly involve second rounds between these forces. We ought to consider now what position we will take in such situations. It is unclear whether there will be any such runoff at national level, but it will almost certainly feature in the elections in Buenos Aires. So what attitude should we adopt?

Some comrades think that “all the bourgeois candidates are the same and should be rejected on block”. This is wrong. It implies that the popular movement is completely indifferent to the outcome of a dispute between reactionary and progressive candidates. It ignores the fact that such outcomes directly affect whether the conditions for popular struggle are more or less favourable. In extreme cases, this kind of abstract neutrality can lead in other countries of the region to abstaining from the struggles that pit Evo Morales or Hugo Chavez against the right. For the same reasons that the left has not traditionally argued for neutrality in trade union struggles against the bureaucracy, or in the social movement, nor should it do so when it comes to crucial electoral runoffs.

**7. The left has had little electoral relevance in recent years.** There have been a series of frustrating experiences with building fronts and selecting prominent popular leaders. In the end the left has been dispersed among a variety of parties standing and had no impact on the results. This has systematically discredited the left and allowed it to be seen as politically irrelevant. This electoral weakness has given rise to a distorted picture of

the real weight of the left, both non-party and party, as a social and political presence in the popular organizations, in the trade unions, in the universities and in the cultural sphere. It does not reflect its capacity to mobilize in the streets and promote popular demands.

This electoral weakness reflects the same problems the left had in the previous decade, when it was unable to transform the 2001 rebellion into an organized political force. That uprising did not produce the mass alternative that it should have been possible to build in such exceptional circumstances. The frustration was the result of long-standing internal problems, of an inability to turn day-to-day militant activity into clear advances. Sectarian behaviour, dogmatism, the habits bred of isolation, a taste for self-promotion and the cult of building the apparatus, were all decisive in this failure. Such behaviour breeds in turn a reaction against all forms of organization, exaggerated illusions in “assembly” activity and, in the name of autonomy, the rejection of active participation in politics.

To build a left that can really undermine the dominant system, we have to break out of this vicious circle. But none of these limitations eclipses the basic fact: the left today brings together an important number of social fighters, who are to be found in the front line of popular demands, risking themselves in the struggles against thugs, as the murder of Mariano Ferreira demonstrated.

**8. The opportunity to turn this combative spirit into a political step forward** is now open again. The coming elections are an opportunity to do just that. The creation of the FIT [30] – in spite of any criticisms of the parties involved, the closed way it was set up and the fact it was presented as a fait accompli – could be the starting point for such a process.

After so many years of standing alone and pointless disputes between candidates of the same hue, a step has been taken towards unity. The trigger was an attempt by the government to exclude the left from the elections. Paradoxically, it was this



danger that led to the dropping of all the disputes over programmes and candidates that had been blocking the creation of a front. As a result, it has been possible to establish something that in the coming months could put the left in the centre of the political stage. The big challenge is to decide how this space will be used.

**9. The main battle ahead for the Front is the primaries** that begin in August. These were imposed by the main parties with the aim of restoring the two-party system. The struggle against this hurdle is a democratic struggle of which most people remain completely ignorant. The State not only interferes in internal party life but imposes restrictive organizational clauses which could wipe the left off the electoral map. Given the sensitivity on democratic questions in the country and the widespread resurgence of political awareness, this attempt at proscription could backfire and give the left a new lease of life. The battle to secure a turnout of 300,000 in the primaries and the campaign to ensure the left's presence

in the elections is a battle for the winning. Success in this would create a political situation of huge importance and would establish a very important electoral threshold for the vote in October. For us, building this campaign is a priority.

But the FIT can begin a political process that reaches beyond the elections if it creates the conditions for a real convergence of the whole of the left. Some parties have stood apart, others are in a variety of alliances and many organizations, currents, personalities and individual militants remain doubtful. Seeking convergences and the continuous broadening of the front would make this agreement much more attractive. The obligatory primaries could be used, for example, to organize different kinds of activities and debates with a plurality of views and a democratic dynamic. This multiplicity of views is essential if we are to bring together the left. The road is wide open for this kind of initiative.

**10. It is in this sense that we**

**believe it is necessary to:**

a) Call for the broadest possible participation in the FIT's primaries, regardless of how people plan to vote in October, as a way of ensuring its presence in the elections and as a way of challenging the exclusionary nature of the political reform.

b) Vote in the first round for FIT candidates with the aim of electing left-wing members of parliament. Any advance in this direction will be positive.

c) Open a debate on what position to adopt in any runoffs, both nationally and in the capital.

If we can convert the obligatory primaries into a victory that broadens competition, strengthens the front and introduces different opinions into the debate, this will be a political achievement that can regenerate hope in the left and open the way to building the kind of political organization the country needs.

*Buenos Aires, May 18, 2010.*

## A run on Grameen Bank's integrity, as founder's career ends in disgrace

**12 June 2011, by Patrick Bond**

True, at first glance we see an oppressive state's persecution of a courageous academic-turned-entrepreneur and 2006 Nobel Peace Prize laureate, a man passionate about uplifting poor women's socio-economic status through unsecured credit and group borrowing: Muhammad Yunus. On April 5, the Bangladeshi Supreme Court confirmed that notwithstanding huge aid inflows he catalysed for one of Asia's poorest countries – based on Bangladesh's world-leading 25% microfinance market penetration rate – Yunus must be ousted from Grameen Bank's leadership.

At second glance, observe that the notorious corporation Burson-

Marsteller (B-M) is spin-doctoring for Yunus, and as MSNBC television social critic Rachel Maddow has observed, "When Evil needs public relations, Evil has Burson-Marsteller on speed-dial." B-M did PR for Three Mile Island's nuclear operator after its meltdown, the US tobacco industry (to organize the "National Smoker's Alliance"), the Argentine military dictatorship which killed 35,000, the Indonesian regime which committed massacres in East Timor, Nigeria's military, Union Carbide against residents of Bhopal, the late Romanian president Nicolae Ceausescu and the Saudi royal family.

In February, Mary Robinson, Ireland's

first woman president and the main public face of Friends of Grameen, began helping B-M defend Yunus. It didn't work: in early March, Yunus was fired by the government of Sheikh Hasina Wazed, whose Awami League party won the 2008 election by a landslide.

The current power struggle between state and bank began, according to Hasina's son, Sajeeb Wazed, when "massive financial improprieties at Grameen" were revealed by a documentary on Norwegian state television late last year. The film, *Caught in Micro Debt*, showed how fifteen years ago, \$100 million in aid was irregularly moved from the (non-

profit) bank to one of dozens of lucrative private firms controlled by Yunus, Grameen Kalyan.

Norwegian aid bureaucrats were furious and demanded that \$30 million be returned. Yunus' own personal correspondence about the matter is embarrassing, even damning. "In several cases," Wazed charges, his behavior "was completely illegal and constitutes embezzlement."

Wazed also alleges usury: "Grameen Bank charges up to 30 percent in interest rate on loans and up to an additional 10 percent in 'forced savings' to the poorest sections of society. Their collection methods are draconian and collection officers who fail to collect payment have the uncollected amounts deducted from their pay. There are many documented cases which constitute abuse and the criminal offence of 'molestation' under Bangladesh law."

The country's central bank and courts have ruled that Yunus must immediately leave Grameen, on an absurdly ageist technicality: he is older than 60, hence disqualified to run a bank (a matter ignored the previous 11 years). More seriously, on April 25, the 90-page report of the state's formal committee of inquiry found that "in all the activities [researched]... there has been a tendency to violate laws and rules in Grameen Bank. In fact, the organisation did not follow rules and laws, rather grew completely dependent on one individual."

Years back at a World Bank conference, Hasina had firmly endorsed Grameen's work, but in the meantime, Yunus attacked the existing political class in a short-lived 2007 attempt to start his own party. Last December, Hasina labeled Yunus a "bloodsucker of the poor."

The roles of Robinson, her Friends of Grameen co-chair James Wolfensohn (World Bank president during its most protest-ridden decade, from 1995-2005), B-M, the US State Department, and the Bangladeshi government are emblematic of the messiness of state, capital and civil society working at cross-purposes.

To illustrate, Wolfensohn visited Hasina in March. After his demands were apparently rejected, suddenly the Bank and International Monetary Fund cut \$500 million in loans Hasina was expecting. Another factor in that decision was the \$756 million Hasina was charging Grameenphone for a 15-year license, similar to other cellphone providers pro-rated by marketshare. As New Age newspaper reported, the World Bank considered this fee "far too high" - yet another case of that institution's pro-corporate, fiscal-shrinkage bias?

Hasina was also prime minister from 1996-2001, when Transparency International considered Bangladesh the world's most corrupt country. In 1975, the army had assassinated her father, considered the local equivalent of Nelson Mandela, and her mother and three brothers. Hasina and senior Awami League leaders have since been attacked - and several killed - on other occasions.

Another woman's political icon, Hillary Clinton, has entered the fray, demanding that Hasina halt the attack, even though her Bangladeshi "Hillary Village" is considered a prime case of microfinance failure. Last month, US Assistant Secretary of State Robert Blake threatened that US-Bangladeshi bilateral relations would be "impacted" if Yunus was fired.

WikiLeaks recently disclosed that under George W. Bush, the State Department had an overtly political agenda four years earlier, as Yunus "could offer a possible out from the present Hasina-Zia zero-sum game that cripples Bangladesh's democratic process." The same leaked cable revealed Yunus' desire to have Grameen finance a Bangladeshi "megaport" to promote regional trade, including with Burma. Yet like Robinson, Yunus is joined on Mandela's "Elders" group of notables by Burmese democracy activist (and fellow Nobel laureate) Aung San Suu Kyi, who has been a strong advocate of sanctions.

To assess genuine feminist perspectives on Yunus' financing legacy, beyond the maneuvers of politicians Robinson, Hasina and

Clinton, consider an important new scholarly work on Grameen by University of Oregon anthropologist Lamia Karim: *Microfinance and Its Discontents: Women in Debt in Bangladesh*.

In a recent interview with my colleague Khadija Sharife, Karim pointed out, "Bangladeshi women give the loans to their husbands. Women are the conduits for the circulation of capital in rural society. This has resulted in increased domination and violence for individual women both at the household and community levels." As a result, she argues, women have become "custodians of honor and shame in rural society. By instrumentalizing these codes, NGOs shame rural women to recover their defaulted sums of money."

The crisis is of world importance because it reflects the limits of microfinance, and comes on the heels of suicidally-high interest rates (literally) charged by lenders elsewhere in South Asia. As London's Guardian reported last month, 30 million Indian households had borrowed more than \$3 billion in microcredit since the mid-1990s. "In recent months, the industry has been thrown into crisis as it has become clear that a significant number of borrowers - between a tenth and a third, depending on the estimate - cannot afford to repay their loans."

This predatory lending parallels the 2007-09 "sub-prime mortgage" crisis in the US. According to the Guardian: "The past five years have seen the aggressive selling of loans to often illiterate villagers, followed by equally aggressive debt collection." As a result, the past decade witnessed more than 200,000 farm suicides in India. Reports India's leading rural journalist, The Hindu's P. Sainath: "Those who have taken their lives were deep in debt."

Another major Bangladeshi NGO operator, BRAC, engaged in "loan pushing," its microfinance programme head Shameran Abed concedes. This was due to "excess liquidity" and "lack of communication between lenders," and as a result, "In the mid 2000s, the microfinancing industry grew too fast."

As Karim describes even the main Bangladeshi microcredit NGOs, "Many of these organizations operate like loan sharks! The idea that the poor are bankable and they pay back their loans at 98% is like music to the ears of donors and large corporations. Grameen Bank exemplifies neoliberal ideas of development: individual entrepreneurship and competition."

Karim concludes, "Let's replace the word credit with debt. Debt as a human right? How does that sound? Debt is a relationship of power and inequality between the loan institution and the borrower."

Milford Bateman of the Overseas Development Institute criticizes Yunus and Hernando de Soto, the Peruvian economist who authored *The Mystery of Capital*: "The microfinance industry makes a fatal mistake in believing that sustainable poverty reduction and 'bottom-up' development actually lie within the gift of the informal microenterprise sector."

The filmmaker behind the Norwegian documentary, Tom Heinemann, makes similar arguments against microcredit evangelism. Heinemann was named the leading Danish investigative journalist in 2007 and 2009, and his earlier work won prizes at the Prix Italia, Aljazeera Documentary Film Festival, GZ Docs in China, and Envirofilm festivals.

He is preparing a follow-up, because rebuttals from Friends of Grameen have focused on the film's misnaming of Grameen's first borrower (done originally by Yunus), comparative interest rates, and the Norwegian government's continued support to Yunus. Yet this latter defense says a great deal more about Norway's internationally-ambitious Minister of Environment and International Development, Erik Solheim, who broke his party's 2006 "Soria Moria" pledge to defund the World Bank, than it does about the merits of Grameen's case.

For Solheim, Clinton, Wolfensohn and Robinson, it may seem appropriate, even urgent, to defend Grameen. But looking more closely, it would be better to move on, towards post-microfinance strategies that genuinely reduce poverty and empower women. These strategies typically are strongest when grounded in collective action usually associated with social movements and organized labour.

In the last decade, one of the best examples is access to AIDS medicines, won in Brazil, Thailand, India and especially South Africa, against the US State Department's self-described "full court press", under Bill Clinton, to prevent Mandela's government from providing generic medicines using US-copyrighted drugs. The secret to the victory was not entrepreneurialism but instead popular mass activism, democratic organization and a vigorous critique of the post-Mandela South African government's AIDS denialism, intellectual property rights and medical monopolies, the World Trade Organisation's Trade Related Intellectual Property Rights system, Washington's WTO representative Robert Zoellick (now World Bank president) and Big Pharmaceutical corporate profiteering.

The impressive results: Mandela's successor Thabo Mbeki was fired by his own party, TRIPS now has an exemption to allow local production of medicines (and the US government is helping fund these), and for those who need the AIDS treatment, whereas once it cost above \$10,000/year, today the medicine is free. In contrast, South Africa has a notoriously bankrupt microfinance sector.

Given the usury accusations and suicide wave, the industry's reputation is so tainted that in a recent New Age interview, Yunus publicly backtracked: "Unfortunately, not everyone who uses the word 'microcredit' is dedicated to serving the needs of the

poor. This is not the microcredit I had in mind."

As Cambridge University economist Ha-Joon Chang confirmed to Heinemann, "They will never get out of poverty because when you have to pay between 30-40-50, sometimes 100% interest rate. What business makes that kind of profit?"

But Washington-based Grameen Foundation chief executive Alex Counts defends his Nigerian affiliate, LAPO, for its 100% rate: "Well - as it happens - many Nigerian banks that operate in the rural areas charge twice as much as LAPO... What microfinance is trying to do, with very little subsidy from the philanthropic sector is trying to provide a service - on a commercial basis on a business basis to give them a better deal."

Yet profit-seeking through microfinance represents, even Yunus concedes, "a terrible wrong turn." Still, Yunus defended his own role to the last, saying of the Norwegian documentary's allegations, "These attacks have no basis in reality." Claiming that Grameen interest rates - over 30% including fees, according to Bangladeshi economist Q.K. Ahmad - are reasonable, he continued to insist, "Access to affordable credit is a human right."

Still, it is difficult to ignore overwhelming evidence that not only for-profit lenders but also non-profit NGOs pushing microfinance as a silver-bullet fix to women's poverty often do more harm than good. In league with the State Department, the World Bank and Burson-Marsteller, even those like Mary Robinson who strive to raise women's standing, are actually stumbling straight into the path of both the collapsing Grameen founder and microcredit's fast-decaying reputation.

(Patrick Bond is based at the University of KwaZulu-Natal Centre for Civil Society in Durban.)

# Declaration from the Athens Conference on Debt and Austerity

12 June 2011, by **CADTM**

Many countries in the developing world have lived in debt crisis since the 1970s. After bouts of reckless lending by international finance, some of the poorest people in the world faced cuts in income and social provision when the IMF imposed sharp austerity policies in return for bailing out banks and financiers. These policies were unjust and did not facilitate recovery. Instead, they increased the dependency of indebted countries on the power of financial markets, making governments less accountable to their people. Only when a handful of countries demanded their rights and stood up to the imposition of austerity, to the bailing out of financiers, and to the crushing burden of debt did it become possible to recover, at least for a short while. This is what happened in Argentina in 2001. Other countries can benefit from its experience, including Egypt, Tunisia and the entire Arab world now fighting for democracy and confronting odious debts of dictatorial regimes.

Today, in the wake of the international economic crisis, peripheral countries of the EU face a deep debt crisis. They have been pushed into it by the operations of the global financial system but also by the institutional framework and the economic policies of the EU which systematically favour the interests of capital. The Growth and Stability Pact has put pressure on labour across the eurozone, while the European Central Bank has supported the interests of large banks. The EU has been split into a powerful core and a weak periphery. The accumulated debts of the periphery are a result of the gap with the core but also of deepening inequality between the very rich and the rest of society. Workers and the unemployed, small farmers, small and medium businesses, are now forced to carry the burden of these

debts even though they have not benefited from them.

Austerity and privatisation measures will squeeze the poorest in society most heavily, while those that created the crisis will be bailed out. The Pact for the Euro will exacerbate pressure on labour. The rich and big business will also continue to dodge taxes which could be used to build a fairer society. If these measures go unchallenged, they will have an immense impact on Europe, drastically changing the balance of power in favour of capital and against labour for many years.

The attempt to make working people and the poor bear the costs of the crisis, while the very rich escape, will be opposed by those in the firing line. The people of Greece, Ireland and Portugal, but also Poland, Hungary, Slovenia and elsewhere in Central and Eastern Europe, challenge the austerity policies of the EU and the IMF, oppose international financial power, and reject the slavery of debt. We call on people across the world to show solidarity with movements in these countries struggling against debt and the pernicious policies it brings in its wake.

Specifically, we call for support for:

The democratic auditing of debts as a concrete step towards debt justice. Debt audits which involve civil society and the labour movement, such as the Citizens debt audit in Brazil, allow people to establish which parts of public debt are illegal, illegitimate, odious, or simply unsustainable. They offer to working people the knowledge and authority necessary to refuse to pay illegitimate debt. They also encourage democratic accountability and transparency across the administration of the public sector. We express solidarity with debt audits in

Greece and Ireland and stand ready to assist in practical terms.

Sovereign and democratic responses to the debt crisis. Governments must be bound primarily by their people, not by the unaccountable institutions of the EU, or by the IMF. The people of countries such as Greece must decide which policies will improve their chances of recovery and meet their social needs. Sovereign states retain the power to impose a moratorium of payments if debt is crushing the livelihood of working people. The experience of Ecuador in 2008-9 and of Iceland in 2010-11 shows that it is possible to have radical and sovereign responses to debt, even including cancellation of its illegitimate part. Even UN resolutions legalise the cessation of payments in a state of necessity.

Economic restructuring and redistribution, not debt. The domination of neoliberal policies and the power of international finance have led to low growth, rising inequality, and major crises as well as eroding democratic processes. It is imperative that economies are put on a different footing through transitional programmes that include capital controls, severe regulation and even public ownership over banks, industrial policy that pivots on public investment, public control over strategic sectors of the economy, and respect for the environment. The first aim should be to protect and expand employment. It is also vital that countries should adopt far-reaching redistributive policies. The tax base should become broader and more progressive by taxing capital and the rich, thus allowing for the mobilisation of domestic resources as an alternative to debt. Redistribution should also include the restoration of public provision in health, education,



transport and pensions as well as reversing the downward pressure on wages and salaries.

These are the first steps towards meeting the needs and aspirations of working people, while shifting the balance of power away from large capital and financial institutions. They would allow people across Europe, and more broadly across the world, to exercise better control over their livelihoods, their lives, and the political process. They would also offer hope to the young generation across Europe which currently faces a bleak future of scarce jobs, low wages

and lack of prospects. For these reasons, supporting the fight against debt in Greece, Ireland, Portugal and other countries of Europe is in the interests of working people everywhere.

Athens, May, 8, 2011

Initiative for the Greek Audit Commission

European Network on Debt and Development

The Committee for the Abolition of Third World Debt (CADTM)

The Bretton Woods Project, UK

Research on Money and Finance, UK

Debt and Development Coalition Ireland

Afri - Action from Ireland

WEED - World Economy Environment Development, Germany

Jubilee Debt Campaign, UK

Observatorio de la Deuda en la Globalización, Spain

## Real democracy now - credit, time, space and revolution

7 June 2011, by **Daniel Tanuro**

### Crisis of credit, crisis of time, crisis of civilisation

These words shed light on the meaning of the little word "ya" in the slogan of the social movement currently underway in the Spanish state "Democracia real ya" ("real democracy now"). This "Ya" in fact concentrates all the revolutionary potential of this magnificent mobilisation: we want change now, don't try to put us to sleep with your promises of a better future; we begin to impose this change now, by the struggle here; this struggle is hard but a source of intelligence, joy, dignity here and now; it opens the door to another possible world now since yes, it already exists, in negative form, as the opposite of the current world.

"Economy of time, to all this economy ultimately reduces itself" (Marx). The importance of the "ya" relates in fact to the crisis of capitalist temporality and indicates that it amounts to a

major aspect of the very deep crisis of civilisation which is gnawing away at this society from within. A system in constant imbalance, a system in a hurry which can only run more quickly by ceaselessly expanding, capitalism constantly crushes the present under the future, pushing before it problems and solutions. The first grow, the second become increasingly improbable or unacceptable. Capitalism has no cure for this: it continues to run. It can simply do no other, for each of the capitals which make it up must choose: run or die.

To run, that is to invest, replace workers by more productive machines. To run is to sell at any price, realise surplus value without delay so as to reinvest it. To run is to incessantly create new needs for the overconsumption (of the rich) and over indebtedness (of the poor) to absorb overproduction by machines. To run is to manufacture goods of accelerated obsolescence so that demand is never satisfied. To run is to invest on credit, sell on credit, buy on credit, live on credit, love on credit, and die on credit.

The so called financial crisis has brought out all the absurdity of this permanent headlong flight. A crisis of credit, that is to say of the nerve centre supposed to coordinate the activities of the competing capitals and equalise the rate of profit, this crisis of finance is in reality that of globalised capitalism as mode of production of social existence. It is the crisis of hollow promises; the crisis of "buy now, pay later"; the crisis of Helmut Schmidt's theorem ("The profits of today are the investments of tomorrow, and the investments of tomorrow are the jobs of the day after" ) ; the crisis of belief in a technological deus ex machina which will arrive in time to prevent an ecological disaster;... and the crisis of the corrupt political ostriches, so servile in relation to capital and so arrogant in relation to their peoples, for whom the portfolio takes the place of the brain and neoliberalism that of thought.

### No to a destructive

# recovery, yes to the alternative. Now

Capitalism resolves nothing. It destroys everything. At the planetary level, the International Energy Agency has just revealed that CO2 emissions increased by 1.6 Gt in 2010. This unprecedented increase confirms that the 2°C ceiling on increases in temperature in relation to the pre-industrial period can no longer be respected. In the absence of very radical measures taken now, the cap is sealed on an increase in the earth's temperature of at least 4°C by the end of the century, leading to a series of irreversible disasters on the human scale over time. On the social side, it is enough to cast a glance at the unemployment statistics, in particular for youth, to grasp the extent of the carnage: more than 40% in Spain, more than 30% in Greece and Ireland, more than 20% in France and in Germany. Deprived of the right to make themselves useful to society, millions of young people with degrees, qualified, are sentenced to survive on 500 or 600 Euros per month, in the midst of an ocean of unemployed capital.

More and more people understand that to revive this rotten system in hoping that tomorrow all will be better will only increase destruction of every kind. At the ecological level that would mean still more commodities produced, thus energy consumed, thus greenhouse effect gases sent into the atmosphere - not to mention the capitalist appropriation of lands, forests, the air as well as the sorcerer's apprentice technologies (GMO, nuclear power, agro fuels, shale gas, "clean coal" and so on). At the social level, the recovery of production would not satisfy the most crying social needs, given that these are generally not solvent. Capitalism only produces for profit, its recovery

would necessitate then accepting the austerity plans of the IMF and the governments, which seek quite simply to destroy what remains of the welfare state: extension of working life, cuts in wages, deep cuts in the public sector and social security, increased flexibility and precarity and so on.

An alternative is necessary .Not tomorrow, now. An immediate alternative based on the intelligent use of "what is subversive in the real" in Bernard Friot's formula. To elaborate, to identify its existing points of support, it is necessary to think; to think it is necessary to stop and to rally in a determined space. To reconquer time and space, to rebuild the social link: that is what the indignados in the Spanish state are doing. The manifestos they adopt, following long democratic debates in popular assemblies show that the method is fertile. As in Tahrir Square in Egypt or the Casbah in Tunisia, this atypical mobilisation thus confirms a great lesson from the history of the workers' movement: collective struggle allows consciousness to make enormous leaps forward; which can completely change the relationship of forces because as Marx says, "ideas become a material force when they grip the masses".

## "Try to begin to change the world"

What ideas? There is no lack of them! Nonetheless, in the creative abundance of demands formulated by the indignados of Madrid, Barcelona and elsewhere, two seem especially significant: the nationalisation of finance and that of energy. On the one hand, they rest on the fact that a public sector already exists - that is "the subversive in the real", the opening towards another possible. On the other hand, if we stress the significance of it, it is not by dogmatic attachment to the sacred recipes of the Transitional Programme, but for strategic reasons, based on a precise

analysis: these two sectors are the main ones responsible for the social and environmental damage, they are both linked to the huge credits necessary for long term investment in fixed capital (oil platforms, refineries, electric power stations and so on), they dominate the economy as well as politics, and block any ecosocialist solution, in such a way that their infernal coupling is leading humanity into the wall.

Together with the radical reduction of working time (without loss of wages and with compensatory hiring) and with democratic reforms in the political field, these two demands , it seems to us, should be put at the heart of any anti-capitalist programme. They confer on it much force and credibility, because they undoubtedly respond to vital and unavoidable objectives necessities (notably the necessity of urgently taking drastic measures to avoid a rising of sea levels by a metre or more by the end of the century!).

We can already hear the sceptical and the blasé: you take your dreams for reality, people are too individualistic, the relations of force are too degraded, the grip of the bureaucracies is strong, class consciousness is in freefall, the socialist project is discredited and so on. Certainly all these factors should temper the enthusiasm a little. But above all what it is about is saluting the magnificent lesson of audacity, courage, intelligence and voluntarism (in the good sense of the term) given by the indignados of the Puerta del Sol and the Plaza del Catalunya!

"Try to begin to change the world Â» said Ernest Mandel, taking up a theme from the last of Marx's eleven theses on Feuerbach ("The philosophers have only interpreted the world, the point is to change it"). Some thousands of youths have begun, and they have showed in practice that our old friend the mole, the revolution, digs under the arid surface of this spuriously triumphant capitalism.

# Trouble brewing on Govt's HR and TU policies

7 June 2011, by **Vickramabahu Karunaratne**

Even in the case of Darusman report he appealed to Delhi to indicate how to face the associated campaign. Instead of protection now Delhi has increased its own demand for devolution with police and land powers.

TNA has got the message and rejected the proposal for a senate; the ludicrous attempt to fool the Tamil people got it back, with venom. On the other hand the Tamil Diaspora has increased the drum beat. They are now elated with the victory of Jayalalitha.

One report said  
“The 17th session of the HRC will be starting on May 30, 2011 and continues until June 17. It may become the starting point for action. This is the proper path for various reasons. The recent resolutions on Libya and Syria in the HRC were good examples of successful action. The resolution on Libya was adopted by consensus without a vote and a resolution on Syria was adopted after a vote: 26 in favour, 9 against, 7 abstentions, and 4 absent - Angola, Bahrain, Jordan and Qatar.”

If Mahinda thinks that he can get away with genocidal attacks, political prisoners, emergency rule and large scale corruption, he could be sadly mistaken.

While such trouble is brewing in the Tamil corner on the worker's side things are no better. JTUA, after having a successful May Day mobilization, continued its campaign against the treacherous pension bill by work place mobilizations.

Hundreds turned out to sign petitions against the so called pension bill, expected to be passed in June. Many trade union leaders who supported president in the presidential election

have come out strongly against Mahinda's bogus pension bill. One report said “The Employees Pension Benefit Fund Bill will be taken up for debate in June, according to government sources.

## Common cause

The Supreme Court has determined that the Bill is constitutional, but many trade unions oppose the Bill and want it withdrawn. President Mahinda Rajapaksa, who had a meeting with media editors on Tuesday, said those who opposed the Pension Benefit Fund Bill were persons with vested interests while those who cared about the welfare of the workers supported the Bill.”

However pro- JVP Inter Company Employees' Union launched a lunch hour demonstration opposite the Labour Department, Colombo in protest against the proposed private sector pension scheme. During this protest President of the ICEU Vasantha Samarasinghe said that all unions, political parties and civil organizations had been invited to make common cause against the government's move to bring in a pension scheme for the private sector by utilizing the workers' savings in employees provident and trust funds.

He said further;  
“We have commenced a campaign to collect signatures at workplaces for a petition demanding the government to withdraw the proposed pension scheme and bring in legislation to introduce a pension scheme that protects workers' rights and savings.”

The campaign has affected the divided UNP too. JTUA sources said that the UNP trade unions including the branches of Jathika Sevaka

Sangamaya may join the fight against the bogus private sector pension scheme. The workers are angry that the government has taken an open anti working class attitude.

While the government refused to increase the salaries of workers, the allowances of managers of state enterprises have been increased substantially. Senior level officials in more than 230 state-owned enterprises will get more than double their allowances from this month. The biggest beneficiaries will be chairpersons of category A state-owned enterprises (SOEs) such as the Ceylon Petroleum Corporation (CPA), the Ceylon Electricity Board and the Ports Authority.

## Indirect privatization

Their monthly allowance from May 1 will be Rs. 90,000, up from Rs. 40,000. The executive and working directors of SOEs in this category will receive a monthly allowance of Rs 70,000, up from Rs. 30, 000. The chairpersons of category B SOEs such as the Mihini Lanka (Pvt) Ltd, the National Lotteries Board and the Urban Development Authority (UDA) will get a monthly allowance of Rs 70,000, up from Rs. 35,000 while the executive and working directors of these institutions will get an enhanced allowance of Rs. 55,000, up from Rs. 25,000. There are 34 such institutions.

Chairpersons of category C SOEs such as the Sri Jayewardenepura Hospital, the Lankaputra Development Bank and the Sri Lanka Rupavahini Corporation will have their monthly allowance increased to Rs. 60,000, up from Rs. 30,000 while Executive/Working Directors of these

institutions will receive Rs45, 000, up from Rs. 20,000. There are 40 institutions in this category. In all these enterprises of various categories indirect privatization is taking place.

While the professionals of the state enterprises in leading positions are so well looked after, the university teachers are pushed around like dirt. This has strengthened the belief that government is preparing to do away with free education. The academics' salary figures publicized by the University Grants Commission (UGC) were manipulated to benefit their excuses for not granting the demanded pay hike, Federation of

University Teachers Association (FUTA) charged.

FUTA President Dr. Nirmal Dewasiri told media that the figures which the UGC had released contain numbers higher than what the academics actually get paid.

"For example the figure of a senior professor's salary according to the UGC is about Rs. 30,000 higher than what is actually paid. The numbers they have released are nothing but a statistical gimmick to support their statements," he said.

Thus one could see various

components of mass opposition are developing in this country. In spite of the split in the UNP, the main capitalist party in opposition, the opposition to the government is developing in all directions. Both the UNP and the JVP are tied to the chauvinist campaigns launched by the government. They in fact voted for the emergency powers and for war expenditure in the entire history. Only in the recent past that they made noises against the war and continuation of emergency.

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<http://www.nssp.info/ninawwa/bahusc>.

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## Anti Nuclear Movement: Stronger than ever - weaker than before?

6 June 2011, by **Thadeus Pato**

### A short history of anti-nuclear movement in Germany

In the Fifties and Sixties the movement against Nuclear Death focused mainly on the military use of Nuclear energy. It was promoted mainly by the German Communist party and its allies, and a layer of left trade-unionists and Social Democrats.

The movement against the civil use of nuclear energy emerged in the Seventies. The first big battle was won in Southern Germany: a group of 27 wine growers protested against the construction of a nuclear plant in their region, near the French border. The local population on both sides of the border, an alliance of environmentalists, local wine-growers and the radical left, joined the resistance, the construction site was occupied in 1974 and after years of struggle today the spot is a natural reserve.

This first success was the start of a nationwide movement with huge manifestations, militant battles around numerous construction sites (including cross-border actions like the fight against the fast breeder in Crey-Malville, where in 1977 the teacher Vital Michalon was murdered by the police) and especially around the village of Gorleben, where it was planned to dump the nuclear waste in a salt dome. Almost all groups of the radical left joined in and at least the foundation of the Green Party at the end of the Seventies was to a big extent the result of this movement, which united bourgeois (and sometimes even right-wing) environmentalists, radical leftists and left trade-unionists.

While the big trades unions first supported the use of Nuclear Energy, in the Eighties the wind changed. After the catastrophe of Chernobyl, first the Public-Services Union, and later on the Metal Workers Union changed their mind and since 1986 in all polls a stable majority of the population has voted for abandoning this technology. Since then no new

plant has been planned or built, and because of the strong resistance, the plan to install a fuel reprocessing plant in the village of Wackersdorf/Bavaria was abandoned. Even the Social Democrats in their party congress of 1986 decided to abandon Nuclear Power.

Starting from 1995, when the first transports of nuclear waste to Gorleben took place, there was a slow, but continuous new growth of resistance, with demonstrations and (mostly peaceful) blockades of the railway.

### The "exit-plans"

When the 16 years of conservative government ended in 1998, a coalition between Social Democrats and Green Party came to power. How far in the meantime the Green party had integrated itself into the ruling system, rapidly became obvious. First the Greens agreed to the war against Serbia, and then to a foul compromise respecting the exit from Nuclear energy. A life-span extension for the

existing plants was decided with a time frame, to shut down the plants step by step. But the respecting law was constructed in a way that the current government of Liberals and Conservatives easily could modify it.

So in 2010 the new government of Conservatives and Liberals decided another extension of life span for the plants. But when the respective plans were published, the result was a sudden and unexpected new uprising of the anti-nuclear movement: In April 2010 a human chain of 120 km length was formed between two plants in Northern Germany, 150 000 people took part. The blockades of the nuclear waste-transport in autumn 2010 were the biggest and most popular ones for more than ten years. And in March 2011, just one day after the disaster of Fukushima, another 60 000 people formed a human chain between two reactors in Southern Germany.

And the mobilizations became bigger and bigger. Throughout the country there were local and regional demonstrations, actions, vigils with altogether 160 000 people, and the result was striking: The Federal Government of chancellor Angela Merkel performed a classical back salto.

## **Fukushima and the consequences**

When the disaster in the Fukushima plant became obvious, the regional elections in the state of Baden-Württemberg, ruled for 60 years by the Conservatives, took place. And the polls showed, that the opposition most probably would win. So, the week before, a magic change of consciousness happened to Chancellor Merkel. On Sunday evening she still stated that the German nuclear plants are completely safe - the next morning she announced the immediate shut-

down of seven units, the oldest ones, for at least three months and installed an "ethics" commission, to give recommendations respecting an exit scenario.

But it did not help: the Conservatives lost the election and the Green Party first time in history became the strongest force in the regional government and now is ruling in a coalition with the Social Democrats as junior partner.

In the meantime there exists a proposal for an exit strategy, but again the content is dubious. All plants will be closed by 2022 at the latest, but the demand of the movement, to close down all plants at once, is not even taken in consideration. Nor is there anything respecting the research reactors, which are still running. The government at the moment is trying to come to a consensus with the opposition respecting the exit plan. Green party and Social Democrats on the other hand are in a precarious position. Everything, the current government now is proposing, could have been done already ten years ago by the former Social Democrats/Green government, but was not. And now they are demanding much a faster exit than they had planned during their time in government....

## **A new generation**

If one looks to the present demonstrations, it is obvious that a new generation of antinuclear activists is appearing on the spot. One the one hand, among the participants are to a certain extent the "old" activists - still active or reactivated - of the 1970s and 80s, but there are just as many young people below 30, who increasingly are taking over the initiative. Already now the present movement is the biggest one for decades. And it is not only an exclusively anti-nuclear. The question

of environmental pollution, including the fight against Climate Change, is one of the subjects, under focus, and also the problem of individual and collective transport. The above-mentioned elections in Baden-Württemberg, for instance, were also influenced heavily by a local struggle against the construction of a new railway station in the regional capital, Stuttgart, which is being fought by a broad coalition of environmentalists and social activists, as well as the nuclear question,

## **Strengths and weaknesses**

The strength of the actual movement is its unity and the fact that it is rooted in all layers of the population. This is the reason, why the present government performed this abrupt turnaround. Already before Fukushima the question of nuclear power was an important one in German politics, but it had barely an impact on elections. This changed: no pro-nuclear party in Germany can win elections at the moment.

But on the other hand the movement is quite informal. The new layer of young activists is taking part in action and is organizing quite innovative events - but the general political level of consciousness is quite low, and the will, to organize and to build up permanent structures, committees etc. either. This is a big difference to the movement of the seventies, when the radical left was a leading force in the political discourse and was able to organize around the campaigns.

But the movement is not over: the mobilizations against the fossil compromise, the government is presenting, are continuing. Its up to the forces of the radical left, to use this opportunity, to present a credible alternative to the ruling system and its disastrous environmental and social policies.



# **Urgent financial appeal for Kashmir general election**

**6 June 2011, by Farooq Tariq, Nisar Shah**

Four candidates from Kashmir Labour Party are taking part in Kashmir general elections and their nomination papers have been accepted, they are

1. Raja Muhammad Sarfraz Khan (Advocate) from LA 20 Poonch 4
2. Raja Mohammad Bashrat Khan (Advocate) from LA-14 Bagh 2
3. Choudhry Mohd Mumtaz Ahmed (Advocate) from LA-15 Bagh 3
4. Nisar Shah (Advocate) from LA -35 Jammu 6

All these candidates are from a working class background. They have been active in Kashmir from their student days, mainly in Jammu Kashmir national Student Federation. All of them have been very active during the lawyers movement against the dictatorship of general Musharaf. Nisar Shah was arrested twice and spent 22 days in Adaliala Jail Rawalpindi. While the others have been subject to police brutalities and played an important role after the imposition of emergency in Novemehr 2007.

## **They need your support**

Azad Jammu Kashmir Assembly is a semi autonomous body working under control of the Government of Pakistan. The 49 members' assembly (8 special seats 41 direct) has a power to elect its own Prime Minister and President; however, the Pakistan Federal Ministry of Kashmir Affairs has real power to run the government. Despite this fact that Azad Kashmir called an independent part of Indian occupied state of Jammu and Kashmir but the real situation is totally different, the area is totally under control of State of

Pakistan and its intelligence agencies. In these circumstances, when politics is just become a slave of specific class/people in the society, Kashmir Labour Party decided not to be silent spectator of the situation and will not let the rulers to bulldoze the fundamental economic, political and social rights of Kashmiri People.

Labour Party Pakistan has decided to support and strengthen its sister organization Kashmir Labour Party (KLP) with the spirit of internationalism. Labour Party Pakistan always supported the right of self determination Kashmir's as an independent nation and national state.

The foundation of Kashmir Labour Party is reflection of LPP ideological stand on issue of national question. We stand for the right of self determination of Kashmiri people and for an independent Kashmir, free both from Pakistan and Indian rulings class. That is why KLP is an independent body and not a wing of LPP in Kashmir.

Kashmir Labour Party is a registered political party in Azad Kashmir and it contested the last general elections in 2006 from one constituency of AJK Assembly and got around 2.5 % vote, now after five years of pain staking slowly building the party, we are again back to take part in an election where we should be able to bring our message to a wider section of working class in Kashmir. All candidates of Kashmir Labour Party are young and energetic under 40 just in the start of their political carrier and vowed to promote the progressive, democratic political thinking and culture in the region.

We would like all our supporters to contact us to help build our candidates campaign in Kashmir elections. A decent vote for KLP will lay down the

basis for a stronger Socialist movement in Kashmir that can fight for national liberation and against the religious fanatics.

We are fighting with very little resources as compared to the conservative exploitive forces who have build up their resources with the help of religion and the state loot and plunder.

Our candidates are young and energetic and are well equipped with determination to fight back for a just and equitable society free from national and calls exploitation.

Our candidates have good credibility because of their role in providing consistent support to the earthquake victims of 2005. They have also been part of the campaign to force the government to provide adequate support to the earthquake.

## **Our opponents**

There are four major capitalist and religious parties taking part in the elections of Kashmir. They are Muslim Conference, Pakistan Peoples Party, Pakistan Muslim League Nawaz and Jamaat islami. They all have been in power in Kashmir through allioances or on their own with the help of Pakistan military and civilian estrabishment.

Their candidates have already spent huge amount for buying party nominations and only the wealthiest candidate have succeeded in getting the party tickets. The candidates, who have bought their nominations through money and corrupt practices, will do the same if they are elected. All these right wing and religious parties are promoting Jihad culture, corruption, tribalism, regionalism, nepotism and vote buying culture.

The major Nationalist political parties boycotted the election because of the condition to submit an oath as a believer of Kashmir affiliation with Pakistan; The KLP candidates had to do it and we did it under protest and keeping in the view that elections must be fought to bring our message to wider layers of the population. Now, two left wing political parties Kashmir Labour Party and United Kashmir Peoples National Parties are in field, UKPNP known as anti establishment party and its main leadership is living in exile.

KLP is linked with the small trade union movement in Pakistan occupied Kashmir. The trades unions in Kashmir are mainly in public sector and are under immense pressure to

support the official candidates or lose their jobs. Still we hope to make an important inroads among these organized sector.

KLP is the youngest party in Kashmir. It has very limited resources. We need your financial assistance to have good election campaign and to strengthen our elections message.

On the other hand the potential for the campaign is obvious - we had barely started when we attracted attention from the international newspaper Express Tribune who quote extensively from Farooq Tariq. They also spoke to one of the candidates who explained that the KLP wants to offer a socialist programme as an alternative to the poverty-ridden people.

Further he said: " Our main strategy during the election campaign will be to expose the menace of fundamentalism and obscurantism. A decent vote for the KLP will lay down the basis for a stronger socialist movement in Kashmir that can strengthen the liberation movement and weaken the fanatics. "

Please help if you can. LPP appeals to all its members, supporters and sympathizers to come forward to help a party in Kashmir that can make a difference in these elections.

We need your support to finance our election campaign through leaflets, posters and rallies and demonstrations.

## **Review of a history of oppression: The Tamils of Sri Lanka**

**2 June 2011, by Danielle Sabai**

This speech came nearly two years after the end of the war on 19 May 2009, between the Sri Lankan state and the "Liberation Tigers of Tamil Eelam" (LTTE). The military command of the LTTE was decimated in the last two months of a merciless war which had led to tens of thousands of deaths since the early 1980s.

Some thirty years of civil war have transformed the Sri Lankan political landscape. Once an island characterised by a developed social policy and high development indicators, Sri Lanka is today ravaged by state violence, the militarisation of society and an authoritarian state.

The end of the war has in no way opened a period of peace and still less settled the Tamil national question. The Sri Lankan government, whose powers are concentrated in the hands of Mahinda Rajapaksa and brothers, has not sought to remedy the structural causes which led to the civil

war. The state remains Sinhalese nationalist and racist in its essence and rejects any devolution of powers which would allow the different communities to envisage the future together.

The President is at war against his people. State violence is also exerted against Sinhalese, journalists and political activists who oppose him but also against workers as a whole. Despite the end of the war, the government has maintained the Prevention of Terrorism Act which allows it to muzzle its opponents. All communities suffer from the collapse of the rule of law. No peace can last if it does not rest on any political will to settle disputes.

The history of Sri Lanka is rich in lessons. It illustrates to what point attacks against minorities are the premises of more general attacks against workers whatever their ethnicity. They lead inevitably to a

weakening, if not a collapse, of democracy. It is important and necessary to review the historic roots which are at the base of the formation of this specific state having led to the emergence of two antagonistic nationalisms: Buddhist Sinhalese nationalism and its reaction, Tamil nationalism.

### **The germs of inter-communal dissension**

Sri Lanka, Ceylon until 1972, has been profoundly marked by several centuries of colonisation. The strategic position of the island in the Indian Ocean explains its successive conquest by the Portuguese, Dutch and British.

The main communities of the island, the Sinhalese and the Tamils, originate from successive migrations

from India. The first took place in the 6th century BC by migrants coming from the North West of India and practicing Buddhism [31]. They slowly melted with other groups coming from southern parts of India to form the Sinhala community [32]. This was followed around 300 years later by a smaller migration of Hindu Tamils from the south of India. The Tamil migration continued in the north of the island for several hundred years and at the end of the 12th century, the peninsula of Jaffna constituted a separate state with a culture and language different from Sinhalese.

Neither the Sinhalese nor the Tamils can claim to be the first to have peopled the island since when they arrived, Ceylon was already occupied by a hunter gatherer people, the Veddah or Wanniyaletto, who are today almost completely assimilated in the different communities.

The different social formations which would emerge on the island were however not compartmentalised. In the kingdom of Kandy, for example, the Nayakkar dynasty emerged from the Vijayanagar Empire of southern India. Although the dynasty had been Tamil and originally Hindu, they converted themselves to Buddhism and were fervent promoters of it.

Under Portuguese and then Dutch colonialism, the coastal regions of the island were integrated into world trade in agricultural products from the early 16th century, facilitating the rise of a merchant capitalism. The coastal population was in its majority Sinhalese and Buddhist but trade exchanges made it a place of interconnection where Arabs, Sinhalese, Tamils and Burghers mingled [33].

In the peninsula of the North, which was poorer, only the missionaries ventured, converting a minority of the population, previously mainly Hindu, to Christianity. Social relations of a feudal type, in particular a rigid caste system, persisted.

Upon their arrival at the end of the 18th century the British extended foreign domination to the interior of the island in the kingdom of Kandy. They developed big plantations there,

imposing a new mode of production, plantation capitalism. They grabbed the communal lands previously devoted to pasturing of herds and the forests where the peasants practiced slash and burn cultivation, characterising them as “waste lands” to better resell them at a derisory price to British colonists. They would develop infrastructures which would allow the direction of the products of the plantations onto the world market.

Even if it only partially destroyed the pre-capitalist modes of production, plantation capitalism imposed itself rapidly, coming to dominate the island’s economy from the beginning of the 20th century.

The dominant classes of the pre-existing formations became almost naturally the comprador bourgeoisie [34]. Whether of Sinhalese, Burgher, Muslim [35] or Tamil origin, they found a common interest with the nascent bourgeoisie of the planters. Imbued with the colonial culture, they would send their children to study at Oxford and Cambridge, so as to ensure a place alongside the colonial aristocracy.

Numerous members of the Ceylonese bourgeoisie owned their own coconut, coffee or rubber plantations. Thus, unlike neighbouring India, in Ceylon a national bourgeoisie fighting for independence did not emerge. The latter did not play a motor role in the first movements of agitation against the colonial power at the end of the 19th century. Opposition first took the form of Hindu, Buddhist, and Muslim religious movements who fought against the privileges of the Christian minority (made up of both Sinhalese and Tamils) and against Western culture.

The British colonial power, which feared a coming together of the interests of the Tamil and Sinhalese bourgeoisies, played upon division to the hilt. Specific and community-based interests became paramount. The Tamil elites demanded favourable treatment in exchange for their loyal service in the colonial administration. For their part, the Sinhalese built networks of communal associations, the Mahajana Sabha, resting on the rural Sinhalese elites – ayurvedic

physicians, Buddhist monks, schoolmasters and so on.

The Ceylonese workers’ movement emerged at the same time as plantation capitalism. The Ceylonese workers were mainly Sinhalese peasants expelled from their ancestral collective lands by the colonial power to work in the construction of roads and railways and in the docks. They maintained a toehold in the rural world however. Meanwhile, to ensure work was carried out on the plantations and in the towns, the British colonist had called on Indian Tamil workers from Tamil Nadu who they kept apart from the local workers. The workers’ movement was thus divided from its birth.

Although there were in the early 20th century several workers’ struggles involving workers of all origins and confessions, the nationalist and xenophobic discourse of the Sinhalese nationalist leaders had a profound impact on the working class of Sinhalese origin.

In the 1920s, new workers’ struggles allowed the development of an urban working class which was more unified, defending its own class interests beyond the castes which had survived and community based identities. A trade union confederation and a political party modelled on the British Labour Party emerged under the leadership of A.E. Goonesinha. The political control he exerted, both on the party and the trade union, was however fatal to the workers’ movement. During the great depression of the 1930s, Goonesinha did not hesitate to brand the Tamil plantation workers as being responsible for high unemployment and to accuse Indian merchants of dispossessing small Ceylonese landowners. The use of Sinhalese chauvinism was an easy and rapid means of constituting an electoral base which allowed him to win the parliamentary elections in the Sinhalese constituency of central Colombo. This was a fatal blow to universal suffrage - which had just been granted in 1931- by an unscrupulous politician who deployed it to electoralist ends.

# The constitution of a Sinhalese nationalism

Nationalist and racist themes were subsequently regularly used by the ruling politicians for electoral ends or to implement a class policy. Thus, the first law adopted by the first independent Ceylonese government [36], the Citizenship Act, rendered stateless the Tamil "Indian" workers who had been settled for three of four generations in the island, under the pretext that they could not prove that they were Ceylonese by parentage or by naturalisation. The second law withdrew the right to vote under the pretext that they were not Ceylonese!

These laws took the vote away from all the plantation workers of the centre and south, or a tenth of the electoral body. That allowed the ruling UNP to eliminate a million votes, much of which have previously gone to the Left parties and the Lanka Sama Samaja Party (LSSP), the main Ceylonese workers' party. [37]

This positioning prefigured the capitulations to come. The working class base of the party shrunk under the pressure of the inter-communal conflicts and the electoral successes of the SLFP destabilised the leadership of the LSSP. Defeat in the elections of 1960 disoriented the party. N. M. Perera, the main organiser of the LSSP's mass work, proposed forming a coalition government with the SLFP which was rejected by the majority of the party, but the LSSP parliamentary group supported the vote of confidence in the newly elected government against the "main enemy" of the UNP which had continuously ruled Ceylon since 1948 [38]. In 1964, Perera engaged the majority of the party in a coalition government with the SLFP and the Ceylon Communist Party [39], the government being led by Sirimavo Bandaranaike, the widow of the prime minister assassinated seven years earlier. The earlier political demands of the two left parties in favour of equal rights for the plantation Tamils and parity of status between Sinhalese and Tamil

languages were put aside. In the same year, the LSSP was expelled from the Fourth International which saw entry into the SLFP government as a political treason.

A minority group around Bala Tampoe and Edmund Samarakkody continued to defend the traditional positions of the LSSP in a new party. But the only mass political party which had defended workers regardless of their ethnic origin had betrayed, leaving a political vacuum in the working class and strengthening Sinhalese nationalism. [40]

In 1968, the SLFP, LSSP and CP formed the United Front which won the 1970 elections. The LSSP and CP, definitively converted to parliamentarism, justified this alliance by the desire to oppose the UNP, "the party of foreign and Ceylonese capitalist interests" whereas the United Front campaigned for a policy of industrialisation through import substitution, the development of social protection and the nationalisation of the Bank of Ceylon, transport and the tea plantations.

The policy of this government was however less progressive than it appeared. It was Sirimavo Bandaranaike who pushed further the political logic of discrimination against North Eastern origin and plantation Tamils to satisfy her electoral clientele. That had significant repercussions on the economic policy pursued. In a difficult economic conjuncture owing to the first generalised world recession in 1974-75, with an unprecedented increase in unemployment, the UF government sharpened discriminatory policies which were already in place and invented new ones: the "Sinhala Only Act" was used to exclude Tamils from the police, army, courts and governmental services in general; the policy of colonisation of Tamil areas was accentuated; the plantation Tamils were voluntarily or forcibly repatriated to Tamil Nadu. Standardisation of access to universities, which was deeply discriminatory against part of the Tamil community, was imposed. This racist policy was implemented by parties who identified themselves with the workers' movement. How could the

coming generations of young Tamils still have confidence in the Left parties?

All these discriminatory policies had the goal of transferring resources to the Sinhalese to the detriment of the Tamils. In 1971, however, the government faced a very significant insurrection from the Janatha Vimukthi Peramuna (JVP), a group made up of young Sinhalese living in the south of the country, mainly rural and members of the petty bourgeoisie. Such an uprising of youth, supposedly the main beneficiaries of the political measures taken, show how much the discrimination against the Tamils did not benefit the majority of Sinhalese and did not alleviate poverty and unemployment. The ruling coalition responded with a terrible repression. Several thousand youths were killed by the army and the police and more than 10,000 were jailed [41]

## The emergence of the Tamil national question

In the early 1970s, the crisis in relation to the Tamil minority deepened. In 1972, Colvin R. De Silva, the former historic leader of the LSSP and then minister for constitutional affairs, drew up a new constitution which, among other things, gave Sinhalese the status of sole official language, established Buddhism as virtually the state religion. It removed section 29 of the 1947 Soulbury Constitution that guaranteed certain protection clauses for ethnic and religious minorities. It also introduced a new fundamental rights chapter that was applicable to North-eastern Tamils but not to those plantation Tamils who were stateless because it only protected citizens.

At the economic level, the policy of the government was profoundly discriminatory with respect to the Tamil community. The nationalisation of the plantations was accompanied by a redistribution of land in favour of the Sinhalese majority. The linguistic policy of the government deprived young Tamils of jobs after their studies. The new standards of access



to the university were perceived by middle class youth as one discriminatory measure too far with respect to their community. This measure mainly affected the young Tamils of Jaffna, who were more educated. It did not affect the youth of the East, from Vanni and the plantations of the centre who for the most part did not go to university. It was nonetheless the detonator for big mobilisations and the entry into politics of a new generation of Tamil youths.

The Federal Party and the Tamil United Front (TUF) [42] began to distil a nationalist rhetoric which proclaimed the unity of all Tamils beyond class and caste inequalities. At this time, the notion of Tamil identity was real but it was not the substance of the Tamil community. In everyday life, belonging to a caste and a village constituted the main vectors of identity and dominated social relations.

The battles of the FP and TUF did not go outside of parliament, leaving a vacuum occupied by these young Tamil militants in Jaffna. Since independence, the attempts at political negotiations with the different parliamentary parties (SLFP and UNP) and the campaigns of Satyagraha [43] of the Federal Party had brought no solution to the Tamil cause. The refusal of the state to accord a minimum of autonomy and devolution led these young militants to reject the policy followed by the traditional Tamil political parties.

The young Tamil generations no longer believed in the possibility of developing their rights by democratic means. Only a separate state seemed to them to guarantee their linguistic, religious and cultural rights. Thus the question of a separate Tamil state emerged as the sole alternative and the means of winning it could rest neither on parliamentary battles or traditional campaign of agitation.

A major event marked the beginning of a cycle of violence [44]. In January 1974, a literary meeting to celebrate Tamil language and culture was organised in Jaffna. It was supported by the TUF. The coalition government led by Sirimavo Bandaranaike did not

like it but did not dare to oppose it directly. When a final meeting attracted nearly 50,000 participants, the riot police attacked the crowd leading to the death of seven people. Following this event, the TUF and FP accentuated a campaign against the mayor of Jaffna [45], launched from 1972, accusing him of being a "traitor". These vicious attacks ended with him being assassinated on July 27, 1975 by a member of an organisation formed in 1974, the Tamil New Tigers. This new organisation changed its name to the Liberation Tigers of Tamil Eelam (LTTE) in 1976.

No less than thirty groups engaged in violent actions of which the assassination of the mayor of Jaffna was the symbolic beginning. Among these groups, some like the People's Liberation Organisation of Tamil Eelam (PLOTE) and the Eelam People's Revolutionary Liberation Front (EPRLF) were left-wing organisations. The LTTE for its part was situated on a nationalist and pragmatic terrain. But they were above all fashioned by the origin of most of the founder members, educated young students from the Jaffna middle class and rather high caste.

Ethnic tensions worsened throughout the 1970s but the armed Tamil groups remained marginal until the mid 1980s. In July 1983 a second major rupture took place. Following an ambush in which 13 police officers were killed by the Tigers, Sinhalese nationalists unleashed a pogrom in Colombo and its surrounding areas. Several thousand Tamils were killed, houses burned, shops looted. That led to a significant wave of immigration of Tamils to the north of the island and abroad. Following this tragic event thousands of young Tamils joined the armed struggle and the guerrilla struggle turned into civil war.

No progressive organisation was in a position to offer a political alternative. Sri Lankan democracy had been profoundly sapped for too long a time. In 1977, Junius Richard Jayawardene, elected Prime Minister following the victory of the UNP against the United Front, again changed the constitution, concentrating powers in the hands of

a super President. He had created the National Union of Workers (Jathika Sevaka Sangamaya - JSS), in fact an organisation of hooligans used to intimidate, indeed kill his opponents, break strikes, and attack Tamils. The Sri Lankan working class was more than ever divided according to ethnic lines. The main left parties, the LSSP and the CP, had been contributors to this situation having for a long time renounced their convictions and political principles in exchange for ministerial posts. Everything was in place for a civil war which would lead to new massacres and precipitate the retreat of the workers movement as a whole especially after the defeat of the July 1980 strike movement.

## **The 1980s and the domination of the LTTE**

On the other said of the Palk Strait, India was not indifferent to the pressure exerted by the 50 million Tamils living in Tamil Nadu and sympathising with the Lankan Tamil cause. During the 1980s, certain Tamil groups were militarily trained, armed and financial supported by the Indian state's intelligence arm, the Research and Analysis Wing - (RAW).

Following the Indo-Lanka accords of 1987, India intervened directly in the north of the island. It deployed a "peacekeeping force". The agreements, signed in July 1987 by the Indian Prime Minister Rajiv Gandhi and the Sri Lankan President J. R. Jayawardene, sought to establish a certain autonomy in the North and East where Tamils were in the majority, the fusion of its two provinces (fusion which should be validated by a referendum) and the recognition of an equal status between the Tamil and Sinhalese languages.

But despite a common reference to the Thimphu Declaration [46] which aimed to present a unified and common basis for the many Tamil groups, the political divisions and personal antagonisms remained. Among them, the LTTE would emerge as the dominant group. From the early 1980s, the Tigers organised the brutal

killing of the main leaders of the other armed Tamil groups, in particular those organisations identified with Left and therefore mass-based politics

Moderate Tamil activists, pro-Indian activists, and democrats not supporting the objective of a separate Tamil state were forced into exile or killed. The TULF was considerably weakened politically by the LTTE's assassination of its main leaders, A. Amirthalingham and Yogeswaran. By eliminating or forcing into exile the main leaders of the other organisations of struggle, the LTTE destroyed all democracy inside the Tamil national liberation movement. They did not seek to unite the different Tamil-speaking communities of Sri Lanka. On the contrary, in 1990, they were guilty of ethnic cleansing, notably by the expulsion of almost 100,000 Tamil speaking Muslims from Jaffna district in the space of 48 hours. In a certain way, the LTTE shared with the Colombo government that they fought the same criminal conception of an ethnically pure society, rid of every minority.

In the early 1990s, the Tigers no longer had any real opposition. They could then present themselves as the "sole legitimate representatives of the Tamil people" and seek external political support. Their objective of a separate Tamil state became the sole proclaimed objective, separating it from the question of the rights demanded by Tamils and mortgaging any democratic resolution of the civil war.

## **Some lessons from the history of an oppression**

This historic recapitulation of the Tamil question in Sri Lanka allows us to draw valid political lessons for other continents and other struggles which give it a universal scope.

The organisations of the workers' movement should never abandon a part of their own. One cannot claim to emancipate the workers from exploitation while allowing a minority among them to become the victims of vindictive racism, indeed worse, directly participating in their oppression. Discrimination and violence exerted against an ethnic minority will return later against the workers as a whole and their organisations. Sri Lanka is the sad illustration of it. The Sinhalese workers have gained nothing from the oppression of the Tamils and the LSSP and CP, in allowing them to fall, precipitated their degeneration.

So far as the Tamil Tigers are concerned, full scale militarisation and maximalism were fed by the negation of the democratic rights of the Tamils themselves and thus the possibility of self-organising struggles. No socialist and democratic society can be created by organisations which justify murder in the name of the necessities of the armed struggle.

In all fights against national oppression, or against the oppression

suffered by certain ethnic groups, there is the need to recognize the right to self-determination. The only progressive solution is the defence of equality between citizens, whatever their origin, sex or religion. Today the material and political conditions for the exercise of self-determination rights do not exist. Since Sri Lanka is a multi-ethnic and multi-religious state, its minorities should be granted rights including political, cultural and linguistic rights, to reverse historical oppression or discrimination.

Today, there is an urgent need to address justice and reparations for the Tamils and Muslims who were displaced and dispossessed during the war and for the Hill-country Tamils who are still economically disenfranchised. Rather than so doing, the current government of Sri Lanka has profited from the military "victory" over the Tamil Tigers in 2009 to restrict still further democratic liberties, block any opposition and on this basis attack all workers whatever their ethnic origin. The new trend in economic development further causes uneven development and inequality for the majority of the Sri Lankan people. Therefore, there will not be any progress toward social justice and democracy without linking the political settlement of minorities' demands with the class struggle of all workers for social justice and redistribution. In that perspective, devolution of state power could be an important step to empowering local communities and minorities against this authoritarian and centered State.